

Regulation on the independence of DNB employees (conflicts of interests, secondary activities, benefits, invitations and discussions with representatives from the financial services industry)

1. Introduction

The Regulation on the independence of DNB employees (the Regulation) is based on the principle of independence as laid down in DNB's Code of Conduct:

"We take an independent position. We base our performance on objectivity and professionalism. We take the utmost care to avoid actual or potential conflicts of interest."

It is essential for our reputation and the effectiveness and credibility of our operations that our employees act independently. Therefore, it is important that employees are aware of the risks that could put their integrity into question. Employees should avoid personal interests that conflict with the objective and independent performance of duties and the interests of DNB. Employees treat relationships in their work equally, keep a professional distance and will not use their business contacts to unfairly benefit others or themselves. Therefore, it is very important that employees are aware to (potential) conflicts of interest or the semblance thereof. If this is the case, it is essential that DNB will be notified about this. Employees must be transparent about this towards their manager and the compliance officer and report such situations to them.

The terms used in this Regulation are defined in Article 6 below.

In case of questions and/or notifications under this Regulation, please contact the compliance officer (Tel: 3838, compliance.officer@dnb.nl or via MijnHR).

2. Conflicts of interest

Principles

2.1

Employees must avoid any situation that gives or could give rise to an actual or apparent conflict of interest.

Explanatory notes: Employees must prevent their personal preferences and interests from conflicting or appearing to conflict with the objective and independent performance of their duties or with DNB's interests. Conflicts of interest may arise from advisory work on policy matters or internal decision-making processes, as in the case of a dossier relating to recent previous employers or organisations in which a personal associate holds a policymaking position or shares. Employees must also be aware that their private dealings and private relationships may give rise to an actual or apparent conflict of interest. Examples include a situation in which an employee who is involved in a tender for construction work at DNB and asks for an offer from the same contractor for refurbishment work on their private home. If such a situation occurs, employees must report this to their manager and the compliance officer (see Article 2.4.1) after which an assessment will be made of the risks for DNB and whether control measures are required.

2.2 Employees must not be involved directly or indirectly in a transaction of material significance to DNB with:

- a. a related third party of the employee;
- b. a legal entity in which the employee or any of their related third parties has a financial interest;
- c. a legal entity of which a board member is a related third party of the employee;
- d. a legal entity in which the employee holds a position in which they determine or co-determine policy.

Explanatory notes: This prohibition means that employees must be alert when entering into transactions or agreements between DNB and related third parties,

such as their parents, children, siblings or close friends. If DNB intends to enter into a transaction with a party in which a relative or friend of the employee is involved, the employee must cease to act for or on behalf of DNB in that transaction. An example is engaging a training firm owned by a relative or hiring staff from a firm in which the employee's partner is a board member. This prohibition does not apply to transactions of minor importance and of limited value.

2.3

Employees are not permitted to effect or instigate a transaction for their own account or on behalf of one or more third parties on the basis of non-public information known to them by virtue of their work or position.

Notification requirement

2.4.1

Employees must immediately notify their senior officer and the compliance officer of any actual or potential conflict of interest, stating the relevant circumstances.

2.4.2

Candidates who will be appointed as employees must also inform their future senior officer and the compliance officer of any actual or potential conflict of interest before taking up their duties.

Explanatory notes: Examples include personal relationships, financial interests, previous professional activities or private activities. See also the explanatory notes to Article 2.1 and Section 3.

Decision

2.5

After consultation with the employee's senior officer, the compliance officer will decide whether an actual or apparent conflict of interest is involved and may impose conditions to avoid conflicts of interest. The compliance officer will notify the employee and the employee's senior officer of the decision and any associated conditions.

Explanatory notes: an actual or potential conflict of interest can sometimes be avoided by taking certain measures. Examples include modifying the duties of an employee who has a personal interest in an institution under their supervision as a DNB employee. In consultation with the employee's senior officer, the compliance officer may impose conditions in specific cases to prevent an actual or apparent conflict of interest.

