



**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 12 December 2018

# 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 actual and potential Conflicts of Interest arising between different functions, units and/or companies of the SEB Group (including the SEB Group's 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.
- 1.3** This instruction also specifies the procedures to be followed and measures that have been adopted in order to prevent any such actual or potential 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 apply to all Employees and Board Members (to the extent relevant) and 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.

<b>Board Member</b>	member of the board (in its supervisory function) of an SEB Group entity.
<b>Client Trading</b>	arranging transactions in financial instruments with and for clients.
<b>Closest Family Members</b>	spouse, co-habitor, registered partner, child, step-child, and any other relative who has been sharing the same household with an Employee or Board Member.
<b>Conflict of Interest</b>	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 Employees and tied agents, or any person directly or indirectly linked to them by control) and their clients, between one client and another or

## Conflicts of Interest

between an Employee/a Board Member (including its Closest Family Members or closely-associated company) and the SEB Group.

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

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).

## Conflicts of Interest

<b>Employee</b>	all employees within the SEB Group (and, for the avoidance of doubt, Senior Management) and anyone else who represents companies within the SEB Group, including independent contractors and consultants.
<b>External assignments</b>	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.
<b>Fund</b>	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).
<b>Fund Management</b>	the investment management of a Fund as well as administrative measures associated therewith.
<b>Insurance distribution</b>	insurance distribution means the activities of advising on, proposing, or carrying out other work preparatory to the conclusion of contracts of insurance, of concluding such contracts, or of assisting in the administration and performance of such contracts
<b>Investment Advisory Activity</b>	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.
<b>Investment Research</b>	research or other information recommending or suggesting an investment strategy explicitly or implicitly, concerning one or several financial instruments or the issuers of financial

## Conflicts of Interest

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.

### **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.

### **Qualifying Holding**

means a direct or indirect holding in an undertaking which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

### **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 and Board Members.
- 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 as well as by Board Members. In accordance

## Conflicts of Interest

with what is stated therein, it is the responsibility of each SEB Employee and Board Member to adhere to the Code of Conduct and for asking their immediate supervising manager/Chairman of the Board and when relevant Compliance in case of doubt on how to act.

- 3.3** The Instruction on Internal Governance for 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.

### **4. Procedures on identification, prevention, assessment, management or mitigation of actual or potential Conflicts of Interest**

#### *Procedures for management of Conflicts of Interest*

- 4.1** In order to identify, assess, manage, mitigate and prevent actual or potential individual and collective Conflicts of Interest within the board (including Closest Family Members to each Board Member), each Chairman of the Board shall ensure that the relevant procedures and arrangements addressing at least items listed in Appendix 1, (as applicable for the Board Members) are implemented. These procedures and arrangements shall be documented, periodically reviewed, updated and record-kept. An assessment of Conflicts of Interest based on the aforementioned procedures and arrangements shall be performed as often as it is deemed appropriate, but at least annually. The outcome of that assessment shall be documented, record-kept and communicated in accordance with Section 5 in this Instruction.
- 4.2** In order to identify, assess, manage, mitigate and prevent actual or potential individual and collective Conflicts of Interest within the Senior Management (including Closest Family Members to each Senior Manager), each Chief Executive Officer shall ensure that the relevant procedures and arrangements addressing items listed in Appendix 1 (as applicable for Senior Management), are implemented. These procedures and arrangements shall be appropriately documented, periodically reviewed, updated and record-kept. An assessment of Conflicts of Interest based on the aforementioned procedures and arrangements shall be performed as often as it is deemed appropriate, but at least annually. The outcome of that assessment shall be documented, record-kept and communicated in accordance with Section 5 in this Instruction.
- 4.3** In order to identify, assess, manage, mitigate and prevent actual or potential Conflicts of Interest,
- a) the Head of each SEB Group Division,
  - b) the Head of Business Support,
  - c) the Head of respective Staff Function,
  - d) the Head of respective Control Function,
  - e) the Head of each Business Area, and

## Conflicts of Interest

f) the Head of each Business Unit,

shall ensure that the relevant procedures and arrangements addressing at least items listed in Appendix 1, are implemented. These procedures and arrangements shall be documented, periodically reviewed, updated and record-kept. An assessment of Conflicts of Interest based on the aforementioned procedures and arrangements shall be performed using bottom-up approach. The assessment shall cater for the identification, assessment, management, mitigation and prevention of Conflicts of Interest in and between all relevant units in (a)-(e) above. The assessment shall be performed as often as it is deemed appropriate, but at least annually. The outcome of that assessment shall be documented, record-kept and reported in accordance with Section 5 in this Instruction.

