

Document Title **6.2 Conflicts of Interest Policy**

19 June 2012 Date

Entry into force The Board of Directors of Nordea Bank AB (publ) (Group Board) has issued this policy, which was last updated on 19 June 2012.

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Purpose and scope

This policy set forth the organisational and administrative procedures to identify and prevent or manage conflicts of interest when providing financial services or performing other financial activities, in order to ensure that customers are treated justly.

*All employees of the Nordea Group, including non-permanent staff working on behalf of Nordea, providing financial services or performing other financial activities are subject to this policy*

It is the responsibility of each manager to ensure that this policy is where relevant known and conformed to within his/her respective area of responsibility.

### 1 Introduction

A conflict of interest is a situation entailing a material risk of damage to a customer's interest. A conflict of interest might exist even if there are no improper acts as a result of it.

Conflicts of interest might occur between a customer and Nordea, including its managers, employees or persons directly or indirectly linked to Nordea ("Nordea or its employees") or between two or more Nordea customers.

Conflicts of interest management requires that a customer's best interest is always considered so that the customer is treated justly.

When identifying potential conflicts of interest issues the following circumstances should, among others, be considered;

- Is there a specific interest for Nordea or its employees in the outcome of the service provided to the customer?
- Has Nordea 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 form of money, goods or services other than the standard commission or fee for the service involved?

### 2 Identifying conflicts of interest

All Business Areas and Group Functions (BA/GF) must identify circumstances and situations that may constitute or give rise to conflicts of interest in specific activities carried out by them.

Conflicts of interest and potential conflicts of interest concerning investment services are identified at least in the following situations:

- Carrying proprietary trading and trading at the same time on behalf a client;

- Providing discretionary portfolio management services and allocating independently assets to a client's portfolio;
- Providing advisory and financing services to one client in respect of a bid and seeking to provide financing services to another client in respect of the same bid;
- Providing portfolio management services and placing orders with affiliated broker company;
- Providing investment research in relation to such entity or group to which it also may provide corporate finance advisory services.

### **3 Preventing and managing conflicts of interest**

A number of ethical principles have been laid down in the "Nordea Code of Conduct". The code requires Nordea to run its business according to high standards of integrity and fair business, to handle its customers in a proper manner and to ensure that Nordea employees uphold a high standard of ethical behaviour when performing their duties.

The Nordea Anti-Bribery and Corruption Policy provide guidance for managers and employees on sound business relationships and managing of inducements when interacting with customers include offering or receiving of gifts or entertainment.

The principle of segregation of duties adopted in Nordea is fundamental to prevent conflicts of interest to adversely affect the interest of Nordea's customers. Accordingly these principles are reflected in Nordea's organisational structures, procedures and internal control.

To manage the information flow Nordea has also set up so called Chinese wall arrangements around and within certain business activities where sensitive customer information is handled. These arrangements include physical separation and restricted access to information but also specific arrangements around investment research and advice, proprietary trading, portfolio management and corporate finance business activities.

Nordea employees' possibility to make personal investments in financial instruments is restricted to avoid conflicts of interest arising. Business units have, based on the Group Directive "Policy for Personal Account Dealing in financial instruments (PAD Policy)", adopted personal account dealing rules for their relevant employees. In addition Nordea employees must attain approval from his/her manager before taking on external board memberships and secondary employments. External engagements that might affect the employees' capability to carry out their working duties are not allowed.

When deciding on employee remuneration a Nordea manager has to make sure that the remuneration neither compromises the objectivity of the employees when carrying out their duties nor is contrary to customers' best interest.

When training employees in Nordea, ethical behaviour and conflicts of interest management is stressed.

BA/GFs in Nordea are obliged to establish, maintain and document procedures to identify, prevent and manage conflicts of interest and, when necessary, issue supplementing instructions to the policies, instructions and guidelines issued by Nordea.

In addition to the policies, instructions and guidelines issued by Nordea the BA/GFs in Nordea are obliged to establish written procedures to identify, assess, disclose and document payments, receipts of any fee or commission or provision of a non-monetary benefit in connection with providing investment services or ancillary services i.e. inducements.

#### 4 Disclosure

This policy shall be made available to Nordea's customers when requested and a summary of this policy is also published at [www.nordea.com](http://www.nordea.com).

If the organisational and administrative arrangements set up within Nordea are not sufficient to ensure, with reasonable confidence, that a potential conflict of interest will be prevented when providing investment services or performing other investment activities, the general nature and/or source of the conflicts of interest must be clearly disclosed to the customer before the service or activity in question is performed.

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.

#### 5 Record keeping

When providing financial services business units shall record services carried out in which conflicts of interest entailing a material risk of damage to the interest of one or more customers has arisen or may arise.

**Applicable**

This policy applies to Nordea Bank and, subject to local regulations, to its subsidiaries. Where required for implementation the policy is to be resolved by the Board of Directors in the subsidiary concerned.

It was resolved by the Board of Directors of  
Nordea Bank Danmark on, 17 July 2012  
Nordea Bank Finland on 17 July 2012  
Nordea Bank Norge on 29 June 2012  
that this policy applies in relevant parts for the respective company.

**Responsible unit and contact**

Group Compliance is responsible for establishment and maintenance of this policy and for supporting and monitoring the implementation within the Nordea Group. Group Compliance may issue further instructions on the management and disclosure in relation to conflicts of interest and inducements. In addition hereto the Compliance organisation provides support and advice to the business units and business areas regarding compliance with this policy.

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