

Conflicts of Interest Policy – Arctic Group

Updated 13 October 2022

1 Purpose and scope

Arctic Securities AS (“Arctic” or the “Company”) is a company authorised and regulated by the Norwegian Financial Supervisory Authority (Finanstilsynet). It is required pursuant to the European Markets in Financial Instruments Directive (MiFID II) and Norwegian securities legislation to implement organisational and administrative arrangements to identify and manage Conflicts of Interest (‘Col’) that may arise in its business.

This Policy (the “Policy”) applies to all legal entities directly or indirectly controlled by Arctic, including tied agents (the “Arctic Group”).

2 Responsibility and Policy statement

This Policy has been approved by the Board of Arctic which is responsible for supervising its observance and ensuring that it is updated to comply with relevant legislation and regulations.

The meaning of a Col is that (i) Arctic, Arctic's various departments, affiliates and companies within Arctic Group, its service providers or employees on the one hand, and its clients on the other hand and/or (ii) two or more clients, may have a different benefit/interest in a specific outcome or result in relation to a specific transaction or service that may come into conflict with each other.

Arctic shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent any Col from adversely affecting the interests of its clients. If Arctic is not able with reasonable confidence to prevent the risk of damage to a client arising from a Col, the client will be notified. Arctic will never prioritize its own interests above those of its clients.

Each company in the Arctic Group is responsible for implementing and enforcing this Policy together with any additional local policies. Department Heads are responsible for making the Policy known in the organization and promoting a culture of awareness and compliance. The Compliance department is responsible for guiding and supporting the business areas and providing training to relevant staff, and assist in identifying, managing and monitoring any such conflicts.

All employees have an obligation to act with integrity and to ensure that they understand and comply with this Policy.

3 Identification of conflicts of interest

Arctic is, like other investment firms, engaged in activities based on a business model with an inherent potential for Cols. Arctic's business is centred on the services provided by its three (3) main departments: Corporate Finance, Sales and Research. Clients of these departments may have different interests. The Corporate Finance department receives assignments from issuers of securities and aims to carry out the assignment in the best interest for its client; the issuing company. The Sales department, which mainly trades shares and other securities in the secondary market, carries out its assignments in the best way for its clients, who are investors. The Research department serves as a support function for the Sales department and has the same obligation as the Sales department; to serve the interests of investors. In addition, Arctic's affiliates have duties to their clients within their specific business areas.

Although the list is not exhaustive, Arctic has identified the following situations that may involve Cols related to individual transactions as well as investment and affiliated services, that are carried out by or on behalf Arctic:

- The provision of services to both parties in a transaction by the Sales and Corporate Finance departments.
- Arctic's own capital management, including situations where Arctic trades as principal in a security.
- Publication of research reports in connection with the fact that Arctic has a corporate finance assignment for the relevant company.
- Employees' appointments, positions, securities trading, and connections to clients.
- The relationship with, or benefits to, employees from using particular third parties to carry out services.

- Information advantages given to clients in the distribution of information.
- The allotment of securities offerings.
- Clients' different interests when trading in the same security, or in the matching of a transaction.
- The payment of fees or remuneration dependent on the success of a transaction.
- Companies in the Arctic Group provide services to syndication projects originated by Arctic (including syndication projects classified as alternative investment funds).
- Arctic's role as advisor at a marketplace such as Euronext Growth (Oslo), First North Growth Market (Stockholm) etc., and manager/bookrunner and in connection with placements prior to the listing at the marketplace.

4 Avoidance and management Col

Arctic aims to avoid or mitigate the risk of potential, inherent and actual Col between Arctic, Arctic's various departments, affiliates and Group companies, its clients, its service providers or employees on the one hand and its clients on the other hand, or between Arctic's clients. To manage any Col that may arise, the following organisational and administrative measures, among others, have been taken:

- Departments are separated from each other. The Corporate Finance department is physically separated with locked doors from the other departments. The flow of information is strictly controlled.
- There are separate Heads of the three principal departments: Corporate Finance, Research and Sales, whose duties include supervising staff compliance.
- To the extent that Arctic receives information that can be regarded as inside information, the information is only handled by employees who are relevant, and insider lists are maintained.
- All employees within the Arctic Group possess a general duty of confidentiality related to matters, of which the employee becomes aware in his/her work.
- The staff of Arctic is required to notify the Compliance department in Arctic and receive a prior confirmation before accepting appointments, positions, business activities not related to Arctic, or for any personal trading.
- The employees' remuneration is set in accordance with Arctic's remuneration policy.
- Arctic's systems and controls are reviewed regularly.
- Arctic's Compliance Department monitors transactions and the provision of services and maintains appropriate records.
- Agreements between Arctic's syndication projects and Arctic's Group companies are kept in writing and at 'arms' length'.
- Arctic's Corporate Finance department performs appropriate due diligence measures of issuers considering Arctic's role in transactions managed by Arctic.