### Responsibility of Employees and Board Members

- 4.4** If an Employee or a Board Member becomes aware of circumstances which they believe could constitute a Conflict of Interest related to their duties or position or a Closest Family Members, they shall report the matter to their immediate supervising manager or the Chairman of the Board respectively. All Employees and Board Members have responsibility to actively engage in identification, assessment, management, mitigation and prevention of actual or potential Conflicts of Interest.

### General preventive procedures

- 4.5** 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, Employees or Board Members, etc.

### Specific preventive procedures

- 4.6** On an organizational level, measures to prevent Conflicts of Interest include i.a. appropriate segregation of activities and establishment of information barriers. Also, when organizing and re-organising its activities, the SEB Group actual or potential Conflicts of Interest shall be assessed, managed and mitigated.
- 4.7** The SEB Group has adopted specific rules designed to prevent the personal financial interests of Research analysts from influencing their analysis and recommendations. Also SEB Group has adopted specific rules designed to prevent Conflicts of Interests to arise between Depository and Fund Management activities. These measures are set out in Appendix 2.
- 4.8** The SEB Group has adopted instructions concerning Personal Account Dealing for certain Employees which, among other things, requires the Employee (depending on their role) to obtain permission prior to dealing in financial instruments and to report transactions undertaken. These instructions also prohibit short-term

## Conflicts of Interest

trading. The provisions in those instructions are intended, among other things, to protect against risks associated with potential Conflicts of Interest.

- 4.9** When the a Division, Business Unit or Business area (as applicable) of the SEB Group gives or receives a payment or other benefit from third party (so called 'inducements') in relation to a service provided to a client, this may give rise to a Conflict of Interest. 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 protect from risks 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.
- 4.10** The SEB Group has adopted procedures (the SEB Group Transfer Pricing Policy) concerning related parties transactions, requiring related parties within the SEB Group to conduct business on an arm's length principle. This instruction is also intended, among other things, to protect against the risks associated with potential Conflicts of Interest.
- 4.11** The Credit Instruction for Skandinaviska Enskilda Banken AB (publ) and the SEB Group sets out detailed procedures regarding Conflicts of Interest related to credits to certain persons within the SEB Group.

### *Identification of Conflicts of Interest at an institutional level*

- 4.12** Services, activities and situations in which there is the potential for Conflicts of Interest to arise are set out in [Appendix 3](#), and may be used as guidance in order to identify actual Conflicts of Interest.

### *Identification of Conflicts of Interest at Employee/Board Member level*

- 4.13** Situations in which there is a potential for Conflicts of Interest related to Employees or Board Members to arise are set out in [Appendix 4](#), and may be used as guidance in order to identify actual Conflicts of Interest.

## **5. Documentation, record-keeping and reporting of Conflicts of Interest**

### *Documentation and communication of Conflicts of Interest related to Board Members*

- 5.1** When, after an assessment of Conflicts of Interest in accordance with [Section 4](#), a Conflict of Interest related to a Board Member (including the board collectively) or a Closest Family Members to a Board Member has been identified, each Chairman of that Board shall ensure that such Conflicts of Interest are documented, record-kept and communicated within the board of that relevant entity within the SEB Group.

### *Documentation and communication of Conflicts of Interest related to Senior Management*

- 5.2** When, after assessment of Conflicts of Interest in accordance with [Section 4](#),

## Conflicts of Interest

a Conflict of Interest related to a Senior Manager (including Senior Management collectively) or a Closest Family Member to a Senior Manager has been identified, each Chief Executive Officer shall ensure that such Conflicts of Interest are documented, record-kept and communicated within that Senior Management of that relevant entity within the SEB Group.

### Documentation and reporting of Conflicts of Interest related to Employees

- 5.3** When, after assessment of Conflicts of Interest in accordance with Section 4, a Conflict of Interest related to an Employee or a Closest Family Member to an Employee has been identified, the immediate manager, shall ensure that the decision taken in relation to that is documented, record-kept, and in particular, in relation to if the Conflicts of Interest and the related risks have been accepted, and if it has been accepted, how the Conflicts of Interest has been satisfactorily mitigated or remedied. Where the related risks have been accepted, the immediate manager has to inform the Head of each SEB Group Division, Head of Business Support and (as applicable) about such risk.

