

# Conflicts of Interest Policy

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## 1. Objective

Conflicts of Interest (“Col”) are where in the course of Danske Bank Group’s (the “Group”) business there are actual or Potential Conflicts of Interest between the interests of the Group, its Customers, Relevant Individuals and/or other stakeholders and as a result acting in one of those interests may be working against the interests of another.

The Col Policy (“this Policy”) is designed to ensure that the Group adheres to relevant applicable laws and regulations. This Policy supports global compliance with sufficient flexibility to adapt to requirements in the local jurisdictions.

This Policy sets out the principles for the identification and appropriate management of Col. Implementation of this Policy establishes the basis of the Group’s reasonable steps to identify and to avoid a Col or manage the Col according to reasonable measures.

## 2. Definitions

The below definitions apply to terms used throughout this Policy:

<b>Conflicts of Interest (“Col”)</b>	<b>Col are where, in the course of the Group’s business, or there is a Potential or actual conflict between the interests of the Group, its Customers, Relevant Individuals and/or other stakeholders and that, as a result acting in one of those interests may be working against (to the detriment of) the interests of another.</b>
<b>Conflicts of Interest Catalogue (“Col Catalogue”)</b>	The Group’s system of classification of Col. Each item in the Catalogue represents a type of inherent conflict situation that may arise in multiple individual instances across the Group. Policies or instructions in place are noted in the Catalogue and outline the Group’s general approach to mitigating the outlined types of inherent Col risk.
<b>Conflicts of Interest Register (“Col Register”)</b>	A collection of databases established by individual lines of business or departments, where individually identified live Col are recorded, along with the actions to avoid or manage the Col. Live conflicts require manual reporting in the Col Register for the relevant business or department. Where there is no dedicated Col Register but a live conflict must be recorded.
<b>Connected Person</b>	Legal or natural persons whose relationship with a Relevant Individual may give rise to an actual or Potential Conflict of Interest with the Relevant Individual or whose employment or position might bring a Potential Conflict of Interest to the Relevant Individual’s role at the Group. Examples of a Connected Person include but are not limited to: a) a spouse or a partner considered to be equivalent to a spouse in accordance with national law; b) a dependent child, in accordance with national law; c) a relative who has shared the same household for at least one year; d) a legal person, trust or partnership which is directly or indirectly controlled by a Relevant Individual or by an individual referred to in point (a), (b) or (c), and which is set up for the benefit of a Relevant

	Individual, or the economic interests of which are substantially equivalent to those of a Relevant Individual.
<b>Control Room</b>	A dedicated Group Compliance team. The primary mandate of the Control Room team is to support and oversee the management of Col and market abuse risks in respect of conflicts regarding Customer information through key processes such as the determination of (external issuer) Insider Information, management of insider lists, information barriers, event logging, employee conflicts (such as personal account dealing or outside business interests) and research.
<b>Customer</b>	A natural or legal person with whom a unit of the Group has a mutual agreement concerning a delivery of a service or product involving one or more transactions on an ongoing basis (e.g. deposit/investment, credit facility). It also includes natural or legal persons actively seeking to enter into or already has a relationship with the Group for the receipt of services. This may include existing, potential or former Customers of the Group. Potential Customers include those where the Group is seeking to enter into a relationship with the potential Customer in respect of services or transactions. Former Customers include those where trust or other duties remain in place. Where the Group holds Insider Information on these legal persons, this is referred to as "external issuer Inside Information".
<b>Departments</b>	Refers to the organisation of Group business units (front office) and direct support functions. Group Risk Management and Group Compliance ('group functions' supporting both first and second line of defence but which are not front office) (back office).
<b>the Group</b>	Danske Bank A/S and its Subsidiaries.
<b>Immediate Manager</b>	Those who have a direct managerial responsibility for, and act in a supervisory capacity in respect of, (a) particular employee(s).
<b>Inside Information</b>	Information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if made public, would be likely to have a significant effect on the prices of those financial instruments.
<b>Joint Venture</b>	A business arrangement in which the Group and other third parties agree to pool their resources for commercial purposes.
<b>Management Body</b>	An institution's body, which is appointed in accordance with national law or state law, which are empowered to set the strategy, objectives and overall direction of the institution.
<b>MiFID Business</b>	Investment services and activities and, if relevant, ancillary services carried out by a firm conducting Markets in Financial Instruments Directive business (where a fiduciary duty arises).
<b>Potential Conflict of Interest</b>	A Col that may arise given particular facts and circumstances. This includes perceived Col, being a situation, which may give rise to the perception of a Col even where a Col may not yet in fact exist.
<b>Problematic Cases</b>	Defined in the Escalation Policy, in respect of the most extreme and serious cases the Group might face, as any event or circumstance that may give rise to or could have given rise to significant indirect or direct losses, actual or potential significant regulatory or reputational concerns. Problematic Cases include actual risk events as well as potential risk events and near misses.
<b>Relevant Individuals</b>	Those who are engaged by the Group under any of the following arrangements: <ul style="list-style-type: none"> <li>• Members of the Board of Directors.</li> <li>• A permanent employee of the Group (including members of the Executive Leadership Team);</li> <li>• A temporary employee of the Group; and</li> </ul>

