



**Instruction
for
handling of Conflicts of Interest
in the SEB Group**

derived from the Rules of Procedure for the Board of Directors

adopted by the Board of Directors of
Skandinaviska Enskilda Banken AB (publ)
on 5 December 2017

Group Compliance

Conflicts of Interest

1. Introduction

- 1.1** The SEB Group provides a wide range of financial services to its clients and undertakes operations for its own account. This may result in Conflicts of Interest arising between different functions, units and/or companies of the SEB Group (including the SEB Group's managers, Employees and tied agents, or any person directly or indirectly linked to them by control) and their clients, or between one client and another.
- 1.2** This instruction specifies the procedures to be followed by the SEB Group for the identification of circumstances which constitute or may give rise to a Conflict of Interest entailing a material risk of damage to the interests of one or more of the SEB Group's clients.
- 1.3** This instruction also specifies the procedures to be followed and measures that have been adopted in order to prevent any such potential theoretical Conflict of Interest from arising, or, where one does arise, from adversely affecting the interests of the SEB Group's clients.
- 1.4** This instruction shall be implemented in all parts of the SEB Group, taking into account applicable local rules, and shall be applicable to all types of clients.

2. Definitions

- 2.1** In this instruction, the following terms shall have the meaning ascribed to them below.

Client Trading arranging transactions in financial instruments with and for clients.

Conflict of Interest a situation in which different parties have interests that conflict with each other. Such conflicts may arise between different functions, units and/or companies of the SEB Group, (including the SEB Group's managers, Employees and tied agents, or any person directly or indirectly linked to them by control) and their clients, or between one client and another.

Areas in which the SEB Group faces the theoretical risk of a Conflict of Interest arising include cases where the SEB Group itself, an Employee, manager, or third party under the control of the SEB Group:

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1. is likely to make a financial gain, or avoid a financial loss, at the expense of a client,
2. has an interest in the outcome of a service provided to, or transaction carried out on behalf of, a client, which is distinct from the client's interest,
3. is involved in a business that is the same as the client's business (other than, of course, where the SEB Group is dealing with another financial institution on the basis of transactions between two market participants),
4. has a financial or other incentive to favour the interests of one client or group of clients over the interest of another client, or
5. receives from (or gives to) a person other than the client an inducement for entering into a transaction with a client or for providing a service to it, in the form of monetary or non-monetary benefits or services.

Corporate Finance Operations

operations consisting of the underwriting of, and other participation in, securities issues or offers for the purchase or sale of financial instruments, financial advisory services in the investment banking field regarding, e.g. mergers, corporate acquisitions, sales and re-organisations, especially regarding listed companies, as well as the brokering of contacts between buyers and sellers of financial instruments.

Depository

an institution, pursuant to Art. 2.1 (a) of the UCITS Directive (2009/65/EC) or pursuant to Art. 21 of the Alternative Investment Fund Manager Directive (AIFMD) (2011/61/EU).

Employee

all employees within the SEB Group and anyone else who represents companies within the SEB Group, including their respective directors, independent contractors and consultants.

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Fund	undertakings for collective investments, including but not limited to UCITS, Alternative Investment Funds, exchange traded funds structured under the law of contract as common funds managed by a management company, or other funds structured under statute (investment companies and other undertakings other than common funds e.g. SICAV's).
Fund Management	the investment management of a Fund as well as administrative measures associated therewith.
Investment Advisory Activity	the provision of personal recommendations to a client, either upon its request or at the initiative of the SEB Group, in respect of one or more transactions relating to financial instruments.
Investment Research	research or other information recommending or suggesting an investment strategy explicitly or implicitly, concerning one or several financial instruments or the issuers of financial instruments, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public, and which is labelled or described as Investment Research or in similar terms, or is otherwise presented as an objective or independent explanation of the matters contained in the recommendation.
Personal Account Dealing	transactions undertaken by or on behalf of Employees for their own account.
External assignments	an employees' commitment to external activities, such as taking employment outside SEB (either part-time or full-time) or serve on the board or other similar body of another company or organisation, owning or carrying on business of any kind.

