

Delegation Agreement

between

Finanstilsynet

and

Finansinspektionen

Delegation Agreement

(the "Agreement")

Finanstilsynet, with its Head office at Aarhusgade 110, DK-2100 Copenhagen, Denmark, represented by Birgitte Søgaard Holm;

("Finanstilsynet")

of the one part,

and

Finansinspektionen, with its Head office at Brunnsgratan 3, Box 8721, SE-103 97, Stockholm, Sweden, represented by Sophie Degenne;

("FI")

of the other part,

(Individually a "Party" and collectively the "Parties"),

taking into account the following considerations:

- (1) In accordance with Article 28(1) of Regulation (EU) No 1095/2010¹ ("ESMA Regulation") Finansinspektionen (FI) as a National Competent Authority (NCA), may delegate tasks and responsibilities to Finanstilsynet, another NCA;
- (2) A delegation of tasks and responsibilities may in certain cases be a useful instrument in the network of supervisors forming part of the European System of Financial Supervision in order to reduce the duplication of supervisory tasks, to foster cooperation and to reduce the burden imposed on financial market participants;
- (3) In accordance with Article 25(3) of Directive 2004/39/EC² (MiFID), investment firms which execute transactions in any financial instruments admitted to trading on a regulated market shall report details of such transactions to the competent authority as quickly as possible, and no later than the close of the following working day;
- (4) It is the Parties intention to have FI delegate to Finanstilsynet the responsibilities of FI in relation to ensuring that Nordea Bank AB (publ) ("NBAB") complies with the transaction reporting obligation in Article 25(3) of MiFID when executing financial instruments admitted to trading on a regulated market in Denmark, as set out in the Annex;

¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p.84-119).

² Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p.1).

- (5) The Parties do not intend to include in this delegation any transactions executed by Nordea Danmark, branch of Nordea Bank AB (publ), Sverige, as these transactions are already reportable to Finanstilsynet in accordance with Article 32(7) MiFID;
- (6) The agreement is expected to simplify the required IT set-up as well as reduce the burden imposed on the Swedish parent company NBAB and Nordea Danmark, branch of Nordea Bank AB (publ), Sverige in preparation for its compliance with the new MiFID regime³ applicable from 3 January 2018;
- (7) The Parties intend for Finanstilsynet to have the supervisory powers that are necessary for the exercise of its functions according to the Tasks and Responsibilities;
- (8) In accordance with Article 28(3) of the ESMA Regulation, the Danish law of Finanstilsynet shall govern the procedure, enforcement and administrative and judicial review relating to the delegated tasks and responsibilities, as defined in Annex 1, always provided that Danish law complies with EU law;
- (9) In practice, once implemented, this delegation of tasks and responsibilities will imply that the reports of transactions as required under Article 25(3) MiFID are to be transmitted by the Swedish parent company NBAB through its branch, Nordea Danmark, branch of Nordea Bank AB (publ), Sverige to Finanstilsynet which will then make it available to the relevant NCAs;
- (10) Decisions by Finanstilsynet should be recognized by FI and by other NCAs as determinative if those decisions are within the scope of the delegation;
- (11) In accordance with Article 28(4) of the ESMA Regulation, the Parties shall inform the European Securities and Markets Authority (ESMA) of the intended Agreement, in order to allow ESMA to issue an opinion where appropriate;
- (12) The Agreement will apply when it has been signed by the Parties;
- (13) It is the Parties intention to terminate the Agreement on 3 January 2018, the date of application of MiFID 2 and MiFIR,

have agreed as follows:

Article 1: Purpose

1.1 The purpose of this Agreement is to define the mission entrusted to Finanstilsynet in the framework of the Delegation. The relevant delegated Tasks and Responsibilities are described in more detail in the Annex (Description of Tasks and Responsibilities). The purpose of this Agreement is furthermore to lay down the rules for the Delegation and the Execution of the Tasks and Responsibilities and to set out the relations between Finanstilsynet and FI in this respect.

1.2 Finanstilsynet is entrusted with the activities related to the Delegation and the Execution of the Tasks and Responsibilities under the terms and conditions set out in this Agreement and Annex 1.

