

POLICY FOR MANAGEMENT OF CONFLICTS OF INTEREST IN THE HANDELSBANKEN GROUP

adopted by the Central Board on 22 March 2023

Information class: Open

The policy must be applied throughout the Handelsbanken Group, including to subsidiaries, where applicable, unless binding regulations outside Sweden, or relating to subsidiaries, make deviations necessary. Acceptance and backing for such deviations must be gained from the unit responsible at Group level.

1. Purpose and scope of application

The purpose of this policy is to ensure that conflicts of interest are identified, prevented and managed correctly in the Handelsbanken Group. All employees, Board members and third parties who act on behalf of the Group must comply with this policy, where applicable.

2. Identification and management of conflicts of interest

2.1. General information on identification of conflicts of interest

Conflicts of interest are a natural part of a business operation, which means that these types of conflicts may arise within the Group's operations. Conflicts of interest can arise when two or more individuals or legal entities have opposing interests, for example as regards the outcome of a transaction, the performance of an assignment, or when providing a product or service.

In the business operations conducted by the Handelsbanken Group, conflicts of interest may arise between two or more of the following parties:

- Svenska Handelsbanken AB (publ) (Handelsbanken),
- shareholders,
- Board members,
- employees, including executive officers,
- Group companies,
- customers,
- suppliers and business partners, and
- persons closely associated with any of these.

A conflict of interest that can give rise to one or more customers' interests being adversely affected may arise, for example, in situations where Handelsbanken, its employees, board members, contractors or persons closely associated with any of these

- a) are likely to make a financial gain, or avoid a financial loss, at the expense of the customer,

- b) may have an interest in the outcome of a service provided to the customer, or of a transaction carried out on behalf of the customer, which diverges from the customer's interest in that outcome,
- c) may have a financial reason or other incentive to favour the interest of another customer or group of customers over the interests of the customer,
- d) pursues the same type of business as the customer, or
- e) receives or will receive from a person other than the customer an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard fee or commission for that service or activity.

Conflicts of interest can also arise between different parts of the Group, and between the Bank and the private interests of employees or board members, including persons closely associated with any of them, and these conflicts of interest can have an adverse effect on the completion of tasks and on areas of responsibility. Such conflicts may arise due to

- f) economic interests, e.g. shareholdings, other ownership rights and memberships, financial holdings and other economic interests in commercial customers, intellectual property rights, loans granted by the Bank to a company owned by staff or persons closely associated with them, or membership of a body or entity whose interests are in conflict with those of the Bank,
- g) personal or professional relationships with the owners of qualifying holdings in the Bank,
- h) personal or professional relationships (e.g. family relationships) with staff working for the Bank or entities included within the scope of prudential consolidation of the Group,
- i) other employment and previous employment in the recent past (for example within the past five years), or
- j) personal or professional relationships with relevant external stakeholders, e.g. being associated with material suppliers, consultancies or other service providers.

The reference to personal or professional relationships in g), h) and j) also includes previous relationships in the recent past.

Conflicts of interest can be of different types in different parts of the Handelsbanken Group's operations. The situations mentioned above are only examples of possible conflicts of interest.

2.2 General information on management of conflicts of interest

It is the responsibility of all heads of units within the Group to continuously identify, assess, prevent or manage, document and follow up both actual and potential conflicts of interest in their operations. Identification and management of conflicts of interest regarding members of the Board are covered in more detail in the Board's rules of procedure.

As regards customer relationships in particular, the manager must firstly ensure that the customer's interests are not adversely affected. If it is not possible to prevent a conflict of interest, the customer must be informed of the conflict of interest in such a manner that enables the customer to understand and save the information and thereby take a decision regarding the service or product in the light of the identified conflict of interest. If an identified conflict of interest cannot be avoided, the responsible unit head must also follow up the conflict of interest regularly, with the aim of bringing it to an end.

Certain conflicts of interest may occur unexpectedly with regard to a single event, for example a transaction, or the selection of a specific service provider, and these can often be managed with a one-off measure, whereas other conflicts of interest can remain over longer periods of time and require constant management.

