

POLICY FOR MEASURES TO PREVENT MONEY LAUNDERING AND TERRORIST FINANCING

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Approved by:
Executive ManagementRevised:
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1. INTRODUCTION

The purpose of this policy is to determine the overall guidelines for KommuneKredit's measures to prevent being exploited for money laundering and terrorist financing purposes.

It is KommuneKredit's policy to comply with the legislation and regulations on measures to prevent money laundering and terrorist financing applicable at any time.

2. RISK AREAS AND RISK TOLERANCE

KommuneKredit has made a general risk assessment of KommuneKredit's inherent risk of being exploited for money laundering or terrorist financing purposes.

By virtue of its particular social responsibility, KommuneKredit wants to avoid becoming involved in criminal activities, such as money laundering or terrorist financing. Accordingly, it is clearly KommuneKredit's policy to maintain the current low level of risk in the future. This means that the risk of money laundering and terrorist financing must be taken into account in connection with the development of new products or other significant changes in KommuneKredit's current strategy or business model.

3. PERSON RESPONSIBLE FOR ANTI-MONEY LAUNDERING COMPLIANCE

KommuneKredit has appointed a person from its Management Board to be responsible for anti-money laundering compliance. The person responsible for anti-money laundering compliance must ensure that KommuneKredit complies with the legislation and regulations on measures to prevent money laundering and terrorist financing and ensure implementation of the measures specified in this policy and compliance with other internal rules

The person responsible for anti-money laundering compliance must regularly assess if KommuneKredit's exposure to exploitation for money laundering or terrorist financing purposes has changed. If so, steps must be taken to adjust KommuneKredit's preventive measures to ensure that the residual risk remains at the current low level.

4. MEASURES

The following measures must be implemented to prevent that KommuneKredit is exploited for money laundering and terrorist financing purposes:

a) Risk management

Based on the general risk assessment made, KommuneKredit must take suitable measures to mitigate the risk of being exploited for money laundering and terrorist financing purposes.

Organisation, resources and procedures

KommuneKredit must have an efficient organisation in place with a clear distribution of responsibilities for anti-money laundering compliance. Sufficient resources must be allocated to ensure that KommuneKredit is able to comply with the anti-money laundering legislation and implement the measures specified in this policy.

Procedures and work instructions that clearly describe the measures to be taken to mitigate the risk of KommuneKredit being exploited for money laundering or terrorist financing purposes must be available to all relevant employees.

b) Training

The relevant employees must receive training in the anti-money laundering rules at suitable intervals. The training must ensure that KommuneKredit's employees are well aware of the anti-money laundering tasks to be performed by each individual as part of their job.

c) Screening

The relevant employees are screened to assess the risk that they might exploit their position for money laundering or terrorist financing purposes or participation therein.

d) Customers

As part of KommuneKredit's KYC (Know Your Customer) procedures, customers must be identified and verified both in connection with the establishment of the customer relationship and as part of the ongoing monitoring of KommuneKredit's customer relationships. The purpose of the customer relationship must be clarified and, where relevant, also the expected business volume. This applies to all customer relationships. KommuneKredit cannot

enter into new agreements with customers who do not accept that the relevant information is retrieved and/or agreements involving that KommuneKredit cannot meet the obligation to know its customers.

For customers who are legal persons, the ownership and control structure must be clarified, and the real owners must be identified and verified.

KommuneKredit's implementation and practice are described in detail on the website: [Why we ask questions – KYC | KommuneKredit](#) (in Danish).

KommuneKredit cannot enter into or continue relationships with customers who carry on activities that are assessed by KommuneKredit or the Danish Financial Supervisory Authority (*Finanstilsynet*), the European Union or the Financial Action Task Force on Money Laundering (FATF) to be associated with a particularly high risk of money laundering or terrorist financing.

e) Politically Exposed Persons (PEPs)

KommuneKredit must continuously be able to identify and monitor customers who have PEPs among their owners, board of directors, day-to-day management, etc., and have a procedure in place for the approval of such customers.

f) Collaboration with banks and other financial institutions

By virtue of its role as an international capital market issuer, KommuneKredit is in contact with multiple financial institutions who regularly assist KommuneKredit in capital procurement. In addition, KommuneKredit engages in trading with financial counterparties as part of its treasury activities.

KommuneKredit does not have business relationships with financial institutions domiciled in countries that are assessed by the Danish Financial Supervisory Authority, the European Union or the FATF to be associated with a particularly high risk of money laundering or terrorist financing. Also, KommuneKredit does not have business relationships with banks or other financial institutions which have no physical presence (so-called shell banks).

g) Monitoring and investigation

KommuneKredit must monitor and be vigilant as to whether transactions carried out as part of a customer relationship with KommuneKredit may be suspected of involving money laundering or terrorist financing.

h) Notification

Where KommuneKredit's monitoring or measures otherwise arouse suspicion of

criminal activities comprised by the notification duty under the anti-money laundering legislation, the matter must be further investigated. If the investigation does not dispel KommuneKredit's suspicion, KommuneKredit will notify the Danish Financial Intelligence Unit (*Hvidvasksekretariatet*) in compliance with the requirements.