

North-East Family Office
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north-east.group

North-East strives to make a difference through fruitful partnerships. We bring together entrepreneurship and social responsibility to create value for people, business, and the whole world.

CONFLICT OF INTEREST POLICY

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1. Introduction

- 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 conflicts of interest policy (the “**Policy**”) and have herein set out guidelines for the identification, documentation, escalation and management of the Company's potential conflicts of interest.
- 1.2 The purpose of the Policy is to identify potential conflicts of interest and prevent them from being exploited by the Company or its employees to the detriment of the Company's clients.
- 1.3 The Policy should be read together with the written procedures for remuneration (in Danish: *forretningsgang for aflønning*).
- 1.4 The Company provides discretionary portfolio management services (in Danish: *skønsmæssig porteføljepleje*) to its clients.
- 1.5 The Company is not authorized to “deal on own account” (in Danish: *handel for egen regning*). Due to this, and based on the Company's earnings and fee structure, the risk of conflicts of interest arising between the Company's clients and the Company itself is assessed to be low.
- 1.6 The Company is directly owned by North-East Family Office Holding ApS which is the holding company of the North-East Family Office group (the “**NEFO Group**”). The Company currently has 11 onboarded clients/families of which three of these are also the ultimate owners of the NEFO Group. Consequently, three of the clients of the Company also ultimately own the Company.

2. Definition of conflict of interest

- 2.1 A “conflict of interest” may arise if the Company, the Company's ultimate owners, members of the BoD, the Company's Executive Board (in Danish: *direktionen*), the Company's other employees, or persons directly or indirectly associated with the Company through a controlling relationship (all referred to as

the "Group of Persons") can achieve a financial gain or avoid a financial loss at the expense of a client.

3. Identification of potential conflicts of interest

3.1 The Company has identified the following potential conflicts of interest, which may, but will not necessarily, adversely affect the interests of the Company's clients:

- a) Situations where a member of the Group of Persons will be able to obtain a financial gain or avoid a financial loss at the expense of the Company's clients.
- b) Situations where a member of the Group of Persons has an interest in allocating time to group companies, venture and/or private equity funds or third party companies in which a member of the Group of Persons has an ownership share or otherwise has an economic interest, when the allocation of time occurs at the expense of the Company's clients.
- c) Situations where a member of the Group of Persons has a financial or other interest in the collaboration between the Company and (i) the Company's affiliated company or (ii) a third party , e.g. if the member of the Group of Persons is a member of the executive board or the board of directors of (or, in another way, is employed with) the affiliate/third party in question.
- d) Situations where a member of the Group of Persons has an economic interest in leveraging a client's portfolio to thereby increase the assets of the Company under management.
- e) Situations where trades are, or are sought to be, carried out through banks that accept brokerage sharing (in Danish: *kurtagedeling*).
- f) Situations where a member of the Group of Persons has an interest in the outcome of a service provided to the client or a transaction carried out on behalf of the client, which is different from that of the client.
- g) Situations where a member of the Group of Persons has a financial or other incentive to favor the interest of one client or group of clients over the interests of another client or group of clients.
- h) Situations where a member of the Group of Persons conducts the same business as a client.



- i) Situations where a member of the Group of Persons receives or will receive from a person other than the Company's clients a monetary or non-monetary benefit or service in relation to a service provided to the client that is likely to impair the ability to act in the best interest of the client. Consideration should be given to the nature and scale of the benefit.

4. Prevention and management of conflicts of interest

4.1 The Company has adopted the following measures for the purpose of preventing conflicts of interest:

- a) Sales and bonus targets for the Company's employees do not depend on (i) which financial products the Company's clients choose or (ii) assets under management.
- b) The Company's employees have a duty of secrecy. Confidential knowledge is shared only to the extent necessary for the performance of the employee's function.
- c) The Company's employees are obligated to act in accordance with the Company's policies and procedures, including the rules on investor protection.
- d) The Company's employees receive instruction in handling conflicts of interest.
- e) The BoD monitors internal reporting and the effectiveness of the Company's business procedures in terms of managing and avoiding conflicts of interest.

4.2 The BoD has set out the following guidelines for avoiding the potential conflicts of interest listed in section 3.1 in **Schedule 1**.

5. Records

5.1 The Company's Risk Manager maintains records of the types of investment services, ancillary services or investment activities when a conflict of interest has arisen or is likely to arise that can result in significant risk of damaging one or more clients' interests. See **Schedule 1**.

