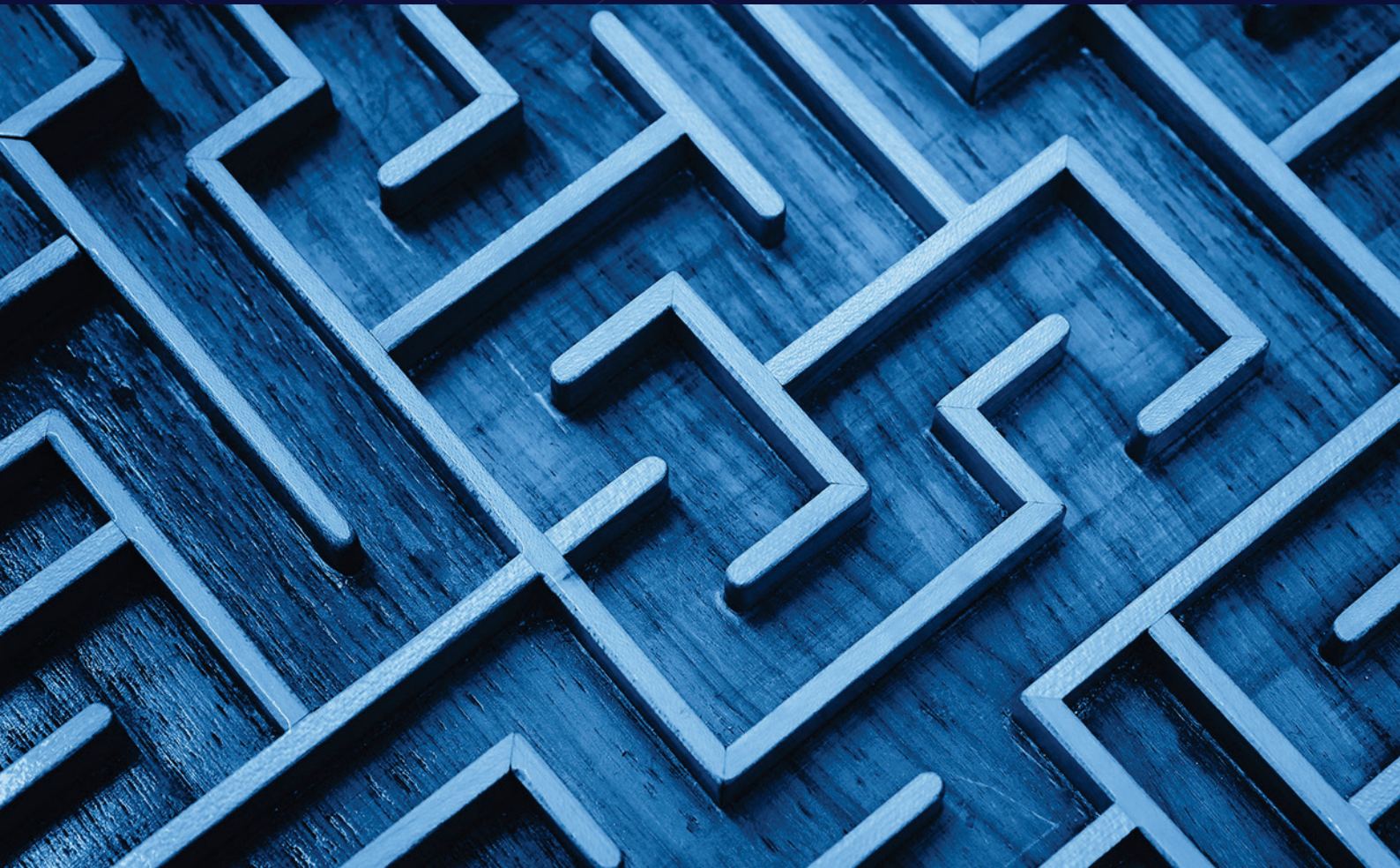


# Northern Horizon Capital AS

## Manual of Internal Rules

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## Extract from the Manual of Internal rules

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## 32. High Standards of Business Conduct

### 32.1. General High Standards of Conduct

To maintain the reputation of the AIFM, the AIFM's Staff must conduct themselves in accordance with the highest ethical standards. It is imperative that Investors are treated fairly, honestly and professionally by the AIFM and that AIFM's Staff always act in the best interests of the Investors and in accordance with the objectives, investment strategies and risk limitations of the Funds. The AIFM must act in the best interests of the Funds and the integrity of the market and treat all Investors fairly.

It must also ensure that no Investor in the Fund obtains preferential treatment, unless such preferential treatment is properly disclosed. Furthermore, no preferential treatment can result in an overall material disadvantage to other Investors.

Not every matter which may present a risk to the AIFM's reputation and regulatory objectives can be dealt with here in the Manual. Therefore, AIFM's Staff should refer any doubts they have about a particular action or course of conduct to the Management Board and the Compliance Function.

