

## CONFLICTS OF INTEREST POLICY

NPINVESTOR Fondsmæglerselskab A/S CVR-nr. 39286467 (hereafter named “NPINVESTOR”) conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its clients.

## INTRODUCTION

This Conflict of Interest Policy sets out our procedures in relation to the identification, management, reporting and ongoing monitoring of conflicts of interest. Senior management within NP investor are responsible for ensuring that the systems, controls and procedures are adequate to identify and manage conflicts of interest. The Compliance Officer of NPINVESTOR assists in the identification, monitoring of actual and potential conflicts of interest.

The following sections below outlines the steps involved in dealing with conflicts of interest:

## SCOPE AND APPLICATION

This Policy applies in respect of all activities conducted in and by NPINVESTOR. All employees need to make themselves familiar with it. In addition, to the procedures outlined below, all staff should be familiar with NPINVESTOR’s Personal Account Dealing Policy which also has a bearing on the management of conflicts of interest.

- i. For the purposes of this Policy, it applies to those conflicts of interest that may give rise to a material risk of damage to the interests of a client. Conflicts of interest may arise between:
  - NPINVESTOR and a Client;
  - a Relevant Person and a Client;
  - two or more Clients of NPINVESTOR in the context of the provision of services by NPINVESTOR to those Clients;
  - NPINVESTOR Vendor and a Client.
- ii. For the purposes of this policy, **Clients** include:
  - existing Clients of NPINVESTOR;
  - potential Clients; and
  - past Clients where fiduciary or other duties remain in place.

- iii. For the purposes of this policy, “**Regulated Business**” means all forms of sales and trading activities in derivatives and their underlying instruments, custody and foreign exchange services related to sales and trading activity.

- iv. For the purposes of this policy, “**Relevant Person**” means any of the following:

- a director, partner or equivalent, manager or appointed representative (or where applicable, tied agent) of NPINVESTOR;
- a director, partner or equivalent, or manager of any appointed representative (or where applicable, tied agent) of NPINVESTOR;
- an employee of NPINVESTOR;
- a natural person who is involved in the provision of services to NPINVESTOR under an outsourcing arrangement for the purpose of the provision by NPINVESTOR of investment services and activities.

For the purposes of this policy, “**NPINVESTOR Vendor**” means a relationship that NPINVESTOR has with a service provider, including but not limited to entities providing outsourcing facilities to NPINVESTOR, where services are being provided to NPINVESTOR.

## POLICY STATEMENT

These procedures are intended to put into operation NPINVESTOR’s Policy statement relating to conflicts of interest which has been agreed by the Board of Directors concerned and is attached as [APPENDIX A](#). This policy statement is a high level overview of the approach that NPINVESTOR adopts in relation to the identification and management of conflicts of interest. A copy of this Policy can be provided to clients and third parties if they request a copy.

## THE NATURE OF CONFLICTS OF INTEREST

Conflicts of interest can take many forms. They arise where there is a mismatch between the interests of one party to an agreement and another party. The activities were conflicts of interest can arise:

- between our own interests and those of a client;
- between one client and another; and
- between a director or employee and a client.

**APPENDIX B**, these procedures sets out examples of potential conflicts that may arise in the course of NPINVESTOR's activities. The purpose of this list is to assist directors and employees identify potential conflicts of interest. All NPINVESTOR's employees should review Appendix B of this Policy and ensure that they understand the nature of the conflicts concerned. This will assist all employees in ensuring that they observe the requirements of this Policy.

## IDENTIFICATION OF CONFLICTS OF INTEREST

Conflicts of interest may arise at any time. They can arise at the start of a relationship with a client as well as at any time during a relationship. In order to assist the identification of conflicts of interest, the following procedures should be followed:

### Commencement of client relationship

The Onboarding Department signs off all new clients prior to us undertaking business with or on their behalf. Prior to providing sign-off, the Onboarding Team will consider any potential conflicts of interest.

### Identification of conflicts other than at the commencement of a relationship

All directors and employees have an ongoing responsibility to remain alert to the potential for conflicts of interest and to ensure that any such conflicts are appropriately escalated via the Compliance Department.

## CONFLICT NOTIFICATION

The Compliance Officer acts as the central co-ordination point in relation to conflicts of interest. Accordingly, any actual or potential conflict of interest whether it arises at the commencement of a client relationship or at some other time, should be reported to the Head of Compliance. In relation to any such conflicts, the following information should be provided (as far as possible):

- names of the clients or clients concerned;
- nature of the conflict;
- whether the conflict is deemed to be an actual conflict or a potential conflict; and
- names of the individuals within NPINVESTOR best placed to resolve the conflict.

