

NORDEA CONFLICTS OF INTEREST POLICY

This document has been amended for public consumption from the original internal version. Personal and confidential information has been removed.

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1 Purpose and scope

As an international financial services provider, Nordea Bank Abp and its subsidiaries (“Nordea”) face Conflict of Interest situations on a regular basis. All Employees are required to act in a fair, honest and professional manner and in accordance with the best interest of Nordea’s customers. As such, it is essential to have effective controls in place to manage Conflicts of Interest. The purpose of this Group Board Directive (“Directive”) is to outline Nordea’s approach to Conflict of Interest (Col) risk management. It is essential to have effective processes and controls in place to identify, assess, manage, monitor and report on Col and the associated Col risks.

All Employees of Nordea, including non-permanent staff working on behalf of Nordea, persons involved in the provision of financial services on behalf of Nordea under an outsourcing agreement and Group Leadership Team (“GLT”), the Chief Executive Officer of Nordea (“Group CEO”) and Group Board members are subject to this Directive.

1.1 Subsidiaries and branches

This Directive, and the underlying Guidelines are applicable also for all Group Subsidiaries and branches of Nordea. However local or business specific external rules may require establishing of additional policies.

2 Definitions

A **Conflict of Interest** is a situation where competing interests or loyalties could potentially inappropriately influence a decision or activity in Nordea and/or cause detriment to Nordea or one or more of Nordea’s customers. This includes both potential and actual Conflicts of Interest.

A **Permanent Conflict of Interest** is a situation where the Col persists or recurs and needs to be managed on an ongoing basis.

A **Non-permanent Conflict of Interest** is a situation that exists during a specific period of time or regarding a specific activity or decision and needs to be managed on a case by case basis.

An **Individual Conflict of Interest** is a Col arising with regards to a named individual Employee’s or Group Board member’s private interest or with regards to their past or present personal or professional relationships. The interests of Close Family Members are included in this scope, to the extent that the Employee is aware of them.

An **Institutional Conflict of Interest** is any Conflict of Interest that arises in connection with Nordea’s business activities. These can relate to different services/products, customers, roles, functions, business areas, legal entities or units in Nordea Group or with regard to external stakeholders including shareholders.

Close Family Member refers to the Employee’s spouse, registered partner, cohabitee, children or step-children (even if not sharing the same household). This includes also any dependents or Principals of the Employee their spouse, registered partner or cohabitee.



Principal means any natural or non-natural person whose financial matters the Employee has legal authority to manage, whether under an agent-principal relationship (for example, a power of attorney) or any other legal basis.

Employee means all persons employed by Nordea Bank Abp or its subsidiaries, including non-permanent staff working on behalf of Nordea (e.g. consultants) and persons involved in the provision of financial services on behalf of Nordea under an outsourcing agreement. GLT members are also included in Employees.

Managing Measures are defined as actions that either prevent or mitigate the risks that the Col poses for Nordea or Nordea's customers.

An **External Engagement** is a secondary occupation, a board directorship or other comparable role for an Employee that includes responsibilities towards another company, association or other type of entity that is not part of Nordea. Any positions appointed to Employees by Nordea are not considered External Engagements.

Investment Services refer to investment services or ancillary services as defined in 2014/65/EU on Markets in Financial Instruments (MiFID II).

Distribution of Insurance-Based Investment Products refer to activities defined in 2016/97/EU on Insurance Distribution Directive (IDD).

Foreign Exchange Market Services refer to services in scope of application of Global FX Code 2021.

3 Categories of Conflicts of Interest

Col are separated into two categories to ensure appropriate and proportional management: Individual and Institutional Col.

3.1 Individual Conflicts of Interest

Col arising with regards to a named individual Employee or a Group Board member's private interest or past or present personal or professional relationships are defined as Individual Col. The interest of Close Family Members or Principals of the Employee must also be considered by the Employee to the extent the Employee is aware of them. Past professional or personal relationships from last five years must be considered relevant in assessing whether an Individual Col is present.

Individual Col can arise e.g.:

- between an Employee (or Group Board member) and a customer or customers of Nordea,
- between an Employee (or Group Board member) and Nordea,
- between different Employees (or Group Board members), including the People Leader or
- between an Employee (or Group Board member) and third parties like vendors, service providers etc.