### 32.2. Conflicts of Interest Policy

<b>IFA § 344(3)5)</b>	Among other matters, the internal rules shall set out the following: the procedure for mitigation and avoidance of conflicts between the interests of the management company and the personal economic interests of the managers and employees of the management company, including the procedure for mitigation and avoidance of conflicts within the consolidation group if the management company belongs to a consolidation group.
<b>IFA § 309(5)</b>	A management company shall show sufficient competence, honesty, accuracy and diligence in its activities and refrain from transactions in which the interests of the management company are in conflict with the interests of the fund managed by it and the investors of the fund and other clients of the services provided by the management company. In the case of an inevitable conflict of interests, the management company shall proceed from the interests of the fund and investors of the fund and other clients of the services provided by the management company.
<b>IFA § 351</b>	Procedure for mitigation and avoidance of conflicts of interest.
<b>IFA § 101</b>	Applicable for public funds: General requirements for mitigation and avoidance of conflicts of interests and related-party transactions
<b>IFA § 351(4)</b>	The procedure for mitigation and avoidance of conflicts of interests must include the procedure for personal transactions of the relevant persons connected to the fund manager and ensure protection of the interests of the investors of the funds managed by the fund manager and avoidance of any activities which are not in compliance with the lawful and regular operation of the market.
<b>IFA § 351(5)</b>	If the procedure for mitigation and avoidance of conflicts of interests does not ensure avoidance of the risk of damage to the interests of the fund or investors of the fund, the relevant persons must promptly notify the management board and supervisory board of the management company in order to ensure making of decisions for acting in the best interests of the fund and investors of the fund. In addition to this, the management company must implement alternative or additional procedures and measures for mitigation and avoidance of conflicts of interests and disclose the general nature of the conflicts of interests and, as appropriate, the sources of the conflicts. In the case specified in this

	subsection, the management company shall notify the investors of the fund on a durable medium and give reasons for the decision adopted for avoidance of damage to interests.
<b>IFA § 351(6)</b>	Before entry into transactions for the investment of the assets of the fund, a management company shall notify the investors of the fund of the general nature of the conflict of interests or its' source if the measures established by the management company for mitigation and avoidance of conflicts of interests do not ensure avoidance of the risk of damage to the interests of the investors of the fund in the specific case.
<b>CDR Art. 30-36</b>	Requirements for managing conflicts of interest.

In certain instances, the AIFM may face situations involving conflicts of interest. The AIFM should avoid conflicts of interests. Where such conflicts cannot be avoided, they must be identified, managed monitored, and, where applicable, disclosed. Conflicts management should prevent them from adversely affecting the interests of the AIFM, the Funds and Fund Investors and ensure that the AIFM, all Funds and the Investors in those Funds are fairly treated.

The Management Board ensures that conflicts of interests are avoided or mitigated to the smallest extent possible between:

- (a) the AIFM, including its managers, employees or any person directly or indirectly linked to the AIFM by control, and the Fund managed by the AIFM or the Investors in that Fund;
- (b) the Fund or the Investors in that Fund, and another Fund or the Investors in that Fund;
- (c) the Fund or the Investors in that Fund, and another client of the AIFM;
- (d) two clients of the AIFM;
- (e) the AIFM and Group entities or persons otherwise directly or indirectly linked to the AIFM.

A conflict of interests is also a situation where the obligations of the AIFM to one Investor would damage the interests of another Investor.

When identifying potential conflicts of interest, the following circumstances are considered:

- a) Is there a specific interest for the AIFM or its Staff in the outcome of the service provided to the Investor?
- b) Does the AIFM have a financial or other incentive to favour the interest of another Investor or group of Investors over the interest of the Investor?
- c) Are there inducements in the form of money, goods or services other than the standard commission or fee for the service involved?
- d) Are the best interests of the Fund and AIFM protected when a transaction is entered into with a Group entity or a person otherwise directly or indirectly linked to the AIFM?

Every Staff member must follow and comply with the **Conflict of Interest Policy** attached as Appendix 6 hereto, which outlines the principles and guidelines to prevent and manage conflicts of interest both at the



Group and the AIFM level. The Management Board of the AIFM is responsible for proper implementation of the Conflicts of Interests Policy at the AIFM level.

The Staff of the AIFM must continuously make efforts to identify potential conflicts of interests. When a Staff member is uncertain whether a particular situation entails a conflict of interest, they shall consult with the Compliance Function and their immediate supervisor.

#### Examples of Conflicts of Interest

Conflicts of interests and potential conflicts of interests may arise in the following situations:

- (a) Confidentiality. Conflict of Interest may arise if confidential information is transferred to an unauthorised person;
- (b) Partiality. Conflict of Interest may arise, if:
  - the personal or economic interests of a Staff member acting on behalf of the Fund or the AIFM are contrary to the interests of the Fund or the AIFM; or
  - A Staff member is biased about the result of the transaction (e.g. due to a personal, family, friendship or similar relationship with the transaction counterparty); or
  - A Staff member is employed by another entity (including a Group entity) or acts on behalf of another entity, or if the Staff member shares a similar economic interest with an entity (including a Group entity) that is not AIFM.

