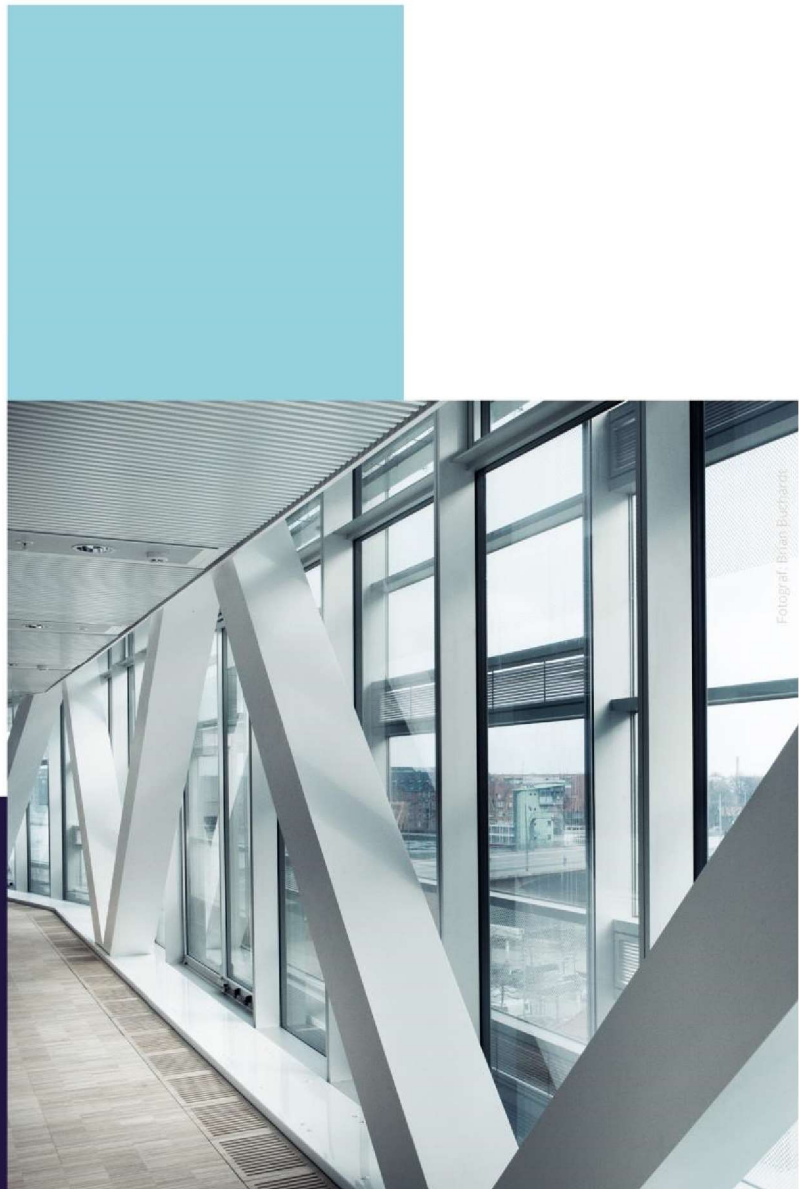


Conflicts of Interest Policy

Nykredit Bank A/S

May 2023



CONTENTS

1. Purpose and background	1
2. Examples of conflicts of interest	1
3. Particular conflicts of interest areas	2
3.1 Investment and ancillary services	2
3.2 Inducements	3
3.3. Benchmarks	3
3.4 Nykredit Danish Mortgage Bond Index	4
3.5 Participation in capital market transactions	4
4. Stakeholders and their obligations	4
4.1 Nykredit's Board of Directors	4
4.2 Nykredit's Executive Board	4
4.3 Nykredit's staff	5
4.4 External parties	6
5. Conflicts of interest in Nykredit	6
5.1 Identification of types of conflict of interest	6
5.2 Prevention of conflicts of interest	6
5.3 Managing conflicts of interest	8
5.4 Disclosure of conflicts of interest	9
5.5 Record of conflicts of interest	9
6. Controls and reporting	9
7. Policy evaluation	9

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• Nykredit Bank A/S on 8 May 2023
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1. PURPOSE AND BACKGROUND

The aim of this policy is to prevent and manage conflicts of interest within Nykredit Bank A/S ("Nykredit") with the purpose of protecting Nykredit's customers and business partners and to ensure that Nykredit complies with applicable legislation.

