



DNB Asset Management

Guidelines for handling conflicts of interest



Introduction

As part of the efforts to safeguard the customers' interests, DNB Asset Management AS (DAM) has mapped potential conflicts of interest and implemented a series of measures to counter these. This document provides a summary of the most important potential conflicts of interest that our customers should be familiar with, and an overview of the measures implemented by DAM to counteract these. We will also provide a brief description of how DAM handles conflicts of interest.

A conflict of interest can occur when DAM performs activities, either for its own account or on behalf of the customer, which may conflict with the interests of one or more other customers, or cause a conflict of interest between our customers and mutual funds.

DAM is required to implement all appropriate measures to identify and prevent or handle conflicts of interest between DAM and its customers, and between customers, including conflicts resulting from payments from parties other than customers, or from the company's remuneration or incentive schemes. In addition, the company is obliged to identify and prevent or manage conflicts of interest arising from the customer's sustainability preferences, as well as conflicts resulting from the integration of sustainability risk into the company's business activities.

Should other conflicts of interest occur, or if it cannot be established with reasonable certainty that the measures implemented by DAM to prevent or handle potential conflicts of interest will safeguard the customer's interests, we will clearly inform the customer about possible conflicts of interest, and about the measures taken to reduce this risk. DAM cannot provide investment services to a customer before the customer has received such information on a durable medium. The information must be sufficiently detailed, depending on the type of customer, to enable the customer to make a well-founded decision concerning the service to which the conflict of interest applies.

Measures to counter conflicts of interest

DAM has established a number of organisational routines, measures and internal guidelines to counter and handle potential conflicts of interest:

Organisation

The DNB Group has concentrated its Norwegian asset management operations in a separate company, DNB Asset Management AS (DAM), which is organisationally separate from the other operations of the DNB Group.

Information barriers

Employees in DAM have a duty of confidentiality about all matters relating to customers. Confidential information is only available to employees who have a work-related need for it. Routines have been implemented to safeguard confidentiality and protect inside information. These routines have been made known to all employees in DAM and are incorporated in internal training activities.

Other employees in the DNB Group do not normally have access to DAM's premises. In addition to the physical information barriers, the IT systems in DAM are protected by access control. The various organisational units have separate areas for the storage of documents, etc. Access to PCs and systems is password protected. Accesses must be approved by the immediate superior and checked regularly.

Identifying, handling and implementing measures to counter potential conflicts of interest in DAM

Below, we have outlined some potential conflicts of interest that may arise between the company and its customers, or between customers, and what measures are taken to prevent and handle these. This overview is not exhaustive, and other types of conflicts of interest may arise.

1. The price of the service for the customers when investments are made in intra-group funds

The customer must have accurate information about the price of the service. DAM has procedures to ensure that the customer is given precise information concerning all costs and fees for the service.

For the 'active management' service, the management fee must be specified in the contract with the customer. In addition, the fee must be clearly specified in the invoice and account statement. The management fee and variable costs associated with the funds must be specified in the prospectus or key information documents (KIDs).

The level of transparency for alternative investment funds (AIFs) is usually lower than for mutual funds. If AIFs are used in an active management mandate, the customer's interests with respect to costs must be safeguarded before investing in such products. Investing in AIFs usually means that the customer's funds are tied up for several years because of the product's limited liquidity. As a general rule, the customer must approve the use of AIFs in an active management mandate. The customer must then also be informed about the total investment cost associated with the investment. The information must be adapted to the customer's classification.

For the 'investment advice' service, information about the price of the service must be provided in the customer agreement. The management fee and variable costs associated with the funds must be specified in the prospectuses and KIDs.

2. Payment(s) from or to other parties than the customer

When DAM receives payment(s) from other parties than the mutual fund / customer, this may create a conflict of interest, in that the company will have a financial interest in the fund/customer investing in a specific product.

When DAM offers collective portfolio management for mutual funds, active management and/or investment advice for mutual funds / AIFs, the company will not be able to receive and keep payment(s) from other parties, or make payment(s) to other parties than the mutual fund / customer, unless the payment(s) could improve the quality of the service for the customer or the fund's business operations.

Before the service is offered, the customer must be given full, correct and understandable information about the payment(s), including the nature and value of the payment(s), or the method of calculation if the value cannot be set.

The amount paid must be proportionate in terms of the additional service or improvement in quality received by the customer. In cases where ongoing payment is received, there must be a legitimate reason for offering an ongoing benefit to the customer.

The payment(s) must not weaken DAM's ability to act in an honest, trustworthy and professional manner in accordance with the customer's best interests. DAM must document fulfilment of the conditions for receiving payment(s) from other parties than the customer.

The rules regarding payment(s) do not cover expenses that enable, or are necessary, for the performance of the investment service, and that do not conflict with DAM's obligation to safeguard

the customer's interests. Such expenses include costs for custodian banks, marketplaces, security registers, clearing houses or legal assistance.

When DAM receives payment from mutual fund providers, the payment will be directly transferred to the fund/customer. DAM covers all expenses for external analysis and/or information systems for use in its own operations.