2.6

The compliance officer may grant a dispensation from the provisions of Articles 2.1 and 2.2. Such dispensation may be communicated to the Executive Board by the head of the Compliance, Integrity and Administrative Sanctions (CIBS) Department if relevant.

3. Incompatible activities

Principles

3.1

Employees are not permitted to perform incompatible activities.

Explanatory notes: An impeccable reputation is essential to maintain trust in DNB. A DNB employee must act in the interest of DNB – and hence the public good – and refrain from incompatible activities. These may be secondary positions (paid or unpaid) or activities that the employee performs (in their spare time or otherwise) in addition to their regular work for DNB, but also other activities that the employee performs in their spare time. Although employees

have the right to privacy and freedom of association, any activities that cast DNB in a negative light may be harmful to good public service (see also the explanatory note to Article 3.3.2).

In principal, secondary activities are compatible if they arise from DNB's tasks or activities or if the employee performs them by virtue of their position and there is no potential conflict of interest or semblance thereof. Examples of such activities are guest lectures and memberships of certain consultative committees on which the employee represents DNB. In such cases, permission from the senior officer is sufficient and the compliance officer's approval is not required. If in doubt, however, the employee should contact the compliance officer for advice. Any fees received for these activities must be handed over to DNB.

Incompatible secondary activities include, for example: a board position in a pension fund, a position in which the employee represents the interests of supervised institutions, consultancy on models or ICT systems supervised by DNB and providing training for a supervised institution alongside the employee's work at DNB. Teaching or writing an article in personal capacity, whether or not for a fee, is also not permitted unconditionally. In such cases the employee must assess whether the activity could damage DNB's reputation or other interests, for example, or whether the activity has a bearing on their own work at DNB or DNB's primary tasks. If it does, this secondary activity is incompatible with the employee's work at DNB and is therefore not permitted.

3.2

An incompatible activity is defined as an activity that, having regard to DNB's objectives, interests, tasks and operations, causes or may cause:

- a. damage to DNB's reputation or interests;
- b. any actual or apparent conflict of interest;
- c. an excessive burden on the employee;
- d. any interference with the policies or operations of a supervised institution or an existing or prospective business associate.

Explanatory notes: the compatibility of an activity may be assessed on the basis of the following aspects:

- Was the employee's position at DNB a factor in their decision on whether to take up a particular activity?
- Is there any overlap between the activities and the employee's work for DNB, for example in terms of the field or nature of the activities?
- Will the employee have dealings with DNB when performing the activities, for example using DNB data or having contact with other DNB employees?
- Is the organisation for which the employee will perform the activities less reputable?
- Could the activities lead to negative publicity or reputational damage for DNB?
- Could the activities have a negative impact on the employee's performance at DNB, for example because they take up too much time or energy?

Requirement to notify secondary and other activities

3.3.1

The employee must submit prior written notification of all paid and unpaid **secondary activities**, stating the relevant details, to their senior officer and the compliance officer, unless the activity is deemed manifestly irrelevant. The secondary activities in question may only commence after approval by both the compliance officer and the employee's senior officer. No approval is required if the activity involves

the sending of a delegation on behalf of DNB to national or international bodies in accordance with DNB's statutory duties and mandate.

Explanatory notes: an activity is manifestly irrelevant if it has no actual or potential bearing whatsoever on DNB's objectives, interests, tasks or operations, as in the case of training/coaching a sports club or voluntary work at a nursing home.

When notifying a secondary activity, the employee must supply at least the following information:

- description of the secondary activity;
- whether the secondary activity is paid or unpaid;
- start date of the secondary activity (plus end date if known);
- any aspects having a bearing on DNB's performance of its tasks.

3.3.2

If in doubt about the compatibility of **other activities**, the employee should seek prior written advice from the compliance officer. If the employee has performed any other activity that is incompatible with their work for DNB, they must report this in writing to their senior officer and the compliance officer.

Explanatory notes: To determine whether another activity is compatible, the employee should check whether any of the criteria listed in Article 3.2 apply. Possible compatible activities include, for example, taking a participating interest in a wind farm or a crowdfunding stake in a fashion brand startup. Membership of reputable associations and groups, e.g. a nature conservation association.