A conflict of interest means a situation in which Nykredit's interests diverge from those of, for instance, customers or business partners.

As a financial provider, Nykredit must have procedures for the separation of functions in connection with management and prevention of conflicts of interest in accordance with section 71 of the Danish Financial Business Act as well as procedures for the prevention, identification and management of conflicts of interest in accordance with section 11 of the Danish Executive Order on Management and Control of Banks. Other regulation also lays down rules on conflicts of interest, for instance the Benchmark Regulation and the Regulation on organisational requirements and operating conditions for investment firms.

Under those rules, Nykredit is required to establish, maintain and operate effective organisational and administrative arrangements with the view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of Nykredit's customers, and, when they cannot be avoided, to identify, manage and monitor in order to mitigate potential conflicts of interest that may arise:

- in Nykredit, including in management, among staff or relating to any person directly or indirectly linked by control to Nykredit
- between Nykredit and its customers
- between Nykredit and other group companies or other contracting parties
- as a result of Nykredit's interests in and relations with other customers, counterparties, suppliers, etc
- as a result of Nykredit's own remuneration or other incentive structures.

This policy describes how Nykredit will identify, prevent, mitigate, manage and monitor conflicts of interest and, where applicable, disclose those in order to prevent them from adversely affecting the interests of customers, and to ensure that Nykredit's customers are fairly treated.

This policy is managed using established business procedures and internal processes.

The policy will be available to Nykredit's customers at www.nykredit.com.

2. EXAMPLES OF CONFLICTS OF INTEREST

It is not possible to describe all situations where conflicts of interest may arise. The following are examples of such situations:

- a) Nykredit or a staff member may make a financial gain or avoid a financial loss at the expense of a customer.
- b) Nykredit or a staff member has an interest in the outcome of a service or an activity provided to a customer or a transaction made on the customer's behalf which is distinct from the customer's interest in the outcome.

- c) Nykredit or a staff member has a financial or other incentive to prefer or favour the interest of one customer or group of customers to/over the interests of another customer or group of customers.
- d) Nykredit or a staff member carries on the same business as the customer.
- e) Nykredit or a staff member receives, or will receive, an inducement where no service is provided in return for such payment or an inducement from a person other than the customer in relation to a service provided to the customer in the form of money, goods or services other than standard commission or remuneration for the service provided.
- f) Nykredit or a staff member receives, or will receive, an incentive from a person other than the customer in connection with a service provided to the customer.
- g) Nykredit produces and/or disseminates investment research.
- h) A staff member is responsible for managing both Nykredit's own portfolio and customers' portfolios and/or for providing advisory services to customers.
- i) A staff member is responsible for selling securities through a public offering and at the same time managing one or more customer portfolios and/or providing advisory services to customers on the same types of securities.
- j) A staff member offers advisory services and financing to a customer in connection with an offer, and at the same time another customer is offered financing regarding the same offer.
- k) A staff member manages one or more customer portfolios and at the same time offers advisory services to other customers.
- l) A staff member owns financial instruments and at the same time provides advisory services to customers or manages customers' portfolios.
- m) A staff member has significant ownership or other financial interest in a customer, counterparty, supplier etc.
- n) Nykredit has remuneration and other incentive structures that encourage its staff to act against its customers' interests.

3. PARTICULAR CONFLICTS OF INTEREST AREAS

3.1 Investment and ancillary services

As a Danish bank, Nykredit is authorised to provide investment and ancillary services. Where Nykredit provides these services, Nykredit acts as a securities dealer. Under section 9 of the Danish Executive Order on organisational requirements for securities dealers, securities dealers must take all appropriate steps to identify and to prevent or manage conflicts of interest

- between the securities dealer and its customers
- between the securities dealer's customers

- caused by the receipt of inducements from third parties or
- caused by the securities dealer's own remuneration or incentive structures.