The Head of each SEB Group Division, Head of Business Support and Head of respective Staff and Control Functions, shall ensure that the SEB Group's Senior Management shall receive, frequently or at least annually, written reports on any Conflicts of Interest related to an Employee or Closest Family Members where related risks have been accepted in the Division or area of responsibility as applicable.

### Documentation and reporting of detrimental Conflicts of Interest

- 5.4** The Head of each SEB Group Division, (or where appropriate Head of Business Support, Head of respective Group Staff and Control Functions, Business Area and Business Unit) shall ensure that in the event that an actual or potential Conflict of Interest is identified which could detrimentally affect the interests of one of its clients to which it is 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 Appendix 3), such actual or potential conflict is documented by the Division, (or where appropriate Business Support, respective Group Staff and Control Functions, Business Area or Business Unit).
- 5.5** The Head of each SEB Group Division, (or where appropriate Head of Business Support and Head of respective Group Staff and Control Functions) shall ensure that SEB Group's Senior Management shall receive, frequently or at least annually, written reports on any detrimental Conflicts of Interest which entail a risk of damage to the interests of one or more clients.
- 5.6** The Head of each SEB Group Division, (or where appropriate Head of Business Support and Head of respective Group Staff and Control Functions) shall ensure

## Conflicts of Interest

that a record is kept by each Division or area of responsibility, of such reports submitted.

### *Monitoring*

- 5.7** 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.

## **6. Disclosure of Conflicts of Interest**

- 6.1** Where the relevant Division, Business Support, respective Group Staff and Control Functions, Business Area or Business Unit, of the SEB Group is not reasonably confident that Conflicts of Interest can be mitigated and the measures adopted under this instruction will prevent the risk of damage to the client(s), the Head of Division (or where appropriate Head of Business Area or Business Unit) shall decide whether 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 measure of 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.
- 6.2** 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 give sufficient information to enable the client to make an informed decision on whether or not to proceed with the proposed business.

## Conflicts of Interest

*Appendix 1*

### **Relevant procedures and arrangements to be implemented in order to manage Conflict of Interest should include at least following.**

- a) 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 affects two or more Divisions, the Divisions concerned shall take appropriate steps (organizational and/or administrative, as applicable) to ensure that the Conflict of Interest does not materially and/or adversely affect the interests of their respective clients. Business Areas, Business Units, Business Support and respective Group Staff and Control Functions should do likewise in relation to potential Conflicts of Interest that arise between them.
- b) Employees and Board Members must not handle matters on behalf of the SEB Group where either they or a Closest Family Member or closely-associated company may have an interest which conflicts with the interests of the SEB Group or its clients or where the Employee's or Board Member's objectivity or ability to fulfil duties to the SEB Group may be otherwise compromised.
- c) Employees' and Board Members' engagements with the SEB Group (such as shareholding in an entity within the SEB Group, private accounts, loans or other services provided by an entity within the SEB Group) should not be considered as leading to a Conflict of Interest as long as those engagements are in line with what can be reasonably seen as customary relationships with the relevant SEB entity.
- d) Employees must 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.
- e) Employees must seek prior approval from their immediate supervising manager and additionally the next superior manager for external assignments outside their employment with the SEB Group. In relation to Employees and Board Members, no assignments in the board of a competing institution are permitted, unless such assignments are within institutions that belong to the same institutional protection scheme, credit institutions permanently affiliated to a central body, or institutions within the scope of prudential consolidation<sup>1</sup>.
- f) Employees in one Division, Business Area, Business Unit, Business Support or respective Group Staff and Control Functions may not exchange information with those of another Division, Business Area, Business Unit, Business Support or respective Group Staff and Control Functions where the exchange of that information may harm the interests of one or more clients.

---

<sup>1</sup> See further EBA Guidelines EBA/GL2017/11, on internal governance under Directive 2013/36/EU, Chapter 12, item 113 (e).