Incompatible activities are private or other activities that negatively affect trust in DNB as a reputable and ethical organisation. Although employees have a right to privacy and freedom of association, activities that cast DNB in a negative light may be harmful to good public service. Examples include memberships of associations or participation in groups of ill repute that are regularly associated with crime and vandalism. Whether something is incompatible depends in part on the circumstances and the vulnerability of the employee's position. The risk of a negative perception is greater for some positions than for others. This depends on the nature of the employee's work, the employee's visibility to the public and their position within the organisation. For example, if the employee was involved in an incident (e.g. a demonstration) that turned violent and was witnessed by the press, with the potential that they could be identified as a DNB employee, they must report it. The same applies to involvement in other criminal offences (e.g. fraud) that could negatively affect DNB's interests or operations.

3.4

Before taking up their duties at DNB, a candidate who will be appointed as an employee must notify the senior officer and compliance officer in writing of all secondary or other activities that they have performed or are performing and that may be deemed incompatible.

Explanatory notes: if a new employee worked at a supervised institution or one of DNB's business associates, for example, before working for DNB, further arrangements may need to be put in place (possibly on a temporary basis) with regard to the nature of the employee's work for DNB. A person who previously held a position at a supervised institution and who will be supervising that same institution in their position at DNB must, if these two positions are incompatible, undergo a 'cooling off' period in another position first.

3.5

Employees who intend to terminate their employment at DNB and, immediately after termination, perform a secondary or other activity that could potentially be deemed incompatible must notify their senior officer and the compliance officer of their intentions in writing two months in advance, or at any rate as soon as possible. Notwithstanding the above, the notification period in the case of a divisional director is six months before the start of the secondary or other activity.

Explanatory note: if the new secondary or other activity has a bearing on the employee's position at DNB and could therefore lead to an actual or apparent conflict of interest, a cooling off period may be necessary in respect of supervisory and confidential information. Examples are:

- moving to a supervised institution or business associate of DNB
- a new position in a consultancy firm having contracts with supervised institutions or business associates of DNB involving duties that touch upon the work performed at DNB
- an employee having knowledge of DNB's monetary policy that is relevant to their new work setting.

Decision

3.6

After consultation with the employee's senior officer, the compliance officer will decide whether an activity carried out during the period of employment is compatible, possibly under certain conditions.

3.7

If, prior to taking up duties with DNB, an employee performed activities that are incompatible with their work for DNB, the compliance officer may impose conditions on the commencement and nature of the employee's work for DNB, after consultation with the employee's senior officer.

3.8

After consultation with the senior officer, the compliance officer will decide whether, and if so what, cooling-off conditions should be imposed on the work that the employee will perform in the period prior to the termination of their work for DNB.

Explanatory notes: In principle, the cooling-off period referred to in the previous paragraph is two months for employees and six months for divisional directors. The cooling-off period ensures that any remaining knowledge of an institution, organisation or its competitors, and the associated supervisory activities, becomes obsolete. Depending on the circumstances, this period may be shorter, for example if there is little current knowledge, or longer, for example if the employee is moving to an organisation or institution which they supervised directly or with which they had intensive dealings through DNB.

Chapter 4 Benefits, invitations and discussions with financial services industry representatives¹

Principles concerning benefits

4.1

Employees may not demand or accept benefits from a **supervised institution or any of DNB's current or prospective business associates** nor for themselves or for a third party.

Explanatory notes: Benefits include gifts, allowances, vouchers, hospitality (such as lunch, dinner, travel expenses or hotel accommodation) or other favours. No employee may accept benefits offered by supervised institutions or DNB's current and prospective business associates. There is zero tolerance of such conduct. This is because DNB seeks to avoid any actual or

¹ Any form of preferential treatment and acceptance of reward or benefits in return is prohibited. This could involve bribery (or official bribery), which is a criminal offence. The converse, such as requesting a favour in exchange for any form of reward, is of course also prohibited. Bribery poses a threat to the independence and reputation of DNB and its employees. Any involvement in it must therefore be avoided. Any employee who encounters bribery (or attempted bribery) must report it to the compliance officer as soon as possible. The employee can also contact the compliance officer if they are in doubt as to whether bribery is involved.

apparent conflict of interest. The relationships between DNB employees on the one hand and supervised institutions and DNB's current and prospective business associates on the other hand are particularly vulnerable in this regard. Limited and customary hospitality, such as a cup of coffee or a modest lunch during a business or supervisory visit, is not regarded as a benefit.