Where Nykredit provides investment and ancillary services, conflicts of interest may arise in connection with the receipt and transfer of orders, production and distribution of investment research, investment advice, proprietary trading, portfolio management, corporate finance activities and debt capital activities, particularly where Nykredit performs a combination of two or more of the services listed above.

Depending on the services provided, a number of measures have been established to prevent and manage conflicts of interest in accordance with this policy.

3.2 Inducements

A situation that may give rise to conflicts of interest is where Nykredit pays or receives fees, commission or non-monetary benefits from any party other than the customer in connection with securities trading ("inducements").

Inducements are generally not allowed where independent investment advice or portfolio management services are provided. Any advice offered by Nykredit on securities trading is offered on a non-independent basis. Nykredit's provision of non-independent investment advice or other investment services and receipt of inducements must always be in accordance with the requirements of the Danish Executive Order on third-party payments etc.

Agreements on inducements must be made in writing, and proof of the legality of the inducements should be kept with a copy of the final agreement.

Where the legality of an inducement is not evident, the agreement must be approved in accordance with relevant business procedures.

3.3 Benchmarks

The Benchmark Regulation ((EU) 2016/1011) lays down rules on conflicts of interest in relation to benchmark contributors. The rules are complied with by applying the provisions of this policy and Nykredit's business procedures.

A conflict of interest may potentially arise when Nykredit acts as a benchmark contributor. For instance when Nykredit holds a securities portfolio, issues securities or offers products linked to a benchmark to which Nykredit is a contributor.

In order to ensure the integrity of the submitted benchmark data, Nykredit has established a number of measures such as separation of functions, rules on variable remuneration, business procedures and controls.

Any suspicious activity relating to benchmarks must be reported.

3.4 Nykredit Danish Mortgage Bond Index

Nykredit is administrator of the Nykredit Danish Mortgage Bond Index and the Nykredit Total Index.

As an administrator, Nykredit must take adequate steps to identify and to prevent or manage conflicts of interest in relation to its role as administrator.

Additional information on conflicts of interest relating to Nykredit's role as administrator is available at www.nykredit.dk.

3.5 Participation in capital market transactions

Nykredit may participate in capital market transactions, where new securities will be issued or existing securities will be sold.

Nykredit may give advice to the issuer of the securities as well as sell the securities to other Nykredit customers.

Staff may acquire confidential/inside information about issuers of securities. Capital market transactions can give rise to a number of potential conflicts of interest, and the measures mentioned in 5.2, including separation of functions, are taken to prevent such conflicts.

4. STAKEHOLDERS AND THEIR OBLIGATIONS

It is the responsibility of all stakeholders, in their respective functions, to identify, prevent and manage any conflicts of interest in Nykredit.

4.1 Nykredit's Board of Directors

Members of Nykredit's Board of Directors are subject to special approval rules pursuant to section 78 of the Danish Financial Business Act. The rules also apply to other businesses in which members of Nykredit's Board of Directors are also members of either the executive board or the board of directors.

4.2 Nykredit's Executive Board

Nykredit's Executive Board is subject to the Group's procedures and guidelines, including:

- Code of conduct
- Conflicts of Interest Policy
- Guidelines on market abuse
- Speculation rules
- Staff investment guidelines
- Remuneration policy.

Members of the Executive Board are subject to special approval rules pursuant to section 78 of the Danish Financial Business Act. The rules also apply to other businesses in which members of the Executive Board are also members of either the executive board or the board of directors. The rules also apply to exposures to such persons' immediate family and exposures to businesses in which such persons are members of the executive board.

Nykredit's Executive Board is moreover subject to 4.3 below.

4.3 Nykredit's staff

Prevention of conflicts of interest is a focus area at all staff levels. The following paragraphs (or similar) have been added to all employment contracts:

- It is not compatible with the employment if a staff member has financial, business or work-related interests in or together with another business without Nykredit's prior consent in writing.
- Staff members must devote their full working capacity to the performance of their duties for Nykredit and act in the best interests of Nykredit.
- Stricter investment guidelines regarding staff members' personal transactions ("The Executive Board's guidelines for personal transactions").