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Portfolio Management	the managing of portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments.
Proprietary Trading	trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments.
SEB Group	Skandinaviska Enskilda Banken AB (publ) and all its subsidiaries.

3. Provisions on Conflicts of Interest in external and internal rules

- 3.1** In applicable laws covering financial institutions there are confidentiality provisions which entail that information concerning clients may only be used or disclosed to any third party within or outside the SEB Group where such disclosure is authorised. These requirements are reflected in the confidentiality provisions contained in the SEB Group's internal rules and in the confidentiality undertaking which applies to all Employees.
- 3.2** The Code of Conduct for the SEB Group sets out the principles which express the SEB Group's fundamental core values and which must be complied with by all Employees in their day-to-day work. In accordance with what is stated therein, it is the responsibility of each SEB employee to adhere to the Code of Conduct and for asking their manager and when relevant Compliance in case of doubt on how to act.
- 3.3** In accordance with the Rules of Procedure for the Board of Directors, a report must be presented to the Board of Directors at least once a year concerning directorships held by members of the SEB Group's senior management.
- 3.4** The Instruction for the Activities of the SEB Group dictates the manner in which operational decisions are taken in SEB's Divisions, Business Areas and Business Units. The provisions in that instruction regarding the allocation of responsibility are intended, among other things, to protect against risks associated with potential Conflicts of Interest.

The SEB Group has adopted instructions concerning Personal Account Dealing for certain Employees which, among other things, requires the Employee (depending on his/her role) to obtain permission prior to dealing in financial instruments and to report transactions undertaken. These instructions also prohibit short-term trading.

4. Identification of Conflicts of Interest

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Services, activities and situations in which there is the potential for Conflicts of Interest to arise include the following:

Investment Research

4.1 Investment Research provides investing clients with information to enable them to take informed investment decisions. The interests of each investing client to make profitable investments are distinct from, and could in theory, be improperly affected by:

1. the SEB Group's corporate clients seeking to issue securities at the best possible price,
2. the SEB Group's proprietary traders, who seek to manage the SEB Group's holdings to its best advantage,
3. the SEB Group's Portfolio Management and Fund Management operations, which seek to maintain the best possible performance of the assets under their control,
4. the SEB Group and its affiliates as issuers/providers of financial instruments,
5. improper timing of distribution, for example, a person who receives a research report ahead of others has the opportunity to act prior to the information in the report may affect the price of the relevant security.

Investment Advice

4.2 The purpose of Investment Advisory Activities (including Corporate Finance Operations) is to provide appropriate advice that fits the individual client's specific circumstances. This interest is entirely distinct from, and could in theory be improperly affected by:

1. any of the SEB Group's other clients with an interest in the matter under consideration,
2. the SEB Group's interests in managing its own proprietary positions,
3. the desire of the SEB Group's investing clients, or its Portfolio Management and Fund Managements operations, to deal in financial instruments on the best possible terms,
4. the interests of the SEB Group and its affiliates as issuers/providers of financial instruments, insurance products and other financial products and services,
5. remuneration structures for Employees.

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Portfolio Management and Fund Management

- 4.3** Portfolio and Fund Management activities aim to maximise the return from portfolios within their stated investment criteria. Decisions taken by portfolio and fund managers must be distinct from, and could in theory be improperly affected by:
1. the SEB Group's corporate clients seeking to issue or acquire securities at the best possible price, or to achieve other strategic goals,
 2. the SEB Group's interests in managing its proprietary positions,
 3. the SEB Group's and its affiliates' interests as issuers/providers of financial instruments,
 4. improper timing or allocation considerations, since the manner in which transactions are executed or allocated could be used to give an unfair advantage to certain Funds or clients at the expense of others.

