

Policy for management of conflicts of interest in the Handelsbanken Group

Adopted by the Bank's Central Board on 16 March 2016

1. Purpose

The purpose of this policy is to ensure that conflicts of interest in the Handelsbanken Group are managed correctly.

2. Application

This policy must be applied in the Handelsbanken Group's operations when conflicts of interest are managed.

Conflicts of interest are a natural part of a business operation, which means that these types of conflicts may arise within the Group's operations. Conflicts of interest can arise between the customers of Handelsbanken, and between Handelsbanken or Handelsbanken's customers on the one hand, and on the other hand Handelsbanken's (other) customers, shareholders, members of the Board, executive officers as well as other personnel, important suppliers and business partners, and other closely related parties (such as companies in the Group).

That which is stated in the policy shall apply throughout the Handelsbanken Group, although this is subject to the fact that prevailing law or directives from public authorities, either within or outside Sweden, may require a different application.

All members of boards in the Group, employees, and third parties acting on behalf of the Handelsbanken Group must comply with this policy, where applicable.

3. Conflicts of interest

A conflict of interest that can give rise to one or more customers' interests being adversely affected may arise, for example, in situations where Handelsbanken, its employees, contractors or associated companies are likely to make a financial gain, or avoid a financial loss, at the expense of the customer, e.g. by trading on own account in securities, utilising information regarding customers' forthcoming trade flows, may have an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer, which is distinct from the customer's interest in that outcome, e.g. selling a certain investment product to the customer may result in a higher internal payment than a different product, which would suit the customer better, may have a financial or other incentive to favour the interests of a different customer or customer group rather than the interests of the customer

in question, for example by giving a certain customer more preferential rates in exchange for future or continued business links, services or investments, to the detriment of another customer or customer group, pursues the same type of business as the customer, or receives or will receive from a person other than the customer an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard fee or commission or for that service or activity.

Conflicts of interest can be of different types in different parts of the Handelsbanken Group's operations. The situations mentioned above are only examples of possible conflicts of interest.

4. Management of conflicts of interest

The responsible unit head handles conflicts of interest primarily by making sure that procedures are applied and measures taken that prevent the customers' interests being negatively affected. It is the responsibility of every head of unit within the Group to continuously identify potential conflicts of interest in the unit's operations and to draw attention to and manage conflicts of interest that may give rise to one or more customers' interests being adversely affected as a result of the Group's operations. If a conflict of interest is identified, the head of the unit responsible must first ensure that the customer's interests are not adversely affected. If this is not possible, the customer must be informed of the conflict of interest in such a manner that enables the customer to understand and save the information and thereby take a decision regarding Handelsbanken's service or product in the light of the identified conflict of interest. If an identified conflict of interest cannot be avoided, the responsible unit head must also follow up the conflict of interest regularly, with the aim of bringing it to an end.

Material conflicts of interest that have been identified must be documented and recorded by the unit. It must be made clear that this record cannot be regarded as being exhaustive. The identification and management of conflicts of interest within a unit must be adapted to the type of operation concerned. It is the responsibility of every head of unit where conflicts of interest have been identified to hold an annual review with the unit's staff, based on the current regulations regarding possible conflicts of interest.

For units where the probability of conflicts of interest is deemed to be higher, an annual summary of material conflicts of interest that have been identified must be compiled. The Group Chief Executive will determine which units are to be subject to this requirement. For these units, the head of unit is to decide on the management of these conflicts of interest. A summary of material conflicts of interest that have been identified, and how these are to be managed, must be submitted to CJ and CQ. CQ must annually report to the risk committee of the Central Board on material conflicts of interest in the Handelsbanken Group. This report must present the material conflicts of interest that have been identified, and how these conflicts are being managed or avoided.

In determining suitable procedures for forestalling and preventing a conflict of interest, Handelsbanken's regulations regarding conflicts of interest, bank confidentiality, ethical standards, operational risk, assignments outside the Bank, remuneration, secondary occupations, employees' own securities transactions, investment research, investment advisory services, marketing of financial instruments and corporate finance operations must be taken into account, where applicable.

The risk of conflicts of interest must also be taken into account in conjunction with recruitment, appointment of board members within the Group, and procurement of services.