
	POLICY	
	Number: 12PL1 Version: 0	Approved: Riga, 2023.12.20. Minutes of the Meeting of the Supervisory Board No. 18/2023

POLICY FOR PREVENTION AND MANAGEMENT OF CONFLICT OF INTEREST

1. TERMS USED	1
2. POLICY OBJECTIVE	2
3. CONFLICT OF INTEREST	2
4. PRINCIPLES FOR MANAGING CONFLICTS OF INTEREST	2
5. PREVENTION OF CONFLICTS OF INTEREST IN THE ACTIVITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD	3
6. RESPONSIBILITY AND CONTROL	3
7. MISCELLANEOUS	4
8. RELATED DOCUMENTS	4

1. TERMS USED

Employee	a natural person who, on the basis of an employment contract, performs certain duties for remuneration in DelfinGroup or its Group companies, as well as the Management Board and the Supervisory Board.
DelfinGroup	AS DelfinGroup, registration number: 40103252854.
Group	DelfinGroup, all its subsidiaries and the subsidiaries of subsidiaries of DelfinGroup which provide the Services.
Inside Information	non-public information relating directly or indirectly to DelfinGroup, its Group companies or one or more financial instruments of DelfinGroup or any Group company which, if disclosed, could have a significant effect on the prices of the relevant financial instruments (shares, bonds) or related derivative financial instruments.
Persons having access to Inside Information	any person, who has Inside Information at his or her disposal, for the following reasons: (a) the person is an Employee, member of the administrative, management or supervisory body; (b) the person has a direct or indirect interest (shareholding) in the capital of DelfinGroup or any Group company; the person has access to the information in the performance of his/her professional duties.
Stakeholders	customers, supervisory bodies, business partners and organisations, Employees or shareholders/members of DelfinGroup or any other Group company.
Conflict of Interest	a situation where, in the performance of his/her duties, a member of the Supervisory Board, a member of the Management Board or an Employee has to take a decision, participate in a decision or take other action related to his/her position which affects the interests of DelfinGroup or any Group company or may potentially affect the personal or financial interests of himself/herself, his/her family members or relatives, persons with whom he/she shares a household or business partners.
ICC Guidelines	International Chamber of Commerce guidelines on how to monitor and manage conflicts of interest – https://iccwbo.org/news-publications/policies-reports/icc-guidelines-conflicts-interest-enterprises/ .
Atypical Transaction	a transaction that is unrelated to the ordinary course of business of DelfinGroup or any other Group company, such as lending, purchasing goods or a transaction that does not comply with normal market conditions.
Supervisory Board	the Supervisory Board of AS DelfinGroup.
Services	lending or retail services provided by DelfinGroup or any other Group company.
Policy	this Conflict of Interest Prevention and Management Policy.
Related Party	for the purposes of this Policy: (a) spouse or equivalent partner (with whom the Employee, member of the Management Board or Supervisory Board shares a household), relative up to and including the second degree (parents, children, sisters, brothers, grandparents, grandchildren), adoptee or adoptive parent;

	POLICY
	Number: 12PL1 Version: 0

	(b) legal entity in which any Group company, the Employee, member of the Management Board or Supervisory Board is a member, participant, shareholder or holds a position on the Management Board or Supervisory Board.
Management Board	the Management Board of AS DelfinGroup.

2. POLICY OBJECTIVE

- 2.1. The purpose of the Policy is to define the nature of a Conflict of Interest and the principles that DelfinGroup and Group companies shall follow to identify and manage or prevent a potential or existing Conflict of Interest in a timely manner. Conflict of Interest situations that are not addressed in a timely manner may create a risk of corruption and have a negative impact on the reputation of DelfinGroup, the confidence of investors and other Stakeholders.
- 2.2. It is important to DelfinGroup that Employees always follow the values of DelfinGroup and act openly, honestly and impartially.
- 2.3. In developing the Policy, DelfinGroup has taken into account the framework set out in the ICC Guidelines for the development of policies to prevent conflicts of interest and promote an ethical business culture.

