

# Policy for handling conflicts of interest

Approved by the Board of Directors: 13-06-2024.

## **Chapter 1 Background:**

The policy for handling conflicts of interest aims to ensure that the company relate actively to conflicts of interest and any risk for this cf. § 9 in the declaration of organisational requirements for securities trading and § 95, section 2, no. 2 in the Financial Business Act (Act no. 1155 of 8 June 2021).

According to the declaration of organisational requirements for security trading, Fondsmæglerselskabet Marselis (hereafter: Marselis) must ensure that conflicts of interest are identified, managed, and prevented to safeguard the interests of the company's clients in the best possible way.

## **Chapter 2 Identification of conflicts of interest:**

Conflicts of interest may, for instance, arise in one of the following situations:

- Marselis or an employee may obtain an advantage by being familiar with clients' interests, or if Marselis, a company within the company group, or an employee favour himself or others at the expense of a client.
- Marselis or an employee may obtain an advantage by giving the interests of a client preference over the interests of another client.
- Marselis carries on the same transactions as a client.
- A Trader at Marselis owns or has an interest in securities the client requests to trade.
- An employee at Marselis has a double employment, meaning the person is employed in a group company too, and an interest in the same securities may occur in both companies.
- Chairman of the Board, the Board of directors or the Executive Board must be involved in any decisions regarding securities they own or have an interest in via a profession outside Marselis.
- Marselis is market maker and holds a position in the securities, which the client intends to buy, or which Marselis intend to trade on behave of a client due to a asset management agreement.
- Marselis provides advice targeted and costumed the strategy of every single client regarding securities, which the company holds in its trading portfolio, and which the client intends to trade.
- Marselis provides an interest trade between two clients, where the company has an interest in giving a preference to one of these.
- Marselis has discretionary mandates as well as 'trading and advice on corporate bonds and mortgage bonds. A conflict of interest may arise when employees within these two areas have a salary structure where bonus is incorporated, and thus there can be motive for increased turnover rate.
- Marselis has Investment Management agreements within the same area as 'trading and advice on corporate bonds and mortgage bonds' because as an Investment Manager one can obtain information regarding the client's behaviour. In this case, clients are when advice is given on mortgage bonds and corporate bonds.

## **Chapter 3 Prevention of conflicts of interest:**

It is highly important for Marselis to provide advice and services based on the client's requirements and thereby safeguard the interests of the client in the best possible way. This is supported in Marselis' organisation, policies, business procedures, systems as well as in the training of employees.

Marselis has an independent compliance function which control that the company comply with applicable legislation.



#### Business procedures:

To ensure appropriate management of conflicts of interest, Marselis has prepared processes, business procedures and organisational measures which identify, describe, and prevent conflicts of interest.

It is amongst other things stated that:

- Employees receive instructions regarding conflicts of interest through the company's business procedures.
- Employees are aware of sharing knowledge and that internal knowledge cannot be used for investment decisions or be shared with clients.
- Employees with trade authority have received a list of securities in which they can trade.
- Analysts cannot own or trade positions in the securities for which they prepare advice on.
- In relation to asset management Marselis cannot take positions in the trading portfolio, and only back-to-back trades are allowed. Furthermore, the company is based on experience and a big network and thereby long-term relations, which is not compatible with low return.
- Marselis must secure best execution to all clients in relation to the order execution policy.
- Issuing CFD's can only happen where Marselis can cover the market risk of the underlying active and cannot be done against the trading portfolio or asset management clients.

#### **Chapter 4 Information on conflicts of interest:**

If the written measures are not sufficient to avoid or manage conflicts of interest in relation to a client, Marselis will inform the client on the conflict of interest before further business activities can be done with the client.

#### **Chapter 5 Governance:**

The management is responsible for implementing this policy and reassure that every employee is familiar with the policy.

#### **Chapter 6: Updates:**

At least once a year, the management must update the policy, which then must be approved by the board of directors.

| <b>Date</b> | <b>Change</b> | <b>Description of change</b>  |
|-------------|---------------|---|
| 29-03-2023  | Update        | Annual approval by the board of directors                                 |
| 13-06-2024  | Update        | Annual update according to internal policies regarding tasks of the board |