

North–East

Conflicts of interests Policy

1. Introduction and definitions

- 1.1 The Board of Directors (in Danish: *bestyrelsen*) of North-East Family Office Fondsmæglerselskab A/S (the "**BoD**" and the "**Company**", respectively) has adopted this policy (the "**Policy**") on the identification, documentation and management of CoIs (as defined below).
- 1.2 The purpose of this Policy is to ensure that the Company takes all relevant precautions to be able to prevent, detect and handle CoIs and to ensure that the Company always complies with the relevant legislation. The purpose is also to ensure that the Company has a satisfactory separation of functions and clearly defined reporting lines.
- 1.3 The Company only has a few clients, which include professional clients and approved counterparties but no retail clients. The Company's ultimate beneficial owners (each a "**UBO**") are also (directly or indirectly) Clients (as defined below) of the Company. Therefore, there is a common interest between the Company, its UBOs and many – but not all – of the Company's customers. However, there is also a risk that the Owners are treated better than other Clients. To avoid this, the Company has implemented policies and procedures to make sure that all Clients are treated fairly. Further, any relevant potential or actual CoI is identified and handled, cf. **Schedule 1**.
- 1.4 The Company provides the following services ("**Services**") to its clients (the "**Clients**"):
- a. discretionary portfolio management services (in Danish: *skønsmæssig porteføljepleje*);
 - b. investment advisory services (in Danish: *investeringsrådgivning*);
 - c. order execution services (in Danish: *modtagelse og formidling for investorers regning af ordrer*); and
 - d. foreign exchange transactions in connection with other investment services (mentioned under a-c above).
- 1.5 The Company is not permitted to trade on its own account and does not receive brokerage commissions. Moreover, as specified in Clause 3 below, the Company's earnings and fee structure is structured in such a way that the risk of CoIs is considered low.
- 1.6 A "**CoI**" refers to a "conflict of interests", i.e. a situation where the Company, the Company's UBOs, members of the board of directors (the "**BoD**"), the Company's executive board (in Danish: *direktionen*, the "**Executive Board**"), the Company's other employees ("**Employees**"), or other persons ("**Other Person**") directly or indirectly associated with the Company through a controlling relationship (each such person belonging to such groups of individuals being referred to as a "**Relevant Individual**") may damage the interest of a Client, e.g. by way of achieving a financial gain or avoiding a financial loss at the expense of a Client or by finding itself in any of the other situations mentioned in the Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, section 33.



- 1.7 **"Sustainability Risk"** means an environmental, social or governance event or condition that, if it materializes, could cause an actual or a potential material negative impact on the value of the investment.

2. Organization

- 2.1 The Company is organised in a way that supports a satisfactory separation of functions. This means that the Executive Board, including the chief investment officer ("CIO") is separated from employees who handle control functions, including risk management and compliance. In addition, the Company's organization is set up in such a way that there are clearly defined reporting lines.
- 2.2 The Company ensures that, in cases where the separation of functions is not maintained, cf. above, appropriate compensatory measures are introduced by the Executive Board to ensure that the Company is not exposed to unnecessary risks or losses. Such measures must always be approved by the BoD before they are introduced.
- 2.3 The Company's compliance officer (the **"Compliance Officer"**) monitors on an ongoing basis the separation of functions and any and all compensatory measures implemented. Separation of functions in the compliance department is checked by the CEO.

3. Prevention of CoIs

- 3.1 The Employees are expected to act professionally, always taking into account the Clients' interest. The Employees' salaries (including bonuses) are not dependent on sales targets or the performance of the investment portfolios of the Clients.
- 3.2 The Company has adopted the following measures for the purpose of preventing CoIs:

a) Remuneration policy

Sales and bonus targets for the Relevant Individuals do not depend on (i) which financial products the Clients choose, (ii) the value of assets under management ("**AUM**") or (iii) the integration of Sustainability Risks or adverse impacts of investment decisions.

The Company has adopted a remuneration policy that implements these measures.

b) Investor protection/best execution

The Employees are obligated to act in accordance with the Company's policies and procedures, including the policies on investor protection and best execution.

c) Investment decisions

The Company has adopted a policy on the operation of privately owned business, other offices, and personal transactions (in Danish: *politik for drift af selvstændig erhvervsvirksomhed, påtagelse af andre hvern og personlige transaktioner*) and the Company's policy



on avoidance of speculative transactions (in Danish: *politik for håndtering af spekulationsforbudet*).

