

## Description of Conflicts of Interest Policy

In accordance with the requirements of the European Union MiFID (Markets in Financial Instruments Directive), each bank which provides investment services, as well as investment management companies which perform individual management of investors' financial instruments in accordance with authorization from the investors, must provide information to their clients about the policy for prevention of conflicts of interest.

SEB Group in Latvia provides a wide range of financial services to its clients. Thus, it is unavoidable that situations develop when conflicts of interest are possible between one unit of SEB Group in Latvia (and/or its client) and another unit of SEB Group in Latvia (and/or its client), between different clients of one structural unit, or between an employee of SEB Group in Latvia and private interests of the clients, as well as between an employee and SEB Group in Latvia.

Conflict of interest exists in any case when a decision made by SEB Group in Latvia or on its behalf is not based on well-founded reasons only for a particular transaction, but this decision has been influenced considerably, in material way, by interests of another person, for instance, SEB Group, SEB Group in Latvia, its employee or client.

SEB Group in Latvia has made a thorough analysis of the possibilities for development of such conflicts of interest and documented the same in its policy for conflicts of interest. The policy provides the procedure for execution of transactions and measures to be implemented in order to prevent development of any such theoretically possible conflicts of interest, as well as action in situations of conflicts of interest in order to avoid from adverse effect on the interests of the clients of SEB Group in Latvia. SEB Group in Latvia has developed procedures for timely identification and management of potential situations of conflicts of interest and for action to prevent situations of conflicts of interest.

One of the areas mentioned in MiFID as a source of potential conflicts of interest is when a company gives or receives payments or other benefits (for instance, goods or services) related to service provided to the client ("inducements"). SEB Group in Latvia gives or receives such payments only in case if such a payment is facilitating or is necessary in order to be able to provide a particular service to the client and which further in its essence cannot become conflict of interest with the Bank's obligation to act honestly, fairly and professionally in the best interests of its client.