

# Conflict of Interest Policy for Nordic Trustee Services AS

## 1. Introduction

Nordic Trustee Services AS (“NTS”) is a company within the Nordic Trustee Group (“NT Group”) and provides investment services to clients. Within its business operations, conflicts of interest may arise.

A conflict of interest means a situation in which different parties have interests which conflict with each other. Potential conflicts of interest may be between NTS and its clients, between the clients of NT Group or between different functions or entities within NT Group. Conflicts of interest may also occur between clients and employees.

If a conflict of interest is not possible to avoid, NTS will ensure that the interest of the client takes precedence over the interest of NTS (or any other NT Group company or personnel), and that no client is unfairly treated at the expense of other clients.

## 2. Legal basis

NTS is as an investment firm regulated by the Norwegian Securities Trading Act and supervised by Finanstilsynet - the Financial Supervisory Authority of Norway.

An investment firm shall be structured and organized so that the risk of conflict of interest between the firm and its clients or between the firm’s clients is minimized, and the firm shall take all reasonable steps to identify such conflicts of interest.

This implies that an investment firm must assess whether it may achieve a financial gain at the clients’ expense or have a different interest than the client as regards the service provided, and to avoid that the firm prioritizes the interests of itself or other clients ahead of the actual client’s interests.

In addition, an investment firm shall have written guidelines for handling conflicts of interest that as a minimum include the identification of possible conflicts of interest and a description of the routines/measures for handling these. These guidelines must be adapted to the firm’s size and organization as well as the nature, extent and complexity of the firm’s operations.

## 3. Identification of conflict of interest

NTS will make its best endeavors to identify potential or actual conflicts of interest before these arise. NTS, including NT Group, will ensure that relevant staff have sufficient skills and awareness of what constitutes a conflict of interest and what measures to be taken if a conflict of interest is identified. All employees of NTS and NT Group will receive relevant training on conflict of interest on a regular basis.

Below are examples of what could be a conflicts of interest situation for NTS.

### *i. Conflict of interest between the issuer and the investor*

NTS will, as an investment service provider, execute tasks on behalf of both issuer and investor. The parties can have different interests in connection with NTS’ role. On one hand the issuer is interested in getting a loan proceed as soon as possible, independent of whether all the loan terms are fulfilled. On the other hand, it is in the interest of the investors that the compliance with the loan

terms is sufficiently controlled, which may take some time. In NT Group it is the responsibility and role of Nordic Trustee to check that the issuer complies with the loan terms before any payments are released. Due to the conflict of interest between the issuer and the investor this has been identified as a potential conflict of interest on a group level.

*ii. Conflict of interest between the role as services provider and bond trustee*

NT Groups core business is to act as a bond trustee on behalf of investors. NTS is closely related to Nordic Trustee but mainly acts on behalf of issuers. In this context, there may arise conflict between the services provided by NTS and Nordic Trustee.

*iii. Conflict of interest between the role as investment services provider and other services in the bond market*

NTS also offers other services, such as;

- Listing services,
- Payment services
- Escrow agent services
- Account operating services

Potential conflicts of interest may exist between different clients connected to the different services as listed above. It is therefore important to address potential conflicts of interest also across services.

#### 4. Managing conflicts of interest

Identified conflicts of interest shall be properly managed to avoid adverse effects on clients.

All employees must comply with regulations, internal guidelines and procedures for managing conflict of interest. The Compliance function, which has been outsourced by Nordic Trustee, will on a regular basis test the compliance with internal guidelines for managing conflict of interest within NTS.

*i. Conflict of interest between the role as investment services provider and bond trustee*

Both NTS, for their role as an investment services provider and Nordic Trustee, for their role as a bond trustee, are governed by written procedures and controlled mechanisms which are implemented to mitigate the risk and reduce the possibility that employees are affected by one of the parties' separate interests in transactions. These measures will not completely eliminate the risk, and clients of NTS will be informed through the general commercial terms regarding the services provided by NT group in connection with issuance of bonds and potential conflict of interest this may cause.

NTS' compliance with written guidelines and procedures are also checked by using the four-eyes principle. The measures will reduce the risk that NTS takes other considerations into account when performing their role.

The risk will not completely be eliminated by these measures, and clients of NTS will be informed of these risks through the general commercial terms.

These measures will reduce the risk that NTS takes extraneous considerations when performing its services.

*ii. Conflict of interest between investment services and other services*

The measures described above will in addition mitigate the risk that NTS emphasizes its own commercial interest when providing investment services to clients.

5. Other measures to manage and limit potential conflicts of interest in NTS

The company will continually focus on possible conflicts of interest that can materialize through the daily operations and provide training for employees about this topic.

6. Information to clients if measures to avoid conflict of interest are not sufficient

If NTS' measures are not sufficient to manage the potential or actual conflict of interest, the affected clients must be sufficiently informed before any service is conducted.

Such information shall explain the nature and sources of the conflicts of interest, the risks to the client and the steps undertaken to mitigate these risks. This to enable the client to take reasonable and informed decisions with respect to the service in the context of which the conflicts of interest arise.

7. Documentation

NTS will keep a register of all relevant identified conflicts of interest and how the situation has been managed. The management will on a regular basis, or whenever a situation occurs, get a report on situations registered in the conflict-of-interest register.

All documents will be safely archived and will be kept for a period of 5 years.

8. Reporting and control

Actual and potential conflicts of interest, or breach of internal guidelines for conflicts of interest, will be immediately reported to manager or Compliance.

Compliance will regularly monitor that NTS follows the relevant laws, regulations and internal guidelines for managing conflicts of interest.

9. Revision of guidelines

Compliance will monitor and update these guidelines when relevant, at least on an annual basis.

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