5 Consequences for clients

Arctic expects to be able to avoid or manage a Col pursuant to the above measures, and in any relevant case by prioritizing the interest of the client first.

Arctic may in certain cases be prevented from using or disclosing information that is held within one part of the Company that may be relevant to a client's investment or other decision. In certain cases, Arctic may not be able to provide advice on specific investments or to act on behalf of the client and may not be able to state why it cannot provide such advice.

In the event of a potential conflict between two clients, Arctic may conclude that Arctic is not able to prevent the risk of damage to a client arising from a Col. In such case, Arctic will provide detailed information for the identified Col. Arctic will if necessary, consult the clients, and seek to find a fair compromise. Ultimately, Arctic may determine that it is unable to provide the requested services to the clients.

6 Specific measures

Investment research



Arctic produces independent, objective investment research for its clients covering Norwegian as well as foreign companies related to their securities. Such research is not based on the interests of Arctic or of the interests of the covered companies. Arctic has issued detailed instructions for the operation of its Research department.

Arctic will not use or act on research that Arctic has produced without allowing clients a reasonable time to consider and act on such research themselves.

The analysts employed in Arctic's Research department are separated from the other departments of the Company. In the event an analyst is appointed for a project/transaction within Corporate Finance, strict quarantine rules apply to the research produced.

The Head of the Research department is acting on a joint basis with Arctic's Chief Executive, for the recruitment, appraisal and remuneration decisions relating to each member of the Research department. Compensation to the staff of the Research department is determined independently. The remuneration is not based on sales or corporate finance departments' revenues that could be construed as linked to research reports produced by a member of the department.

Research reports produced by Arctic comply with the applicable provisions of the Securities Trading Act and Securities Regulations. The research reports include detailed statements on research methodology, disclosures on related business undertaken by Arctic and its employees, and information on the relationship of the report to other reports and recommendations on the subject company.

Proprietary Trading

Arctic has prepared instructions and a strategy for its own trading portfolio. The instructions have been approved by the Company's Board.

Arctic's trading for own account can take place through:

(i) Taking long-term positions on strategic grounds, for example by subscribing to issues or taking positions in other companies.

(ii) Becoming a counterparty in an investment service, for example: a) towards customers, b) because other counterparties cannot be found in the market, c) against a customer who wishes to buy or sell odd-lot holdings, d) a purchase of a holding in order to meet an expected demand from customers, e) purchase and sale of underlying securities in order to hedge positions in the derivatives market, f) purchase of securities for own account if a customer has given an all-or-nothing order (or other relevant order type), g) purchase of securities as a result of underwriting commitments, h) the companies receives securities as part of the fee of a corporate finance assignment and h) market-making.

In each case such trading is subject to the overriding principle of prioritizing clients' own interest before Arctic's interests.

Corporate Finance and securities offerings

Corporate finance primarily covers new issues of securities, mergers & acquisitions, and general corporate advisory work.

Each corporate finance assignment is approved by Arctic's Engagement Committee. The Engagement Committee assesses all engagements for whether there is a risk of Col.

The employees of the Corporate Finance department are subject to strict rules on confidentiality and the handling of inside information.

The Head of the Corporate Finance department, acting in consultation with Arctic's Chief Executive, is responsible for the recruitment, appraisal and remuneration decisions relating to each member of the department.

Arctic is committed to managing securities offerings in a manner that treats its clients fairly. Arctic's Policy is that the pricing of book-built securities offerings and allocations to investors should be transparent to the issuer or seller(s), consistent with its responsibilities to its investing clients. Arctic will make sure to disclose all relevant information to the issuer or seller(s) in order to be able to prepare/make its own, independent decision with respect to the price, structure, timing and other terms of the offering.

The investors to whom the issuer allocates securities may also be clients of Arctic or have other relationships with Arctic. To the extent that actual or potential conflicts arise between the interests of such investors and those of the issuer or seller(s), Arctic will endeavour in good faith to manage such conflicts fairly.

Arctic will never make allocations as an inducement for the payment of excessive compensation in respect of unrelated services, in consideration of the past or future award of corporate finance business or expressly or implicitly conditional upon the receipt of other orders for investments or the purchase of other services.



Inducements, bribery and corruption

Arctic has detailed rules on the prevention of corruption. These rules make sure that employees in Arctic do not offer and/or receive any undue benefit. The staff is not allowed to do anything/commit any act that might question the behaviour in relation to the Company's customers, suppliers, authorities or other business relationships connections.

Arctic has zero tolerance of bribery and corruption. In this regard it requires appropriate undertakings from business partners, whose appointment may if necessary be subject to a satisfactory due diligence review by Arctic.

The gift- and hospitality part is a common part of Arctic's business to withhold business relationships. The Company's rules require that hospitality should have a genuine business purpose, be reasonable, appropriate, and justifiable. The cost should be reasonable, and it should not lead to a breach of rules applicable to the recipient of the gift and/or the event.