4.2

Employees may not accept, for themselves or for a third party, benefits offered by any **third party** other than a supervised institution or one of DNB's current or prospective business associates if the value of such benefits exceeds EUR 50.

Explanatory notes: Benefits received from universities and non-profit organisations, for example, with a value of EUR 50 or less are considered acceptable, since there is generally no presumption of conflicts of interest with such parties. Examples include gifts of a book or flowers after a guest lecture or presentation. The employee must, however, be alert to any repeated pattern of benefits offered by the same party.

4.3

Notwithstanding the provisions of Article 4.2, employees may accept benefits offered **by other central banks and national and international government organisations** provided they are appropriate and customary having regard to the circumstances of the situation.

Explanatory notes: accepting benefits from these kinds of organisations carries less risk of an actual or apparent conflict of interest than accepting benefits from supervised institutions, DNB's current or prospective business associates or other third parties.

4.4

Employees may not accept benefits within the meaning of this Regulation at their home address; employees must return such benefits and report them to their senior officer and the compliance officer.

4.5

The provisions concerning the acceptance of benefits by employees also apply conversely to the offering of benefits by DNB or its employees.

Principles concerning invitations

4.6.1

Employees may accept invitations from supervised institutions, DNB's current and prospective business associates and other third parties to conferences, receptions or events on condition that:

- the gathering is predominantly of a business nature;
- the employee's attendance is in DNB's interest;
- participation cannot lead to an actual or apparent conflict of interest;
- participation does not conflict with the independent fulfilment of the employee's tasks and duties.

4.6.2

The starting point is that DNB will pay the costs of the hospitality associated with these invitations, insofar as this hospitality is contrary to the provisions of Articles 4.1 to 4.3.

4.6.3

As a basic principle, invitations that include a partner or other non-employee are not considered to be predominantly of a business nature and must not be accepted.

Explanatory notes: The guiding principle is that any semblance of inducement or acceptance of lavish entertainment must be avoided. Invitations to events must in no way impede or appear to impede the independent and objective performance of an employee's duties. The employee's attendance at an event on the invitation of any of DNB's current or prospective business

associates (such as an asset management company or ICT service provider) or any supervised institution must contribute to the employee's duties and activities for DNB. Appropriate limited and customary hospitality, such as a cup of coffee, sandwich or drink, can in principle be accepted.

4.7

Employees must refuse or return without delay, possibly through the compliance officer, any benefits and invitations that they are prohibited from accepting.

Discussions with financial services industry representatives

4.8

Employees of designated organizational units must keep basic records of their discussions with representatives from the financial services industry in cases not involving regular (supervisory) activities and visits. These records must indicate at least:

1. Name of party(ies)/representative(s) from the financial services industry and any others present;
2. The time and date of the meeting;
3. The agenda items (in outline).

Explanatory notes: This obligation to register only applies to discussions with representatives from the financial services industry outside the regular (supervisory) activities. Therefore there is no need to register discussions in the basic administration in case of regular (supervisory) activities. There is also no need to register in the basic administration in the case of discussions with public parties. This also applies to (spontaneous) encounters, for example during a seminar, conference or course, where substantive, non-public subjects related to DNB's activities are not discussed. For further instruction and designated organizational units, see the Basic Administration Instruction for Discussions with Representatives from the financial services industry.

Silent period for employees with monetary policy meeting duties

4.9

Employees involved in ECB monetary policy meetings or the associated preparations must refrain from giving any speeches or making any other comments that could influence the expectations of third parties regarding future monetary policy decisions during the 'Silent period'. This silent period commences one week prior to the monetary policy meetings of Governing Council of the ECB.

