KOMMUNINVEST I SVERIGE AB

# Conflict of Interest Management Policy

# C.16.00.00

| Adopted by the Board of Directors | Replaces | Document owner | Information classification |
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| 28 August 2018 | 28 May 2018 | Head of HR | K2 R2 T2 |

# Conflict of Interest Management Policy

## 1 Introduction

In this policy, the Board of Directors has established internal rules for handling potential and existing conflicts of interest on the Company’s Board of Directors (or for directors personally) and in the Company’s business (or for employees of the Company) and has also established routines and measures for doing so. In respect of the Company’s business, this also includes rules for evaluating employees’ ancillary activities.

The members of the Kommuninvest Society are not only indirect owners of the Company, but also its customers. This understanding, together with a deliberate approach, should form the basis for all analyses of existing and potential conflicts of interest, as well as their management by the Company.

### 1.1 External regulatory framework

This policy is governed by the European Parliament Capital Requirements Regulation, the European Banking Authority’s Guidelines on Internal Governance, FFFS 2014:1 regarding governance, risk management and control at credit institutions, and FFFS 2015:5 regarding reporting events of material significance. Conflicts of interest on the Board of Directors are governed by Chapter 8, section 23 of the Companies Act.

### 1.2 Purpose

The aim of this policy is to identify and manage existing and potential conflicts of interest in an efficient and suitable manner in order to prevent any conflicts of interest from leading to detrimental consequences for customers, members, or the Company. The purpose of the evaluation of employees’ ancillary activities, if any, is to ensure that they do not have a detrimental impact on the employee’s tasks within the Company or give rise to potential conflicts of interest through competing activities.

### 1.3 Definitions

Circumstances which can give rise to conflicts of interest may occur between customers, members, the Company, and the Company’s close associates. For example, the interests of customers may conflict with those of other customers, the Company, or the Company’s close associates. In this context, the Company’s close associates refers to: Kommuninvest Cooperative Society, the Board of Directors, Company management, staff, or each and every other person with a direct or indirect connection to the Company.

# 2 Identification of conflicts of interest

The identification must include an inventory of the circumstances which have, or might, give rise to a conflict of interest.

## 2.1 Identification of conflicts of interest on the Board of Directors

Potential and existing conflicts of interest are identified in conjunction with new appointments to the Board of Directors and through on-going self-evaluation on the Board of Directors.

In conjunction with new appointments, the acceding director must inform the Chairperson of the Board of Directors, in writing, of all other board appointments as well as other significant engagements and involvements which may have an impact on either strategic or specific decisions which may be taken within the scope of the Board of Directors' work at the Company, see self-evaluation template, appendix 1.

In the event that the director identifies a circumstance in the course of the day-to-day work of the Board of Directors which may lead to a conflict of interest, the director must promptly notify the Chairperson of the Board of Directors.

Where a need arises, or at least once annually, the Chairperson of the Board of Directors must notify the Board of the potential and existing conflicts of interest identified by the directors.

The following are the primary points of identification for conflicts of interest are:

- other engagements, for example other board engagements, employment, etc.;
- other involvement, such as ownership of other companies with similar or competing operations, consulting companies, or suppliers;
- interests of close associates, for examples the close associate's ownership or interest in other companies with similar or competing operations, consulting companies, or suppliers.

## 2.2 Identification of conflicts of interest in the business

Potential and existing conflicts of interest are identified in conjunction with new employment and changed employment circumstances and close relationships, as well as through on-going self-evaluation.

Ancillary activities are identified and assessed in conjunction with new employment and through on-going self-evaluation.

The Company's decision-making tools for approval of new and modified products and services, etc., must state that the Company, on an on-going basis, identifies and combats the negative consequences that may be suffered by customers, members, or the Company due to any conflicts of interest. Examples of other significant aspects may be entering into agreements with external suppliers. In that context, conflicts of interest may constitute a comprehensive loss to the detriment of the Company or a stakeholder of the Company.

When identifying circumstances which may lead to a significant risk of a conflict of interest, special consideration must be taken of personnel with a significant possibility of affecting the Company's total risk exposure or other significant aspects of the business.

# 3 Managing conflicts of interset

Conflicts of interest are primarily managed by the Chairperson of the Board of Directors or the CEO ensuring the application of routines and measures that prevent a detrimental impact on the interest of customers, members, or the Company.

## 3.1 Managing conflicts of interest on the Board of Directors

In those cases where there is a risk that a director may face a conflict of interest when addressing a matter before the Board, such director must:

- inform the Chairperson of the situation;
- refrain from participating in the Board's decision;
- refrain from physically participating in the handling of the relevant matter, where this is deemed appropriate.

The circumstance and the way in which it is managed must be documented in the minutes of the Board of Directors.

## 3.2 Managing conflicts of interest in the business

The Company must have separate supervision of those services/products where circumstances might arise, or have arisen, which may lead to conflicts of interest which entail a genuine risk to the interests of one or more customers. Such management may, for example, entail the introduction of new routines, reassignment of personnel, or removal of services/products. In the event of other conflicts of interest, there is a duty of disclosure to the party at risk of detriment.

The Company may prohibit any ancillary activity if it is deemed to impede or affect the employee's work performance, or if it competes with the employer's business.

# 4 Organisation and responsibilty

The Chairperson of the Company's Board of Directors is responsible for managing conflicts of interest for the Board of Directors.
The CEO is responsible for establishing guidelines for the identification and management of conflicts of interest in the business.

# 5 Follow-up and reporting

Any violation of this policy in respect of the Board of Directors must be documented and reported, by the Chairperson, to the internal audit function and the working committee of the Kommuninvest Cooperative Society.

Identified conflicts of interest in the business which may cause significant risks must be reported to the Board of Directors.

Any violation which results in events of material significance must be reported to the Financial Supervisory Authority.

Reporting Policy A.04.00.00 states which type of reporting must take place on the basis of this instruction.