## Conflicts of Interest

- g) There must be separate supervision of Employees carrying out services or activities on behalf of clients whose interests may conflict with those of the SEB Group.
- h) There must be 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.
- i) Employees within one Division, Business Area, Business Unit, Business Support or respective Group Staff and Control Functions must not exercise inappropriate influence over the way in which Employees of another Division, Business Area, Business Unit, Business Support or respective Group Staff and Control Functions carry out their activities.
- j) Employees within one Division, Business Area or Business Unit should not unnecessarily be either simultaneously or sequentially involved in separate investment or ancillary services or other activities where such involvement could impair the proper management of Conflicts of Interest. When it is unavoidable for an Employee to be involved in different investment, ancillary services or activities, the overlapping involvement shall be controlled by internal instructions ensuring the proper management of any resulting potential Conflicts of Interest.
- k) Whenever transactions with related parties are to be conducted, procedures set out in the SEB Group Transfer Pricing Policy and Instruction should be followed.
- l) Any other appropriate measures must be taken in order to manage actual or potential Conflicts of Interest.

## **Conflicts of Interest**

*Appendix 2*

### **Specific measures concerning Research analysts to prevent Conflicts of Interest**

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 Research 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 that Investment Research.
4. Employees involved in the production of Investment Research must not promise favourable research coverage to issuers of tradeable securities.
5. Where issuers of tradeable securities 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 prices.
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 team or sales and trading units.
8. Any material potential Conflict of Interest which exists between the SEB Group and the issuer of financial instruments covered in 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, shareholdings of the analyst producing the report, or involvement of Employees in the affairs of the company concerned.

### **Specific measures concerning Fund Management and Depository**

The services provided by the Fund Management Company and the Depository 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 Depository services to carry out its controls at arm's length distance from the Fund Management Company,

## Conflicts of Interest

and to in all due respects, carry out its controls independently and in the best interest of the unit holders.

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

- a) the Fund Management and the Depository 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,
- b) the Depository can act independently of the Fund Management Company in the efficient supervision of the assets under the control of the latter,
- c) services within the Fund Management company and the Depository are provided on customary market conditions.

## Conflicts of Interest

Appendix 3

### **Identification of services, activities and situations where Conflicts of Interest at an institutional level may arise**

#### *1. Investment Research*

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

- a) the SEB Group's corporate clients seeking to issue securities at the best possible price,
- b) the SEB Group's proprietary traders, who seek to manage the SEB Group's holdings to its best advantage,
- c) the SEB Group's Portfolio Management and Fund Management operations, which seek to maintain the best possible performance of the assets under their control,
- d) the SEB Group and its affiliates as issuers/providers of financial instruments,
- e) 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 potentially affecting the price of any relevant security concerned.

#### *2. Investment Advice*

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

- a) any of the SEB Group's other clients with an interest in the matter under consideration,
- b) the SEB Group's interests in managing its own proprietary positions,
- c) the desire of the SEB Group's investing clients, or its Portfolio Management and Fund Management operations, to deal in financial instruments on the best possible terms,
- d) the interests of the SEB Group and its affiliates as issuers/providers of financial instruments, insurance products and other financial products and services,

## Conflicts of Interest

- e) remuneration structures for Employees.

### *3. Portfolio Management and Fund Management*

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:

- a) the SEB Group's corporate clients seeking to issue or acquire securities at the best possible price, or to achieve other strategic goals,
- b) the SEB Group's interests in managing its proprietary positions,
- c) the SEB Group's and its affiliates' interests as issuers/providers of financial instruments, and
- d) 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.

### *4. Proprietary Trading*

The SEB Group's Proprietary Trading teams seek to maximise the return from the positions they take. 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:

- a) the interests of clients that enter into transactions with the SEB Group in the course of their investment activities,
- b) the SEB Group's activities in the areas of Investment Research, Investment Advice and Portfolio Management and Fund Management.

### *5. Client Trading*

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 raise potential Conflict of Interest issues) in relation to:

- a) the interests of other clients of the SEB Group, whether engaging in trading in the same securities or seeking other services,
- b) the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
- c) the interests of Employees in Personal Account Dealings.
- d) Employee taking part in private transactions with the client.

## Conflicts of Interest

### *6. Risk management functions and other administrative functions*

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 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:

- a) the interests of other clients of the SEB Group, whether investors or competitors of the client in question,
- b) the SEB Group's issuance of research and provision of advice,
- c) the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
- d) 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.

