

NORDIC BOND PRICING

POLICY ON CONFLICTS OF INTEREST

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1 INTRODUCTION

This document represents Nordic Bond Pricing AS ("NBP") policy on conflicts of interest pursuant to Article 4 of Regulation (EU) 2016/1011 (the "Benchmark Regulation" or "BMR").

This Policy applies to all Indices or Benchmarks or Family of Benchmarks administered and provided by NBP within the meaning of BMR.

'Index' (or 'Indices') and 'Benchmark(s)' are used interchangeably in the Policy. Refer to BMR definitions for exact definitions of the terms and the context which they are used. An Index becomes a Benchmark by usage, defined in BMR Article 3(1)(3).

1.1 Purpose

The purpose of this document is to identify, eliminate or manage and disclose, clearly and prominently, any actual or potential conflicts of interest that may influence the analyses and judgments of its Employees or any other natural person whose services are placed at the disposal or under the control of NBP and who are directly involved in benchmark activities. As further described below, NBP shall disclose any potential conflicts of interest that may not be eliminated, and the Compliance Function and the CEO shall conduct periodic review of whether any potential conflicts of interests should be addressed.

In accordance with the BMR, no employee directly involved in the provision of an Index produced by NBP may have any interests or business connections that compromise the activities of NBP.

2 GENERAL POLICY ON CONFLICTS OF INTEREST

2.1 Introduction

The purpose of this section is to identify existing and potential or perceived conflicts of interest and provide guidance on the measures and procedures that shall be undertaken in order to eliminate or manage potential or perceived conflicts of interest. Any conflict of interest which cannot be eliminated shall be disclosed. Such disclosures shall specify the measure undertaken to manage the potential conflict of interest.

The CEO is responsible for the implementation of this Policy in NBP's operations.

2.2 General Principles

The following general principles will govern NBP's activities:

- (i) NBP's administration of a Benchmark is influenced only by factors relevant to measure the relevant underlying market.
- (ii) Expert judgments and exercise of discretion shall not be affected by whether there is an existing or potential conflict of interest arising from the administration of a Benchmark. See also NBP Policy on Exercise of Expert Judgement.
- (iii) In accordance with BMR, if an activity that create a conflict of interest cannot be adequately managed, NBP will either cease the activity that create the conflict of interest or cease providing the index which is affected.

2.3 General measures against existing, potential or perceived conflicts of interest

2.3.1 Record of conflicts of interest

The CEO/business maintains a Conflicts of Interest Register (the "Conflict of Interest Register") where all actual and identified potential conflicts relating to benchmark provision activities are logged and

recorded. The Compliance Function shall supervise the Conflicts of Interest Register. Each entry in the Conflict of Interest Register shall include:

- (i) The type of conflict;
- (ii) The date of when the conflict was identified;
- (iii) A description of the conflict;
- (iv) How the conflict is managed, mitigated and controlled; and
- (v) When the conflict was last reviewed by the Compliance Function and the CEO.

2.3.2 Compliance

The Compliance Function may inquire the CEO on the state of any registered conflict of interests. Employees are required to report any violation of the requirements and procedures in this policy.

The Compliance Function shall prepare a written report of any breaches of this Policy. Such reports shall include proposed measures to prevent future breaches and shall be included in the Compliance report to the Board of Directors.

2.3.3 Review of existing and potential conflicts of interest

The Compliance Function and the CEO shall as part of the annual compliance plan assess whether there are any existing and/or potential conflicts of interest not included in the Conflict of Interest Register.

The Compliance Function shall, in its sole discretion, decide whether the Conflict of Interest Register shall be updated. If required, the Compliance Officer shall consult and request input from the CEO and/or any other Employee of NBP when describing the conflict of interest and the measures to eliminate or mitigate that conflict of interest.

2.3.4 Disclosure of existing or potential conflicts of interest

Pursuant to BMR Art 4(5), NBP will disclose to clients and relevant competent authority existing or potential conflict of interest. The disclosure will be in writing and will include:

- (i) A description of the specific conflict of interest;
- (ii) An explanation of the risks to the client that arise as a result of the conflict of interest; and
- (iii) Sufficient detail to enable the client to make an informed decision as to whether to proceed or not as a client of NBP.

The Compliance Function shall ensure that the disclosure of existing or potential conflicts of interest are duly disclosed pursuant to Article 4(5) in BMR.

2.3.5 Training

All employees are required to participate in the compliance training program provided by the Compliance Function. This includes detailed and specific training on potential Conflicts of Interest situations. Employees are required to review the Conflicts of Interest Policy annually.

2.4 Identifying existing or potential conflicts of interests

NBP will regularly review its operations and activities to ensure that any new potential conflicts of interest are noted, managed and prevented effectively. All existing and potential conflicts of interest that have been identified are recorded in the Conflicts of Interest Register.

Operations or activities within in NBP which may cause conflict of interest:

- (i) Client funded business model;
- (ii) Provision of credit curves, price quotes and trading data to NBP;
- (iii) NBP Ownership structure;
- (iv) Gifts, hospitality and inducements; and
- (v) Personal account dealing.

All items above are discussed further below and will be subject to at least an annual review by CEO and the Compliance Function.

