

Conflicts of Interest Policy

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1. Introduction

This Policy is issued pursuant to, and reflects compliance with, the Directive 2014/65/EU (MiFID II), Directive 2013/36/EU (CRD IV), relevant EBA guidelines and subsequent changes and with the implementing Danish legislation that apply to Saxo Bank A/S and its branch offices ("Saxo Bank"). It is not intended to create third party rights or duties that would not already exist if the Policy had not been made available and it does not form part of any contract between Saxo Bank and any client or prospective client.

Conflicts of interest may arise between Saxo Bank and its clients, its shareholders, members of its management bodies, employees, their closest family members, significant vendors or partners, any legal entities directly or indirectly controlled by Saxo Bank or between different clients of Saxo Bank.

This Policy is a supplement to Saxo Bank's overall general obligation to act with integrity and fairness, both towards its clients and its counterparties.

Saxo Bank is committed to professionally and fairly managing potential conflicts of interest. This policy lays out in which circumstances conflicts of interest may arise and how these conflicts of interests should be managed accordingly.

This Policy is available to Saxo Bank's clients and partners upon request and is also made available on our websites, including www.home.saxo. Saxo Bank reserves the right to amend or supplement this Policy at any time.

2. Identification and general disclosure of the nature of potential conflicts of interest and of their sources

Saxo Bank hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially but not necessarily be detrimental to the interests of one or more clients, incl. clients' sustainability preferences if any. In the course of providing financial services, a conflict of interest may arise if Saxo Bank, its employees or related legal persons (directly or indirectly controlled by Saxo Bank):

- Are likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- Have 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;
- Have a financial or other incentive to favour the interest of a client or group of clients over the interests of another client
- Carry on the same business as the client
- Receive or will receive from a person other than the client an inducement in the form of money, goods or services for the service in question.

These circumstances relating to clients' interests are described in more detail below.

Saxo Bank employees, incl. members of its management bodies, may have private interests which could adversely influence the performance of their duties and responsibilities and hence adversely impact the interests of the bank. Such interests may be linked to relationships, both past and present. These circumstances relating to Saxo Bank's interests are described in more detail in section 2.1.

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2.1. Circumstances which may give rise to a conflict of interest between Saxo Bank, its employees, related legal persons and its clients

Saxo Bank has identified the following circumstances which may give rise to a conflict of interest between Saxo Bank, its employees, related legal persons and its clients:

- a) Manufacturing or distribution of financial instruments may entail conflicts of interest as a result of e.g. exposures held by Saxo Bank before or after a sale of a product, remuneration, inducements received from the bank's partners or remuneration of employees;
- b) Saxo Bank may provide advice to clients whose interests may be in conflict or competition with other clients' interests;
- c) Saxo Bank may have an interest that is contrary to clients' transactions, e.g. when clients trade in markets where Saxo Bank acts as a market maker or when Saxo Bank wishes to invest in the same instrument as a client;
- d) When acting as market maker Saxo Bank may manage its own risk by hedging in the market which may affect market levels and thus affecting client levels including stop-loss levels. Furthermore, Saxo Bank may profit from its hedging activity even though the client's transaction declines in value;
- e) Saxo Bank, its employees and related legal persons may have, establish, change or cease to have positions in securities, foreign exchange or other financial instruments covered by an investment recommendation or advice;
- f) Saxo Bank may trade in securities or other financial instruments on behalf of the clients knowing that the trades will be beneficial to Saxo Bank's, its employees' or related persons' positions in the same instruments;
- g) Saxo Bank may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the client's personal objective of minimizing transaction costs;
- h) Saxo Bank's bonus scheme may award its employees based on the trading volume etc.;
- i) Saxo Bank may receive or pay inducements to or from third parties for the referral of new clients where the amount of remuneration is based on the fees earned from the clients; and
- j) Saxo Bank, its employees and related legal persons may have interests in business competing with Saxo Bank's clients.

