



# Conflict of Interest Policy

Mandatum Group

Summary



## Contents

<b>1</b>	<b>BACKGROUND AND PURPOSE.....</b>	<b>3</b>
<b>2</b>	<b>IDENTIFICATION OF CONFLICTS OF INTEREST.....</b>	<b>3</b>
<b>3</b>	<b>PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST .....</b>	<b>4</b>
<b>4</b>	<b>DISCLOSURE AND DOCUMENTATION OF CONFLICTS OF INTEREST .....</b>	<b>4</b>
<b>5</b>	<b>DISCLOSURE OF CONFLICTS OF INTEREST.....</b>	<b>5</b>

## 1 BACKGROUND AND PURPOSE

It is a core principle of Mandatum Group ("**Mandatum**" or the "**Group**") to act professionally, fairly and in accordance with the best interests of its customers. Efficient management of conflicts of interest is an essential part of Mandatum's operating procedures. The boards of directors of Mandatum Group companies have confirmed the Group's common principles for preventing and managing conflicts of interest (the "**Conflict of Interest Policy**"). The Conflict of Interest Policy is based on regulations binding the Group companies and it is applied extensively to all of the Group's employees, management and board members. Mandatum's Conflict of Interest Policy is updated at least annually.

This document summarises the main contents of Mandatum's Conflict of Interest Policy. Upon request, Mandatum will provide additional information on the guidelines and internal procedures for handling conflicts of interest.

## 2 IDENTIFICATION OF CONFLICTS OF INTEREST

Conflict of interest refers to a situation where one or more persons or entities have competing interests that may unduly influence decision-making or operations and cause harm to the interests of Mandatum's customers, the Group or a Group company. A conflict of interest might arise from personal, professional or business reasons.

Mandatum engages in a wide range of insurance and investment services and manages alternative investment funds and investment funds. In exceptional circumstances, the simultaneous pursuit of different activities may mean that the interests of a customer do not always coincide with those of the company providing these services, its personnel, another Group company or other customers.

Mandatum aims to prevent conflicts of interest in all its activities. Conflicts of interest that cannot be prevented are properly identified, assessed and reported. In addition, identified conflicts of interest are under continuous follow-up. Identifying and reporting conflicts of interest is the responsibility of all Mandatum's employees and management.

In the prevention and identification of conflict of interest, particular attention is paid to situations where:

- Mandatum, its Group company or an employee has an interest related to the result of a service provided to the customer or a transaction carried out on behalf of the customer that deviates from the customer's interest;
- Mandatum, its Group company or an employee has a financial or other interest in favouring the interests of another customer or customer group over those of one customer;
- the customer engages in the same business operations as Mandatum, its Group company or a person employed by them; or
- Mandatum, its Group company or an employee receives from a party other than the customer an incentive permitted by the regulation related to the service, which is not a fee or fee normally charged for the service in question.

When identifying conflicts of interest, attention is also paid to those conflicts of interest, which may be related to customers' sustainability preferences or sustainability risks incorporated into Mandatum's processes, systems and controls.

In Mandatum, the typical parties to potential conflicts of interest are:

- Mandatum and customers: Mandatum may gain unfair advantage at the expense of the customer;
- Customers and other customers or group of customers: one customer can benefit at the expense of another;
- Employee and Mandatum or its customers: employee's roles and responsibilities are not consistent with the interests of Mandatum or its customers;
- Mandatum Group companies: one company can benefit at the expense of another;
- Mandatum and business partners/service providers or other external stakeholders: an external stakeholder may benefit at Mandatum's expense.

Conflicts of interest may also relate to employees' personal relationships and interests. Mandatum takes into account possible conflicts of interest arising from the private interest of employees or past or present personal or professional relationships, such as secondary occupation. In order to identify these conflicts, employee's financial interests, personal or professional relationships with Mandatum's customers, business partners or other stakeholders, as well as Mandatum's internal personal or professional relationships shall be taken into consideration, for instance. Where applicable, employees' close family members are covered by the employee's private interest.

### **3 PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST**

Conflicts of interest are prevented by organisational arrangements defined in the Conflict of Interest Policy, which may be permanent operational arrangements or case-specific management measures.

Permanent measures include organising activities in such a way that administrative and decision-making structures and related-party transactions are clearly defined. Mandatum's remuneration systems are drawn up in such a way that they may not encourage management or personnel to act contrary to the interests of the customers. In addition, product development guidelines ensure that different customer groups are treated equally and that remuneration does not encourage the development, marketing or distribution of products that may be unsuitable for customers.

Investment operations have implemented specific guidelines to ensure careful handling and execution of client orders and transactions, and unnecessary flow of information is restricted. Persons working with investment products or financial instruments must also follow specific guidelines in their personal transactions. In addition, the entire personnel has been given instructions on gifts and benefits, as well as on secondary occupations and positions of trust, which also aim to prevent conflicts of interest.

Case-specific management measures are specifically designed to manage the risks associated with the identified situation. Management measures may include, for example, recusals in decision-making, separation or restructuring of responsibilities, restrictions on the flow of information or refraining from activities giving rise to a conflict of interest.

### **4 DISCLOSURE AND DOCUMENTATION OF CONFLICTS OF INTEREST**

Identified conflicts of interest are dealt with promptly and reported to the management of the Group companies where the conflict of interest arises in accordance with separate guidelines. Mandatum Group's licensed companies maintain registers of potential conflicts of interest related to continuous operations, which are updated at least annually. In addition, registers are maintained on case-specific situations arising in connection with operations. The purpose

of the registers is to maintain lists of all identified conflicts of interest and their management. The registers are also reported to the boards of directors of the Group companies.

## **5 DISCLOSURE OF CONFLICTS OF INTEREST**

If a conflict of interest cannot be avoided, Mandatum shall provide the customer with a separate written description of the conflict of interest arising in connection with the provision of insurance-based investment products, investment or ancillary services or in relation to mutual or alternative investment funds. The description includes information of the conflict's general nature and sources, as well as the risks of damage to the interests of the customer and the measures taken to mitigate the risks. The information is provided before the transaction is carried out so that the customer can independently consider whether he or she wants the transaction to be carried out despite the conflict of interest. In some situations, Mandatum may also have to refuse to do business with a customer due to a conflict of interest.



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