



# NORTHERN HORIZON CAPITAL GROUP

## CONFLICTS OF INTEREST POLICY

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Operating principle/instruction	Northern Horizon Capital Group Conflicts of Interest Policy
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Person responsible for the Guideline	Compliance
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# 1 Introduction

This Conflicts of Interest Policy of Northern Horizon Capital A/S ("Northern Horizon", with its subsidiaries jointly "Northern Horizon Group" or "Group") outlines the principles and guidelines that must be adhered to in order to prevent and manage any conflicts of interest.

Northern Horizon operates in two lines of business – under its own brand investment management business within the Baltic Sea region through single or multi-investor investment vehicles investing in real assets ("Funds") and under the BPT-brand asset management services for property owners including the Northern Horizon Funds.

Northern Horizon Group is required to take all reasonable steps to identify and adequately manage potential conflicts of interests entailing a material risk of damage to a Customer's interest. This policy specifies the appropriate procedures and measures in place within the Group to identify and manage any material conflicts of interests.

For the purpose of this policy the personnel shall include the employees of Northern Horizon and its subsidiaries, its directors and officers and the directors and officers and employees employed by the Funds managed or advised by Northern Horizon. Each Group employee and each person involved in the activities of the Group must – regardless of his/her position, role or workplace – act in compliance with this Conflicts of Interest Policy.

This policy sets only the minimum level of precaution to prevent possible conflicts of interest. For a specific Fund other guidelines or rules may set stricter rules.

# 2 Definition

A conflict of interest is an exceptional situation that may arise in connection with any Northern Horizon activity and that may pose a significant risk to the interests of Northern Horizon's customers. A conflict of interest may arise when a person contributing to or related (in)directly with Northern Horizon:

- a) Is likely to make a financial gain, or to avoid a financial loss, at the expense of the Fund or another customer.
- b) Has an interest in the outcome of a service or an activity provided to the Fund or another customer or of a transaction carried out on behalf of the Fund or another customer, which is distinct from the Fund's interest.
- c) Has an incentive (financial or other) to favour the interest of another (group of) customer(s) over the interests of the Fund.
- d) Performs similar activities to the Fund and to other customers that adversely affect the Fund.
- e) Receives or will receive from a person other than the Fund an inducement in relation to services provided to the Fund, in the form of money, goods or services, other than the standard commission, fee or salary for that service.

Conflicts of interest may arise between

- The Group and a Fund;
- The Group and its current/ future Customers;
- The Group and its personnel or;
- One customer or Fund and another customer or Fund.

Below is a list of examples of potential conflicts of interest:

- Northern Horizon may do transactions with its affiliates on behalf of the Funds.
- Northern Horizon may sell services and products (including but not limited to those provided by BPT) to the Funds.
- Funds may do transactions with each other.
- Customers and Funds may do transactions with each other.
- Situations resulting from the competing interests of different investors or other customers.
- Situations between customers and Northern Horizon as a result of fee structures, other investment related revenues and profit.
- Situations resulting from the personal interests of Northern Horizon personnel and customers.

None of the lists above are exhaustive.

### 3 Identification and prevention of conflicts of interest

Although it is always possible for conflicts of interest to arise when providing services, the Group seeks actively to prevent such situations. This is done primarily by identifying and preventing potential conflicts of interest by organizational and administrative means.

The aim is to ensure that the Group's executives and employees perform their duties with integrity and loyalty and execute transactions with sufficient independence to protect the interests of customers. The Group pays special attention to identifying and preventing conflicts of interest in its activities.

The management of conflicts of interest is dealt in addition to this Conflicts of Interest Policy in the Group's Code of Conduct and Risk Management Policy. The steps taken to manage conflicts of interest vary according to the business or service in question. The Group employees are obliged to act in the Group's best interests even if a conflict of interest arises between the Group and the employee. Such situations may relate to the employment relationship or holdings of an employee's immediate family, such as when a spouse is employed by or engaged with a company that can be defined as a competitor of the Group.

If two Group employees have a relationship, it is their responsibility to ensure that the relationship does not harm the atmosphere of the work community. No relationships are allowed between supervisors and their subordinates. If such a relationship arises, the parties involved must request an internal transfer either from their immediate supervisors or one of the Executive Committee members.

### 4 Dealing with conflicts of interest

If, despite preliminary measures, a conflict of interest cannot be prevented, the nature of and reasons for the conflict of interest must be explained to the customer prior to the execution of the action in question. The customer will then independently consider whether to go ahead with the transaction despite the conflict of interest. The Group may also decline to act if a conflict of interest has arisen.



In order to comply with good governance and to avoid unintentional and embarrassing situations, all conflicts of interest must be reported to one's supervisor and the Compliance. The supervisor and the Compliance must treat the information as confidential, unless its disclosure is essential for practical reasons. Ultimately, the Compliance will decide on a procedure by which the interests of both parties will be fairly served.

## 5 Personal Account Dealing ("PAD")

Personal Account Dealing Policy jointly with the insider information policy are intended to limit the Group's individuals from activities potentially creating conflicts of interest. The Group individuals are recommended to avoid investing into real assets falling into the investment scope of any of the Funds managed by Northern Horizon. In such a case it is recommended to obtain prior authorization to the investment from the Compliance.

Trading with the shares or related securities listed (according to the insider information policy) is prohibited.

## 6 Gifts and Benefits

Northern Horizon Capital Group employees are allowed to offer and accept only such gifts and benefits which are ordinary taking into account the nature of the business relationship and local and international business practices. However, cash or equivalents shall not in any case be ordinary. In case of any suspicion or in case of a gift with preserved valued exceeding 200 euros the Compliance shall be consulted.

## 7 Secondary occupations and positions of trust

The Group employees shall have the secondary occupations and positions of trust only if approved by their superior. In addition for fund managers and members of the Executive Committee a new position shall be subject to approval of Compliance.

## 8 Register of conflicts of interest

All conflicts of interest must be reported to the Compliance. All such circumstances are recorded in a separate register of conflicts of interest. The register is maintained by Compliance.

## 9 Chinese Walls

In general Northern Horizon applies a need-to-know principle to information sharing and monitoring the exchange of information between persons and functions. A Chinese Wall (by means of separate information systems and user authorizations and/or by the physical segregation of functions) may be operated by Northern Horizon and are designed to restrict information flows between areas likely to generate a conflict of interest. They are there to allow Northern Horizon to carry out work on behalf of a customer without being influenced by other information held within Northern Horizon that may cause a conflict of interest to rise.

## 10 Approval and Updating

This Conflicts of Interest Policy has been approved by the Board of Directors of Northern Horizon Capital A/S. The contents and relevance of the Board of Directors' approved policy on the identification and prevention of conflicts of interest are updated regularly, but at least annually.