2.5 Measures to eliminate identified conflicts of interests

2.5.1 Client funded business model

The index service is client funded and thus NBP has incentives to provide indexes that are favourable to the clients.

NBP is committed to independence and high standards in the administration and provision of indices as well as to conducting its business with the highest degree of ethics and integrity in order to ensure the accuracy and integrity of its indices. Provision and dissemination of indices are fully transparent to all clients and other stakeholders and to relevant authorities.

It is NBP's opinion that the business model is not detrimental to the interests of its users. NBP will nevertheless disclose clearly to its users that its services are client funded.

2.5.2 Provision of credit curves, price quotes and trading data to NBP

An investment firm providing trading data and price indications to NBP for its Evaluated Pricing Services may potentially have an interest in influencing NBP's evaluated prices or indices provided by NBP, either by self-interest or on behalf of a third-party. However, it is NBP's assessment that investment firms do not have any self-interest in the levels or performance of any index provided by NBP. In this case, this must be due to the influence of third parties such as clients / fund managers.

Investment firms could potentially have stronger incentives to influence prices if any indexes provided by NBP are integrated into a financial instrument. However, NBP do not currently authorize linking financial instruments to levels or performance of any index administered by NBP.

To mitigate the risk of investment firms exerting influence on evaluated prices or indices provided by NBP, trading data and price indications are sourced from multiple investment firms and multiple other sources of market information and are thoroughly compared to each other. NBP may, at its sole discretion, reject data if deemed unrepresentative by NBP. Further, the final evaluated prices are fully determined by the pricing analysts of NBP. Finally, the number of constituents in any indices provided by NBP exceed a level where manipulation of an index level and performance becomes a cumbersome and complicated task.

2.5.3 *NBP ownership structure*

NBP administer benchmarks that may affect entities that have a direct or indirect ownership interest in NBP. Such entities could potentially seek to exert formal or informal influence through its ownership position in order to influence the provision a benchmark to favour its own interests.

The Board of Directors ensure that no groups of shareholders exert undue influence over the management of NBP and shall not be involved in any operational decisions. Currently NBP is jointly owned with equal shares by Nordic Trustee AS and Verdipapirfondenes forening ("VFF"). Nordic Trustee AS is an independent bond trustee, and its independence is a guiding principle for the company's operations and organization. VFF has laid out the mutual fund industry standards and conduct of business in close dialogue with the Norwegian Financial Supervisory Authority ("Finanstilsynet") and has no self-interest in indices other than provide their members with relevant indices in order to make benchmarking of mutual funds possible. As such, NBP is of the opinion that there are no inherent conflicts of interest arising from its ownership structure associated with provision of indices.

External scrutiny and evaluation is key to NBP's index activities. It has engaged third parties to conduct compliance reviews of its operation and oversight of its benchmark methodology. It is NBP's opinion that any conflict of interest that could be associated with it is fully mitigated and eliminated by the governance framework established for its index operations, including in particular its involvement of third-party services providers in its compliance and oversight function.

2.5.4 *Gifts; hospitality and inducements*

NBP recognises that gifts and hospitality can lead to potential conflicts of interest. Employees are not permitted to accept, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances or may give rise to the perception that in doing so, decisions may be influenced or may not be impartial. All employees are expected to act with the highest standards of integrity to avoid any conflict of interest.

In principle, NBP does not prohibit its employees from granting and receiving gifts or invitations. However, this only applies to non-cash presents of negligible value that do not give rise to conflicts of interest. The acceptance and granting of cash presents are strictly prohibited.

2.5.5 *Personal investments*

NBP recognises that employees dealing on their own personal account may cause conflicts of interest. In order to manage actual or potential conflicts that may arise from personal account dealing, NBP maintains a Personal Account Dealing Policy (the "Personal Account Dealing Policy") which limits investment opportunities and imposes reporting requirements. In particular, employees cannot hold in their personal account bonds that are constituents of any index administered by NBP or bonds with evaluated price set by NBP. The Compliance Function shall at least annually review the Personal Account Dealing Register and report any violation of the Personal Account Dealing Policy according to article 2.3.2.

3 HANDLING OF CONFIDENTIAL INFORMATION

3.1 Introduction

This sets out NBP's policy on the handling of confidential information. The purpose of this section is to ensure the integrity of all information handled by NBP and its personnel, emphasize NBP's dedication to conducting its business in an ethical manner and ensure compliance with applicable rules and regulations.

3.2 Measures to protect Confidential Information

All Employees shall take all necessary measures to protect property and records of NBP from fraud, theft or misuse. Such measures include, but are not limited to, the following:

- (i) keep all physical records and documents containing confidential information locked down when not in use by the relevant persons;
- (ii) keep all electronically stored confidential information highly protected and if necessary encrypted and avoid maintaining confidential information on portable media devices, such as laptops and flash drives; and
- (iii) avoid any conversations and situations where confidential information may be shared unintentionally.

3.3 Prohibition to disclose confidential information to persons outside NBP

Employees must not disclose any confidential information to persons outside NBP.

3.4 Prohibition to use Confidential Information

Employees must not use or share confidential information for the purpose of trading Financial Instruments.

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