When providing Services to the Clients, investment decisions are always made by the portfolio management group acting jointly and making decisions by a simple majority (with the CIO having a veto right on all investment decisions).

d) Compliance

The Company has established an independent compliance department which monitors the Company's compliance with applicable legislation, including the rules on the prevention and handling of CoIs, on an ongoing basis.

The compliance department has a special focus on monitoring relevant persons whose main functions from time to time may involve carrying out activities or providing services to clients whose interests may be conflicting or may lead to a potential or actual CoI.

e) Training

Employees receive annual training in preventing and handling of CoIs.

f) Third-party payments

The Company has implemented a policy on inducements (in Danish: *politik for tredjepartsbetalinger og andre ydelser*), which seeks to ensure that the Company complies with the rules regulating unlawful direct or indirect payment in connection with the ongoing provision of Services to its Clients.

g) Organization

When hiring new Employees, developing new Services or creating new internal functions, including control functions, administrative functions, or departments in the Company, an assessment must always be made as to whether any CoIs may arise.

The BoD monitors on an ongoing basis the internal reporting and the effectiveness of the Company's business procedures, including with regard to the management and avoidance of CoIs.

The Employees are instructed to report potential CoIs in accordance with this Policy.

The BoD shall approve any agreement entered between the Company and the Executive Board and/or BoD or between the Company and another company where the Executive Board and/or BoD has a significant economic interest before such agreement is entered by the Company's Executive Board and/or BoD.

The Company has implemented a separation of functions to the effect that no Relevant Individual shall exercise undue influence over another Relevant Individual when providing



Services to the Clients. This means for example, that the CIO will not influence the person responsible for risk management or for the valuation of assets. Further, this separation of functions prevents a Relevant Individual's simultaneous or later involvement in Services if such involvement may prevent a suitable handling of a CoI.

h) Data/Information

According to the Company's policy on data protection, Employees are subject to a duty of confidentiality, and confidential information is only shared to the extent necessary for the performance of the Employee's function.

Further, the Company has implemented effective procedures to prevent or control the exchange of information between Relevant Individuals involved in activities that contain risk of a CoI if the exchange of information between those relevant persons involved in activities may harm the interests of one or more Clients.

4. Identification and registration of CoIs

4.1 In identifying CoIs, the Company shall pay particular attention to whether the interests of Clients may be harmed and whether an advantage can be obtained, or a disadvantage can be avoided for the Company, the UBOs and/or Relevant Individuals.

4.2 The Company has identified the following situations where CoIs may arise in connection with the provision of discretionary portfolio management and investment advice to its Clients:

- a) if the Company makes investment decisions regarding a security on behalf of a client, and the Company or one or more Relevant Individuals has/have a personal interest in the same security,
- b) if the Company makes investment decisions regarding a security on behalf of a client, and another of the Company's Clients (including the UBOs or entities owned and/or controlled by the UBOs) has an interest in the same security.

4.3 The Company does not deem it likely that CoIs will arise in connection with order execution services or foreign exchange transactions.

4.4 The Company distinguishes between potential and actual CoIs.

4.5 The Company has identified the potential and actual CoIs listed in **Schedule 1**.

5. Reporting and management of CoIs

5.1 **Schedule 1** includes the Company's records on how potential and actual CoIs have been managed.

5.2 The Executive Board is responsible for implementing measures to detect potential and actual CoIs in the organization.