	An individual external to the Group; a contingent worker, individuals working for the Group but who are not directly employed by the Group (including officers, consultants, contractors, agency workers, etc.).
<b>Risk Management Area</b>	CFO area, Group Information Security, Group Compliance, Group Legal, Group Human Resources, Group Risk Management and Group Internal Audit.
<b>Subsidiary</b>	Any legal entity in which Danske Bank A/S, directly or indirectly, holds more than 50% of the equity or voting capital share (or equivalent).
<b>Supplier</b>	Any external non-affiliated legal person that supplies goods and/or services to or on behalf of the Group, including those who conduct business in the Group's name and utilise the Group's regulated entity status. Where the Group holds Insider Information on these legal persons, this is referred to as "external issuer Inside Information".

### 3. Scope

The principles in this Policy set out the Group's approach for compliance with Col related regulations, local implementation hereof, and other requirements such as the Code of Conduct that are applicable to the Group and its operations.

#### 3.1. Target group

This Policy applies to Relevant Individuals, functions and units of the Group including all branches, Subsidiaries, wholly owned affiliates, third party providers and any person directly or indirectly linked to the Group.

The Management Body of a Subsidiary may approve this Policy with deviations to ensure this policy is fit for purpose for the Subsidiary. The policy administrator in the Subsidiary should discuss the rationale behind the deviation and ensure that the administrator of this Policy is consulted on material deviations.

The administrator of this policy must document and report material deviations from this policy to the owner of this Policy.

#### 3.2. Violation

Failure to comply with this Policy may lead to action being taken in accordance with the applicable employment regulation, including but not limited to warning, breach, redundancy, suspension or dismissal.

## 4. Conflicts of Interest Principles

The Group must take reasonable steps to identify, avoid, manage, disclose, register, escalate and/or report a Col.

All Departments are responsible for ensuring that when identified within their area, a Col is avoided (where possible) or adequately managed, registered or disclosed. The following content outlines the key principles for identifying, avoiding and/or managing a Col as well as associated roles and responsibilities for each principle.

#### Principle 1: The Group is responsible for identifying Conflicts of Interest

Generally, Col arise due to the multiple interests of parties involved in the activities of the Group. Col may arise between the following parties:

- Between the Group or its legal entities or Relevant Individuals or their Connected Persons and the Group's Customers or Suppliers;
- Customers or Groups of Customers;
- The Group and Relevant Individuals (or their Connected Persons); or
- The Group and the market (e.g. regulated market or organised trading facility).

Relevant Individuals must always pay attention to the risk of detrimental interests and should, in this context, be specifically alert to the following examples:

- The Group or a Relevant Individual failing to comply with legal or regulatory obligations;
- The Group or a Relevant Individual failing to fulfil a duty of care, trust or loyalty owed to another legal person (e.g. a Customer or Supplier or Joint Venture);
- The Relevant Individual's professional judgement and objectivity being compromised or preventing the proper discharge of their duties and responsibilities; and
- The Group obtaining improper advantage or treatment or giving rise to the appearance of impropriety and reputational damage, including as it relates to the manner in which business is awarded to or by the Group.