5.2 In addition, the Company's Risk Manager maintains records on how specific conflicts of interest have been managed and who approved the performance of the service in question, despite the conflict of interests. See **Schedule 2**.



5.3 Both records mentioned in 5.1 and 5.2 are kept in such a way that it can always be accessed by the Executive Board of the Company.

6. Reporting

6.1 All potential conflicts of interest must be communicated to the Executive Board of the Company who will then assess whether the potential conflict of interests is real.

6.2 The Executive Board of the Company is only obligated to notify the affected clients of a potential conflict of interests if the actual organizational and administrative arrangements within the Company cannot prevent a conflict of interests.

7. Reporting to the BoD

7.1 Unless the reporting of a conflict of interest is clearly unsupported, the Executive Board of the Company must ensure that the BoD is informed of the matter with a description of:

- a) The identified conflict of interest.
- b) The circumstances leading to the conflict of interest.
- c) The time of the first report on the conflict of interest.
- d) Which employee has reported the conflict of interest to the Executive Board of the Company.

7.2 The reporting obligation set out in section 7.1 applies to conflicts of interest identified by the Executive Board of the Company itself.

7.3 The BoD must deal with all reported conflicts of interest at the next meeting of the BoD. If the BoD agrees that a true conflict of interests has been identified or that there is real risk that a conflict of interest may arise, the BoD must ensure that the matter is communicated without undue delay to the affected clients together with a suggestion for resolving the conflict of interest. To this end, the BoD may request that the Executive Board prepares a memorandum containing suggestions for possible solutions.

8. Publication

8.1 The Policy is published on the Company's website.

9. Monitoring



- 9.1 It is the duty of the BoD to control, at least once a year, whether the Policy is complied with. Furthermore, if monitoring is delegated, the BoD must ensure that the result of the control is reported to the BoD.
- 9.2 The BoD has decided that the control mentioned in point 9.1 must be carried out by the Company's compliance officer to ensure independence of the Executive Board.
- 9.3 If the Company's 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.

10. Updating

- 10.1 The Policy must be reviewed when deemed necessary by the Board, but at least once a year.

11. 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 § 9 Commission delegated regulation (EU) 2017/565 of 25. April 2016 art. 34	21. December 2017.	A number of changes and clarifications 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 conflicts of interest 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 conflict of interest 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.

Schedule 1 – List of potential conflicts of interest

Potential conflict of interests	How the potential conflict of interest is managed?
<p>A member of the Group of Persons will be able to obtain a financial gain or avoid a financial loss at the expense of the Company's clients.</p>	<p>Agreements for the provision of discretionary portfolio management services with the Company's clients are entered into on market (arm's length) terms.</p> <p>The Company is aware that three clients are owners of the Company (and thereby members of the Group of Persons) and does not allow these clients to obtain better terms as a result thereof. All clients are treated equally.</p> <p>Moreover, the Company has adopted policies for the operation of privately owned business, other offices and personal transactions (in Danish: <i>politik for drift af selvstændig erhvervsvirksomhed, påtagelse af andre hvern og personlige transaktioner</i>) and avoidance of speculative transactions (in Danish: <i>politik for håndtering af spekulationsforbudet</i>). Under these policies, the Executive Board and other employees of the Company will have to obtain the Board of Directors' prior approval before engaging in the operation of privately owned businesses or assuming positions and/or taking on other offices in third party companies. When considering whether to provide its approval, the Board of Directors will assess</p>



	<p>whether such activities will result in a conflict of interests. The policies also require members of the Executive Board to obtain the prior written approval of the Board of Directors in certain other circumstances where there is a risk of a conflict of interests.</p>
<p>A member of the Group of Persons has an interest in allocating time to group companies, venture and/or private equity funds or third party companies in which a member of the Group of Persons has an ownership share or otherwise has an economic interest, when the allocation of time occurs at the expense of the Company's clients.</p>	<p>The Company has adopted policies for 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 avoidance of speculative transactions (in Danish: <i>politik for håndtering af spekulationsforbudet</i>). Under these policies, the Executive Board and other employees of the Company will have to obtain the Board of Directors' prior approval before engaging in the operation of privately owned businesses or assuming positions and/or taking on other offices in third party companies. When considering whether to provide its approval, the Board of Directors will assess whether such activities will result in a conflict of interests. The policies also require members of the Executive Board to obtain the prior written approval of the Board of Directors in certain other circumstances where there is a risk of a conflict of interests.</p>
<p>A member of the Group of Persons has a financial or other interest in the collaboration between the Company and (i) the Company's affiliated company or (ii) a third party , e.g. if the member of the Group of Persons is a member of the executive board or the board of directors of (or, in another way, is</p>	<p>The Company has adopted policies for 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</i></p>



