

Handling conflicts of interest in Mandatum Group

Mandatum Group (“Mandatum”) has a Code of Conduct to avoid and manage conflicts of interest. A conflict of interest is an exceptional situation linked to offering insurance, investment or ancillary services that arises, for example, between the client and service provider and which can involve a risk to the client’s interests. Mandatum’s Code of Conduct is updated annually and approved by the Board of Directors of each Group company.

Identifying conflicts of interest

Mandatum engages in a broad range of insurance and investment services, and in exceptional circumstances, the simultaneous engagement in different activities can result in the client’s interests not being aligned with the interests of the company offering the services, its staff, another Group company or other clients.

Conflicts of interest can occur, for example, in situations in which:

- Mandatum, its Group company or a person employed by it has an interest related to the result of a service offered to the client or a transaction carried out on behalf of the client which differs from the client’s interest;
- Mandatum, its Group company or a person employed by it has a financial or other interest in favouring, over the interests of one client, the interests of another client or group of clients;
- the client engages in the same business as Mandatum, its Group company or a person employed by these; or
- Mandatum, its Group company or a person employed by it receives from somewhere other than the client an incentive that is permitted by regulations pertaining to the service which is not a payment or fee usually charged for the service in question.

Identifying and reporting conflicts of interest is the responsibility of each Mandatum employee and the management.

Preventing and handling conflicts of interest

The Code of Conduct applicable at Mandatum helps identify, prevent and address any conflicts of interest arising in business operations. The primary objective in all Mandatum’s operations is always to avoid conflicts of interest.

In addition to the Group-level Code of Conduct, the Group companies have, to the extent necessary, their own Codes of Conduct and more detailed guidelines that complement the Group-level guidelines and take into account, for example, any conflicts of interest arising in the investment service company’s business operations. Our personnel are trained in case of conflicts of interest and in their prevention.

By following the Code of Conduct, the Group is able to ensure that different functions can practice activities related to offering different services simultaneously so that the occurrence of conflicts of interest is as unlikely as possible. If conflicts of interest arise despite the measures, procedures in accordance with the conflict of interest guidelines are followed. The basic principle for all operations is that Mandatum treats its clients equally and operates according to good practices without favouring one client over the interests of another. The Company must always, also in conflicts of interest, act in the best interests of the client, offer products and services independently and objectively, taking care of the confidentiality of the

clients' information.

The arising of conflicts of interest is prevented by, among other measures, arranging operations so that any undue flow of information is prevented between people and the operations, particularly in terms of insurance, investment and ancillary services. Persons working with insurance-form investment products and investment services and their related parties must follow special guidelines and limits in their personal business transactions. In addition, personnel have been provided with guidelines on, among other things, gifts, benefits and events. Guidelines for secondary occupations and positions of trust are also intended to prevent conflicts of interest. Mandatum's compensation and reward schemes shall also not encourage management or personnel to act against the best interests of the client. In addition, the guidelines for product development ensure that different client target groups are treated equally, avoiding conflicts of interest, and that compensation and rewards in product development do not encourage the development, marketing or distribution of products that may be detrimental to clients.

On request, Mandatum will provide further information on the guidelines concerning the handling of conflicts of interest.

Reporting conflicts of interest

Compliance with the above-mentioned procedures and principles is monitored regularly. Any conflicts of interest are handled and recorded based on separate guidelines and reported to the management of the Group companies in which the conflict of interest arises.

If a conflict of interest cannot be avoided despite all of this, we will give the client a separate written description of the conflict of interest that has arisen in connection with the offering of insurance-form investment products or investment or ancillary services, their general nature and sources, the risks resulting from this for the client and the measures taken to mitigate the risks. The information will be provided before the business transaction is carried out to allow the client to independently consider whether they wish for the business transaction to be completed despite what has been communicated concerning the conflict of interest. In some situations, Mandatum may also be forced to refuse to do business with a client on account of a conflict of interest.