All employees and third parties acting on behalf of the Group are required to promptly report any situations or circumstances that could give rise to, or have already given rise to, a conflict of interest to the responsible manager at the Bank.

Conflicts of interest that have been identified must be documented and recorded by the unit. As well as a description of identified conflicts of interest, this documented record must explain how actual conflicts of interest have been avoided or managed, and how potential conflicts of interest are to be avoided or managed. The list should be reviewed regularly, and at least once a year.

Identification and management of conflicts of interest must be adapted to the type of operation concerned, as well as its size and complexity. It is the responsibility of every head of unit to hold an annual review with the unit's staff, based on the current regulations regarding possible conflicts of interest.

For units where the probability of conflicts of interest is deemed to be higher, an annual summary of material conflicts of interest that have been identified must be compiled. The Chief Executive Officer will determine which units are to be subject to this requirement.

In determining suitable procedures for preventing and avoiding a conflict of interest, Handelsbanken's regulations regarding conflicts of interest, bank confidentiality, ethical standards, operational risk, corruption, assignments outside the Bank, remuneration, secondary occupations, employees' own securities transactions, investment research, investment advisory services, marketing of financial instruments and corporate finance operations must be taken into account, where applicable. The risk of conflicts of interest must also be taken into account in conjunction with recruitment, the appointment of board members within the Group, and the procurement of services.

2.3. Services to a group of persons with possible conflicts of interest

Handelsbanken must not enter into agreements for services, including credits, on terms other than those which the Bank normally applies, or enter into any other agreements on terms which are not determined by commercial factors or which benefit:

- a) a board member,

- b) a person who holds a senior position, and who, either alone or jointly with another person, is able to determine the outcome of credit cases which would otherwise be determined by the Board,
- c) an employee who holds a senior position,
- d) non-sovereign shareholders with a holding corresponding to at least three per cent of the entire share capital,
- e) the spouse, partner or cohabitee of a person referred to in a–d, or
- f) legal entities in which individuals referred to in a–e have a significant financial interest by virtue of being shareholders or members.

A person or employee who holds a senior position, as described in b and c, refers to the following: Chief Executive Officer, Deputy Chief Executive Officer, the Heads of Group Risk Control, Group Compliance and Group Audit, the Head of Group Credits, members of the Group's Executive Management, and Country General Managers who are not a part of the Group's Executive Management.

As regards agreements concerning credits with persons referred to in a–f, or their replacements, see also *Credit instructions for the Handelsbanken Group*.

2.4 Examples of conflicts of interest that occur at Handelsbanken, and the management of these

The list below sets out the material conflicts of interest in the Handelsbanken Group's operations and shows how they are managed. They have been divided into three main categories (with sub-categories where applicable): conflicts of interest with regard to customers, conflicts of interest relating to intra-Group business, and conflicts of interest with regard to stakeholders other than customers. Note that this list is not exhaustive.

Conflicts of interest	Management
A. CONFLICTS OF INTEREST WITH REGARD TO CUSTOMERS	
I. Is likely to make a financial gain, or avoid a financial loss, at the expense of the customer	
Research operations Recommendations of equities or other financial instruments in which the Bank holds positions, or which are issued by companies for which the Bank is carrying out other assignments or with which it has other relationships, could mean that Handelsbanken's positions or other operations/customers benefit at the expense of other customers.	<ul style="list-style-type: none"> • In organisational and physical terms, research operations are run separately from, and do not report to, other operations with conflicting interests; this is to prevent undue influence or exchange of information. • There are no direct links between the remuneration of staff within research operations and profits at other units.

