



Rules on the Protection of Whistleblowers

15. nóvember 2023

1. Purpose and scope

These Rules on the Protection of Whistleblowers are intended to encourage individuals to come forth with information about possible misconduct in Landsbankinn's operation, by offering effective solutions to advance such information, and by supporting and protecting those who report their suspicion in good faith. The purpose of these Rules is to prevent misconduct and minimise damages such misconduct can cause to customers, the community, the Bank and other stakeholders.

The Rules apply to everyone who works or has worked for or on behalf of the Bank, both employees, Directors of the Board, contractors and others who have in their work received information about possible misconduct in the Bank's operation. For the purposes of these Rules, the word employee shall signify all the aforementioned parties.

These Rules were prepared in collaboration with the Board of Landsbankinn's Employees' Association (FSLÍ) based on Act No. 40/2020, on Protection for Whistleblowers, and having regard for Directive (EU) 2019/1937, on the protection of persons reporting on breaches of Union law. In the case of discrepancies between Act No. 40/2020 and these Rules, the law shall prevail.

2. General principal

Landsbankinn's employees are obligated to report information on possible misconduct they may become aware of in the Bank's operation.

A person who reports such information in accordance with law is afforded special protection from unfair retaliation that can be traced back to such whistleblowing. To enjoy such protection, the whistleblower must show good faith and communicate the information as described in the Act and these Rules. Good faith shall mean that the whistleblower had legitimate reason to consider the information accurate at the time of reporting.

3. What does whistleblower protection entail?

Whistleblowing as defined by the Act on Protection for Whistleblowers affords the following protection:

- a. Whistleblowers enjoy confidentiality.
- b. Whistleblowing is not considered a breach of confidentiality that applies to the whistleblower by law or other rules and shall not lead to criminal sanctions or liability for damages nor administrative penalties or onerous sanctions under employment law. The Act does not hold the whistleblower free from culpability if the information was obtained through criminal means (such as break-in or cybercrime) nor if confidential information is made public in a manner that does not accord with legal provisions.
- c. The whistleblower may not be subject to unjust treatment, such as impaired rights, onerous changes to work duties, termination or cancellation of contract or any other retaliatory action against the whistleblower. The burden of proof to demonstrate that such decisions are based on other grounds than the communication of information rests with the Bank. Failure to provide such proof shall make the Bank liable for damages incurred as a result of the unjust treatment, both financial and non-material.
- d. The whistleblower may refer disputes over unjust treatment to the courts for resolution at no cost to themselves, unless it is constituted before the courts that the whistleblower did not act in good faith.

4. Ways to communicate information

a. Internal whistleblowing

Landsbankinn encourages people to communicate information about possible misconduct to the Bank's Compliance Officer and/or Chief Audit Executive. Information may also be communicated to other employees who are in a position to take action based on the information, such as nearest supervisor, Risk Management, Legal Services or Human Resources.

b. External whistleblowing

If employees feel uncomfortable communicating information to the Compliance Officer and/or Chief Audit Executive, or if employees consider the response to such communication unsatisfactory, they can communicate the information to the Financial Supervisory Authority of the Central Bank of Iceland (FSA).

c. Public whistleblowing

Employees are not afforded protection if they communicate information about possible misconduct publicly (such as via social media or news media) unless they have previously communicated the information to the Compliance Officer, Chief Audit Executive or the FSA without receiving a satisfactory response in the whistleblower's estimation and the whistleblower has legitimate reason to believe that the conduct could lead to imprisonment.

In exceptional cases, whistleblowers may enjoy protection following public communication of information that was not first communicated through internal or external channels. This applies only when urgent public interest outweighs the interest of the Bank or other parties, such as where whistleblowing is intended to protect:

- a. State security or safeguard important public economic interest;
- b. Human health; or
- c. The environment.

The Bank recommends seeking advice from external legal professionals before taking such action to ensure that whistleblower protection applies under the law.

5. Reception, handling and processing of internal whistleblowing

The Compliance Officer or Chief Audit Executive (hereafter jointly referred to as "the Investigator") are responsible for the handling of internal whistleblowing. Others who are the recipients of internal whistleblowing communications shall refer the case to the Compliance Officer and/or Chief Audit Executive for handling, alternatively to the CEO.

No formal demands are made as regards the presentation of information communicated in internal whistleblowing cases, yet the Bank recommends that the information is in writing and as detailed as possible. Information may be communicated:

- In writing through a dedicated form on Landsbankinn's Intranet;
- Via email to the Compliance Officer (regluvordur@landsbankinn.is) and/or Chief Audit Executive (innriendurskodun@landsbankinn.is);
- With a letter addressed to the Compliance Officer and/or Chief Audit Executive, Landsbankinn hf., Reykjastræti 6, 101 Reykjavík; or
- Orally to the Compliance Officer and/or Chief Audit Executive, such as via phone call or in a meeting.

Whistleblowers are afforded confidentiality and the obligation of confidentiality is not revoked unless with the express consent of the whistleblower, if required by law (such as if the Bank is obligated to provide information through a court order), or if the investigation reveals that the information was not communicated in good faith.

Employees have the option of communicating information anonymously through letters to the Bank or the Bank's Intranet. In such cases, the Investigator is unable to keep the whistleblower updated on the progress of the case. If the whistleblower decides at a later date to revoke anonymity or if investigation of the matter uncovers their name, the whistleblower will be afforded the same protection and confidentiality as if they had communicated the information under their own name.

The Investigator responds to each report and works to prevent the illegal or reprehensible conduct. If investigation reveals that employees are not involved in any misconduct, the Investigator will escalate the matter as appropriate, such as to Compliance, if the matter concerns customer conduct, or Human Resources, in the case of EKKO cases. The Investigator also reports any operational events as appropriate.

The Investigator keeps the whistleblower updated on progress in so far as possible. The whistleblower receives confirmation of reception of their communication within seven days and information on the outcome within three months of their communication, or an explanation of why the matter has not been resolved within that time frame.

The Investigator may request further information from the whistleblower during the investigation. During the investigation, persons under suspicion are informed of the allegations against them and afforded the option of advancing their explanations and views, provided this does not prejudice the interests of the investigation.

6. Safeguarding and securing information from whistleblowers

Information concerning possible misconduct is retained in a secure environment that safeguards it against unauthorised access, misuse or transmission. Notifications are safeguarded for as long as required by law or the Bank's legitimate interests require. The Bank takes care to ensure that all treatment of personal data is in accordance with the Privacy Act, as set out in the Bank's Privacy Policy.

If notification of suspicion of misconduct proves unfounded and no further investigation is deemed necessary, Landsbankinn will destroy the notification without delay or no later than three months following the conclusion of the investigation, unless longer retention times are provided for by law. Following notification, the person suspected of misconduct may, as the case may be, demand correction of wrong or misleading information, deletion or amendment thereof.

7. Internal control and publication

All supervisors are responsible for encouraging employees to familiarise themselves with these Rules and to communicate information about possible misconduct in the Bank's operation.

Compliance is responsible for 2nd line monitoring of the implementation of these Rules. Compliance provides employees with regular training on these Rules and submits regular reports on their implementation to the Board of Directors.

These Rules are published to Landsbankinn's Intranet and its external website, www.landsbankinn.is.