

Summary of Nordea Anti-Money Laundering/Counter Terrorist Financing/Anti Tax-Evasion (“AML/CTF/ATE”) policy and practices – February 2020

At Nordea, the cornerstone of our business is being a responsible member of society. We use our skills, expertise, knowledge and relationships to make a positive difference to the society and our customers, external stakeholders, authorities and other counterparties.

Strong financial crime risk management practices are one of the most powerful tools in fighting financial crime. Managing the risk of financial crime is vital to achieving Nordea’s commitment to serving as a positive contributor in society.

Nordea is committed to complying with all applicable AML/CTF/ATE laws and regulations in jurisdictions in which it operates. Therefore we have established and maintain global policies, procedures and internal controls intended to comply with these regulations. Nordea’s global AML/CTF/ATE framework and practices support the broader customer strategy, values and vision, and provide a uniform set of risk management principles and mandatory standards throughout the Nordea Group.

Nordea’s AML/CTF/ATE framework and practices are based upon the various laws, regulations and regulatory guidance from Financial Action Task Force (“FATF”), the United Nations, the European Union, Sweden, Denmark, Finland, Norway, the United Kingdom, the United States of America, and, as applicable, other local jurisdictions in which Nordea operates.

Nordea’s AML/CTF/ATE framework includes but is not limited to:

- Group Global AML/CTF/ATE Policy and Standards that define the minimum standards which all Nordea branches and subsidiaries must comply with, including:
 - Risk based approach in prevention of money laundering.
 - Defined accountabilities and responsibilities throughout the group for prevention of money laundering and terrorist financing.
 - Establishment of a Group CEO Instruction on Global Know Your Customer (“KYC”) standards including Customer Due Diligence (“CDD”) processes to be followed when new customers are on-boarded, and Ongoing Due Diligence (“ODD”) performed. Conducting enhanced due diligence (“EDD”) on customers assessed as higher risk, such as Politically Exposed Persons (“PEPs”), their family members and close associates.
 - Establishing processes and systems designed to screen and monitor customer transactions for the purpose of identifying prohibited or suspicious activity.
 - The investigation and subsequent reporting of suspicious activity to the appropriate regulatory bodies.
 - Mandated regular independent testing and regular AML training for all staff.
- The prohibition of certain products, services and customer types such as:
 - Anonymous accounts or numbered accounts or customers seeking to maintain an account in an obviously fictitious name.
 - Shell banks, i.e. banks with no physical presence or staff.
 - Customers found or suspected of deliberately providing a false or misleading tax statements or otherwise utilizing Nordea’s product and services towards tax evasion.
 - Any businesses that are known to be illegal based on applicable laws and regulations governing the customer relationship
 - Customers that are legal entities and that have bearer shares within their ownership structures, and where such customers are not subject to acceptable controls.

- Any business relationship where there exists a suspicion before the business relationship is established, that Nordea's products or services will be used for ML, TF, TE or TE Facilitation.
- Any relevant additional local requirements.

To drive global adherence to these frameworks and ensure embedding has taken place, Nordea has invested in initiatives with objectives to address all fundamental areas of financial crime, including Governance, KYC, Sanctions Screening and Transaction Monitoring. These initiatives support Nordea's policies, procedures, technology changes, improvements, and enhancements to establish and maintain group-wide and sustainable standards for the prevention of Financial Crime.

A link to our Wolfsberg Group financial crime questionnaire can be found from www.nordea.com.