

# Spar Nord

# Tax policy



## Vision and viewpoint

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Spar Nord is a responsible taxpayer and does not participate in tax evasion or attempted tax evasion. This is a fundamental element in our work to be a good and respectable bank.

Further to recommendation 1.4.2 by the Committee on Corporate Governance, the Board of Directors of Spar Nord has approved this tax policy and it is available on the Spar Nord website.

## Purpose and objectives

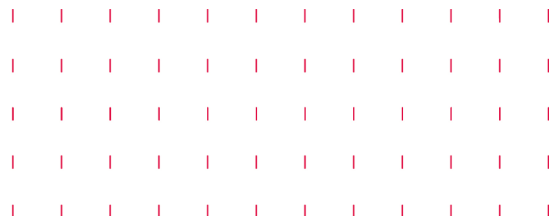
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The tax policy for Spar Nord Bank A/S (Spar Nord) has been drawn up on the basis of the bank's vision, values and strategy and it applies for Spar Nord and all controlled entities.

The overall purpose of the tax policy is to provide guidelines, secure transparency and maintain corporate responsibility for the tax and duties area.

The objective of Spar Nord is to be a competitive business and a responsible taxpayer. This entails that Spar Nord complies with current tax legislation and keeps up to date with best practice in the tax and duties area.

Spar Nord aims to maintain a transparent tax policy, meaning that all taxable transactions by the bank can be fully explained and justified for the bank's stakeholders at all times. Payments of taxes and duties are a significant cost for the bank, and for this reason, the bank has measures to reduce payments of taxes and duties within the framework of relevant laws and practice. This includes, among other things, allocation



of tax depreciation, just as Spar Nord uses usual arrangements such as additional deductions for selected types of costs and additional tax depreciation possibilities.

The tax policy of Spar Nord focuses on corporation tax, VAT, payroll tax, energy taxes, staff taxes as well as other taxes, duties and social insurance contributions. The policy also focuses on the tax position of customers of the bank and advice from Spar Nord.

Spar Nord recognises the UN Sustainable Development Goals and in 2020, Spar Nord acceded to the UN Global Compact (UNGC) and the UN Principles for Responsible Investment (UN PRI). In 2021, the bank also acceded to the UN Principles for Responsible Banking (UN PRB). Tax revenues are a crucial element in a well-functioning society, and tax is a fundamental source of financing to meet the UN Sustainable Development Goals.

Spar Nord recognises the importance of tax revenues as a means of achieving the UN Sustainable Development Goals, as well as the need for responsible tax behaviour.

Spar Nord aims to support and contribute to this development as part of our responsible investment strategy as described in more detail in "Spar Nord's Policy for Responsible Investment" and as a responsible taxpayer, see this tax policy.

## **The tax position of Spar Nord**

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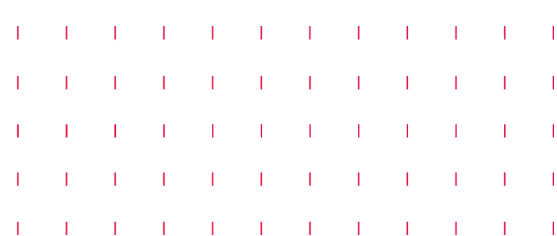
The point of departure for the tax policy of Spar Nord and work with our own tax is that the bank pays the taxes and duties imposed on the bank's activities and profits according to current legislation.

Spar Nord does not have activities in tax haven countries.

The tax effects of all business areas and legal entities are consolidated at group level. The group is taxed jointly and is jointly registered for VAT and payroll tax where this is relevant. This minimises VAT issues between the individual entities.

Whenever necessary, Spar Nord utilises tax consultants to help the bank to manage the risk of not complying with tax and duties legislation and the risk of paying too much in taxes and duties. Regular assessments are made of whether the resources spent on consultants are deemed to align with the risk of not complying with tax and duties legislation and/or the risk of paying too much in taxes and duties.

Through open dialogue and communication with the tax authorities, the bank seeks to avoid unintended consequences regarding tax and duties. In exceptional circumstances, the bank seeks to achieve binding decisions and prior approval to reduce the risk and uncertainty of future tax payments.



## Customers' tax situation

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In accordance with the regulations on rules on good business practice for financial undertakings, Spar Nord provides general tax consultancy in relation to the products and services supplied by the bank. In this context, the bank's employees inform customers about the tax consequences of their transactions, for example in areas such as savings and investment.

When a customer relationship is established with companies and persons, a comprehensive know-your-customer procedure is completed, as is thorough internal control of the situation of the customer and ownership. This procedure includes ensuring that the necessary information and documentation is in place.

Spar Nord does not generally advise actively on specific tax matters but recommends that customers seek advice from professional tax consultants or the authorities. The bank provides general advice on financial matters in which tax aspects play a significant role, for example corporate succession and the Danish company arrangement (*VSO*) tax scheme for personally owned undertakings.

Spar Nord does not encourage, support or participate in activities that, to the knowledge of the bank, entail tax evasion or attempts at such, and Spar Nord does not establish or manage companies in tax havens.

Spar Nord therefore has focus on complying with Danish tax legislation and guidelines for the area. With regard to customers, this means that, among other things, the bank regularly makes relevant reports and notifications to the Danish Tax Agency, and that the bank complies with the requirements of the Anti-Money Laundering Act concerning notification of suspicion of tax evasion.

## Updates

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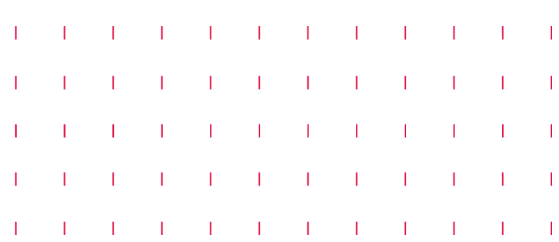
The tax policy of Spar Nord is regularly reviewed and updated as necessary, although at least once a year. If a review results in an update of the policy, it is ensured that all relevant employees are informed about the update and what it is about.

## Compliance, control, and reporting

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The Executive Board is responsible for ensuring that the policy is implemented and complied with.

In order to ensure effective implementation and compliance, the Executive Board ensures that there are clear and well documented procedures to ensure that employees are familiar with the policy and comply with the policy. Similarly, the Executive Board ensures that employees are aware of any updates to the policy.



Working with the Finance Department, the Executive Board regularly reports to the Board of Directors, the internal and external auditors, as well as the relevant authorities on the bank's tax situation.

*Most recently updated June 2023*