

Conflicts of Interest Policy

To ensure that all clients are fairly treated, Nordea Bank S.A. (the “Bank”) identifies and manages any conflicts of interest according to a Conflicts of Interest Policy.

All employees of the Bank are subject to this policy.

Introduction

It is the policy of Nordea Bank S.A. (the “Bank”) that, when providing financial services or performing other activities, the Bank takes all appropriate steps to identify and to prevent or manage conflicts of interests. This policy sets forth the organisational and administrative procedures to adhere to the above requirements. All employees of the Bank, including non-permanent staff working on behalf of the Bank, persons involved in the provision of financial services to the Bank under an outsourcing agreement, board members and the CEO, are subject to this policy. The Bank shall ensure that all relevant staff has the sufficient skills and awareness of what constitutes a Conflict of Interest and what measures are required when a Conflict of Interest has been identified. Conflict of Interest might arise between the Bank and its clients, shareholders, management bodies, board members, employees, suppliers and business partners, between different functions, units and/or companies within Nordea, including managers, employees and tied agents, or any person directly or indirectly linked to them by control, and also between the Bank’s clients. A Conflict of Interest might exist in situations which may not result in actual conflicts of interest but create the perception of a conflict of interest.

A Client’s best interests are always considered by the Bank, in order to ensure that the Client is treated fairly. When identifying potential conflicts of interest, the following questions, among others, are considered: Is there a specific interest for the Bank or its employees in the outcome of the service provided to the Client? Has the Bank a financial or other incentive to favour the interest of another Client or group of Clients over the interest of the Client? Are there inducements in the form of money, goods or services other than the standard commission or fee for the service involved?

Identifying conflicts of interest

The Bank shall identify potential or actual Conflicts of Interest before or when they arise as part of its normal day to day business. Relevant business units must identify circumstances and situations that may constitute or give rise to conflicts of interest in specific business activities carried out by them.

Examples of Conflicts of interest and potential conflicts of interest relating to clients:

- providing discretionary portfolio management services and independently allocating assets to a Client’s portfolio;
- providing investment advice to a Client in respect of products manufactured by Nordea
- providing advisory and financing services to one Client in respect of a transaction and seeking to provide financing services to another Client in respect of the same transaction;
- employees engaging in personal account dealings in the same financial instruments as a client

- providing portfolio management services and placing orders with affiliated broker companies;
- providing investment research in relation to such entity or group to which it also may provide corporate finance advisory services.

Examples of Conflicts of interest and potential conflicts of interest relating to the Bank’s internal organisation

- an employee (or, where applicable, a family member or close personal relationship) receiving a financial or other significant benefit as a result of the employee’s position in the Bank that is inappropriate in nature
- an employee’s existing financial or other interest or previous engagement in an activity or relationship with another person, impairing or could be impairing his or her judgment or objectivity in carrying out his or her duties and responsibilities to the Bank
- Conflict of Interest arising in connection with a transaction or arrangement entered into between the Bank and a material shareholder or between entities within the Nordea Group due to the close relationship between the parties
- an employee performing or taking part in external engagement entails a risk that the employee’s ability to perform its work in the Bank is affected

Preventing and managing conflicts of interest

A number of ethical principles have been laid down in the Bank’s “Code of Conduct”. The code requires the Bank to run its business according to high standards of integrity and business conduct, to handle its Clients in a proper manner and to ensure that the Bank’s employees uphold a high standard of ethical behaviour when performing their duties. The Bank has introduced guidelines for its managers and employees that are based on sound business relationships, these guidelines also cover the effective management of inducements (including the offering or receiving of gifts or entertainment) and are to be strictly followed in business and personal interaction with Clients.

The principle of segregation of duties adopted in the Bank is fundamental to preventing conflicts of interest that adversely affect the interest of the Banks’s Clients. Accordingly, these principles are reflected in the Bank’s organisational structures, procedures and internal controls.

The possibility of The Bank employees’ making personal investments in financial instruments is restricted, to avoid conflicts of interest arising. The Bank has adopted “personal account dealing rules” for the relevant employees. In addition, The Bank employees are not allowed to accept external engagements that might affect their capability of carrying out their professional duties. The employee’s manager must, where relevant, approve external board memberships and any secondary employment. In determining the remuneration of employees, The Bank also has to consider that such remuneration cannot compromise employees’ objectivity when carrying out their duties nor act against Clients’ best interests.

The Bank’s training programs for employees stress ethical behaviour and conflicts-of-interest management. The Bank is obliged to establish, maintain and document procedures to

identify, prevent and manage conflicts of interest and, when necessary, to issue supplementary instructions to the policies, instructions and guidelines issued.

Conflicts of interest register

The Bank must identify and list all circumstances and situations that may constitute or give rise to conflicts of interest in specific activities carried out by it in a conflicts of interest register. The conflicts of interest register must be updated on an on-going basis as needed, at least annually.

Disclosure

If the organisational and administrative arrangements within the Bank are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the general nature and/or source of the conflict of interest and the steps taken to mitigate those risks must be clearly disclosed to the Client before the service in question is performed. Disclosure should only be done as a measure of last resort. The disclosure shall be made in a durable medium and include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises. In case a situation arises where disclosure is required, the employee must immediately report this to his/her manager and seek direction as to the handling of the disclosure.

Reporting

Actual and potential Conflicts of Interest, or changed circumstances regarding actual and potential Conflicts of Interest, must be immediately reported to the relevant manager or, for board members and CEO to the Chairman of the board.

Miscellaneous

This Conflicts of Interest Policy shall be reviewed and assessed on an annual basis.

This policy shall be made available to The Bank's Clients when requested. The policy is also published on The Bank's homepage on the Internet www.nordeaprivatebanking.com.