

1. Objective

Jyske Bank provides investment services and ancillary services in the form of:

- acceptance, arrangement and execution of orders on behalf of clients;
- portfolio management
- investment advice
- safe-keeping and administration of financial instruments
- foreign exchange services as part of providing investment services;
- preparation and publication of investment research reports, financial research reports and general recommendations.

According to existing legislation, the Bank has an obligation to ensure that conflicts of interest are identified, prevented and managed to safeguard the interests of our clients in the best possible way.

2. Identification of conflicts of interest

Conflicts of interest may, for instance, arise where:

- the Bank or an employee may obtain an advantage by being familiar with clients' interests or by affecting clients' transactions, and where the Bank or an employee may favour himself or others at the expense of a client;
- the Bank or an employee may obtain an advantage by giving the interests of a client or client group preference over the interests of another client;
- the Bank carries on the same transactions as a client, or
- the Bank or an employee receives inducements from a person other than the client.

Examples of conflicts of interest identified:

Conflicts of interest may, for instance, arise in the following situations where:

- investment research reports or recommendations for financial instruments or an issuer are prepared in which the Bank or an employee has a self-interest or where there may be business relations between the issuer and the Bank;
- investment research reports are published
- an employee attains knowledge of a client's intended plans of buying or selling which may be of importance for the investment decisions of other clients or the Bank;
- simultaneous transactions are made for the Bank's own securities portfolio and on behalf of clients;
- the Bank or an employee has another interest vis-à-vis the client arising from the services provided to the client or the transactions made on behalf of the client;
- asset management is carried on and the Bank or an employee may have another interest in the same financial instruments;
- the Bank or an employee in connection with providing investment services to a client receives an inducement from a third party;
- analysis of or advice on trade in financial instruments is carried on and the financial instruments are issued by the Bank;
- analysis of or advice on trade in financial instruments is carried on and the issuer is one of the Bank's business partners.

3. Prevention of conflicts of interest

It is highly important for Jyske Bank to provide investment services and ancillary services focusing on the client's needs and requirements and thereby to safeguard the interests of our clients in the best possible way.

This is supported by the Bank's organisation, policies, business procedures, systems, product designs as well as by the training of its employees.

Organisation

The following functions have been organisationally segregated:

- between employees who are responsible for the Bank's own securities portfolio and the market-oriented functions;
- between employees who are responsible for the Bank's own securities portfolio and the client-oriented functions, including, for instance, asset management on behalf of clients;
- between employees who prepare investment research reports and employees in the Bank's market-oriented functions.

An independent compliance function has been set up in the Jyske Bank Group which from time to time controls that the Bank complies with existing legislation.

Remuneration policy

Jyske Bank does not offer its employees any bonus schemes in connection with providing investment services and ancillary services, neither generally nor in connection with transactions in individual financial instruments.

Business procedures, etc.

The relevant business units of Jyske Bank have prepared business procedures and procedures which identify, describe and prevent conflicts of interest.

The following have, for instance, been prepared:

- rules for employees working with investment services, etc. relating to trading in financial instruments, including rules for analysts who prepare investment research reports or recommendations. They cannot own or trade positions in the securities for which they prepare research reports or recommendations;
- rules for the publication of investment research reports. In addition, it is disclosed in research reports if there may be business relations between the issuer and the Bank;
- rules and internal procedures to prevent the exploitation of knowledge of client transactions. These rules apply to all employees in connection with providing investment services and ancillary services;
- procedures for investment advice, including disclosure requirements that investment advice is not provided on an independent basis and that the investment advice is based on an analysis of a limited number of financial instruments from issuers or providers some of whom have close relations with Jyske Bank;
- rules for the investment process in the area of asset management
- rules for analysis of or advice on trade in own issues.

4. The Jyske Bank share

No research reports are prepared on the Jyske Bank share.

Internal rules and procedures for advice on and trading in the Jyske Bank share have been set up to ensure that Jyske Bank employees do not provide investment advice relating to the Jyske Bank share to retail clients.

5. Jyske Realkredit issues

Investment research reports as well as loan recommendations are prepared for Jyske Realkredit issues in the Group.

Organisational and physical segregation exists between the respective employees preparing investment research reports and loan recommendations, respectively.

Investment advice on Jyske Realkredit issues to retail clients is primarily carried on in the issues for which the Bank has investment research reports.