

## **Policy for a sound corporate culture**

### **Introduction and object**

Section 70a of the Danish Financial Business Act requires banks to have a written policy that ensures and promotes a sound corporate culture (the “corporate culture policy”).

The object of the corporate culture policy is to comply with the requirements of the Act and to ensure and promote a sound corporate culture in Ringkjøbing Landbobank A/S (“Ringkjøbing Landbobank”/the “bank”) to avoid Ringkjøbing Landbobank violating financial law or being misused for money-laundering, financing of terrorism and/or other financial crime.

In this respect the corporate culture policy supplements Ringkjøbing Landbobank’s policies on risk management in the area of anti-money laundering and on remuneration, other relevant policies and its Code of conduct.

The corporate culture policy sets out the overall framework within which Ringkjøbing Landbobank ensures a sound culture throughout the organisation.

The corporate culture policy must thus be read with the bank’s other policies and Code of conduct, which supplement it and are published on the bank’s website.

### **Values, behaviour, and communication**

Ringkjøbing Landbobank does not tolerate breach or attempted breach of financial law, or aiding and abetting of such breach, by anyone in its organisation. Ringkjøbing Landbobank will not be instrumental in attempted or actual money-laundering, financing of terrorism and other financial crime. The bank also intends to focus on environmental, social and governance matters and has joined the UN Global Compact.

All employees of Ringkjøbing Landbobank are expected to adopt a critical approach to suspicious matters in their work and must be able to feel genuinely comfortable approaching top management with any knowledge, belief, or impression they may have of suspicious matters, without fear of reprisal.

Employees at all levels are expected to act in accordance with this corporate culture policy when carrying out their work in Ringkjøbing Landbobank.

Ringkjøbing Landbobank helps to ensure that its operations clearly and definitely reflect the important role played by the financial sector in society. Our corporate culture reinforces this clarity by promoting sound values in employees, who do not feel intimidated if they need to challenge management. Specifically, we promote this culture by supporting open communication and decision-making processes that encourage inclusion of a broad range of views. We also actively seek to foster a constructive, critical attitude among our employees and promote open and constructive dedication throughout the organisation. Ringkjøbing Landbobank seeks to achieve satisfactory earnings, compatible with its sound corporate culture and with compliance with the applicable rules.

### **We focus on employee and management awareness of risks**

We endeavour to promote risk awareness among our managers and employees pursuant to the financial legislation with specific regard to money laundering, financing of terrorism and other financial crime. It must be clear to everyone in the bank's organisation – regardless of employment level – what role they play in ensuring a sound culture and what risks of inappropriate behaviour may derive from its business model. We ensure this in Ringkjøbing Landbobank by communicating the board of directors' expectation of the corporate culture we seek and the risks we face. Management and employees focus on these risks and actively help to prevent violation of financial legislation and inappropriate behaviour. The bank seeks to optimise risk awareness by delegating relatively limited authority to individual employees and departments to grant credits and loans and by having highly centralised credit management and other risk management. In addition, the bank's organisational structure is flat, which promotes communication and follow-up among management and employees.

### **We promote appropriate behaviour and create trust in our organisation**

We endeavour to promote appropriate behaviour through our culture and values. Our aim is to create trust in our organisation and we therefore have effective measures to protect employees from negative consequences when they report inappropriate behaviour. This ensures that a potential problem is addressed as early as possible and that our employees are confident that all queries are treated in confidence and without fear of reprisal. This also reduces risks that can have operational or reputational consequences for us. Appropriate behaviour in the bank is promoted through close dialogue between management and employees, including between general management

and the heads of individual departments and staff functions. In this communication, the bank's management uses information received from the HR, anti-money laundering, operational risk, credit control, risk management, compliance, internal auditor, complaints, and whistleblower functions.

**We have principles for what we tolerate as acceptable and unacceptable behaviour for management and employees and disciplinary measures are in place in the event of violation**

We have firm principles for what Ringkjøbing Landbobank tolerates as acceptable and unacceptable behaviour for our management and employees to avoid violating financial law and to avoid money-laundering, financing of terrorism, market manipulation and other financial crime. The bank has zero tolerance for all kinds of bribery and corruption involving public authorities and partners.

