

Excerpt from the Conflict of Interest Policy of Íslandsbanki

Íslandsbanki hf. ("the Bank"), as a financial undertaking that provides comprehensive financial services, inevitably faces a risk of conflict of interest in its operations. Therefore, it is imperative that all of the Bank's employees are aware of the risk of conflicts of interest in their work and take appropriate measures to prevent, or manage, conflicts of interest in the Bank's operations.

On January 12 2023, 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. The Policy also applies to the boards of directors and employees of the Bank's subsidiaries where specified.

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.

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 and assessment of Conflict of Interest

In the assessment 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;

- 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

When an analysis and assessment of a conflict of interest reveals that there is a risk of a conflict of interest, appropriate measures, both organizational and administrative. Among the measures taken by the Bank to prevent conflicts of interest are:

- The Bank has in place a **segregation of duties** to prevent and control the flow of information between employees and thereby prevents confidential and insider information from being passed between the Banks departments
- The Bank's **rules and procedures** aim to prevent or limit conflicts of interest
- Frequent and regular **training for employees**
- **The Bank's Remuneration Policy**
- **Other additional measures for which more detail is provided in the Policy**

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.