

Policy for handling conflicts of interest

1. Purpose

The purpose of this policy is to describe how Jyske Bank identifies, prevents, manages and monitors conflicts of interest that may arise in connection with Jyske Bank's investment services/activities and ancillary services, and which may be to the detriment of the interests of customers.

The policy also establishes the procedures to be followed and describes the measures that have been put in place to prevent a potential conflict of interest from arising and/or how a potential conflict of interest must be handled.

Conflicts of interest may, among other things, arise in connection with:

- Receipt, transmission and execution of orders for the customer.
- Portfolio management.
- Investment advice.
- Settlement, safe-keeping and administration of financial instruments.
- Currency transactions as part of investment services.
- Preparation and publication of investment recommendations and general research reports.

2. Scope of application

The policy applies to all employees of Jyske Bank who perform tasks related to investment services/activities and ancillary services, including, among others, Jyske Markets, Jyske Capital, Large Corporates & Institutions, Wealth Management, Business Services, Personal and Corporate Customers. The policy also applies in relation to conflicts of interest within Jyske Bank that may arise from the Group's relationship with Jyske Realkredit and Jyske Invest Fund Management.

3. Definition of conflicts of interest

Jyske Bank defines the types of conflicts of interest that may arise in connection with Jyske Bank's investment services/activities and ancillary services, and may, for example, be if:

- Jyske Bank or an employee may obtain an advantage by knowing customers' buying and selling interests or influencing customers' decisions, and also if Jyske Bank or an employee benefits themselves or others at the expense of a customer.
- Jyske Bank or an employee may obtain an advantage by prioritising one customer's or customer group's interests over another customer's interests.
- Jyske Bank or an employee carries out the same transactions as a customer.
- Jyske Bank or an employee receives incentives from parties other than the customer.

Conflicts of interest as described above may, as a rule (but not exclusively), arise in the following situations:

Employees' knowledge and use of confidential information

Conflicts of interest may arise when employees use confidential knowledge about customers' plans and transactions for their own benefit or for the benefit of Jyske Bank. This also applies if employees obtain knowledge about a customer's buying or selling plans that may affect other customers' or Jyske Bank's decisions. If inside knowledge is exploited for the benefit of Jyske Bank or other customers, it may be to the detriment of the original customer's interests.

Advice related to own or Group-related products

When Jyske Bank provides advice that favours the Group's funds or investments in Group-related products, it may compromise the customer's interests. A particular risk arises if Jyske Bank recommends its own products or the Group's financial instruments instead of more neutral alternatives, or if Jyske Bank has cooperation agreements with issuers that may influence the advice.

Preparation and publication of investment recommendations or research reports

The preparation of investment recommendations or research reports can give rise to conflicts of interest if Jyske Bank or an employee has a personal interest in or business relationship with the issuer. Jyske Bank or its employees may have financial or personal interests in the companies analysed, which may result in the recommendations not being objective and therefore not in the customer's best interests. Furthermore, the publication of recommendations may create a conflict of interest if the recommendations can influence the market to benefit Jyske Bank's own positions or interests before customers have had the opportunity to act on the information.

Simultaneous trading and allocation of bonds

Conflicts of interest may arise if Jyske Bank trades financial instruments simultaneously for its own portfolio and for customers, as this may result in Jyske Bank prioritising its own trades over the customers'. A similar conflict of interest may arise in the allocation of bonds in the primary market where Jyske Bank may choose to allocate bonds to selected investors, which could be to the detriment of other customers' interests.

Wealth management and portfolio management

In wealth management, there is a risk of conflicts of interest if Jyske Bank or an employee has personal interests in the same financial instruments recommended to customers. This can occur, for example, if a portfolio manager invests in their own investment strategies or funds and thus favours their own solutions over objective management, which could be to the detriment of the customer.

Sustainability preferences and strategic objectives

If Jyske Bank promotes products with a sustainability profile to achieve its own strategic objectives or market position rather than based on the customer's individual preferences, there is a risk of conflict of interest. This may also be the case if Jyske Bank's investment universe or offered products do not match the customer's sustainability preferences, but Jyske Bank nevertheless recommends its own products.

Other situations with conflicting interests

A conflict of interest may also exist if Jyske Bank or an employee has another interest than the customer in the outcome of the service provided or transaction. This may adversely affect the advice, especially if Jyske Bank has financial or strategic interests that do not align with the customers'.

Remuneration and incentives

Remuneration structures where employees are rewarded for completed transactions, earnings on trades or similar structures, may involve elevated risks of conflicts of interest. This also applies if Jyske Bank or an employee advises or trades in a way where their own income or financial interests weigh heavier than the customer's best interests.

Receipt of rewards from third parties

Jyske Bank or an employee may receive incentives, rewards or other benefits from external parties such as issuers or cooperation partners. This may affect the independence of advice and create conflicts of interest, especially if such benefits are given in connection with investment services to the customer.

Settlement of trades and custody of securities

If Jyske Bank or an employee lacks objectivity in the control of their obligations as custodian bank and depository to benefit a cooperation partner or customer, this may result in errors and deficiencies not being identified and addressed, which may cause other customers to incur a loss.

4. Identification of conflicts of interest

Jyske Bank identifies and maintains ongoing focus on potential and actual conflicts of interest that may arise in connection with investment services/activities and ancillary services.