In addition to the above, the behaviour that the bank does not tolerate is detailed in its Code of conduct and internal employee handbook. The consequences for an employee who violates applicable rules will be assessed on a case-by-case basis.

It is important to us to continually communicate the behaviour we expect from our management and employees and to have an open dialogue on the behaviour we tolerate. The board of directors reviews the bank's Code of conduct annually, and HR reviews the internal employee handbook. Any changes in the documents are communicated openly to keep the employees clearly informed of the bank's expectations of their behaviour. When new employees join, the bank gives high priority to informing them of the importance of reading, understanding and complying with this corporate culture policy, the Code of conduct and the internal employee handbook so that the employees know what unacceptable behaviour is and the serious consequences it can have for the individual.

**We have methods to promote open communication among our employees**

In Ringkjøbing Landbobank we have established methods promoting open communication – internal and in relation to the authorities – about suspicions of violation of financial law, violation of anti-money laundering legislation and suspicions of other financial crime committed by our institution, including by employees or members of the general management or board of directors.

If an employee calls attention to a suspicion of unlawful or inappropriate behaviour in the bank, we ensure that the employee faces no negative consequences. The most

important thing is that information must never be withheld – internally or in relation to the authorities.

The bank's Code of conduct states that the bank and all employees must cooperate with relevant authorities, in relevant areas and at relevant levels, and specifies whom the bank's employees can contact in case of doubt.

If an employee calls attention to suspected or identified unlawful or inappropriate behaviour in the bank, this will not have negative consequences for the employee.

### **We learn from our mistakes**

We have procedures in place to ensure that when we make mistakes, we learn from them and do not make the same mistakes again. It must be clear to everyone in our organisation where they should go to point out any mistakes. The bank has organised its operational risk management to ensure that employees report any operational risks to the bank's central function for operational risk management. In this way we build up centralised knowledge of types of mistakes etc., and the bank's operational risk management function provides information on mistakes when it considers this necessary and opportune, both to ensure a learning process and to minimise the risk of repetition.

### **Impact of the Policy**

The consequences of an employee's violation of this Policy, the bank's Code of conduct and the internal employee handbook will be assessed on a case-by-case basis. Any violations of applicable statutory rules will be processed and assessed by the relevant authorities.

### **Bankwide effectiveness of the corporate culture policy**

The corporate culture policy must be implemented in the day-to-day operation and everyone in the organisation, including management and employees, must comply with it. This ensures the corporate culture policy's effectiveness throughout the bank.

### **Determining and updating the corporate culture policy**

Ringkjøbing Landbobank's board of directors is responsible for discussing and determining the corporate culture policy: see below.

The corporate culture policy is determined in accordance with Ringkjøbing Landbobank's business model, policies on risk management in the area of anti-money

laundering, and on remuneration and its Code of conduct and is based on the elements defining the desired culture in Ringkjøbing Landbobank.

The board of directors must ensure that they possess sufficient knowledge and experience to determine the corporate culture policy.

The board of directors is responsible for regular, at least annual, updating of the corporate culture policy. On these occasions, the board must assess whether the policy is adequate for the bank's business activities, organisation and resources and the market conditions under which the bank's activities are carried out. When an update is made, all employees must be informed of the update and what it concerns.

### **Supervision of corporate culture policy implementation and compliance**

The board of directors supervises the implementation of the corporate culture policy and compliance with it and ensures that the policy functions as intended.

### **Annual reporting**

The report of the chair of the bank's board of directors to the annual general meeting must cover the implementation of the corporate culture policy and compliance with it. The policy must also be discussed in the management's review in the bank's annual report.

### **Publication**

This policy is published on the bank's website, [www.landbobanken.dk](http://www.landbobanken.dk)

*Adopted by the board of directors of Ringkjøbing Landbobank on 22 November 2023.*