



Nibor Conflicts of Interest Policy

Version 1.0 - 13.12.2019

Contents

| | |
|---|---|
| Nibor Conflicts of Interest Policy | 3 |
| 1. Introduction..... | 3 |
| 2. Scope | 3 |
| 3. Conflict of Interest - Definition..... | 4 |
| 4. Governance and Control Mechanisms | 4 |
| 5. Policy Application and Process..... | 5 |
| 5.1. Conflict of interest agreement | 5 |
| 5.2. Training..... | 5 |
| 5.3. Identification of conflict of interest | 6 |
| 5.4. Investigation | 6 |
| 5.5. Recording and reporting | 6 |
| 6. Performance of duties..... | 7 |
| 6.1. Outside employment..... | 8 |
| 6.2. Gifts | 8 |
| 6.3. Financial..... | 8 |
| 6.4. Vendor relationships | 8 |
| 7. Breach of conflict of interest..... | 9 |
| 8. Reservation of rights | 9 |
| 9. Responsibility | 9 |
| 10. Review | 9 |
| 11. Declaration | 9 |

Nibor Conflicts of Interest Policy

Approved and adopted by the NoRe Board 13.12.2019. Apply from 01.01.2020.

1. Introduction

Norske Finansielle Referanser AS (NoRe) is a company established with the purpose to provide financial reference rates / benchmarks. NoRe is administrator for Nibor, an interest rate benchmark.

The EU Benchmarks Regulation (BMR) is incorporated into the European Area Economic Area (EEA) Agreement and transposed into Norwegian law. A central element in the BMR is measures to avoid benchmarks being affected by conflict of interest among those being able to influence the determination of the benchmark values. Under the BMR financial benchmarks require a particular method of governance to ensure that end users of the benchmark data can rely on its accuracy and veracity.

The purpose of this policy is to establish standards of conduct and internal processes to ensure that all personnel in NoRe act in the best interests of NoRe and its clients and, in pursuing this goal, maintain standards relating to conflicts of interest. These standards are intended to enhance public confidence in the integrity of Nibor and NoRe. NoRe benefits from the expertise of individuals with a multiplicity of interests. However, those interests must not conflict with the interests of NoRe nor impair the public support and respect necessary for the operation of NoRe. In addition to the forgoing, employees in all their endeavours are to remain cognizant of the fundamental business principles of NoRe of neutrality and impartiality.

BMR Article 4
Point 6 and 7

One source for conflicts of interest may be remuneration arrangements with elements based on the development of the benchmark values. NoRe has adopted its NoRe Remuneration Policy which states the principles for remuneration of employees to support the objective of NoRe's activity combined with the necessity to make sure that the remuneration of NoRe's employees do not give rise to any conflict of interest connected to the Nibor benchmark values.

BMR Article 4
Point 7 (b)

2. Scope

This policy applies to the NoRe's employees and their relationships both internally and externally with key stakeholders.

All employees shall immediately disclose to the NoRe Compliance Officer, via email, any business, commercial or financial interest where such interest might be construed as being in real, potential or apparent conflict with their official duties.

BMR Article 4
Point 7 (c)

In addition, any natural person representing a party that has a controlling interest in NoRe is required to declare any conflicts of interest in accordance with this policy.

3. Conflict of Interest - Definition

A conflict of interest can be defined as ‘a situation where an individual or employee, or the organisation he/she represents or has an interest in, has a direct or indirect competing interest with NoRe’s activities’. This competing interest may result in the individual being in a position to benefit from the situation or it may prevent NoRe from being able to achieve its objectives, summarized as follows:

- Making sure that Nibor correctly reflects the market it is intended to measure
- Making sure that Nibor is robust and reliable and available in a timely manner
- Meet legal and regulatory standards
- Generating revenue to cover costs and ensuring continued basis for the provision of Nibor

A conflict may arise where an individual is a party to a contract with NoRe or has an interest in an enterprise, or is related to a person who is party to such a contract; or where an individual receives payment by NoRe for services rendered to NoRe other than reimbursement for reasonable out-of-pocket expenses.

Conflict of interest also includes conduct which is not in line with NoRe’s core values and principles. In particular, the principles of neutrality and impartiality cannot be comprised.

Conflict of interest includes, but is not limited to situations:

- Where an employee’s private affairs or personal financial interests are in conflict with their work duties, responsibilities and obligations, or result in a public perception that a conflict exists.
- Where an employee may be dealing in personal accounts where there may be a potential benefit to that employee through their involvement with NoRe which could impair the employee’s ability to act in the best interest of NoRe.
- Where the actions or inaction of an employee would compromise or undermine the trust that clients (or key stakeholders) place in Nibor and NoRe.
- Where an employee participates in entities making licensed or unlicensed use of Nibor.

4. Governance and Control Mechanisms

The NoRe has in place robust governance arrangements which include a clear organisational structure with well-defined, transparent and consistent roles and responsibilities for all persons involved in the provision of NoRe’s benchmark.