DAM and the DNB Group have internal procedures for receiving benefits from business associates.

3. Equal treatment of customers and funds

DAM may have a vested interest in the outcome of an assignment that is not in line with the customer's interests, in that DAM may want to favour either individual customers or funds offered by the Group. DAM has a special duty to ensure that no customers are favoured at the expense of other customers or customer groups, and similarly between funds / the asset management company and customers.

a) Investment decisions and the placing of orders

DAM has prepared guidelines for the placing of 'best result' orders. In addition, DAM has other internal guidelines for the handling of conflicts of interest between customers and mutual funds. The main purpose is to ensure that the various portfolios have equal opportunities to participate in investments.

b) Distribution of completed transactions

The main principle for the distribution is a pro-rata allocation in relation to the order placed.

c) Internal transactions between customers and mutual funds

DAM has a general prohibition against internal transactions (crossing orders) without the use of a broker.

d) Product selection – selection of mutual funds

DAM may have an interest in only selecting mutual funds from other suppliers that do not compete with its own mutual funds. This conflict of interest is handled by selecting mutual funds according to set procedures. The procedures provide incentives for selecting funds that directly compete with our own funds in order to diversify the portfolios and spread the risk.

4. The relationship with other companies in the DNB Group

DAM uses the services of other companies in the DNB Group. For example, DNB Carnegie acts as a broker and counterparty in transactions with financial instruments, DNB Bank is used as a custodian bank and DNB Livsforsikring is a customer of DAM. DAM has a special duty to ensure that the customer's interests take precedence over the company's interests, and over the interests of people who directly or indirectly control the company.

a) Broker selection – DNB Carnegie as broker

The Counterparty Approval Committee (CAC) in DAM evaluates and approves all brokers used as counterparties in transactions for our customers, in accordance with DAM's guidelines for the placing of 'best result' orders. DNB Carnegie is evaluated by the CAC in the same way as other brokers. Each individual fund manager can present proposals to the CAC for the use of brokers, but cannot decide which brokers are to be approved.

b) DNB Bank as custodian bank

Agreements between DAM and DNB Bank as the custodian bank are entered into on ordinary terms and conditions, and at arm's length.

c) DNB Livsforsikring as customer

Reference is made to the procedures for equal treatment of customers described in Section 3 above.

5. Remuneration schemes for employees

A conflict of interest may arise if the employee is part of a remuneration scheme that gives the employee incentives to carry out trades for one portfolio rather than another.

DAM has guidelines for remuneration and incentive schemes for employees. The guidelines have been prepared in accordance with the requirements pursuant to the Norwegian Securities Funds Act, the Norwegian Management of Alternative Investment Funds Act, the DNB Group's instructions relating to remuneration and the Norwegian Fund and Asset Management Association's recommendations regarding remuneration schemes.

6. Trading on behalf of customers vs. DAM employees' personal account dealing

DAM has established guidelines that require that all trades and allocations of financial instruments are carried out in such a way that the customers' interests are safeguarded before employees' personal account dealing.

As a rule, employees' dealing in financial instruments must be approved in advance. Personal account dealing is not permitted when DAM, on behalf of its customers or mutual funds, is considering or has already made a decision to trade in the financial instrument in question. The prohibition against personal account dealing applies until the end of the day on which the trade for the customer / mutual fund is completed.

In addition, employees are not permitted to sell financial instruments to – or buy financial instruments from – DAM or the portfolios managed by DAM. All personal account dealing must be reported immediately after the trade to ensure that DAM has an overview of employees' personal account dealing at all times.

7. Receiving benefits from business associates

The DNB Group and DAM have established instructions for employees with regard to receiving benefits from business associates. These instructions include rules regarding gifts and benefits to employees, such as invitations from business associates.

8. No employee may take part in the handling of a conflict of interest if they are not impartial (disqualification)

A conflict of interest may arise between an employee of DAM and customers if the employee has an ownership interest or position of trust in a competing business, or conducts private business operations. Employees cannot conduct private business operations or have positions of trust in any business enterprise without DAM's consent.

The DNB Group's Code of Conduct contains a prohibition against employees controlling or influencing DAM's decisions in cases where the employee or the employee's close associates directly or indirectly have, or are perceived to have, financial or personal interests.

9. Other key positions of trust

Employees' participation in business operations is regulated in internal procedures. Working in DAM must be the primary occupation of all full-time employees. Employees are not allowed to have ownership interests or positions of trust in competing businesses. Furthermore, employees cannot

conduct private business operations of any kind or hold positions of trust in any business without the company's consent.

Registering conflicts of interest

DAM must regularly record the types of investment services and/or investment activities where a conflict of interest has occurred that may involve a risk that the customers' interests will be affected, despite the measures implemented. This also applies to ongoing services or activities in which such conflicts can arise. DAM's Managing Director / Board of Directors must regularly, and at least once a year, receive reports on conflicts of interest as mentioned above.

Change log

Date	Version number	Comments / changes
24.09.2025	Version 1.0	New template for summary of guidelines for handling conflicts of interest published on website

DNB