#### Reporting and Managing Conflicts of Interest

If an actual or potential conflict of interests is identified by a Staff member, they shall immediately report the situation to the Compliance Function (as indicated in the Conflict of Interest Policy). The Compliance Function records all such cases in the Register of Conflicts of Interest and (after the consultations and decision by the Management Board) advises the Staff member on measures to prevent or mitigate the conflict.

It is ultimately up to the Management Board to decide which measures are appropriate to mitigate the risk of damaging the interests of Investors and the Fund to the smallest possible extent. In certain cases, it may be necessary to disclose the conflict of interest to the Investors prior to entering into the transaction or consulting the advisory board of a Fund, if a Fund has an advisory board in place and handling certain conflicts of interests is within its competence. When a situation entails a conflict of interest that might materially damage the interests of the Fund or the Investors, the advisory board or the Compliance Function can suggest declining the proposed transaction.

A conflict of interest can also arise in a situation where a member of Staff makes personal transactions with the units of the Fund. In order to avoid and mitigate the risks in such situation, the procedure in clause 29.1 must be followed.

If the implementation of one or more procedures or measures specified in the Conflicts of Interest Policy does not ensure the requisite degree of independence of the AIFM, the AIFM shall implement alternative or

additional procedures and measures. In such a case, the Management Board of the AIFM must be immediately notified to ensure that decisions are made in the best interests of the AIF and its Investors.

If the measures established by the AIFM for managing and preventing conflicts of interest fail to ensure the prevention of the risk of impairing the interests of the Investor, the AIFM shall inform the Investor, prior to entering into a transaction, of the general nature and source of the conflict of interest as well as the procedure applied to avoid the conflict of interest. In this case, the AIFM notifies the Investors on a durable medium and substantiate the decision made.

AIFM acknowledges that certain situations involve conflicts of interest by default due to the transaction counterparty. This is the case when the counterparty is a Group entity or is otherwise directly or indirectly linked with the AIFM. Since in these situations conflicts of interest cannot be completely avoided or prevented, they need to be treated independently to ensure that the interests of the AIFM, Fund or the Investors are not damaged. Therefore, the Compliance Function or, if the advisory board of the Fund is established, the advisory board must be consulted and proceeding with the transaction is subject to either the Compliance Function's or the advisory board's approval. The Compliance Function or the advisory board, within its competence, will base its decision solely on the best interests of the AIFM, the Fund and the Investors and grant its approval only if the services are provided or products bought on customary market conditions.

### 32.3. Inducements

CDR Art. 24	Requirements on inducements.
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The AIFM is allowed to pay or receive remuneration or commission on orders, as well as provide or receive gifts and benefits, if it meets one of the following criteria:

- (a) the fee, commission or non-monetary benefit is paid or provided to or by the Fund or a person on behalf of the Fund;
- (b) the fee, commission or non-monetary benefit is paid or provided by a third party or a person acting on behalf of a third party where:
- (c) the Investors in the Funds are clearly informed of the existence, nature and amount of the fee, commission or benefit or, where that amount cannot be ascertained, the method of calculating that amount. This information is provided in a complete, accurate and understandable way before the service is provided; and
- (d) it is intended to enhance the quality of the service provided and does not impair the AIFM's ability to act in the best interest of the Funds or the Funds' Investors;
- (e) it is a proper fee which enables or is necessary to provide the relevant services to the Funds, such as regulatory fees, legal fees, custody costs, foreign exchange commissions and settlement and exchange fees, and which does not conflict with the AIFM's duties to act honestly, fairly and in the best interests of the Fund or its Investors;
- (f) it is otherwise allowed under the **Conflict of Interest Policy** attached as Appendix 6.

Disclosure under point (b)(i) in the summary form is deemed satisfactory where the AIFM commits to disclosing further details at the request of Investors in the AIF and it fulfils that commitment when requested.

#### **32.4. Anti-Corruption Policy**

The AIFM maintains a zero-tolerance stance on corruption and bribery, committed to preventing and detecting such practices within the organization. All employees, officers, directors, and agents are strictly prohibited from offering, giving, or accepting bribes. Any violations can damage the company's reputation, incur financial losses, and result in legal consequences. This Policy applies to all Employees and third parties acting on behalf of the AIFM.

For comprehensive guidelines, refer to ***Anti-Corruption Policy*** (Appendix 3 hereto) and ***Gifts and Entertainment Policy*** (Appendix 5 hereto), which provide further details on identifying and managing potential corruption risks.

#### **32.5. Gifts and Entertainment Policy**

Employees of the AIFM are required to adhere to the Gifts and Entertainment Policy that ensures business integrity by regulating gift and entertainment practices to avoid conflicts of interest and maintain trust.

For detailed guidance, refer to the ***Gifts and Entertainment Policy*** (enclosed as Appendix 5).