Article 2: Background

³ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ, L 163, 12.6.2014, p. 349-496) (MiFID II) and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84-148) (MiFIR).

2.1 Nordea group has changed its Nordic legal structure by merging its subsidiaries with the Swedish parent company Nordea Bank AB (publ) (“NBAB”). Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA, respectively, have been transformed into branches of NBAB.

2.2 With the New Legal Structure NBAB executes transactions in financial instruments admitted to trading on the regulated markets in Denmark, Finland and Norway. According to Article 25(3) of MiFID, NBAB is required to report transactions, executed by NBAB to FI.

2.3 NBAB has put forward a request to FI regarding its transaction reporting obligation under Article 25(3) of MiFID. The request put forward entails that NBAB through each branch in Denmark, Finland and Norway may report transactions in financial instruments admitted to trading on the regulated markets in Denmark, Finland and Norway, executed by NBAB, to the NCAs in Denmark, Finland and Norway, until the date of application of MiFID 2 and MiFIR.

2.4 The Parties have decided to cooperate regarding NBAB’s proposal for transactions reporting from the effect of the New Legal Structure.

2.5 In practice the reports of transactions executed by NBAB as described in 2.3 are to be transmitted by NBAB through its established branch, Nordea Danmark, branch of Nordea Bank AB (publ), Sverige, to Finanstilsynet instead of FI.

Definitions

Decision Makers of the Agreement: the decision making members of the Agreement.

Delegation: the delegation of Tasks and Responsibilities as described in the Annex.

Execution (of the Tasks and Responsibilities): the carrying out of the Tasks and Responsibilities as described in the Annex.

Force Majeure: any situation or event beyond the Parties’ control which is inexorable and inevitable to the point of making impossible for the Party concerned to comply with any of its obligations under the Agreement, which may not be attributed to error or negligence on either part (or the part of their agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* by the defaulting Party.

Infringement: any infringement of a provision of the Agreement resulting from an act or an omission by either Party which causes or might cause a loss to the other Party.

Irregularities: any improper Execution of the Tasks and Responsibilities.

New Legal Structure: Nordea Group has changed its Nordic legal structure by merging its subsidiaries with the Swedish parent company Nordea Bank AB (publ) (“NBAB”). Nordea

Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA, respectively, have been transformed into branches of NBAB.

Tasks and Responsibilities: all tasks and responsibilities delegated by virtue of this Agreement, as set out in the Annex.

Article 3: General obligations

Execution of the Tasks and Responsibilities

3.1 Finanstilsynet will carry out the activities assigned to it under the Agreement and in accordance with the Tasks and Responsibilities.

3.2 Finanstilsynet shall be fully responsible towards FI for the activities assigned to it under the Agreement for the Execution of the Tasks and Responsibilities and for ensuring compliance with the provisions of the Agreement.

3.3 Finanstilsynet shall without undue delay take all appropriate measures to resolve problems encountered during the Execution of the Tasks and Responsibilities.

3.4 Finanstilsynet shall without undue delay prevent any Irregularities when executing the activities assigned to it under the Agreement, and if not possible, it will without undue delay correct any detected Irregularity.

3.5 FI shall provide Finanstilsynet with all support to be reasonably expected and to the extent that it is able to do so under national law, always provided that national law complies with EU law.

Communication with ESMA

3.6 The Parties shall ensure proper communication with ESMA in relation to the Delegation, in order to ensure proper execution of the applicable legislation.

Article 4: Remuneration

The Parties agree that Finanstilsynet will be responsible for The Execution of Tasks and Responsibilities under the Agreement without any remuneration from FI.

Article 5: Obligations regarding information and reporting

General issues

5.1 Finanstilsynet shall provide FI with full information on missing, incomplete or incorrect reporting in accordance with the Annex.

5.2 On the basis of the transaction reports received, Finanstilsynet shall provide FI with full information on NBAB's suspicious transactions or possible misbehaviours in order to enable FI to monitor the activities of NBAB to ensure that it acts honestly, fairly and professionally and in a manner which promote the integrity of the market, as specified in the Annex.