	<ul style="list-style-type: none"> • The research documentation must always include information on conflicts of interest. • Internal rules regulate independence, information management, control measures, etc.
<p>Corporate Finance assignments</p> <p>Conflicts of interest could arise if instruments issued by customers are recommended by the Bank's research analysts or advisors, or are included in mutual funds or discretionary portfolios, and/or if the Bank is also a lender to the issuing customer, and investments in the instrument affect the customer's creditworthiness or repayment capacity.</p>	<ul style="list-style-type: none"> • In organisational and physical terms, corporate finance operations are run separately from, and do not report to, other operations with conflicting interests; this is to prevent undue influence or exchange of information. • There are no direct links between the remuneration of staff within corporate finance operations and profits at other individual units. • Credit decisions are taken and investment advisory services are provided in accordance with internal rules based on the customer's interests and requirements.
<p>Advice in conjunction with investments and asset management</p> <p>Proposals could be made, or asset management could take place, based on what is most profitable for Handelsbanken, instead of what is best for the customer.</p>	<ul style="list-style-type: none"> • In organisational and physical terms, advisory services and asset management operations are run separately from, and do not report to, other operations that develop investment products; this is to prevent undue influence. • According to internal rules, recommendations given as part of investment advisory services, insurance distribution or asset management must always be based on the individual customer's circumstances, including any sustainability preferences, and must be suitable for the customer. • Advice is documented and is subject to checks.
<p>Advice in conjunction with the granting of credit</p>	<ul style="list-style-type: none"> • This is managed through internal rules for credit assessments and credit decisions, where decisions are examined and assessed on a regular basis.

Handelsbanken could make proposals based on what is most profitable for the Bank, instead of what is best for the customer.	<ul style="list-style-type: none"> • The credit process must be conducted in accordance with the principle of duality (the four-eyes principle) when granting credit. • Advice is documented and is subject to checks.
II. Has an interest in the outcome of a service provided to the customer, or of a transaction carried out on behalf of the customer, which diverges from the customer's interest in that outcome	
Remuneration from the Bank to the employee Internal remuneration systems could affect how duties linked to services and products are carried out, and could mean that own interests are favoured, rather than the customer's.	<ul style="list-style-type: none"> • According to internal rules, recommendations given as part of investment advisory services, insurance distribution or asset management must always be based on the individual customer's circumstances and be suitable for the customer. There are no direct links between the remuneration of staff within advisory and asset management services and profits at other individual units. • The remuneration policy and remuneration system take account of conflicts of interest. • Advice is documented and is subject to checks.
Reimbursements from the Bank to a third party Third party reimbursements for investment advisory services, insurance distribution, etc., could mean that the advisor's recommendations are influenced by reimbursements to Handelsbanken or the advisor.	<ul style="list-style-type: none"> • According to internal rules, recommendations given as part of investment advisory services or insurance distribution must always be based on the individual customer's circumstances and be suitable for the customer. • The remuneration policy and remuneration system take account of conflicts of interest.
Proprietary trading (i.e. trading on own account) A trader could receive reimbursement, which would mean that Handelsbanken's interests in	<ul style="list-style-type: none"> • Internal rules for best order execution and rules for management of customer orders, as well as rules for proprietary trading, are applicable.

trading in financial instruments would be given a higher priority than the customer's interests.	<ul style="list-style-type: none"> The remuneration policy and remuneration system take account of conflicts of interest.
<p>Offering of unit-linked funds in life insurance</p> <p>Handelsbanken Liv and its subsidiaries primarily offer Handelsbanken's mutual funds as investment alternatives in unit-linked insurance, which may benefit the Bank above the insurance customers.</p>	<ul style="list-style-type: none"> The range of mutual funds in which customers can invest is managed by Handelsbanken Liv's fund selection committee, based on objective criteria. This is in order to ensure high-quality investments in terms of return, risk and rating, which are adapted to the insurance.
<p>The fund management company's choice of asset management</p> <p>Handelsbanken's fund management company could select mutual funds that give good kick-backs, or favour Handelsbanken, which could put fund unit holders at a disadvantage.</p>	<ul style="list-style-type: none"> The fund is managed in accordance with its fund regulations, and the fund manager selects the funds that they consider to be best for the unit-holders/fund. Any kick-backs are paid into the fund. When a fund-of-fund invests in its own funds, the underlying fund's management fee is waived. The fund management company provides information about conflicts of interest.
<p>Insider information</p> <p>A unit within Handelsbanken receives insider information in accordance with the relevant rules (e.g. the regulations for market soundings), but the receiving of this information then prevents the unit from carrying out certain types of transaction, which would have benefited the customer.</p>	<ul style="list-style-type: none"> Internal rules exist in order to ensure that the information received is restricted to a few individuals, and does not affect the rest of the unit's operations.
<p>External members of the Board</p> <p>External members of the Central Board, of boards of subsidiaries, or of national boards, may participate in credit decisions relating to companies with links to the members' own businesses.</p>	<ul style="list-style-type: none"> A suitability assessment, including an assessment of any conflict of interests, is carried out before a new member is appointed to the Central Board or a subsidiary's board. For a member of a national board, a CV must be included in the documentation prior to a decision being made on an appointment.

