Policy for the Identification and Handling of Conflicts of Interest in the SpareBank 1 Nord-Norge Group

The document describes key, general principles related to conflicts of interest in the Group.

The policy for identifying and managing conflicts of interest in SpareBank 1 Nord-Norge focuses on the following of the UN’s sustainability goals: “Peace and Justice” Sub-Goal 16.5 Achieve a significant reduction in all forms of corruption and bribery.
POLICY FOR CONFLICTS OF INTEREST IN THE SPAREBANK 1 NORD-NORGE GROUP

The policy for conflicts of interest applies to all activities in SpareBank 1 Nord-Norge. The policy for conflicts of interest is adopted by the Group CEO of SpareBank 1 Nord-Norge.

LEGAL REQUIREMENTS

- Organise the business so that there is little risk that the customer treatment is contrary to the requirements of good business practices
- Organise the business so that there is little risk of conflicts of interest between the company and its customers or between the company’s customers
- Have satisfactory arrangements and procedures for identifying and if relevant counteract the above-mentioned risk factors in the various areas of the business

IDENTIFICATION OF CONFLICTS OF INTEREST

3.1 Introduction

Conflicts of interest means situations where decisions, actions or omissions may be motivated by interests other than those implicit in the product and service delivery. Such other interests may be related to SpareBank 1 Nord-Norge, subsidiaries, group employees, other persons associated with the Group, the Group’s customers, suppliers or other contracting parties. All employees shall be aware that conflicts of interest may occur in connection with their work for the Group and shall actively seek to identify and handle them.

Conflicts of interest shall seek to be identified through preliminary investigations as early in the process as possible and shall follow the Group’s procedures, routines and guidelines for this.

3.2 Categories of Conflicts of Interest

Conflicts of interest are often divided into two categories: 1) Conflict of interest directly related to the company and 2) conflict of interest related to the employee/board member. Attached are some examples (not exhaustive): 1) Conflict of interest directly related to the company:

- Customer versus between customers
- Bank versus equity certificate holder/investor (both debt and equity investor)
- Bank versus supplier/other external party
- Between companies in the Group
2) Conflict of interest related to employee/board member:
   • Employee/board member has self-interest
   • Employee/board member has conflicting interest versus the Group
   • Employee/board member has conflicting interest versus customer, supplier or other third party
   • Employees/board members have close relatives with conflicting interests versus the Group or customer, supplier or other third party related to the Group

3.3 Situations where Conflicts of Interest may Occur
A conflict of interest may occur between the demands and expectations from the authorities, the needs and interests of the customers as well as the Group’s commercial objectives and the expectations of the owners. Conflicts of interest may also occur when the interests of the Group and the interests of an employee are conflicting, or the interests of a customer and an employee are conflicting. It is not possible to provide an exhaustive description of all possible conflicts of interest that may occur. It is always the responsibility of the person responsible for a customer/transaction to conduct an independent assessment of whether a conflict of interest exists. Examples of when conflicts of interest may occur (not exhaustive):
   • Multiple roles with conflicting interests
   • Unfair financial interest at the expense of the other party
   • Improper use of information
   • Employee incentive schemes
   • Personal self-interest
   • Close relationships
   • Conflicting interests between parties
   • Disqualification

PROCEDURES FOR IDENTIFICATION AND HANDLING OF CONFLICTS OF INTEREST

4.1 Introduction
Conflicts of interest shall always be handled in such a way that the customer's interest is protected in a fair and reassuring manner, in accordance with good business practices.
The Group’s most important tool for handling conflicts of interest between customers is compliance with the duty of non-disclosure.

4.2 Principles for Identifying and Handling Conflicts of Interest in SNN

- In connection with a potential new customer/service delivery/transaction, conflicts of interest shall seek to be identified in accordance with SNN's procedures. Conflicts of interest between customers, which are consequences of the customers' ordinary activities, are not expected to be identified by the bank as long as the customers themselves do not notify the bank of conflicts of interest or the conflicts of interest are obvious to the bank for other reasons.

- SNN shall have a framework of procedures and guidelines to ensure that potential conflicts of interest are identified and handled in accordance with the policy requirements.

- In the event of new or changed processes and products, the bank shall have procedures that ensure that any conflicts of interest are always assessed and dealt with.

- For the processing of credit matters, corporate finance matters, matters related to our corporate social responsibility strategy (Norw. Samfunnsløftet) and other matters where we decide on loans or allocate funds, etc., the bank shall have procedures and processing rules for identifying and deciding on any conflicts of interest, including documentation.

- The Group's remuneration policy shall be formulated to avoid conflicts of interest.

- Our locations shall be designed so that we can comply with the duty of non-disclosure.

- The different business areas shall essentially be physically separated and have separate reporting lines.

- Access to the various case processing systems shall be demand-driven.

- The bank shall have ethical guidelines that ensure that all employees and employee representatives act in accordance with good business practices and with high ethical standards.

If there is any doubt as to how an issue should be resolved, the person responsible for the case shall always raise the issue with the manager or the legal department. If required, the issue can also be submitted to the Ethics Committee.