The NoRe has taken adequate steps to identify and to prevent or manage conflicts of interest between themselves, including employees or any person directly or indirectly linked to them by control, and contributors or users, and to ensure that, where any

BMR Article 4
Point 1

judgement or discretion in the benchmark determination process is required, it is independently and honestly exercised.

NoRe's relations with contributors are governed by adequate control mechanisms. The NoRe has in place the Nibor Panel Bank Code of Conduct which outlines the responsibilities of the contributors which is overseen by the Nibor Oversight Committee.

BMR Article 4
Point 2

NoRe operates with a clear segregation of roles and responsibilities to mitigate Conflicts of Interest. NoRe has outsourced the calculation and distribution of Nibor to Global Rate Set Systems (GRSS). GRSS has established procedures which ensure final sign off by an Oversight Manager before the dissemination of Nibor.

BMR Article 4
Point 8

NoRe has established an independent Oversight Committee which includes a balanced representation of stakeholders, including users and contributors. This committee is an independent body whose activities are detailed in Nibor Oversight Committee Terms of Reference and Nibor Oversight Committee Rules and Procedures documents. The Committee members are required to declare any conflicts of interest by signing the "Nibor Conflicts of Interest - Declaration – Nibor Oversight Committee".

BMR Article 4
Point 3
BMR Annex I
Point 3

Details of the membership of the Nibor Oversight Committee is public, on NoRe's website, along with any declarations of any conflict of interest.

BMR Annex I
Point 3(a)

5. Policy Application and Process

5.1. Conflict of interest agreement

Before or upon assuming their official duties, employees shall sign the form "Nibor Conflicts of Interest - Declaration – Employee" declaring that they have read this Conflicts of Interests Policy and agree to abide by it. This includes declaring in writing any conflicts of interests.

Employees are required to review the conflicts of interest declaration annually. If there are any new activities that arise prior to the annual review re-signing, employees are required to disclose these activities using the form "Nibor Conflicts of Interest - Declaration – Employee".

In accordance with BMR, and for the avoidance of doubt, no employee who is directly involved in the provision of Nibor may have any interests or business connections that compromise the activities of the NoRe.

BMR Article 4.7
(c)

5.2. Training

All new employees must complete the introduction training program. This includes training on potential conflicts of interest situations.

BMR Article 4.7
(a)

5.3. Identification of conflict of interest

This conflict of interest policy operates on the basis of self-disclosure. However, under the Nibor Suspicious Behaviour Policy, all employees are able to raise concerns and this includes potential breaches of conflicted interests. When such a concern is identified, the employee shall immediately contact the NoRe Compliance Officer by email. Upon receipt of such an email the NoRe Compliance Officer records the raised concern in the Conflict of Interest Register and undertakes a review as per the procedures described in 5.4 Investigation below. Additional sources of conflict may be identified through the annual review, whistleblowing and ongoing disclosure process.

As new potential sources of conflict are identified through the NoRe Conflict of Interest Register, these areas are included in subsequent training and introduction material to ensure that new and existing employees are aware of potential areas for breach of this policy.

NoRe is established and owned by Finance Norway. Thus, Finance Norway has a controlling interest in NoRe. To manage any real, potential or apparent conflicts of interest arising from Finance Norway's control of NoRe this policy also applies to the members of the NoRe Board, whom are appointed by Finance Norway. As part of this, NoRe Board members are required to declare any conflicts of interest by signing the "Nibor Conflicts of Interest - Declaration – NoRe Board Member".

5.4. Investigation

All enquiries, declarations, testing results, annual reviews and initial investigations are managed by the NoRe Compliance Officer. The NoRe Compliance Officer will review all disclosures and determine whether or not the disclosed conflict breaches this policy and any contractual obligations of NoRe.

In all cases of disclosure the NoRe Compliance Officer will instigate an investigation and bring the matter forward to the NoRe Board. The Board will determine whether or not the conflict of interest may be removed, and if so take steps to achieve this. The Competent Authority should be notified of all situations determined by the Board as having the potential for financial gain i.e.

If such a conflict of interest cannot be adequately managed, the Board shall see to that NoRe either cease the activities or relationships that create the conflict of interest or cease providing the benchmark. The Competent Authority shall be informed about the situation and the actions taken.

BMR Article 4
Point 4

5.5. Recording and reporting

All initial and ongoing disclosures are stored in the NoRe Conflict of Interest Register. All stages of investigation and resulting actions, as well as external disclosure are recorded in this register.

NoRe shall publish or disclose all declared existing or potential conflicts of interest to users of a benchmark, to the Competent Authority and, where relevant, to contributors, including conflicts of interest arising from the ownership or control of NoRe.

BMR Article 4
Point 5
BMR Annex I
point 3 (a)

In the event that a public disclosure takes place, NoRe will publish the conflict of interest on its website.