### *7. Custodian Operations*

When providing custodian services to clients, SEB Group will receive information relating to their holdings. Such information could theoretically be misused (and thus raise potential Conflict of Interest) in relation to:

- a) the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
- b) the interests of Employees in Personal Account Dealing.

### *8. Credits and Finance*

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.

## Conflicts of Interest

### *9. Insurance distribution*

When relevant Division within the SEB Group are carrying out Insurance distribution activities, potential Conflicts of Interest may arise in relation to advice that is intended to fit the individual client's specific circumstances. The client's best interest could potentially be wrongly affected by:

- a) the design and content of advisory offerings, assessment of suitability and associated processes,
- b) any models for third party payments (inducements) concerning insurance products or financial instruments and remuneration structures for Employees,
- c) the interests of the SEB Group and its affiliates as issuers/providers of financial instruments, insurance products and other financial products and services, and/or
- d) any of the SEB Group's other clients with an interest in the matter under consideration.

The fact that the SEB Group provides services both as an Insurance undertaking and as a tied Insurance intermediary also exposes the group to possible Conflicts of Interest. This risk is potentially further affected by outsourcing agreements between Insurance undertakings and other companies within the SEB Group.

### *10. Conflicts between Fund Management services and Depository services*

The SEB Group provides both Fund Management services and Depository services. Within its activities as Depository, SEB Group has certain oversight duties over Fund Management activities concluded within the SEB Group. When performing its oversight duties, the Depository shall act independently and in the interest of the unit holders. Information regarding Depository oversight could theoretically be misused (and thus raise potential Conflict of Interest issues), in relation to the interests of clients (unit holders).

### *11. Corporate Finance*

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 raise potential Conflict of Interest issues) in relation to:

- a) the interests of other clients of the SEB Group, whether investors or competitors of the client in question,
- b) the SEB Group's issuance of research and provision of advice,

## **Conflicts of Interest**

- c) the SEB Group's activities for its own account, particularly in the area of Proprietary Trading,
- d) the interests of 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.

## Conflicts of Interest

Appendix 4

### Identification of situations where Conflicts of Interest may arise at Employee level

- a) *Personal Account Dealings*  
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.
- b) *External Assignments/previous employment*  
Employees'/Board Members' or Employees'/Board Members' Closest Family Members' present and past external assignments/external employment and previous employment (within the recent past three years) may be in conflict with the interests of either the SEB Group itself or those of its clients.
- c) *Other Conflicts of Interest related to Employees*
  - i) Employees'/Board Members' or Employees'/Board Members' Closest Family Members' past (within the recent past three years or longer if it still has impact on Employees'/Board Members' behavior) and present personal economic interests (e.g. shares, other ownership rights and memberships, financial holdings and other economic interests in commercial customers, intellectual property rights, loans granted by the SEB Group to a company owned by Employee/Board Member, membership in a body or ownership of a body or entity with conflicting interests) could give rise to actual or potential Conflict of Interest in relation to interest of either the SEB Group itself or those of its clients. Employees' and Board Members' engagements with the SEB Group (such as shareholding in an entity within SEB Group, private accounts, loans or other services provided by an entity within the SEB Group) should not be considered as leading to a Conflict of Interest as long as those engagements are in line with what can be reasonably seen as customary relationship with the relevant SEB entity.
  - ii) Employees'/Board Members' or Employees'/Board Members' Closest Family Member's past (within the recent past three years or longer if it still has impact on Employees'/Board Members' behavior) or present personal or professional relationships with the owners of Qualifying Holdings in undertakings within the SEB Group could give rise to actual or potential Conflict of Interest in relation to interest of either the SEB Group itself or those of its clients.
  - iii) Employees'/Board Members' or Employees'/Board Members' Closest Family Member's past (within the recent past three years or longer if it still has impact on Employees'/Board Members' behavior) or present personal or professional relationships with other Employees'/Board Members within the undertakings of the SEB Group, could give rise to actual or potential Conflict

## Conflicts of Interest

of Interest in relation to interest of either the SEB Group itself or those of its clients.

- iv) Employees'/Board Members' or Employees'/Board Members' Closest Family Member past (within the recent past three years or longer if it still has impact on Employees'/Board Members' behavior) or present personal or professional relationships with external stakeholders (e.g. association with material suppliers, consultants or other service providers) could give rise to actual or potential Conflict of Interest in relation to interest of either the SEB Group itself or those of its clients.