3.2 Institutional Conflicts of Interest

Col that arise in connection with Nordea’s business activities are defined as Institutional Col. These can arise with regard to different activities, financial services, customers, roles, functions, business areas, legal entities or units in Nordea Group or with regard to external stakeholders including shareholders.

Institutional Col can arise:

- with regard to a customer, or between two or more of Nordea’s customers,
- with regard to any external stakeholders like shareholders, sourcing partners and service providers including any linked persons, i.e. any legal or natural persons directly or indirectly linked to Nordea by control, for example qualifying shareholders of Nordea,
- involving or between individual persons as well as larger groups of people or units, decision-making bodies, legal entities or other non-individuals,
- between the different roles and responsibilities assigned to an Employee within or by Nordea, (For clarity the Col is an Institutional Col even though it affects a named individual Employee as these issues do not stem from the individual Employee’s private interest.).

4 Identification of Conflicts of Interest

Nordea must have in place effective processes and controls to identify Col. Each Employee is responsible for identifying Col as part of their work and reporting them to their People Leader.

Nordea maintains a Col register to record the identified Col. The Group Subsidiaries and the Non-EEA branches within the Group maintain their Col registers locally, and must provide extracts of their Col registers and other relevant information annually or upon request from Group Compliance.

The Col register must be kept up to date and Permanent Institutional and Individual Col must be reviewed at least annually. The annual review of Institutional Col must include each Business Area, Group Function and Group Subsidiary reviewing their registered Permanent Institutional Col to ensure that they cover all relevant Col that arise or could arise in connection to their activities (including intragroup Col), and that the Managing Measures continue to be appropriate.

5 Materiality of Conflicts of Interest

Each identified Col must be assessed for materiality purposes as either material or non-material. Materiality is to be assessed inherently i.e. before any preventive or mitigating controls are assigned.

Materiality is dependent on the risk of detriment that it poses to Nordea or Nordea’s customers. A Col must be deemed material when it is not insignificant and could cause probable:

- detriment to one or more of Nordea’s customers, and/or
- financial loss or liability for Nordea and/or



- reputational damage to Nordea.

If a Col is assessed as material, the Col must be mitigated and Managing Measures need to be defined as described below.

6 Managing Measures

For all material Col, effective Managing Measures, i.e. preventive or mitigating actions, must be defined and implemented. Preventive actions must always be considered first. Only if the Col cannot be fully prevented, mitigating actions are to be assigned.

Permanent Col require ongoing or recurring Managing Measures, which need to be followed up at least annually to ensure that effective Managing Measures continue to be in place. Non-Permanent Col can usually be managed with one-off Managing Measures.

6.1 Acceptance of Conflicts of Interest

Only non-material Col can be accepted. The acceptance decision must be documented in the Col register. Group Compliance must be contacted for advice before a Col is accepted.

6.2 Individual Conflicts of Interest relating to External Engagements

It is important for Nordea to ensure that Employees' External Engagements do not give rise to material Col, cause reputational damage, or negatively affect the Employees' work duties, capabilities or Nordea in general. To ensure this, External Engagements are subject to a pre-approval by the People Leader. Any non-approved External Engagements or External Engagements in offshore structures are prohibited.

Each Employee is responsible for seeking approval from their People Leader for their External Engagements prior to engaging in them. Group Compliance must be contacted for advice prior to granting approval.

Any Col arising from the roles or positions to which Employees are assigned by Nordea are to be managed according to the principles of Institutional Col.

Employees must not engage in external directorships of publicly traded / listed companies, competitor companies or other financial services related companies. External directorships in other entities, such as family-owned companies or trusts must be reviewed and approved on a case by case basis.



6.3 Disclosure to customers

Sometimes it is not possible to fully prevent or mitigate the risks a Col entails to customers. Disclosure must be used to inform the customer of the Col and the residual risk that remains. In providing Investment Services, engaging in Distribution of Insurance-Based Investment products or Foreign Exchange Market Services it is required to use disclosure only as a last resort measure, after all other possible measures have been exhausted.

The disclosure must be made in a written format, and must include the general nature and source of the Col and the steps that have been taken by Nordea to mitigate the risks. Disclosure is not possible if the disclosure could damage the interest of one or more customers or entail revealing confidential information.