Proprietary Trading

- 4.4** The SEB Group's Proprietary Trading seeks to maximise the return from the positions which it takes. This interest is distinct from the interests of the SEB Group's clients, and Conflicts of Interest can in theory arise between these activities and:
1. the interests of clients that enter into transactions with the SEB Group in the course of their investment activities,
 2. the SEB Group's activities in the areas of Investment Research, Investment Advice and Portfolio Management and Fund Management.

Personal Account Dealings

- 4.5** Employees may engage in Personal Account Dealings and their interests in doing so may conflict with (or may take inappropriate advantage of) the interests of either the SEB Group itself or those of its clients.

External Assignments

- 4.6** Employees' external assignments may be in conflict with the interests of either the SEB Group itself or those of its clients.

Client Trading

- 4.7** When arranging transactions with and/or for clients, the SEB Group will obtain information relating to their affairs. Such information could theoretically be misused (and thus raises potential Conflict of Interest issues) in relation to:
1. the interests of other clients of the SEB Group, whether engaging in trading in the same securities or seeking other services,

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2. the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
3. the interests of Employees in Personal Account Dealings.
4. the Employee taking part in private transactions with the client.

Corporate Finance

4.8 When arranging transactions with and/or for clients, the SEB Group will obtain information relating to their affairs. Such information could theoretically be misused (and thus raises potential Conflict of Interest issues) in relation to:

1. the interests of other clients of the SEB Group, whether investors or competitors of the client in question,
2. the SEB Group's issuance of research and provision of advice,
3. the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
4. the interests of the Employees in Personal Account Dealings.

Where the SEB Group arranges a transaction for a client of its Corporate Finance business, Employees involved will seek to act in the best interests of their client, notwithstanding that this may conflict with the interests of either other clients of the SEB Group or the SEB Group itself.

Risk management functions

4.9 The SEB Group's internal risk management and other administrative functions act to protect the SEB Group's interests as a lender to its clients, an investor in securities, and a taker of financial risk generally. Such functions include the analysis and management of credit risks and market risk.

In fulfilling such functions, the Employees concerned will obtain confidential information relating to clients, positions of the SEB Group, and proposed actions of the SEB Group relating thereto. Such information could theoretically be misused (and thus raises potential Conflict of Interest issues) in relation to:

1. the interests of other clients of the SEB Group, whether investors or competitors of the client in question,
2. the SEB Group's issuance of research and provision of advice,

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3. the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
4. the interests of Employees in undertaking Personal Account Dealings.

Moreover, the Employees concerned will give instructions or take such actions as they deem necessary to protect the interests of the SEB Group, notwithstanding that such instructions or actions may conflict with the interests of its clients.

Custodian Operations

- 4.10** For the SEB Group's Divisions which provide custody services, etc. of clients' securities, internal instructions are required to ensure that each client's interests are safeguarded independently of other clients' interests or the interests of other parts of the SEB Group. In this context, information concerning a client's holdings and settlement transactions (which could potentially benefit the recipient) may not be disclosed to another Division, Business Area or Business Unit in the SEB Group without the client's consent.

In its capacity as Depositary, the SEB Group, in its custodianship of a Fund's assets, keeps such operations separate from the SEB Group's own Fund Management, and its operations which involve providing credit or other services to the Fund concerned.

Depositary operations are subject to instructions governing the manner in which their responsibilities as a control function shall be carried out.

Credits and Finance

- 4.11** The SEB Group's credits and finance operations include financing, the management of credit risks and the handling of pledges etc. for clients, which could give rise to a potential Conflict of Interest in relation to other activities carried out by the SEB Group or in relation to other clients.

For example, a potential Conflict of Interest may arise in circumstances where the SEB Group has granted credit to a client in financial distress, and the client also seeks assistance from SEB to raise money from their shareholders or the public e.g. through issuance of new financial instruments.