5.3 FI may request information, in relation to FI's supervisory tasks and responsibilities, at any time from Finanstilsynet, providing the reasons for that request. Such information shall be supplied within 30 calendar days of receipt of the request.

5.4 With respect to the Swedish rules⁴ on public access to official documents, Finanstilsynet shall as fast as possible supply FI with such information on request.

5.5 Finanstilsynet and FI shall promote close collaboration and exchange of information on the Execution of Tasks and Responsibilities.

Article 6: Confidentiality

6.1 The Parties agree that information exchanged under this Agreement shall, subject to each Party's national legislation on the right of information, be kept confidential.

6.2 The Parties shall, subject to national rules regarding access to information applicable to the Parties and in compliance with EU law, preserve the confidentiality of any document, information or other material directly related to the Agreement in accordance with the provisions of Article 70 of ESMA Regulation and the provisions of EU law on professional secrecy applicable to the Parties.

6.3 Without prejudice to the provisions of and the confidentiality requirements referred to in Article 6.2, the Parties shall obtain each other's prior written consent before disclosing any information related to the Agreement to a third party or the public, unless the disclosure of such information is required by EU law or national law, always provided that such national law complies with EU law.

Article 7: Data Protection

7.1 Finanstilsynet ensures the protection of personal data through its own rules and procedures in accordance with the provisions of Directive 95/46/EC⁵ and Article 8 of the Charter of Fundamental Rights of the European Union.

7.2 Finanstilsynet is the controller of personal data in accordance with the definition and provisions of Directive 95/46/EC.

Article 8: Outside communication

8.1 Without prejudice to the provisions of Article 6.2 and according to Article 28(4) ESMA Regulation, this Agreement must be published.

Article 9: Ownership and use of results, ownership of data

⁴ Tryckfrihetsförordning (1949:105) and offentlighets- och sekretesslag (2009:400)

⁵ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23/11/1995, p. 31-50)

9.1 All results of the Delegation and the reports and other documents relating to it shall be owned jointly by Finanstilsynet and FI as the case may be together with NBAB or as otherwise agreed.

9.2 Subject to Articles 6 and 12.2, upon termination of the Agreement, FI shall have the right to use free of charge all results of the Delegation, whatever their form, the right to modify them as might be necessary for the proper performance of the obligations of FI, without any limitation of duration. Accordingly, Finanstilsynet shall notably provide FI upon request with the materials referred to in Article 9.1.

9.3 Finanstilsynet acting under a delegation of Tasks and Responsibilities in accordance with the provisions of the ESMA Regulation, the data to be transmitted by NBAB through Nordea Danmark, branch of Nordea Bank AB (publ), Sverige to Finanstilsynet acting under the Delegation belong exclusively to the NCA, which shall decide on the use of, and access to, any such data.

Article 10: Amendment to the Agreement

10.1 Any amendment to this Agreement, including its Annex, shall be set out in writing in a document signed by both Parties.

10.2 The requesting Party shall submit in writing to the other Party any request for amendment to this Agreement, including the Annex, for information.

10.3 The requesting Party shall request any amendment to the extent possible at least 30 calendar days before the amendment is intended to enter into force. If both Parties are in favour of the proposed changes, a revised agreement of appendix shall be produced with a new date and version in the title/header and signed by all of the Decision Makers of the Agreement.

Article 11: Suspension and Force Majeure

11.1 Either Party may suspend the Execution of Tasks and Responsibilities in full, in case of Force Majeure. In such case, it shall inform the other Party immediately, and to the extent possible in advance, and provide all the necessary details and the foreseeable effect and date of resumption.

11.2 Neither of the Parties shall be held liable for an Infringement if it is prevented from fulfilling its obligations under the Agreement by Force Majeure or by the other Party, provided it takes all possible measures to minimise possible damage.

11.3 The Parties shall each make their best efforts, within their own respective remit under this Agreement, to minimise the duration of the suspension and Finanstilsynet shall, unless the Agreement is terminated, resume the Execution of the Tasks and Responsibilities once the Parties acknowledge that the conditions allow doing so.

