

Excerpt from the Conflict of Interest Policy of Íslandsbanki

Íslandsbanki hf. (“the Bank”) is a financial undertaking that provides comprehensive financial services as well as an issuer of financial instruments on the regulated market. Therefore, the Bank inevitably faces a risk of conflict of interest in its operations. That is why it is imperative that all of the Bank’s employees are aware of the risk of conflicts of interest in their work and take all appropriate measures to prevent conflicts of interest in the Bank’s operations.

On May 2 2024, the Board of Directors of the Bank approved a Conflict of Interest Policy applying to the Board of Directors of the Bank, the Bank’s employees and external parties that have, by way of an outsourcing agreement, committed to complying to the Policy.

All employees shall know and act in accordance with the Policy and shall identify any circumstances which cause or may cause conflicts of interest in the Bank’s operations. Employees are also responsible for identifying and preventing conflicts of interest that may be related to themselves.

The Policy’s Objective and Purpose

The objective of the Policy is, i.a. that the Board of Directors and employees of the Bank are familiar with and comply with the relevant laws, regulations and recommendations regarding the prevention of conflicts of interest applying to the Bank’s operations and are informed about the relevant risk factors within their function.

The purpose of the Policy is to ensure that the Bank’s framework in relation to the matter is in accordance with the applicable laws, rules and recommendations at each point in time, responsibilities and division of tasks within the Bank in relation to it are clear and the framework is subject to adequate supervision.

Analysis of possible Conflict of Interest

Conflicts that should be considered when analysing conflicts of interest, are i.a. those arising between: the interests of the bank and a customer, employee or shareholder; entities within the bank; the bank’s customers; and the bank as the parent company and the bank’s subsidiaries.

In the analysis of whether conflicts of interest towards the Bank’s customers exist, consideration shall be given to whether circumstances are such, that the Bank, its employees or a related party:

- are likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- 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, including the customers sustainability preferences;

- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;
- 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 monetary or non-monetary benefits or services.

The Policy provides examples of situations where conflicts of interest could arise in the Bank’s operations.

Measures to Prevent Conflicts of Interest

Where there is a risk of a conflict of interest, all appropriate measures must be taken to prevent or manage conflicts of interest. Among the measures taken by the Bank to prevent conflicts of interest are:

- **Organisational and management arrangements**, which include appropriate segregation of duties and responsibilities, effective risk management and internal controls
- **Separation of functions** to prevent confidential and insider information from being passed between the Banks departments
- **Internal rules** aim to prevent or limit conflicts of interest
- **Training for employees**
- **The Bank’s Remuneration Policy and compensation**
- **Special measures in relation to underwriting or offering of financial instruments**

Supervision and Further Information

The Compliance Officer monitors whether procedures regarding conflict of interest are in force and appropriate to ensure compliance with this Policy and overall compliance with the Policy.

Requests for further information about the Bank’s Conflicts of Interest Policy should be directed to hagsmunaarekstrar@islandsbanki.is

Disclaimer: This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.

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