Notification requirement

4.10

Employees must notify their senior officer in writing of all benefits and invitations received or offered. This also applies to proposed discussions with financial services industry representatives.

4.11

Employees must also notify the compliance officer in writing of all benefits and invitations received or offered that they are prohibited from accepting under this Regulation or whose acceptability is doubtful. The same applies in case of doubt about the acceptability of a proposed discussion with financial services industry representatives.

Decision

4.12

In case of doubt, the compliance officer will decide whether a benefit, invitation or discussion with financial services industry representatives may be accepted and will notify the employee and the employee's senior officer of this decision in writing.

5. Final provisions

5.1

In all cases not covered by this Regulation, the head of the CIBS Department will take a decision, if necessary after consulting the Executive Board member responsible for CIBS.

5.2.1

The compliance officer may monitor compliance with this Regulation. To this end, the compliance officer may request information from the employee, who is obliged to supply it.

5.2.2

In principle, any contravention of this Regulation will be regarded as a serious breach of the trust that DNB, as an employer, must be able to place in the employee. It may therefore lead to an appropriate sanction in accordance with DNB's relevant internal policies¹.

Decisions

5.3.1

Decisions under this Regulation will be taken as soon as possible but in any event no later than ten working days after the employee's notification requiring a decision if the compliance officer has all relevant information in order to take a decision.

5.3.2

All notifications to the compliance officer under this Regulation, except information queries or questions on the interpretation of the Regulation, as well as all relevant data provided, conditions set and decisions taken, will be recorded in the employee's compliance file.

5.4

The compliance officer is authorised to deviate from the provisions of this Regulation for well-substantiated reasons.

5.5

Objections to decisions under this Regulation may be lodged with the Executive Board. Notices of objection must be lodged no later than four weeks after the relevant decision was communicated to the employee.

Entry into force

5.6

This Regulation replaces the Regulation on the independence of DNB employees of December 2016 and enters into force on 1 June 2023.

6. Definitions

In this Regulation, the following terms are defined as stated below:

a. Activity/secondary activity:

Paid or unpaid positions or activities that the employee performs (in their spare time or otherwise) in addition to their regular work for DNB, but also other activities that the employee performs in their spare time.

b. Related third party:

- the employee's spouse or partner;
- the employee's underage children or foster children;
- the employee's relatives by blood or by marriage up to the second degree;
- persons with whom the employee maintains close personal ties.

¹ Currently: DNB's sanctions procedure applicable to violations of the internal rules

c. Employee:

The person working for DNB, including staff of external service providers/suppliers where the agreement provides for the application of these regulations, with the exception of members of the Executive Board and members of the Supervisory Board.

Explanatory notes: "Employee" refers to anyone who performs work for DNB, where there is a relationship of authority between DNB and such person, irrespective of the type of relationship between the person and DNB. The definition of employee includes in any event staff members holding a permanent or temporary position, agency staff, temporary workers, interns and secondees. Consequently, independent external consultants and service providers, such as window cleaners, do not fall within the scope of this Regulation.

d. Supervised institution:

An institution such as a bank, insurance company, pension fund or crypto service provider that conducts financial activities in or from the Netherlands and that is subject to DNB's supervision in any form (including the Dutch significant institutions under the SSM such as ABN AMRO and ING)¹. In case employees are familiar with a license or registration application from DNB through their work they must also regard this institution as a supervised institution.

e. Conflict of interest:

A situation in which an employee has direct or indirect personal interests that could affect the impartial and objective performance of their duties or could create the semblance of doing so.

f. Transaction:

An agreement involving an exchange of goods, services or rights and to which DNB is a party.

g. Benefits:

Gifts, discounts, vouchers, hospitality and other benefits and favours.

h. Business association:

A professional or commercial relationship between DNB and a natural person, legal entity or company, connected to DNB's professional activities, for example with suppliers, employment agencies and business service providers. This also includes interest groups related to DNB's tasks and reporting entities under statistics regulations.

¹ See also the [Public register \(dnb.nl\)](https://dnb.nl/public-register)