This means that, when organising and conducting daily business, preparing investment recommendations and research reports, structuring organisation, drafting business procedures and job descriptions, as well as adopting remuneration policies, emphasis is placed on minimising the risk of conflicts of interest. Likewise, measures are in place to manage conflicts of interest when they occur. Guidelines are in place for each employee to ensure that Jyske Bank mitigates and handles identified conflicts of interest.

Jyske Bank employees are required to report newly identified potential and existing conflicts of interest to Jyske Bank's management, so that newly identified risks of conflicts of interest can be added to the overview of identified potential conflicts of interest, thus ensuring they are described and managed.

All Jyske Bank employees are obliged to:

- Declare their own and close relatives' interests that may give rise to conflicts of interest.
- Obtain approval for personal transactions that may give rise to conflicts of interest.
- Participate in mandatory training and education regarding the identification and management of conflicts of interest.
- Report potential or actual conflicts of interest to their immediate manager or Jyske Bank's compliance function without undue delay.

5. Procedures for preventing and managing conflicts of interest

Jyske Bank places great emphasis on investment services/activities and ancillary services with focus on the needs and wishes of the customer, thereby ensuring that the interests of customers are served in the best possible way.

This is supported by Jyske Bank's organisation, policies, business procedures, systems, product composition, and employee training.

To ensure independence and integrity in decision-making processes, the following measures are utilised:

Segregation of functions

There is a segregation of functions within the organisation, for example between the following functions:

- Between employees who manage Jyske Bank's own portfolio and employees in market- and customer-facing functions.
- Between employees who manage Jyske Bank's own portfolio and employees engaged in asset management for customers.
- Between employees who prepare investment recommendations and employees in market-facing functions for advisory and trading.

An independent compliance function has been established within the Jyske Bank Group, which continuously monitors compliance with applicable legislation.

Remuneration policy

In connection with investment services/activities and ancillary services, Jyske Bank does not have any bonus schemes- neither generally nor in relation to asset management and/or trading and advisory services for individual financial instruments.

Business procedures and processes

Relevant business units within Jyske Bank have developed procedures and processes that identify, describe, and prevent conflicts of interest.

The procedures and processes include:

- Rules for employees engaged in investment services, etc., regarding trading in financial instruments - including rules for analysts who prepare investment recommendations or research reports. They may not own or trade positions in the securities for which they prepare recommendations or research reports.
- Rules for the publication of investment recommendations. Research reports must disclose if there are business relationships between the issuer and Jyske Bank.
- Rules and internal procedures to prevent the exploitation of knowledge about customers' transactions. These rules apply to all employees in connection with investment services/activities and ancillary services.
- Procedures for investment advisory services, including requirements that information is provided regarding the fact that investment advice is not given on an independent basis and that the advice is based on an analysis of a limited number of different financial instruments from issuers or providers, some of whom have close ties to Jyske Bank.
- Rules for the investment process in asset management.

- Rules for analysis of, advice on, or trading in Jyske Bank's own issues.
- Procedures that ensure customers are informed if Jyske Bank cannot offer products that match their sustainability preferences.
- Procedures for product governance.

6. Control

Jyske Bank has established control procedures and separate supervision for relevant employees whose main functions involve carrying out activities on behalf of, or providing services to, customers whose interests may be conflicting.

7. Notification to customers

In cases where Jyske Bank cannot adequately eliminate or mitigate the risk of a conflict of interest, Jyske Bank provides written information to the affected customers regarding the nature and source of the conflict of interest, the measures established to manage the conflict, and a description of any risks to the interests of the affected customers.

8. Jyske Bank shares

No investment recommendations or research reports are prepared for Jyske Bank shares.

For advice on and trading in Jyske Bank shares, there are internal rules and procedures in place to ensure that employees of Jyske Bank do not provide investment advice regarding Jyske Bank shares.

9. Jyske Realkredit bonds

At Jyske Bank, both investment recommendations and loan recommendations are prepared for Jyske Realkredit bonds. There is segregation of functions, both organisational and physical between the employees who prepare investment recommendations and those who prepare loan recommendations.

Investment advice on Jyske Realkredit issues for retail customers is primarily provided in those issues for which Jyske Bank has prepared investment analyses.

10. Jyske Invest investment certificates

Jyske Bank provides advice on and recommends investments in Jyske Invest investment certificates, and Jyske Bank also prepares investment recommendations for these. Due to the group relationship with Jyske Invest Fund Management, Jyske Bank is not an independent adviser in this context. Potential conflicts of interest in this relationship are managed and mitigated through the established product governance procedures at Jyske Bank.

11. Documentation

In accordance with MiFID II, Jyske Bank maintains a register of identified potential conflicts of interest as well as a description of how these are managed. The register is updated and revised on an ongoing basis following the identification of new potential or actual conflicts of interest – however, at least once a year.

An annual report on conflicts of interest and their management is prepared for the Group Executive Board. The report has been prepared and submitted by Jyske Bank's Competence Centre for Monitoring & Control.

All identified conflicts of interest and the associated measures are documented and retained for a minimum of five years.

12. Governance

The Group Executive Board has overall responsibility for the adoption and revision of this policy and approves the policy at least once a year.

Furthermore, the policy must be revised in the event of significant changes to the business model, organisation, or regulation.