	<ul style="list-style-type: none"> • Board members must not participate in discussions of matters that relate to their own operations, or in which they are not impartial in other respects. • Board members sign a confidentiality undertaking.
III. Has a financial reason or other incentive to favour the interest of another customer or group of customers over the interests of the customer	
Customers with conflicting interests An employee could receive information on different customers' conflicting interests, for example in the financing of company acquisitions. A branch could need to manage customers that are competitors. There is a risk that an employee will put the interests of one customer or group of customers before the interests of another.	<ul style="list-style-type: none"> • Internal rules regarding the duty of confidentiality apply to all customer relationships. • An employee must not deal with several customers or customer groups with conflicting interests at the same time.
Order management Favouring one customer over another customer in conjunction with order management, execution, or the allocation of securities in market transactions.	<ul style="list-style-type: none"> • Internal rules on best execution and execution of portfolio transactions are applicable.
Reallocation in asset management The fund management company could favour certain customers or mutual funds in conjunction with major reallocations of funds, where the change would affect the unit value or otherwise affect the funds negatively or positively.	<ul style="list-style-type: none"> • According to internal and external regulations, asset management must be run so that the fund unit holders are treated fairly, and no unit holders' interests are to be given a higher priority than others'.

IV. Receives or will receive from a person other than the customer an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for the service or activity in question.	
Gifts or other gains An employee receiving – or expecting to receive – gifts may entail a conflict of interests in, for example, the selection of a counterparty when placing orders.	<ul style="list-style-type: none"> Rules for incentives and the receiving of gifts, the policy against corruption, the policy for ethical standards, and regular evaluation of counterparties in accordance with the established criteria.
B. CONFLICTS OF INTEREST WITH REGARD TO INTRA-GROUP RELATIONS	
Outsourcing agreements For intra-Group outsourcing agreements, there may be conflicting interests related to the performance of certain tasks. When evaluating an intra-Group outsourcing agreement, the outsourcing party may need expert assistance to evaluate the agreement. If this assistance were sought from a Group function, then in practice, the outsourcing party would be seeking help from the engaged party.	<ul style="list-style-type: none"> There are established procedures for outsourced operations and for the follow-up of such operations. The outsourcing company must always have the requisite competency to evaluate outsourcing agreements. If there is a need for specialist competency, this support must be sought from an independent party, if there is a risk of a conflict of interests.
Work of the board A member of a subsidiary's board could have another assignment at Handelsbanken, which would mean that they had an interest that conflicted with their duty of loyalty towards the subsidiary or the Bank.	<ul style="list-style-type: none"> A suitability assessment, including an assessment of any conflict of interests, is carried out before a new member is appointed, or when an existing member is given different operational assignments. A board member must not participate in decisions that relate to contractual relations or similar situations where there are conflicts of interest between the Bank and the subsidiary.
Business operations and transactions Situations could arise within the Group where different parts of the business have conflicting interests. Conflicting interests could also arise in connection with a transaction.	<ul style="list-style-type: none"> There must be an appropriate degree of separation between areas of responsibility. Business operations or transactions involving conflicting interests must be entrusted to different people.