- 5.3 The Executive Board shall on an ongoing basis report all identified potential and actual CoIs to the BoD together with a description of:
- a) The identified CoI.
 - b) The circumstances leading to the CoI.
 - c) The time when the CoI was first identified.
 - d) Who has reported the CoI to the Executive Board.
 - e) Mitigation measures with respect to such CoI.
- 5.4 The BoD shall address all reported potential and actual CoIs at the first-coming meeting of the BoD. The BoD must determine if the potential CoI is in fact an actual CoI and arrange for the Risk Manager to update **Schedule 1** accordingly.
- 5.5 If the BoD concludes that an identified potential CoI is in fact an actual CoI or that there is real risk that an actual CoI may materialize, the BoD shall instruct the Executive Board to inform without undue delay and on a durable medium (in Danish: *på et varigt medium*) such as an e-mail, a letter etc. any Client that may be affected by the CoI (the "**Affected Clients**") and provide a suggestion as to how such actual CoI is resolved and/or mitigated. To this end, the BoD may request that the Executive Board prepares a memorandum containing suggestions for possible solutions/mitigating measures.
- 5.6 Information to Clients, as set out above in section 5.5 constitutes a last resort, which is only used if the actual organizational and administrative arrangements put in place by the Company to prevent or manage an existing CoI are not sufficient to ensure with reasonable certainty the prevention of the risk of harm to the Client's interests.
- 5.7 When informing the Affected Clients of an actual CoI, the Executive Board shall provide a description of:
- a) The actual CoI, including the nature, source and extent of the CoI.
 - b) The circumstances leading to the CoI and why the Company's preventive measures were not sufficient.
 - c) The time the CoI was first reported on.
 - d) The measures taken to manage the CoI and mitigate any related risk¹.

¹ Such measures should be implemented before undertaking any further engagements for/providing any further Services to the Client.



5.8 The information must be given on a durable medium and, considering the Affected Client's circumstances, be sufficiently detailed to enable the Affected Client to make an informed decision with respect to the Service to which the CoI relates.

6. Publication

6.1 This Policy shall be published on the Company's website and shared with all Relevant Individuals.

7. Monitoring

7.1 It is the duty of the BoD to monitor on an ongoing basis, and not less than once a year, whether (and how) the Policy is/has been complied with.

7.2 If monitoring is delegated, the BoD must ensure that the result of the control is reported to the BoD.

7.3 The BoD has decided that such monitoring should be carried out by the Compliance Officer to ensure independence of the Executive Board.

7.4 If the Compliance Officer becomes aware that the Policy is not or cannot be complied with, the Compliance Officer shall report this directly to the BoD without undue delay.

8. Updating

8.1 The Policy must be reviewed when deemed necessary by the BoD and at least once a year.

8.2 The Risk Manager is responsible for updating **Schedule 1** on an ongoing basis as agreed with the BoD from time to time.

9. History

Version	Legal basis	Approved	Changes
1.0	Statutory Order on Organizational Requirements as a Securities Dealer § 16.	Adopted by the BoD in connection with the application for the license to operate as a portfolio management company.	First draft.
2.0	Statutory Order on Organizational Requirements as a Securities Dealer	21. December 2017.	A number of changes and clarifications



	§ 9 Commission delegated regulation (EU) 2017/565 of 25. April 2016 art. 34		to ensure compliance with MiFID II requirements.
3.0	Do.	15. November 2018.	Minor changes and clarifications.
4.0	Do.	12. June 2019	Added further potential CoI to the list. Clarifications regarding reporting obligations vis-a-vis the Clients.
5.0	Do.	14 June 2019	Changes to reflect other offices held by the Executive Board.
6.0	Do.	26 March 2020	Changes to reflect the inherent CoI between the Company and the group of Clients that do not ultimately own the Company as a consequence of the ownership structure of the Company.
6.1	Do.	11 June 2021	No material changes.
7.0	§ 9 of the Statutory Order on Organizational Requirements as a Securities Dealer.	27 September 2023	General update. Added investment



	Art. 34 of the EU Commission delegated regulation (EU) 2017/565 of 25. April 2016. § 82 of the Danish Act on Asset Management and investment services.		advisory services.
8.0	Do	13 December 2023	Added a potential CoI.
9.0	Do.	11 March 2024	General update.
10.0	Do.	11 September 2024	General update following compliance audit.

Schedule 1 – List of actual and potential CoI

Attached separately.



Schedule 1 - List of potential and actual CoIs, including preventive measures and management/mitigating actions

Capitalized terms not defined herein shall have the meaning ascribed to them in the policy on the identification, documentation and management of conflicts of interests adopted by the Board of Directors (in Danish: *bestyrelsen*) of North-East Family Office Fondsmæglerselskab A/S on 11 September 2024.