## REVIEW OF CONFLICTS

Upon receipt of a Conflict Notification, the Head of Compliance will:

- i. Log the conflict on the Register of Conflicts of Interest;
- ii. Assess the conflict to determine whether it is:
  - a) a perceived rather than actual conflict and one in relation to which no further action is required; and
  - b) A conflict which does not have commercial implications for NPINVESTOR and in relation to which the Compliance Officer is the appropriate individual to resolve.

## RESOLUTION OF CONFLICTS

Where a conflict of interest arises, it must be managed promptly and fairly. As a minimum standard NPINVESTOR as part of a group of companies has in place arrangements designed to ensure that:

- divisions and legal entities operate with appropriate independence from one another;
- there are effective procedures in place to control the flow of information where the risk of a conflict of interest may harm the interests of a Client;
- supervisory arrangements provide for separate supervision of staff where necessary for the fair management of conflicts of interest;
- there are appropriate controls in place to identify and manage cross-board memberships and outside business interests of Relevant Persons;
- relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interest;
- adequate records are maintained of the services and activities of NPINVESTOR where a conflict of interest has been identified;
- where necessary, Relevant Persons may be asked to step aside from working on a specific transaction or participating in the management of a potential conflict of interest;
- where necessary, Relevant Persons are subject to personal account transaction rules; and
- There is a periodic review of the adequacy of NPINVESTOR's systems and controls.

In most cases conflicts will be resolved by the Head of Compliance in one of the following ways:

- i. an acknowledgement that existing controls are sufficient to mitigate the conflict, an example, might be where established Chinese walls exist or where the individuals concerned are subject to a policy of independence;
- ii. implementation of additional control measures specific to the conflict concerned;
- iii. declining to act for the client concerned; and
- iv. disclosure of the conflict to the parties concerned and seeking their consent to continue with the transaction. In that case, disclosure should be used as a last resort only.

The way in which a particular conflict has been resolved should be notified to the Compliance Officer who will record the method of resolution on the Register of Conflicts of Interest.

## **CONFLICTS MONITORING**

Conflicts of Interest which are of an ongoing nature will be reviewed by compliance as part of their ongoing monitoring responsibilities.

## **APPENDIX A - CONFLICTS OF INTEREST POLICY STATEMENT**

### **PURPOSE OF THIS DOCUMENT**

**This document describes NPINVESTOR's Policy in relation to the identification and management of conflicts of interest.**

**This Policy statement has been approved by the Board of Directors of NPINVESTOR.**

**NPINVESTOR shall provide a copy of this Policy to Clients upon request.**

### **GENERAL PRINCIPLES**

The key concepts underlying the Policy are as follows:

NPINVESTOR will take all reasonable steps to identify conflicts of interests between itself (including its managers, employees, or any person directly or indirectly linked to it by control) and any client; or

between one client and another that arise or may arise in the course of NPINVESTOR providing any service to its clients in the course of carrying on regulated activities or ancillary services.

For the purposes of identifying conflicts of interest NPINVESTOR will take into account, as a minimum, whether it or a relevant person, or a person directly or indirectly linked by control to it:

- i. is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- ii. has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- iii. has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
- iv. carries on the same business as the Client; or
- v. receives or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

NPINVESTOR will maintain and operate effective organisational and administrative arrangements with a view to taking reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients.

In relation to the identification and management of conflicts of interest it will take into account:

- i. the risk that a conflict of interest may adversely affect the interests of a Client, a group of Clients or all of its Clients;
- ii. the nature, scale and complexity of its business in DK and internationally; and
- iii. the nature and range of products and services offered in the course of that business.

NPINVESTOR will disclose the general nature and / or the specific sources of conflict with the interests of its Client, only where it considers its internal arrangements to manage a specific conflict of interest to be insufficient.

### **POTENTIAL PERSONAL CONFLICT OF INTEREST**

A potential personal conflict of interest may exist where:

- i. an employee (or a member of his/her immediate family) has a financial connection with a client or competitor;
- ii. an employee has a personal relationship with a client or competitor;
- iii. an employee has a personal relationship with a supplier or competitor;
- iv. an employee has received benefits (e.g. gifts) from a client or a business services person from a supplier; and
- v. an employee is a director or trustee of a client or competitor.

