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## **CODE OF CONDUCT**

### **Separation of Dankort payment card scheme and Dankort processing business**

## 1. BACKGROUND

It is a requirement under Regulation (EU) 2015/751 on interchange fees for card-based payment transactions (the "**IFR**") that payment card schemes and processing entities shall be independent in terms of accounting, organisation and decision-making processes, cf. IFR Article 7 (1) (a).

Pursuant to IFR Article 7 (6), the European Banking Authority has developed regulatory technical standards (the "**RTS**") establishing the requirements to be complied with to ensure sufficient independency between payment card schemes and processing entities.

According to Article 15 of the RTS, payment card schemes and processing entities which belong to the same legal entity shall define and disclose on their website a code of conduct providing information on compliance with the regulation. As the Dankort card scheme and the Dankort processing business are part of the same legal entity (Nets Denmark A/S), this code of conduct provides information on how separation of the Dankort card scheme and the Dankort processing business has been implemented in accordance with the requirements of IFR Article 7 and the RTS.

## 2. PURPOSE

This Code of Conduct explains how Nets will comply with Nets' legal obligations to separate the Dankort card scheme and the Dankort processing business and sets out how the respective staff shall act to ensure compliance with the IFR and the RTS.

## 3. THE OVERALL CONTENT OF THE REQUIREMENT OF INDEPENDENCE AND SEPERATION

The requirement of independence and separation focuses on Nets' scheme and processing activities in the EU. When this Code of Conduct refers to the scheme or processing business, it means the Dankort scheme and Nets' Dankort processing businesses.

Independence and separation requires that the scheme and processing business:

- (a) DO work as separate, independent business units;
- (b) DO take independent decisions on strategy, pricing and customer relationships; and
- (c) DO NOT share confidential business information ("Sensitive Information") with each other.
- (d) DO NOT present prices for Dankort card scheme and processing activities in a bundled manner and DO NOT crosssubsidise such activities;
- (e) DO NOT as processor discriminate in any way between Dankort card schemes and other payment card schemes and DO NOT in particular make the provision of any service offer conditional in any way on the acceptance by a contractual partner of any other service which the Dankort card scheme offer.
- (f) DO NOT as Dankort card scheme discriminate in any way between Nets' processing business and third party processors which support Nets' Dankort scheme transactions and DO NOT in particular make the provision of any service offer conditional in any way on the acceptance by a contractual partner of any other service which Nets' processing business offer.

## **4. SEPARATION OF DANKORT CARD SCHEME AND DANKORT PROCESSING BUSINESS**

### **4.1. General organisation and accounting**

The Dankort card scheme and the Dankort processing business are organised in separate internal business units within Nets Denmark A/S with separate profit and loss accounts, independent senior management and dedicated employees.

Accordingly, senior management of the Dankort card scheme and the Dankort processing business, respectively, are responsible and accountable to the Board of Directors of Nets Denmark A/S for the day-to-day management of the payment card scheme or processing business.

The respective senior managements have independent reporting lines to the Board of Directors of Nets Denmark A/S with regards to matters related to either payment card schemes or processing activities.

If matters including Sensitive Information related to payment card schemes activities are discussed, distributed or otherwise presented at group level at ExCo-meetings or the like, the senior management of the Dankort processing business are not entitled to be part of such discussion, distribution or presentation, and vice-versa.

Remuneration for employees and senior management of the Dankort card scheme is not dependent on the performance of the Dankort processing business, and vice-versa.

### **4.2. Sensitive information**

Sensitive information means information that (i) is not in the public domain; and (ii) that could provide either the scheme business unit or the processing business unit with a competitive advantage compared to their competitors.

Examples of sensitive information include but are not restricted to:

- a) Commercial discounts from published price lists;
- b) Variations to published standard products;
- c) Non-standard contract terms that are agreed to support an individual client by the scheme business unit or processing business unit;
- d) Any details of scheme business unit or processing business unit commercial strategies; and
- e) Any details of scheme business unit or processing business unit investment or marketing plans.

No sensitive information that can provide a competitive advantage to either the Dankort card scheme or the Dankort processing business is shared between the respective business units, neither directly or indirectly through the use of shared services or shared information management systems.

This is ensured by IT-systems which only provide for restricted access to information according to which Dankort card scheme cannot access sensitive information about the Dankort processing business, and vice versa.

Furthermore, the respective employees of the Dankort card scheme and the Dankort processing business occupy separate areas of workspaces with office installations which are equipped with controlled and restricted access and individualized security passes which are also used for identification when collecting printed documents.

The prohibition on exchanging Sensitive Information, directly or indirectly, between the scheme and processing business applies to everyone in the Nets group.

#### **4.3. Decision-making process**

The Dankort card scheme is the overall responsible for, inter alia, the Dankort scheme rules, Dankort certification and Dankort licensing.

The Dankort processing business may as any other stakeholder suggest amendments to the Dankort card scheme rules. In order to ensure that the Dankort card scheme remains independent from the Dankort processing business in terms of decision-making process, suggestions for amendments to the Dankort scheme rules coming from the Dankort processing business must follow the established process for such suggestions.

Board membership in Nets Denmark A/S can only be held by persons who (i) are not part of the senior management of either the Dankort card scheme or the Dankort processing business, or (ii) otherwise are commercially engaged in either the Dankort card scheme or the Dankort processing business. Accordingly, neither the senior manager of the Dankort card scheme nor the senior manager of the Dankort processing business are members of the Board of Directors of Nets Denmark A/S.

### **5. ENFORCEMENT**

The Board of Directors of Nets Denmark A/S is overall responsible for ensuring compliance with the IFR and the RTS and ensure enforcement of this code of conduct.

The respective employees and managers of the Dankort card scheme and the processing business have received this code of conduct and the RTS and shall strictly adhere to the principles set out herein and in the RTS in its entirety.

Any non-compliance with this code of conduct or the RTS shall be reported to the Board of Directors of Nets Denmark A/S and immediate actions will be taken to remedy any non-compliance.

Violation of this Code of Conduct may have serious adverse consequences for the Nets group and for employees.

If you as employee of Nets comply with this Code of Conduct, you will have the full support and protection of the company. On the other hand, anybody having breached the provisions of this Code of Conduct is likely to face severe disciplinary sanctions.

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