In the day-to-day routines, it is emphasised to the individual staff member that all staff members have a duty to prevent, and endeavour to avoid/limit, conflicts of interest and to report to the immediate management and Compliance if a conflict of interest or risk of such is identified. The manager of the staff member and Compliance will then decide on how to proceed.

It is a priority of Nykredit to ensure that all customers are treated honestly, fairly and professionally so that conflicts of interest or suspected conflicts of interest may be prevented to the greatest possible extent. Accordingly, Nykredit's staff are expected to always act properly, diligently, honestly, lawfully and thoughtfully, so as to observe market standards and, not least, to always act in the best interests of Nykredit's customers. Staff conduct in relation to customers must be based on customers' own interests independently of the interests of Nykredit and other customers.

If a staff member is involved in activities that may give rise to a conflict of interest, Nykredit is moreover obliged to take, and in cases where the activity is not part of the staff member's duties has taken, measures aimed at preventing:

- that a person makes a personal transaction
- that the staff member advises or recommends another person to enter into a transaction in financial instruments
- that a person discloses, other than in the proper course of employment or contract for services, any information or opinion to any other person.

Nykredit's staff are subject to Nykredit's internal guidelines on personal relationships between staff members and Nykredit's internal guidelines and business procedures on duty of confidentiality.

Failure to comply with the rules of this policy may have serious consequences for the employment of the staff involved, including under aggravating circumstances, such as repeated violations or similar, even dismissal or suspension.

4.4 External parties

Nykredit also focuses on preventing conflicts of interest in relation to external parties.

Nykredit has different types of external parties, such as suppliers, advisers and business partners.

The units and staff responsible for collaborating with external parties maintain ongoing dialogue with these parties and focus on their position and behaviour in the market with a view to preventing any conflict of interest that may arise. If Nykredit becomes aware of a potential conflict of interest, there will be a prompt follow-up and resolution of this in relation to the external party.

5. CONFLICTS OF INTEREST IN NYKREDIT

5.1 Identification of types of conflict of interest

Where appropriate, the management of the individual business divisions of Nykredit must draw up additional rules and procedures to identify, prevent and manage conflicts of interest within their individual areas of responsibility. One purpose of these rules and procedures is to identify specific situations that may give rise to conflicts of interest and describe how to proceed if such risk should arise. Compliance must be consulted before additional rules and procedures are established.

The management of the individual business divisions must review their areas of responsibility on an ongoing basis to identify potential conflicts of interest that may have an adverse effect on customers' interests. In this connection, the management should assess whether any rules and procedures adopted to identify, prevent and manage conflicts of interest within their areas of responsibility remain correct.

Delegation/outsourcing of activities will not release Nykredit from its responsibilities under the rules in this area. Where Nykredit has outsourced activities to service providers/business partners, Nykredit must therefore always ensure that they comply at all times with all statutory requirements for the identification and management of conflicts of interest.

5.2 Prevention of conflicts of interest

Nykredit's procedures and measures are designed to ensure that relevant persons engaged in activities involving a risk of conflicts of interest carry on those activities at a level of independence appropriate to the size and activities of the business area and to the materiality of the risk of damage to the interests of customers.

In order to prevent conflicts of interest, Nykredit has:

- drawn up this Conflicts of Interest Policy and will ensure wide awareness of the policy