C. CONFLICTS OF INTEREST WITH REGARD TO STAKEHOLDERS OTHER THAN CUSTOMERS

Suppliers

An employee receives gifts or is invited to a corporate hospitality event by a supplier, with the aim of persuading the employee to enter into an agreement that is unfavourable to Handelsbanken.

- To avoid incurring obligations to suppliers, employees must observe rules regarding receiving and giving gifts and corporate hospitality.
- Ethical rules include provisions on the giving and taking of bribes. All corporate hospitality must be characterised by moderation.
- The Policy against corruption is applicable.

Additional assignments

Employees and other persons who exercise ownership control, have board assignments, exercise ownership in companies with operations in competition with the Bank, etc. could have interests that conflict with those of Handelsbanken.

- It is prohibited for employees and other relevant persons to:
 - manage matters for Handelsbanken in cases where the employee or a closely related person may have a conflict of interests with Handelsbanken,
 - participate in other business activities on behalf of themselves or a third party without the consent of their line manager and the HR department,
 - take on assignments outside their employment/assignment without the consent of their line manager and the HR department
 - have assignments from or be employed at a company that conducts operations in competition with the Bank.

Additional assignments for Board members

Board members who exercise ownership control, have board assignments, exercise ownership in companies with operations in competition with the Bank, etc. could have interests that conflict with those of Handelsbanken. Other assignments or positions of employment could also give rise to a conflict of interest.

- A suitability assessment, including an assessment of any conflict of interests, is carried out before a new member is appointed.
- The Swedish Companies Act's regulations on impartiality are to be taken into consideration.
- A board member must disclose information about any relationships that could entail a conflict of interest, and must not participate in the Board's

	<p>discussions or decisions on matters that relate to contractual relations or similar situations where there are conflicting interests between the Bank and the other assignment.</p> <ul style="list-style-type: none"> • A board member must not have any assignment(s) in the management of competing institutions. There are exceptions for institutions within the prudential scope of consolidation.
<p>Credits to closely related parties</p> <p>Employees in senior positions, parties closely related to these persons, and companies in which these persons have a significant financial interest, could be granted credits on grounds that are not commercial, which could damage the interests of Handelsbanken.</p>	<ul style="list-style-type: none"> • Credit instructions and internal rules on credits to certain employees and closely related parties are applicable.
<p>The relationships of employees or closely related persons with customers, suppliers or other stakeholders</p> <p>An employee, or a person closely related to an employee, could have, or could have recently had, financial, professional or private relationships with a customer, supplier or other employee, etc., which may entail the risk of a conflict of interest that would adversely affect the employee in their professional activities.</p>	<ul style="list-style-type: none"> • Employees must not process cases which concern themselves or persons closely related to them. • Internal rules regarding employees who are closely related to each other must be observed, including restrictions concerning, for example, whether a closely related person is permitted to work within the same organisational area or process. • Internal rules regarding employees' assignments outside their employment must be observed, including a requirement for consent from an employee's line manager and HR department, as well as taking into account the risk of a conflict of interest when assessing whether an assignment can be approved. • Relationships with suppliers are governed by internal rules on ethical standards, including rules regarding receiving and giving gifts and corporate hospitality, the aims of which are to

	<p>avoid corruption or incurring obligations to suppliers.</p> <ul style="list-style-type: none"> • The assessment of possible conflicts of interest is part of the Bank's process of managing supplier arrangements.
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3. Reporting

The units where the likelihood of conflicts of interest is deemed to be higher, and which therefore compile an annual summary of material conflicts of interest and how they are managed, must submit this summary to Group Governance and, for information, to Group Compliance.

Group Compliance must, at least once a year, present a report to the Central Board's risk committee providing information about the compliance function's control and follow-up activities concerning the management of identified, material conflicts of interest in the Handelsbanken Group. This report must present the material conflicts of interest that have been identified, and how these conflicts are being managed or avoided.