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
1	A Relevant Individual is likely to make a financial gain or avoid a financial loss at the expense of a Client.	Agreements for the provision of discretionary portfolio management services and other Services between the Company's Clients (the "PMA") are entered into on market (i.e., arm's length) terms.	The Company allocates a certain amount of its AUM managed on behalf of the Clients to a Luxembourg-based reserved alternative investment fund (a "RAIF", in the following referred to as the "Fund") which is managed by the Company through delegation from the Fund's alternative investment fund manager (the "Manager"). The	Even if the Company instructs its Employees to treat all clients equally and provides Services to all Clients on the same terms, there is a risk that this actual CoI is not fully mitigated. Therefore, the Clients are informed of this actual CoI in the PMA, including the reason

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
		<p>The Company has adopted policies for (i) the operation of privately owned business, other offices and personal transactions (in Danish: <i>politik for drift af selvstændig erhvervsvirksomhed, påtagelse af andre hverv og personlige transaktioner</i>) and (ii) avoidance of speculative transactions (in Danish: <i>politik for håndtering af spekulationsforbudet</i>).</p> <p>Under these policies, the Executive Board and other Employees will have to obtain the BoD's prior approval before engaging in the operation of privately owned businesses or assuming positions and/or taking on other offices in third party companies.</p> <p>When considering whether to provide its approval, the BoD will assess whether such activities will result in an actual CoI materializing.</p> <p>The Company's policies also require members of the Executive Board to obtain the prior written approval of the BoD in certain other circumstances where there is a risk of a CoI.</p>	<p>Company receives an AUM-based fee for the management of the Fund. Therefore, the Company has an incentive to allocate all of its AUM to the Fund which may affect the discretionary decisions taken on behalf of its Clients.</p>	<p>for allocating the a large part of its AUM to the Fund, which has been set up merely as a way of structuring investments and enabling Clients to transfer indirect ownership of each such investment easily amongst themselves and allowing new clients (mainly the children of existing Clients) as part of the succession planning of the Clients.</p>

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
2	<p>A Relevant Individual has an interest in allocating time to another Relevant Individual or third party company in which the Relevant Individual has an ownership share or otherwise has an economic interest, when the allocation of time will potentially damage the interest of the Client.</p>	<p>Same as section 1 above.</p>	<p>The UBOs are ultimate owners of the Company but also its Clients. This constitutes an actual CoI as there is a risk that the Company's employees will prioritize the UBOs over other Clients to please the UBOs.</p>	<p>The Company instructs its Employees (including members of management) to treat all Clients equally.</p> <p>Also, the Company's investment strategies are executed in a way that prevents differential treatment since most investments are carried out through the Fund offering same terms to all investors (i.e., the Clients).</p> <p>Investments carried out outside of the Fund are structured in a way that aims to provide all Clients with the same terms and conditions (e.g., by all investors investing together on a prorate basis).</p>

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
2.1			<p>Certain Employees are allowed to co-invest alongside the Clients investments in certain target companies (each a "Target"). This creates an incentive for such Employees to allocate AUM to the Targets to seek to improve performance and increase performance on their own investments.</p>	<p>When providing Services to the Clients, investment decisions are always made by the portfolio management group acting jointly and making decisions by a simple majority (with the CIO having a veto on all investment decisions). This mitigates the risk of an Employee allocating funds to a Target in which the Employee has invested.</p>
2.2			<p>The Employees are offered participation in a co-investment scheme (in Danish: <i>medarbejderinvesteringsprogram</i>) which allows such Employees to coinvest in certain sub-funds within the Fund. This creates an incentive for such Employees to make investment decisions and/or allocate time and/or other resources that benefit the performance of such sub-funds.</p>	<p>When providing Services to the Clients, investment decisions are always made by the portfolio management group acting jointly and making decisions by a simple majority (with the CIO having a veto on all investment decisions). This mitigates the risk of an Employee allocating making investment decisions and/or allocate time and/or other resources that benefit the performance of such sub-funds in which the Employee has invested.</p>