2.2. Circumstances which may give rise to a conflict of interest between Saxo Bank employees, incl. members of its management bodies and Saxo Bank

Saxo Bank has identified the following circumstances which may give rise to a conflict of interest between Saxo Bank employees, incl. members of its management bodies and Saxo Bank:

- a) 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 institution to a company owned by staff, membership in a body or ownership of a body or entity with conflicting interests);
- b) Personal or professional relationships with the owners of qualifying holdings in the institution;
- c) Personal or professional relationships with staff of the institution or entities included within the scope of prudential consolidation (e.g. family relationships);

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- d) Other employment and previous employment within the recent past (e.g. five years);
- e) Personal or professional relationships with relevant external stakeholders (e.g. being associated with material suppliers, consultancies or other service providers); and
- f) Political influence or political relationships.

3. Registration of conflicts of interest

Saxo Bank maintains a register of the investment services and activities and ancillary services carried out by or on behalf of Saxo Bank which have given or could give rise to a conflict of interest, which may be detrimental to the interests of one or more clients. The information in the register facilitates the management of conflicts of interests and potential conflicts of interest.

4. Managing conflicts of interest

In order to manage possible conflicts of interest, Saxo Bank maintains processes, procedures and organizational arrangements, which are referred to hereinafter.

As a preventive measure the organisational setup will be assessed continuously and to the extent possible and where deemed proportionate the organisational setup in Saxo Bank will be amended to prevent potential conflicts of interest.

Critical arrangements of Saxo Bank's Policy for managing conflicts of interest include the following:

- a) Saxo Bank's product governance arrangements require identification and evaluation of potential conflicts of interest in order to ensure that the design of financial instruments do not adversely affect the interests of clients;
- b) All employees are bound by professional secrecy and confidential information is only to be shared if essential for performing a job function;
- c) All employees are at all times bound to act loyally to Saxo Bank and be in full compliance with its procedures;
- d) All employees receive instructions and guidance regarding managing of conflicts of interest;
- e) Saxo Bank is primarily a trading facilitator and will in general hedge all client orders on either a one-to-one or aggregated basis. For this reason Saxo Bank will in general neither have any financial gain nor any other gain by situations where customers experience losses as a consequence of market movements;
- f) Saxo Bank will only hedge for such purposes and in a manner that is not meant to disadvantage the client or disrupt the market;
- g) All clients are to be treated fairly and with transparency;
- h) Research publications/recommendations contain information on any material interests or conflicts of interest that Saxo Bank or its related legal persons or the research analyst responsible for the publication/recommendation has in relation to the securities or the issuer to whom the publication/recommendation pertains Employees who issue such publications/recommendations need to wait at least 24 hours from the time of the publication before they trade the security themselves;
- i) Research publications/recommendations are internally distributed exclusively at the same time as they are distributed to clients. Research analysts do not provide other Saxo Bank employees or selected clients with advance knowledge of the timing and content of forthcoming publications/recommendations;

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- j) Sales and Trading personnel are not permitted to review sections of publications containing recommendations, research summary, price targets or value recommendations, even to verify factual accuracy, prior to publication;
- k) All employees are bound by Saxo Bank's rules and guidelines for employee trading as in force and effect from time to time;
- l) Saxo Bank's bonus scheme is compounded of several elements and each trade related element does not alone affect the bonus significantly;
- m) Saxo Bank monitors the effectiveness of its policies and procedures for managing conflicts of interest.

5. Disclosure of conflicts of interest

If the measures in place are not sufficient to avoid or manage a conflict of interest relating to a client in the client's best interest, Saxo Bank will disclose the conflict of interest before undertaking further business with the client. Such disclosure will happen as soon as possible and must always be in writing.

6. Escalate

All employees, including members of management bodies, are obliged to immediately inform Saxo Bank of any interests the employee or the employee's closest family members or related legal persons may have in any business competing with Saxo Bank or Saxo Bank's clients and which could give rise to a potential conflict of interest.

7. Review

This Policy is reviewed and approved by the Board of Management at least once a year.