3. CONFLICT OF INTEREST

- 3.1. A Conflict of Interest may arise in situations where an Employee's personal interests or the interests of Related Parties to the Employee affect the Employee's ability to perform professional duties or to make an objective decision. A Conflict of Interest is not limited to financial gain; a Conflict may also arise when an Employee's emotional, national or other personal interests affect the ability to make an objective decision.
- 3.2. A Conflict of Interest under this Policy includes both an existing Conflict of Interest (i.e., a Conflict of Interest that has arisen) and a potential Conflict of Interest (i.e., a Conflict of Interest that may arise in the light of particular facts and circumstances).
- 3.3. *An existing Conflict of Interest* exists in any case where a decision taken by an Employee has been influenced by the interests of another person, such as other Employees or any other Stakeholder.
- 3.4. *A potential Conflict of Interest* exists where the Employee's decision may be influenced by the interests of another person, such as other Employees or the interests of any other Stakeholder.
- 3.5. Certain Conflicts of Interest need to be managed independently, while others may arise in the context of a single event (e.g., a transaction) and can usually be managed through one-off measures.
- 3.6. In order to prevent Conflict of Interest situations, the Management Board, when determining the organisational structure of DelfinGroup or any Group Company, as well as the duties of Employees, shall ensure that DelfinGroup or any other entities of the Group company where Conflict of Interest situations may arise are functionally separate from each other and are not subordinate to each other.

4. PRINCIPLES FOR MANAGING CONFLICTS OF INTEREST

- 4.1. DelfinGroup aims to ensure that Conflicts of Interest do not adversely affect the interests of DelfinGroup, other Group companies, their shareholders/members or other Stakeholders by identifying, preventing or managing Conflicts of Interest.
- 4.2. Employees must not make decisions that conflict with their professional duties towards DelfinGroup, other Group companies, their shareholders/members and Stakeholders. Employees shall not take advantage of cooperation or other offers for personal material or immaterial gain.
- 4.3. Employees shall inform DelfinGroup if they are in a situation of an existing or potential Conflict of Interest. Employees may use the internal reporting or whistleblowing system of DelfinGroup if they are aware of a potential or existing Conflict of Interest.
- 4.4. Transactions of Employees and their Related Parties with DelfinGroup, any other Group company, as well as with financial instruments (shares, bonds) of DelfinGroup shall only take place in accordance with applicable external laws and regulations and other internal policies and procedures of DelfinGroup (Financial Instrument Market Law, Market Abuse Prevention Policy, etc.) and the terms of such transactions shall not be more favourable than those offered to third parties not related to the Employees or DelfinGroup.
- 4.5. DelfinGroup carefully manages its Insiderlists to ensure that Employees who have access to Inside Information do not use it for personal gain for the benefit of the Employee or Related parties.
- 4.6. Before an Employee enters into any other employment relationship with another employer in parallel with his/her employment with DelfinGroup or another Group company, the Employee must obtain the written consent of DelfinGroup. The decision-making process shall consider:

- a) whether the employment with another company will interfere with the full and professional performance of the Employee's duties at DelfinGroup or any Group company;
 - b) whether any specific prohibitions for Employees to holding positions in other companies are violated;
 - c) whether the Employee's objectivity in performing his/her duties with DelfinGroup or another Group company will be affected;
 - d) whether it is possible to ensure that confidential information about the Group, its business partners, external consultants or Related Parties is not disclosed;
 - e) whether the company is a close competitor of DelfinGroup or another Group company in the industry and territory in which DelfinGroup and the other Group companies conduct their core business activities; and
 - f) whether the company concerned has a legal conflict with DelfinGroup or another Group company.
- 4.7. Employees may not accept gifts, gratuities or benefits above the amounts set out in the DelfinGroup Code of Ethics (20% of the national minimum wage). The DelfinGroup Code of Ethics sets out clear principles and procedures for the giving or receiving of gifts, gratuities or favours.
- 4.8. If any Related Parties are employed by DelfinGroup or another Group company, the Employee shall refrain from making or participating in decision making on matters affecting the Related Party's employment, professional evaluation, promotion or demotion, and remuneration.
- 4.9. In the event of an existing or potential Conflict of Interest, DelfinGroup shall act responsibly and use one of the following management options:
- a) segregation of duties and information, including organisational changes;
 - b) abstention from or removal from decision-making on the matter;
 - c) reassignment to another position or department;
 - d) waiver (where practicable) of conflicting interests;
 - e) engagement of experts to assess the situation;
 - f) termination of employment if DelfinGroup has suffered significant financial loss or reputational damage as a result of an existing Conflict of Interest.