5. Management of potential Conflicts of Interest

- 5.1** The main measure to prevent Conflicts of Interest from adversely affecting a client is to ensure that actions taken in respect of the client are based solely on that particular client's own interests, and that the actions are taken independently of any other interest of the SEB Group's other clients, other activities, or Employees etc.

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5.2 The Head of each SEB Group Division, Business Area or Business Unit, within or between which Conflicts of Interest may potentially arise, shall implement relevant procedures and arrangements to ensure that:

1. Employees do not handle matters on behalf of the SEB Group where they or a closely-associated person or company may have an interest which conflicts with the interests of the SEB Group or its clients,
2. Employees do not engage in business operations on their own or any third party's behalf without the consent from their immediate superior in each individual case,
3. Employees must seek prior approval from their immediate supervising manager and additionally the next superior for external assignments outside their employment with the SEB Group. (Such assignments include for example serving on a board of directors).
4. Employees in one Division, Business Area or Business Unit may not exchange information with those of another Division, Business Area or Business Unit where the exchange of that information could harm the interests of one or more clients,
5. there is separate supervision of Employees carrying out services or activities on behalf of clients whose interests may conflict with for example, those of the SEB Group,
6. there is no direct link between the remuneration of Employees principally engaged in one activity and the remuneration of, or revenues generated by, Employees principally engaged in another activity, where a Conflict of Interest may arise in relation to those activities,
7. Employees within one Division, Business Area or Business Unit cannot exercise inappropriate influence over the way in which Employees of another Division, Business Area or Business Unit carry out their activities,
8. Employees within one Division, Business Area or Business Unit shall not unnecessarily be simultaneously or sequentially be involved in separate investment or ancillary services or activities where such involvement could impair the proper management of Conflicts of Interest,
9. any other appropriate measures are taken in order to manage potential Conflicts of Interest.

5.3 When it is unavoidable for an Employee to be involved in different investment, ancillary service or activity, the dual involvement shall be controlled by internal

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instructions ensuring the proper management of any resulting potential Conflicts of Interest.

6. Specific measures concerning Research analysts to prevent Conflicts of Interest

6.1 The SEB Group has adopted specific rules designed to prevent the personal financial interests of research analysts from influencing their analysis and recommendations. These measures include the following:

1. research analysts may only undertake personal transactions or trade in financial instruments to which their Investment Research relates once the recipients of their research have had a reasonable opportunity to act on it,
2. any such personal transaction must conform with the analyst's recommendation at the time (although permission may be given in exceptional circumstances for transactions which do not conform),
3. Employees involved in the production of Investment Research must not accept inducements from those with a material interest in the subject matter of the Investment Research,
4. Employees involved in the production of Investment Research may not promise issuers favourable research coverage,
5. where issuers or any other Employees are permitted to review draft Investment Research for the purpose of verifying the accuracy of factual statements contained within it, the draft must not include any recommendation or target price,
6. Employees are not permitted to produce Investment Research concerning entities in which they are a member of the board of directors or a senior executive,
7. Employees involved in the production of Investment Research shall not have a reporting line to, or otherwise be under the control of, the corporate finance or sales and trading units,
8. any material potential Conflict of Interest which exists between the SEB Group and the company or financial instruments covered in the Investment Research and which is known by the Research department, shall be disclosed in the Investment Research, including any recent involvement of the SEB Group in providing investment banking services, any relevant shareholdings of the SEB Group or shareholdings of the analyst producing

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the report, or involvement of Employees in the affairs of the company concerned.

7. Conflicts of Interest between different Divisions

7.1 In the event that a Conflict of Interest arises between two or more Divisions within the SEB Group, or a Conflict of Interest relating to a client which affects two or more Divisions, the Divisions concerned shall take appropriate steps to ensure that the Conflict of Interest does not materially and/or adversely affect the interests of their respective clients. Business Areas and Business Units should do likewise in relation to potential Conflicts of Interest that arise between them.