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
3	<p>A Relevant Individual has a financial or other interest in the collaboration between the Company and (i) the Company's affiliated entities or (ii) a third party (e.g., if the member of a Relevant Individual is a member of the Executive Board or the BoD or in another way employed with the affiliated entity/third party in question and/or is a shareholder thereof.</p>	<p>Same as section 1 above.</p> <p>The Company's contracts with group/affiliated companies are always entered into on market (arm's length) terms.</p> <p>The Company continuously examines the market for the services offered by companies within the Group, including possible alternative partners.</p>	<p>The Company's general counsel ("GC"), is also a member of the BoD. This creates a double role for the GC.</p>	<p>This double role has been approved by the rest of the BoD (excluding the GC).</p> <p>Also, the GC will not be involved in BoD decisions regarding the performance of the GC (including the assessment of the areas of responsibility of the GC). Therefore, the BoD finds that the CoI is properly mitigated.</p>
3.1			<p>The GC is a member of the BoD of the Fund. The BoD of the Fund is responsible for appointing the Manager. The Manager has entered a portfolio management agreement with the Company appointing the Company as portfolio manager of the Fund. Therefore, there is a risk that the GC will not perform sufficient oversight over the Manager, as the Manager has appointed the Company as manager.</p>	<p>The GC has not and will not participate in BoD decisions relating to the appointment of and oversight of the Manager. Therefore, the BoD finds that the CoI is properly mitigated.</p>

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
3.2			<p>The GC functions as both general counsel (first line) and head of compliance (second line) within the Company. This leads to actual CoIs in situations where compliance checks (second line) are to be carried out with respect to legal matters (first line) which the GC is responsible for.</p>	<p>The day-to-day handling of compliance-related matters has been delegated to an external provider of compliance services. The external provider is in charge of the day-to-day performance of compliance checks, including checks related to legal matters.</p> <p>When implementing new legislation, the respective departments within the Company (e.g., Trading & Operations) are responsible for the implementation, while the GC only acts as legal counsel with respect to the interpretation of specific rules.</p> <p>Audits of the GC/the legal department are delegated to the third party provider of compliance services or carried out by the Company's Risk Manager.</p> <p>In view of the above, the BoD finds that the CoI is properly mitigated.</p>

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
4	A Relevant Individual has an economic interest in leveraging a Client's portfolio, thereby increasing the AUM.	The Company's employees (including the Executive Board) do not receive variable remuneration based on (i) AUM, (ii) sales targets, (iii) the performance of the Clients' investment portfolios, and/or (iv) the choice of financial products in the Clients' portfolios.	See section 2 above.	See section 2 above.
5	A Relevant Individual in any other way than as described under section 1-4 above has an interest in the outcome of a Service provided to a Client or a transaction carried out on behalf of a Client, which is different from that of the Client.	Same as the potential CoIs listed under section 1-4 above.	None.	None.
6	A Relevant Individual conducts the same business as a Client and is thereby competitors or have other overlapping interests	Same as section 1 above. Moreover, the Company and other companies within the Group do not operate in competition with the Company's Clients. If the Company or companies in the Group become engaged in the same industry as the Company's Clients, and thus a competitive situation arises, the	None.	None.

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
		Company must inform the Clients accordingly without undue delay.		
7	A Relevant Individual receives or will receive from a person other than the Client a monetary or non-monetary benefit or service in connection with (i.e., as a direct or indirect result of) a Service provided to the Client that is likely to impair the ability to act in the best interest of the Client	The Company has adopted a policy regarding third-party payments (inducements) and avoidance of brokerage-sharing (in Danish: <i>politik for tredjepartsbetalinger</i>) and policy on anti-bribery and corruption.	None.	None.
8	Situations where Sustainability Risks affect the investment decisions.	The Company has adopted a policy on the integration of Sustainability Risks . As set out in the Policy, the primary goal for the Company is to make the investments that best fit the investment strategy for each Client. Thus, the Company does not see a contradiction between the investment strategy that is best suited each Client and the integration of Sustainability Risks.	None.	None.

No	Potential CoIs	Preventive measures to avoid a potential CoI becoming an actual CoI	Actual CoIs	How the actual CoI is managed/mitigated?
		<p>It is the Company's policy that variable remuneration shall never create inducements to make decisions resulting in unwanted Sustainability Risks.</p> <p>Based on the above, the Company considers the risk of Sustainability Risks affecting the investment decisions and/or investment return negatively to be low.</p>		