

Conflicts of Interest Policy

Entry into force

The President of Nordea Bank AB (publ) and Chief Executive Officer of the Nordea Group (CEO) in Group Executive Management has issued this policy on 4 September 2007 to enter into force on 1 November 2007.

Purpose and scope

It is the policy of Nordea Group ("Nordea") that in providing investment or investment related services or performing other investment activities conflicts of interest must be identified and prevented or managed so that customers are justly treated.

This policy set forth the organisational and administrative procedures to adhere to above requirements.

All employees of the Nordea Group, including non-permanent staff working on behalf of Nordea, providing investment or investment related services or performing other investment 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

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.

A customer's best interest is always considered in Nordea to guard that the customer is treated fairly.

When identifying potential conflicts of interest issues the following circumstances are for example 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

Nordea provides full scale of investment services, e.g. trading in financial instruments on behalf of clients and provision of asset management services.

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.

Conflicts of interest and potential conflicts of interest may occur at least in the following situations:

- Carrying proprietary trading and trading at the same time on behalf of 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.

Nordea has introduced guidelines for its managers and employees on sound business relationships and managing of inducements to be followed in such interacting with customers that 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 the conflicts of interest arising. Business units have adopted "Personal account dealing rules" for their relevant employees. Neither are Nordea employees allowed to accept external engagements that might affect their capability to carry out their working duties. The employee's manager must where relevant approve external board memberships and secondary employments.

In deciding on the remuneration of employees, a Nordea manager also has to consider that the remuneration does not compromise employees' objectivity when carrying out their duties nor is opposite to customers' best interest.

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

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

4. Disclosure

This policy shall be made available to Nordea's customers when requested and the policy is also published on Nordea's homepage on Internet www.nordea.com.

If the organisational and administrative arrangements set up within Nordea are not sufficient to ensure with reasonable confidence that the potential conflict of interest will be prevented, the general nature and/or source of the conflicts of interest must be clearly disclosed to the customer before the service 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.