Policy on Measures to Prevent Conflicts of Interest

1. General

This policy adopted by Icelandic Investors hf. (the “firm”) is based on Art. 20 of Regulation No. 995/2007, on Investor Protection and the Business Practices of Financial Undertakings, cf. Art. 8 of Act No. 108/2007, on Securities Transactions (“AST”).

The objective of this policy is to ensure that the risk of conflicts of interests will be handled in such a manner that prevents harm to clients’ interests.

This policy is intended to prevent potential conflict of interest between the firm and its clients or its clients internally.

2. Scope

This policy applies both to former and existing clients of the firm.

This policy applies to the firm itself and its employees as well as the firm’s clients. It also applies to the firm’s clients internally.

In interpreting this policy, regard shall be had for the firm’ current size and structure, as well as the nature and scope of its operations and its current license to operate from the Financial Supervisory Authority.

An **employee** refers to an employee of the firm and those individuals that work under the management of the firm or on its behalf servicing securities transactions. This also refers to individuals that provide securities transactions services to the firm. This also refers to the members of the board of the firm.

Conflicts of interest refers to an event that potentially could harm the financial interests of the firm’s clients.

3. Analysis of conflicts of interest

Conflicts of interest could conceivably arise from the firm´s activities, for example if the firms trading on own account or on the account of related parties relates to a financial instrument, which is in short supply, at the same time as another client request to buy or sell the same financial instruments.

The firm may hold a stake in a company, concerning which it provides investment advice to clients, or whose shares the firm brokers for other clients. The firm's employees or its related party may have financial interests at stake in the outcome of services provided to a client or the outcome of services carried out on behalf of the client.

The firm’s employees can trade on their own accounts. The firm has internal policies on employee trading. In such cases, it is also possible that the interest of clients and the employee are mutually exclusive.

The analysis of conflicts of interests should include, among other things, whether an employee or a related party:

- Could have a financial interest in showing preferential treatment to one client at the cost of another
- Could have a financial interest against the interests of the firm’s clients
- Conducts the same operation or business as the client

- Receives commission payments from a third party, other than the client, in relation to a given task

4. Handling of conflicts of interest

If conflicts of interest arise, the firm will inform the client concerned thereof, so that the client can take an informed decision on proceeding with the transaction in question and take such measures as can be considered realistic to ensure that the client is not harmed by such conflicts of interest.

If conflicts of interest arise the firm shall maintain data on the service conducted and the firm's reaction to the arise of conflict of interest.

5. Information disclosure

The firm shall clearly and unambiguously provide clients with information on the nature and causes of potential conflicts of interest before concluding transactions between parties. The firm shall send the client written notice and seek their approval to continue to provide a specific service despite such potential conflicts of interest.

The firm registers and stores information on services conducted and the incidents that may result in conflict of interest. This applies both for incidents that have been reported to clients and other incidents. The information must include information as to what clients were involved and what transactions were concerned.

6. Procedures to prevent conflict of interest

The firm has adopted the following internal rules to prevent conflicts of interest:

- Rules for the Board of Directors, including rules on eligibility of directors, on credit to parties related to directors and on participation of directors on the boards of the firm's subsidiaries and associates.
- Rules on employee trading, rules on employees acting as directors or participating in business operations, general rules and internal procedures on regular activities and service to clients.
- Rules on best execution of orders.

7. Supervision of policy implementation

The firm's compliance officer is responsible for ensuring the implementation of this policy and clients may direct their comments or complaints to the compliance officer if they believe an employee has violated this policy.

The compliance officer shall be responsible for ensuring that there are internal organization, rules, procedures and other similar factors in place, in accordance with this policy and the company's rules.

8. Revision of the policy

The firm revises this policy regularly to determine whether it is sufficiently effective in practice. If amendments are made to laws or administrative provisions this policy shall be reviewed accordingly.

The firm shall inform its clients on material changes to this policy.

9. Entry into force

This policy shall enter into force upon approval by the Board of Directors.