## **Principle 2: The Group must take reasonable steps to avoid Conflicts of Interest**

Avoiding Col effectively is essential to the protection of the Group, its Customers and in respect of other stakeholders. Relevant Individuals must follow the policies and procedures designed to control Potential Conflicts of Interest outlined in the Col Catalogue. In general terms, the following action can assist in the avoidance of Col:

- Decline to act
- Recusal

## **Principle 3: The Group must take reasonable steps to manage and/or disclose Conflicts of Interest**

### **(a) Management of a Conflict of Interest**

Where a Col cannot be avoided, it must be managed appropriately provided it is legal to do so. To protect the Group and/or the affected legal persons, consideration must be given to managing Col at the appropriate level.

The following arrangements are acceptable ways to manage Col. When considering the use of these arrangements, Relevant Individuals may decide that they are not effective in the specific circumstances presented:

- Decision independence and information barriers
- Segregation of duties
- Reallocation of activities
- Arm's length arrangements
- Legal advice

### **(b) Disclosure of a Conflict of Interest and obtaining consent**

In some cases, due to the nature of the Col or because of the surrounding circumstances, the Group may decide that the measures put in place to avoid or manage Col may not be sufficient to protect the interests of one or more parties. Therefore, it may be necessary to disclose the nature of the Col to the affected parties and/or seek their consent to continue. For example, advising a target company and financing an acquiring company, where an agreement may be made with each Customer that this will only continue as long as the acquisition is on a friendly and agreed basis and with no other bidders involved.

Where the Group is conducting MiFID Business, the rules do not allow disclosure of Col to a Customer as the only means of managing Col, except as a last resort. Where this is the case, the disclosure must be made prior to the MiFID Business in a durable medium; must include sufficient detail to allow the Customer to make an informed decision whether to continue the particular business with the Group; must explain the circumstances involved in disclosure being the "last resort"; and should take into account the Customer's nature and an explanation of the risks and actions taken.

## **Principle 4: The Group must appropriately document Conflicts of Interest**

### **(a) Conflicts of Interest Catalogue**

Inherent situations that have been identified as being likely to create Col in the course of the Group's activities are described in the Col Catalogue. The Catalogue also describes the general framework consisting of related key policies, procedures and instructions that are relevant to the avoidance or management of Col in these areas. The Col Catalogue should be kept up to date with new areas that are likely to generate Col and with the approaches to avoid or manage Col. In the event that a new Col category needs to be added to the Col Catalogue, it must be referred to the Control Room for consideration and potential inclusion within the Col Catalogue.

### **(b) Individual Conflicts of Interest and Conflicts of Interest Registers**

Individual instances of a Col must be appropriately documented in the relevant Col Register, according to existing processes and procedures. The registration must at least be sufficient to demonstrate the identification of the Col and the methods taken to avoid or manage it, and to record the approvals or other decisions made in relation to the Col including by whom the approvals were given or made.

## 5. Escalation

The Group has an Escalation Policy stating the requirements for reasonable and timely internal reporting of potentially Problematic Cases across the Group, which includes Col. The requirements in the Escalation Policy must always be considered in relation to violation of the Group's obligation to prevent and mitigate Col with adherence to other related policies and governing documents.

Problematic Cases in respect of Col must be raised in the first instance to the Head of Conflicts of Interest management or the Head of Central Compliance within 24 hours of detection. They can be raised verbally or by email.

In cases where the normal escalation procedure fails, or where the case is particularly serious, Relevant Individuals can also report concerns resulting from a Potential Conflict of Interest through the Whistleblowing Site.

## Appendix A – Conflicts of Interest Catalogue

Situations that have been identified as being likely to create Col in the course of the Group's activities are described in the Col Catalogue. The Col Catalogue also describes the general framework consisting of related key policies, rules and instructions etc. that are relevant to the avoidance or management of Col in these areas. Some of these items are specifically regulated and some are internal devices to organise effective management of the Conflicts of Interest. Key items mentioned in the Catalogue are listed below:

Business conflicts: Benchmarks, competition law, gifts & hospitality, inducements, information barriers and associated controls, investment banking, Legal entity segregation and arm's length or transfer pricing requirements, market abuse, outsourcing, procurement, product governance, remuneration, investment research independence, Rules of Procedure for the Board of Directors and the Executive Leadership Team, segregation of duties, sustainable investment.

Personal conflicts: code of conduct, outside business activities, Personal Account Dealing, and other personal interests.