- prepared business procedures for conflicts of interest. In the areas in which a particular risk of conflicts of interest has been identified, special guidelines will apply, eg rules aimed at preventing conflicts of interest in relation to staff trading or the preparation of investment research
- set up internal education and training programmes for staff on how to identify and manage potential conflicts of interest
- identified the (critical) functions that may give rise to conflicts of interest, including the preparation of procedures designed to prevent conflicts of interest in those functions
- identified the staff members in such functions which could potentially entail a risk of conflicts of interest
- assigned responsibilities to staff members for ensuring that actual and potential conflicts of interest are reported to their managers and Compliance and treated at the appropriate level according to the correct processes
- set up rules regarding a prohibition on speculative trading for the personal securities trading of selected staff members
- prepared a conflicts of interest record
- created a watch list of companies that have entered into a mandate agreement with Nykredit or are likely to enter into an agreement on a capital market transaction
- created a restricted list of the companies with which Nykredit has entered into an agreement on a capital market transaction made public
- established a process for Nykredit's disclosure of how conflicts of interest are managed in situations where such conflicts of interest are unavoidable
- established physical separation and restrictions in access to IT systems between relevant units in which conflicts of interest typically arise
- drawn up procedures to ensure that confidential/inside information is only available to persons who have a legitimate need for such information, including the establishment of insider lists to monitor and avoid dissemination and misuse of inside information
- ensured the separation of duties between research, trading and advisory functions as well as between Controlling, Compliance, Risk Management and Internal Audit
- established information barriers – so-called "Chinese walls" – between relevant units to mitigate conflicts of interest and prevent the disclosure of confidential/inside information to unauthorised persons
- established rules regarding wall crossing, ie when inside information is disclosed by an insider to a non-insider. Compliance must pre-approve any wall crossing by analysts and staff to be involved in corporate finance and debt capital activities. Units that may be

involved in wall crossing have prepared business procedures with specific rules in this regard

- established procedures to prevent unnecessary exchange of information between staff members etc who participate in activities involving a significant risk of conflicts of interest, including calculation of benchmarks, investment research as well as corporate finance and debt capital activities
- established procedures, including in relation to approval, for situations where several teams in the same unit are involved in the same transaction but in different roles, for instance assisting several bidders in connection with acquisitions
- established procedures to ensure that any conflicts of interest that arise or may arise due to outsourcing are identified, assessed, prevented and resolved
- established procedures to ensure that operational errors are recorded and analysed to prevent repetition
- established procedures for Nykredit's staff regarding receipt of gifts and other benefits
- established procedures for best execution
- established guidelines on personal transactions (including investment) that apply to all staff members
- established a remuneration policy laying down rules on variable remuneration etc
- set up controls to ensure that policies, guidelines and business procedures etc are complied with.

5.3 Managing conflicts of interest

Conflicts of interest in Nykredit should be managed based on Nykredit's business procedures and internal processes, steps to prevent conflicts of interest as listed above and disclosure to customers.

When new conflicts of interest are identified, the immediate manager and Compliance must be notified immediately.

The manager in question will then analyse the conflict in the light of the particular case and, at the same time, consider the possibility of similar conflicts arising for other working procedures in other business areas of Nykredit.

Against this background, the relevant manager who is responsible for the function that has given rise to the conflict will be responsible for adjusting the working procedure accordingly in order to prevent future incidents.

For information about disclosure of conflicts of interest, see 5.4 below.

5.4 Disclosure of conflicts of interest

In cases where the measures established by Nykredit to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that the interests of customers will not be damaged, Nykredit must inform affected customers of the situation or incident and include sufficient detail, taking into account the nature of the customer, to enable those customers to take an informed decision with respect to the service etc in the context of which the conflict of interest has arisen. Such information should be given, if possible, before an agreement is entered into with the customer. The customer should be informed of the general nature and/or source of the conflict of interest and the steps taken to mitigate this risk. This will only be a measure of last resort.

Whether or not Nykredit informs the customer of conflicts of interest, Nykredit will effectively maintain and use the precautions and procedures launched to prevent conflicts of interest.

5.5 Record of conflicts of interest

Nykredit keeps records of situations in which conflicts of interest have arisen entailing a risk of damage to the interests of one or more customers. The records are updated regularly and reported to the Executive Board at least once a year.

6. CONTROLS AND REPORTING

Nykredit has set up controls to ensure that this policy and relevant guidelines and business procedures are complied with.

The Executive Board reports to the Board of Directors once a year whether the policy has generally been complied with and whether material policy breaches have occurred.

7. POLICY EVALUATION

Nykredit's Board of Directors and Executive Board will evaluate this policy at least once a year with a view to making any necessary adjustments and presenting an updated policy to the Board of Directors for approval.