5. PREVENTION OF CONFLICTS OF INTEREST IN THE ACTIVITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

- 5.1. Each member of the Management Board and the Supervisory Board is obliged to prevent any potential or existing Conflicts of Interest in their activities and to act solely in the best interests of DelfinGroup when making decisions.
- 5.2. Any Conflict of Interest, potential or existing, shall be promptly disclosed by a member of the Executive Board to the Management Board and by a member of the Supervisory Board to the Supervisory Board. Members of the Management or Supervisory Board shall also notify about any transaction or contract that DelfinGroup intends to enter into with any Related Party of Management or Supervisory Board members, or with the member of the Management or Supervisory Board itself, and shall notify about any Conflict of Interest occurring during the validity period of the contract.
- 5.3. DelfinGroup shall take all necessary and reasonable steps to prevent its officials from the employment or holding of any position by any company competing with DelfinGroup, other than companies within the Group.
- 5.4. Members of the Management and Supervisory Board when in Conflict of Interest, including potential Conflict of Interest, shall have no voting rights in the relevant decision and shall be prohibited from influencing other members of the Supervisory Board or Management Board to decide in their favour.
- 5.5. The Supervisory Board and/or the Management Board shall be entitled to decide that the relevant member of the Supervisory or Management Board shall not participate in the consideration and discussion of the matter and this shall be recorded in the minutes of the meeting of the Supervisory or Management Board.
- 5.6. Before entering into Atypical Transactions with members of the Management or Supervisory Board or Related Parties, the Management Board must obtain the consent of the Supervisory Board.

6. RESPONSIBILITY AND CONTROL

- 6.1. All necessary changes to the Policy shall be made and approved by the Supervisory Board. The Policy shall become effective upon its approval unless otherwise provided in a resolution of the Supervisory Board.
- 6.2. Employees are obliged to familiarise themselves with the provisions of the Policy and to provide the necessary disclosures regarding Conflicts of Interest, as well as to participate in training related to Code of Ethics and Prevention of Conflict of Interest.

- 6.3. The Supervisory Board manages those Conflict of Interest situations involving members of the Supervisory or/ and the Management Board or their Related Parties.
- 6.4. The Management Board manages Conflict of Interest situations involving Employees and monitors transactions of DelfinGroup with former members of the Management and Supervisory Boards or persons related to members of the Management Board or Supervisory Board.
- 6.5. The Supervisory Board shall review the Policy after 1 (one) year from its initial approval, and at least every 3 (three) years thereafter.
- 6.6. The internal auditor shall periodically review the established system for prevention and management of Conflict of Interest and assess whether any Atypical Transactions with Related Parties have been identified. The internal auditor shall inform the Risk and Audit Committee and/or the Supervisory Board of the results of the reviews.
- 6.7. DelfinGroup shall ensure that its Employees may report on cases of potential or existing Conflicts of Interest concerning their own or other Employees' activities through the internal DelfinGroup reporting channel or the Whistleblowing channel.
- 6.8. The rights to the protection and confidentiality of personal data of the persons involved in the reporting process are ensured following the requirements of the laws and regulations.

7. MISCELLANEOUS

- 7.1. This Policy applies to all Employees in all Group companies and subsidiaries and covers all business areas and management levels of DelfinGroup.
- 7.2. Business partners and Stakeholders of DelfinGroup may consult the Policy on the DelfinGroup website.
- 7.3. Upon the commencement of employment with DelfinGroup or any other Group company, Employees are informed of this Policy and it is available to all Employees on the DelfinGroup intranet 'ITA' and on the corporate website.

8. RELATED DOCUMENTS

- 8.1. Code of Ethics;
- 8.2. Market Abuse Prevention Policy;
- 8.3. Whistleblowing Policy;
- 8.4. Conflict of Interest Management Procedure.