6. Performance of duties

The NoRe has established, and operates, adequate policies and procedures, as well as effective organisational arrangements, for the identification, disclosure, prevention, management and mitigation of conflicts of interest in order to protect the integrity and independence of the Nibor determinations. Such policies and procedures are regularly reviewed and updated. The policies and procedures take into account and address conflicts of interest, the degree of discretion exercised in the benchmark determination process and the risks that the benchmark poses.

NoRe polices and procedures specifically mitigate conflicts of interest due to the administrator's ownership or control, or due to other interests in the NoRe or as a result of other persons that may exercise influence or control over the administrator in relation to determining the benchmark.

BMR Article 4
Point 6 (b)

NoRe ensures that their employees who are directly involved in the provision of a benchmark:

- are not subject to undue influence or conflicts of interest and that the compensation and performance evaluation of those persons do not create conflicts of interest or otherwise impinge upon the integrity of the benchmark determination process;
- are subject to effective procedures to control the exchange of information with other employees involved in activities that may create a risk of conflicts of interest or with third parties, where that information may affect the benchmark.
- An employee shall not vote on, or participate in, any discussion about a resolution to approve a contract in which he/she has any interest, nor will an employee approve and/or sign off on such circumstances.

BMR Article 4
Point 7 (b)

BMR Article 4
Point 7 (e)

BMR Article 4
Point 7 (d)

In the performance of their duties, employees and subcontractors must not:

- Place themselves in a position of obligation to persons who might benefit or appear to benefit from special consideration with respect to NoRe business.
- Have a monetary interest that would conflict with the discharge of the duties owed to NoRe.
- Disclose, discuss, use, disseminate take advantage of, potentially or actually benefit or appear to benefit from the use of information not generally available to the public and which has been acquired during their official NoRe duties.
- Communicate with any level of government, or with any elected or appointed government official in relation to the business of NoRe, unless they have specific NoRe authorisation.

- Assist private entities or persons in their dealings with NoRe where this could result in preferential treatment to any person.
- Directly or indirectly use, or allow the use of, NoRe property or information for anything other than officially approved activities.

6.1. Outside employment

Employees may engage in remunerative employment with another employer, contractor's activity, carry on a business, or receive remuneration from public funds for activities outside their position provided that:

- It does not interfere with the performance of their duties
- It does not bring NoRe into disrepute
- They do not have an advantage derived from their employment as a NoRe employee.
- It is not performed in such a way as to appear to be an official act or to represent the NoRe's public positions or policies, including the core values.
- It does not involve the use of NoRe premises, services, NoRe email address, equipment or supplies to which the employee has access by virtue of their employment, unless official authorisation is secured.

6.2. Gifts

Employees must avoid appearance of favouritism in all of their dealings on behalf of NoRe and not accept personal gifts from those doing business or seeking to do business with NoRe.

6.3. Financial

Employees must not commit NoRe to any unauthorised expenditure or other liability and must ensure that all commitments are approved in accordance with the appropriate by-laws, regulations and policies including all appropriate consultations and approvals.

6.4. Vendor relationships

Employees will not perform fee for service responsibilities for NoRe in addition to their responsibilities as an employee. Nor will employees sell goods to NoRe, unless by specific approval of the NoRe Board.

Goods shall not be purchased from relatives of an employee without consultation with the NoRe Manager and in such circumstances a determination should be made as to whether the correct processes were undertaken and what the impact of the decision will be in regards to conflicts of interest. Where there is doubt on the subject, the issue is to be referred to the NoRe Board.

7. Breach of conflict of interest

Employees are required to email the NoRe Compliance Officer as soon as practicable whenever they have any question as to whether a particular circumstance may place them in a potential or actual conflict of interest.

Employees who fail to comply with these standards during the course of their employment will be subject to disciplinary processes, including potential dismissal from employment with NoRe.

Employees who fail to comply with these standards following termination of employment with NoRe hereby acknowledge that the disclosure of confidential information will result in irreparable harm to NoRe and NoRe shall have the right to enforce its lawful rights and remedies against any offending person.

8. Reservation of rights

Where an individual fails to disclose a conflict or an interest according to this policy or according to other laws or regulations in Norway, NoRe reserves all rights it may have to deal with the contract, conflict and individual involved.

9. Responsibility

The NoRe Compliance Officer, is responsible for advising stakeholders, maintaining, monitoring, and revising this policy; and for authorizing exceptions. The NoRe Board is responsible for investigating potential breaches of this policy that may impact on the integrity of NoRe and determining whether or not the breach impacts the client or external party before disclosure, subject to legal and privacy issues.

10. Review

This policy will be reviewed by the NoRe Board on an annual basis. All employees will be required to re-sign their Declaration of Conflict of Interest on an annual basis.

11. Declaration

By signing the form “Nibor Conflicts of Interest - Declaration – Employee”, employees declare that they have read and understood the contents of this policy and agree to abide by it.