Article 12: Termination of the Agreement

12.1 If, at any time, either Party believes that the purposes of the Agreement can no longer be effectively or appropriately carried out due to Force Majeure or substantial changes affecting the Execution of Tasks and Responsibilities, it shall consult the other Party. Failing agreement on a solution between the Parties within a period of 30 calendar days, either Party may terminate the Agreement in relation to the Delegation in full by serving 30 calendar days written notice.

12.2 In the event of termination of this Agreement, regardless for what reason it occurred, the Parties shall take all necessary measures allowing FI to directly execute the Tasks and Responsibilities with respect to NBAB (if necessary), in order to fully perform its duties under the applicable legislation.

Article 13: Applicable law and settlement of disputes

13.1 The Danish law of Finanstilsynet shall govern the procedure, enforcement and administrative and judicial review relating to the Tasks and Responsibilities always provided that Danish law complies with EU law.

13.2 This Agreement is governed by EU law and the general principles common to the legal systems of the Member States.

13.3 Either Party shall endeavour to consult the other Party and settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of the Agreement, including its existence, validity or termination.

13.4 In case of dispute relating to the interpretation, application or fulfilment of the Agreement, any Party shall start an amicable settlement procedure by sending a written 'invitation to negotiate' to the other Party. Such procedure shall consist in the Parties' attempt to resolve the dispute in good faith.

13.5 In default of successful amicable settlement, within 30 calendar days - either by failure of the Parties to settle or by failure of the requested Party to agree to initiate the amicable settlement procedure- any Party may refer the matter to ESMA. According to article 31(c) of ESMA Regulation ESMA may take action in order to facilitate an agreement using non-binding mediation.

13.6 The language used in the proceedings shall be English.

Article 14: Communication language and contacts

14.1 The Parties agree to use English as the working and documentation language.

Article 15: Entry into force and duration

15.1 The Agreement shall apply when it has been signed by the Parties.

15.2 The Agreement is terminated as of 3 January 2018.

Article 16: Annex

16.1 The following document is annexed to this Agreement and forms an integral part of the Agreement:

Annex (Description of Tasks and Responsibilities)

16.2 In the event of a conflict between this Agreement and the Annex thereto, the provisions of this Agreement shall take precedence.

Done in two [2] originals in the English language, one for FI and one for Finanstilsynet.

For Finanstilsynet

Name *Birgitte Søgaard Holm*

Position *Deputy Director General*

Signature *[signed]*

Date *6 June 2017*

For FI

Name *Sophie Degenne*

Position *Executive Director Markets*

Signature *[signed]*

Date *1 June 2017*

Description of Tasks and Responsibilities

Annex

Tasks and responsibilities

- a. Collecting/receiving regulatory transaction reports from NBAB through Nordea Danmark, branch of Nordea Bank AB (publ), Sverige.
- b. Establishing and maintaining the necessary arrangements to ensure that the quality of data received in accordance with letter (a) is appropriate for the purpose of transaction reporting under Article 25(3) of MiFID, including
 - i. Validation of the file upon receipt;
 - ii. Validation of the content of the file.
- c. Examining any relevant arrangements and requesting such changes as are strictly needed in order to enforce the obligations under Article 25(3) of MiFID.
- d. Examining whether the transaction reports are received, complete and correct according to Article 25(3) of MiFID.
- e. On the basis of point (d) above, providing FI with full information on missing, incomplete or incorrect reporting in Excel-format. The information shall not contain any personal data as defined in Article 2 of Directive 95/46/EC.
- f. On the basis of the transaction reports received in accordance with letter (a), providing FI with full information on NBAB's suspicious transactions or possible misbehaviors in order to enable FI to monitor the activities of NBAB to ensure that it acts honestly, fairly and professionally and in a manner which promotes the integrity of the market, as set out in Article 25(1) of MiFID.
- g. For the purposes of points (a) to (e), exercising, as necessary, the following supervisory powers:
 - i. Demanding any information;
 - ii. Carry out on-site inspections.