When Nordea is engaged in services or activities other than the above listed specific services and these services or activities regard customers that are companies, disclosure of Col may be used to ensure fair treatment of customers and to help the customers make informed decisions.

7 Reporting

The CEO in GLT and GLT members must receive at least annual reporting on Col in order to ensure that all relevant Col are identified and managed appropriately on Group level.

The CEO in GLT and the Board must receive at least annual reporting on Col to support in overseeing the effective implementation and maintenance of this Directive and the Col identified on GLT and Board level.

8 Roles and responsibilities

8.1 All Employees

Employees must report all identified Individual Col, or changes to them, to their People Leader. All identified Institutional Col or changed circumstances regarding an Institutional Col must be reported to the leader responsible for the unit or area the Col potentially impacts, e.g. the head of the unit. The reporting must be done without undue delay.

Consultants or other persons with a temporary assignment for Nordea must report identified Individual or Institutional Col to the Employee/People Leader in Nordea that is responsible for their assignment, who are then responsible for reporting the identified Col further as described earlier in this section.



The People Leader / leader to whom the Col is reported is responsible for making decisions on managing the Col and ensuring that all requirements are followed as required by this Directive and supporting internal rules.

8.2 Group Board

The Group Board, together with Group CEO, is accountable for establishing, approving and overseeing the implementation and maintenance of effective policies to identify, assess, manage and mitigate or prevent actual and potential Col at the institutional level, and including private interests of the persons in scope of this Directive.

The External Engagements related requirements in this Directive do not apply to Group Board members. Members of the Group Board must not hold directorships in companies that are in competition with Nordea, unless the company in question is within the scope of prudential consolidation with Nordea.

The Group Board members must proactively identify any Col and disclose them without undue delay to the Chair of the Board or Vice Chair of the Board if the Col arises regarding the Chair, and the Board Secretariat. The Group Board member must also recuse themselves from decision-making regarding matters where the Col could have any impact. In identifying and assessing Col, the perception of Col must also be considered.

In addition to the ongoing requirement to identify emerging Col, the suitability assessment of Board members also covers identification and assessment of Individual Col. In the event of a material Col is identified, adequate preventive or mitigating measures are to be decided on by the Chair of the Group Board and disclosure made to the relevant supervisory authorities where relevant. All identified Col in relation to the Group Board or individual Group Board members must be documented.

Each material Col, as defined in this Directive, identified by a Group Board member regarding the Group Board or a member of the Group Board must be reported to the Chair of the Board, Board Secretariat and to the Chief Compliance Officer.

8.3 The Group CEO and Group Leadership Team

The Group CEO, together with Group Board, is accountable for establishing, approving and overseeing the implementation and maintenance of effective policies to identify, assess, manage and mitigate or prevent actual and potential Col at the institutional level, and including private interests of the persons in scope of this Directive.



Each GLT member is accountable for ensuring that this Directive and the underlying Guidelines are implemented in their respective Business Area/Group Function. This includes ensuring that the activities and functions in different Business Areas/Group Functions are arranged in a way that promotes effective Col management, objective decision-making and avoidance of detriment to Nordea or Nordea's customers, and that intragroup Col are appropriately identified and managed. When planning organisational changes, the relevant GLT members are responsible for ensuring that the change does not result in increased Col risk.

Each GLT member must ensure that relevant training on Col is provided on a regular basis to Employees in their respective Business Area/Group Function to ensure appropriate level of skills and awareness on Col. These skills include the ability to identify both potential and actual Col, and the understanding of the process of reporting the identified Col.

The Group CEO and each GLT member are responsible for proactively identifying Col that could impact their duties and/or capability to make sound and objective decisions according to their role. Each GLT member must report without undue delay to the Group CEO, or their delegate, regarding an identified Col.

The Group CEO must report without undue delay to the Chair of the Group Board upon identifying a Col relating to the Group CEO. Each material Col reported to the Chair of the Group Board or to the Group CEO must be at the same time reported to the Chief Compliance Officer.

Each Individual Col or External Engagement, as defined in this Directive, identified by a GLT member or other direct report to the Group CEO regarding the GLT member or the direct report to Group CEO must be reported to the Chief Compliance Officer.