There may be other situations that do not fit into the categories described below where a personal conflict may arise. All employees must be alert to such conflicts and must disclose them to the Compliance Officer, if you are personally asked to act for that client or are linked to that competitor.

#### FINANCIAL CONNECTION

Any financial connections that an employee has with a client or personal connection with a competitor should be disclosed where it could be reasonably argued that the employee's independence is threatened as a result.

All employees must disclose these matters to the Compliance Officer before starting work and must also include them in the Conflict of Interest Policy Declaration which the employee is asked to complete annually.

Details of financial interests and whether or not they need to be disclosed are as follows:

- shareholdings or other securities in a company held by you or, to the employee's knowledge, any of the employee's immediate family, the value of which is likely to be affected by the subject matter of the retainer *must be disclosed* (subject to the proviso that holdings worth less than the local equivalent can be disregarded for this purpose) even if the purchase was previously approved by NPINVESTOR;
- investments in pension funds or similar investments do not need to be disclosed, provided they are on normal commercial terms;
- bank or other savings accounts in relevant clients do not need to be disclosed, provided they are on normal commercial terms; and

- If the employee is related to, or are a close personal friend of, an individual who would stand to benefit personally to a material extent from the subject matter of the retainer or information the employee has gained by being employed at NPINVESTOR *must be disclosed*.

#### Definitions:

**"Immediate family"**-Spouse, civil partner, children and step-children, except a spouse, civil partner or adult child/step-child who independently manages his or her own investments without direction or control by or advice from the employee.

#### PERSONAL RELATIONSHIPS

If the employee has a personal relationship with someone who works for a client or supplier organisation, or who is a client or supplier themselves or competitor, the employee needs to ensure that he/she do not compromise NPINVESTOR or his/ her own independence. The employee should start by discussing the situation with the Compliance Officer.

If the person with whom the employee has a personal relationship is in a position of influence at the client or is the person from whom NPINVESTOR has dealings or competitor, the employee should not personally work for that client ***unless this has been approved in advance*** by the Compliance Officer.

While the employee may consider that he/ she is able to act independently, external perceptions are also important; it is therefore important that someone impartial makes the decision as to the employee's personal involvement in the matter.

#### Definitions:

**"Position of influence at a client"** - A person with a position of influence at a client would include an executive or non-executive director, head of department, client services representative or other person with decision-making authority or has direct access to client information.

**"Relationship"** - For the purposes of this section, a person with whom the employee has a personal relationship may be someone other than "immediate family" as defined above. Such a person may, for example, include siblings, partner or close personal friends. The guiding principle is whether the employee thinks a reasonable person would expect the relationship to have an impact on his/ her independence



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in working for the client. If the person with whom the employee has a personal relationship is in a position of influence at an entity supplying or seeking to supply goods or services or competitor to NPINVESTOR, the employee must disclose this to the Compliance Officer.

NPINVESTOR's Compliance Officer of any family members or personal friends who are either customers, employees or service providers or competitors to NPINVESTOR or any of its associated companies.

### CONTROLS IN PLACE TO MANAGE CONFLICTS

In addition to the above, we add that the following specific controls that implement this policy:

**NPINVESTOR FONDSMÆGLERSELSKAB A/S RESERVES THE RIGHT TO AMEND THIS POLICY AS REQUIRED**

#### REMUNERATION

All employees are remunerated by salary.

Monthly commissions are also payable to Sales staff on realised income. For general staff, there are numerous factors that go into determining an end of year discretionary bonus.

Company success, individual KPI's, feedback from clients and from work colleagues feature prominently in the discussions for end of year bonus figures for each employee.

### **APPENDIX B – POTENTIAL CONFLICTS OF INTEREST**

- i. NPINVESTOR or Relevant Person receives substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interests of the clients of the business.
- ii. NPINVESTOR continually monitors the business of all customers that a Referring Party has introduced to it. In the case of fund manager trading on behalf of a client under a power of attorney, NPINVESTOR monitors for excessive trading that may be disadvantageous to the client.
- iii. All employees of NPINVESTOR under the terms of their Contract of Employment and in accordance with NPINVESTOR's Compliance Procedures Manual are required to promptly provide NPINVESTOR's Compliance Officer with electronic copies of any Personal Account Dealing that they may conduct in relation to regulated instruments.
- iv. All employees of NPINVESTOR are required, under the terms of their Contracts of Employment and NPINVESTOR's Compliance Procedures Manual, to immediately advise