

# SPAR NORD'S CODE OF CONDUCT

Spar Nord considers fair and equitable conduct to be an imperative prerequisite for running a successful bank, whether in the short or long term. Thus, fair and equitable conduct is an ideal that the Bank manifests in a wide range of contexts, including by practising good ethics when providing advisory services, by setting an amicable, professional tone between employees and customers, by complying with all relevant legislation and by promoting good working conditions and respectful relations between colleagues.

## **The Code of Conduct springs from the Bank's strategy and business model - and applies to all the Group's employees**

Spar Nord's vision and business model are formed from a core of "local autonomy", involvement and commitment in personal relations with customers and good relations within the external environment in which the Bank carries on its activities.

In this context, the Code of Conduct should be considered a common yardstick for conduct in the Bank's decentralized units, which are autonomous in many respects, and should take into account the fact that Spar Nord's employees are highly committed towards their local communities, and that employees move within a complex web of relationships with internal and external stakeholders.

The Code of Conduct applies to all employees in the Group and contains concrete guidelines for conducting business with internal and external stakeholders. The Code of Conduct is closely intertwined with the Bank's policies, business procedures, etc., and should be viewed as a superstructure to these. The policies and business procedures describe the specific conduct and practices to be applied in a wide range of areas, including credit facility granting, product development, IT security, communications, procedures for dealing with complaints, avoiding conflicts of interest, etc.

## **CUSTOMER RELATIONS**

### **Ethics in advisory services and easy-to-grasp information material**

This is Spar Nord's customer mission: Together we create financial freedom.

Living up to this mission statement requires high customer counselling standards and a crystal-clear focus on the needs and financial capabilities of each retail and business customer. Thus, practicing good ethics when providing advisory services entails striking an appropriate balance between 'selling' a product to the customer and providing fair counselling. Spar Nord strives to maintain this balance by ensuring that no customer adviser receives an incentive or a financial reward for his or her sales results. In this way, Spar Nord strives to ensure that the customer's needs remain in constant focus, and that the Bank's results are solely generated by meeting these needs.

Good ethics also means that Spar Nord does not want to engage in business relations with customers and other partners whose activities may jeopardize the Bank's reputation.

Finally, in dealing with Bank customers, staff members strive to ensure that the Bank's fees and terms and conditions are communicated in an easy-to-grasp manner, and that information and marketing materials are prepared and checked with a view to ensuring compliance with all relevant legislation. This applies both to materials that are produced and used at Group level and/or materials used locally.

Setting an amicable, professional tone between employees and customers

The personal relationship between customers and employees lies at the core of the Bank's business model and mission, and the results that the Bank generates in the long run greatly depend on the Bank's ability to establish and maintain long-term and mutually profitable customer relations.

As a natural extension of these points, Spar Nord wants good, constructive dialogue to mark the relationship between the Bank's employees and its customers – also in difficult situations where a customer happens to run into financial difficulties and the Bank must thus decline his or her credit application, or where the customer is dissatisfied with the Bank.

In the pursuit of setting an amicable, professional tone between employees and customers, Spar Nord must moreover emphasize that it has a zero-tolerance policy as regards discrimination or harassment based on gender, age, religion, sexual orientation or other factors and is prepared to take legal action to stop any such practices.

### **Constructive processing of feedback and complaints**

It follows from Spar Nord's strategic focus on involvement and long-term customer relationships that the Bank seeks a close dialogue with its customers, and that it is basically interested in receiving and learning from customers' feedback.

The Bank strives to reach this goal in part by positively and constructively receiving and processing the customer feedback provided to local bank employees, the Customer Service Department, etc. – both when it comes to positive input and to criticism or outright complaints.

As concerns complaints, Spar Nord has established a clear and transparent procedure for receiving and processing complaints that is described on the Bank's website. Customers can also obtain information about the complaints procedure at all branches. Essentially, the procedure entails that efforts to deal with a complaint will be made as close as possible to the employee and branch to which it relates. If this proves impossible, the complaint will be processed by the Bank's Complaints Processing Manager, who reports directly to the Management.

## EMPLOYEE RELATIONS

### Sound financial health – focus on avoiding conflicts of interest

The Bank's employment contracts stipulate that in their personal affairs Spar Nord's employees must have sound financial health, and that they must refrain from assuming financial obligations that may jeopardize their financial security.

The terms of employment also state that employees must refrain from engaging in related party transactions (involving individuals as well as businesses), and that apart from ordinary, work-related use of the Bank's self-service systems, employees may not process their own financial transactions (loan applications, securities trades, etc.).

### Confidential information and inside information

The Bank has business procedures and controls intended to prevent abuse and any other unjustified disclosure of inside information, including customer-related information and information about the Bank's internal affairs.

### Personal freedom – and responsibility for own actions

Spar Nord does not interfere with employees' private affairs, but the Bank expects employees in all contexts to conduct themselves in a way that does not compromise the Bank's reputation.

This expectation applies to the way in which employees conduct themselves both during working hours at the Bank and in the professional and private networks and circles in which they move. Finally, the expectation as to fair and equitable conduct applies to staff members actions and comments on the social digital media on which they may be active.

## COMPLIANCE AND SANCTIONS

### Compliance with Code of Conduct guidelines

The individual manager is responsible for ensuring that everyone in his or her department complies with the Group's Code of Conduct. If an employee is unsure as to whether certain conduct complies with the Bank's Code of Conduct, the employee concerned is responsible for discussing the issue with his or her immediate superior.

Material breach will be dealt with by the Group's compliance function, which will report to the Executive Board and the Board of Directors whenever necessary.

### Compliance with all relevant legislation

The Bank has business procedures, internal controls and a whistleblower arrangement, all of which combine to prevent any violation of legislation and other relevant guidelines. Should any breach nevertheless be ascertained, the Bank's policy is to take immediate steps to have the relevant authorities investigate the breach and subsequently to take legal action, if appropriate.