7.2 The SEB Group provides both Fund Management services and Depositary services with the result that potential Conflicts of Interest may exist between them. The services provided by the Fund Management company and the Depositary must be carried out independently of each other and exclusively in the common interest of unit-holders in the Fund. It is the responsibility of the SEB unit providing Depositary services to carry out its controls at arm's length distance from the Fund Management Company, and that it in all due respects carries out its controls independently in the best interest of the unit holders.

Within the Divisions that engage in Fund Management or provide Depositary services, written instructions shall be adopted, which govern and ensure that:

1. the Fund Management and the Depositary operations in the SEB Group are organised with appropriate information barriers, clear and explicit reporting lines for the maintenance of confidentiality, and a clear allocation of responsibility,
2. the Depositary can act independently of the Fund Management company in the efficient supervision of the assets under the control of the latter,
3. services within the Fund Management company and the Depositary are provided on customary market conditions.

8. Recordkeeping and reporting of services and activities giving rise to detrimental Conflicts of Interest

8.1 Each Division (or where appropriate Business Area or Business Unit) shall ensure that:

1. it takes an active part and assumes full ownership of identifying its actual or potential Conflicts of Interest,
2. in the event that it identifies an actual or potential Conflict of Interest which could detrimentally affect the interests of one of its clients to which it is

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providing investment or ancillary services or activities, where such conflict is attributable to *specific* activities or positions within the SEB Group (as opposed to those generic potential Conflicts of Interest attributable to the SEB Group's structure and the nature of its activities, as identified under section 4 above), such actual or potential conflict is documented by the Division, Business Area or Business Unit and reported to the compliance department responsible for the Division, Business Area or Business Unit in question,

3. a record is kept of such reports submitted,
4. Each division shall ensure that the SEB Group's senior management shall receive, frequently or at least annually, written reports on any detrimental Conflicts of Interest which entails a risk of damage to the interests of one or more clients,
5. a description of its procedures to identify and manage Conflicts of Interest is set out in its procedures manual, and that the process description is subject to periodical review and updated, as appropriate,

8.2 The Head of Group Compliance is responsible for ensuring that the SEB Group monitors the effectiveness of the measures and procedures put in place pursuant to this instruction, and for ensuring that this instruction is reviewed at least annually, and updated as and when necessary.

9. Inducements

9.1 When the SEB Group gives or receives a payment or other benefit in relation to a service provided to a client, this may give rise to a Conflict of Interest. This also includes situations where the SEB Group receives payments or benefits from a third party, so called 'inducements'.

9.2 When a payment or benefit is made directly to or by a client or someone acting on behalf of a client, this is generally permitted if in compliance with applicable regulation, with the exception of payments or benefits that are, or could be perceived as, bribery.

9.3 The SEB Group has adopted specific rules on inducements (the 'Instruction for the giving and receiving of Inducements in the SEB Group') which are designed to prevent that a payment or other benefit should influence either SEB or another party to act in a manner that puts its own interests (or those of a third party) above the interests of the client.

10. Disclosure of Conflicts of Interest

10.1 Where the relevant Division, Business Area or Business Unit of the SEB Group is not reasonably confident that a Conflict of Interest can be mitigated and the

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measures adopted under this instruction will prevent the risk of material damage to the client(s), the general nature and source of the Conflict of Interest shall be disclosed, in a durable medium, to the client(s) concerned. Such disclosure is a last resort and should only be adopted in specific cases where the measures otherwise put in place are deemed to be inadequate in preventing the risk of material damage to the client(s) affected.

- 10.2** In such cases, the SEB Group shall disclose the relevant Conflict of Interest to the client before undertaking business with or for it. Such disclosure to a client should take into account the nature of the client, and giving sufficient information to enable the client to make an informed decision on whether or not to proceed with the proposed business.
- 10.3** Where an Employee becomes aware of circumstances which he/she believes could constitute a Conflict of Interest likely to have a material impact on the interests of a client of the SEB Group, he/she shall report the matter to their immediate supervising manager or to their respective Compliance Department.
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