<p>employed with) the affiliate/third party in question.</p>	<p><i>personlige transaktioner</i>) and avoidance of speculative transactions (in Danish: <i>politik for håndtering af spekulationsforbudet</i>). Under these policies, the Executive Board and other employees of the Company will have to obtain the Board of Directors' prior approval before engaging in the operation of privately owned businesses or assuming positions and/or taking on other offices in third party companies. When considering whether to provide its approval, the Board of Directors will assess whether such activities will result in a conflict of interests. The policies also require members of the Executive Board to obtain the prior written approval of the Board of Directors in certain other circumstances where there is a risk of a conflict of interests.</p> <p>Moreover, 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 NEFO Group, including possible alternative partners.</p>
<p>A member of the Group of Persons has an economic interest in leveraging a client's portfolio to thereby increase the assets of the Company under management.</p>	<p>The Company's employees (including the Executive Board) do not receive variable remuneration based on (i) assets under management or (ii) which financial products the Company's clients choose.</p>
<p>Trades are, or are sought to be, carried out through banks that accept brokerage sharing (in Danish: <i>kurtagedeling</i>).</p>	<p>The Company does not accept brokerage sharing (in Danish: <i>kurtagedeling</i>).</p>
<p>A member of the Group of Persons has an interest in the outcome of a service provided to the client or a transaction carried out on</p>	<p>The Company has adopted policies for the operation of privately owned business, other offices and personal</p>

<p>behalf of the client, which is different from that of the client.</p>	<p>transactions (in Danish: <i>politik for drift af selvstændig erhvervsvirksomhed, påtagelse af andre hverv og personlige transaktioner</i>) and avoidance of speculative transactions (in Danish: <i>politik for håndtering af spekulationsforbudet</i>). Under these policies, the Executive Board and other employees of the Company will have to obtain the Board of Directors' prior approval before engaging in the operation of privately owned businesses or assuming positions and/or taking on other offices in third party companies. When considering whether to provide its approval, the Board of Directors will assess whether such activities will result in a conflict of interests. The policies also require members of the Executive Board to obtain the prior written approval of the Board of Directors in certain other circumstances where there is a risk of a conflict of interests.</p> <p>Moreover, the Company's employees (including the Executive Board) do not receive variable remuneration based on (i) assets under management or (ii) which financial products the Company's clients choose.</p>
<p>A member of the Group of Persons has a financial or other incentive to favor the interest of one client or group of clients over the interests of another client or group of clients.</p>	<p>The Company has adopted policies for 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 avoidance of speculative transactions (in Danish: <i>politik for håndtering af spekulationsforbudet</i>). Under these policies, the Executive Board and other employees of the Company will have to obtain the Board of Directors' prior</p>



	<p>approval before engaging in the operation of privately owned businesses or assuming positions and/or taking on other offices in third party companies. When considering whether to provide its approval, the Board of Directors will assess whether such activities will result in a conflict of interests. The policies also require members of the Executive Board to obtain the prior written approval of the Board of Directors in certain other circumstances where there is a risk of a conflict of interests.</p> <p>Moreover, the Company's employees do not receive variable remuneration based on (i) assets under management or (ii) which financial products the Company's clients choose.</p> <p>The Company's contracts with group/affiliated companies are always entered into on market (arm's length) terms.</p> <p>The Company is aware that three clients are owners of the Company (and thereby members of the Group of Persons) and does not allow these clients to obtain better terms as a result thereof. All clients are treated equally.</p>
<p>Situations where the Company, or companies in the NEFO-group conduct(s) the same business as a client.</p>	<p>The Company or companies in the NEFO Group do not operate in competition with the Company's clients. If the Company or companies in the NEFO Group become involved in the same industry as the Company's clients, and thus a competitive situation arises, the Company must inform the clients accordingly.</p>
<p>A member of the Group of Persons receives or will receive from a person other than the</p>	<p>The Company has adopted a policy for regarding third-party payments</p>



<p>clients a monetary or non-monetary benefit or service in relation to a service provided to the client that is likely to impair the ability to act in the best interest of the client. Consideration should be given to the nature and scale of the benefit.</p>	<p>and avoidance of brokerage-sharing (in Danish: <i>politik for tredjeparts-betalinger</i>).</p> <p>The Company cannot receive third-party payments that exceed the service provided to the client.</p>
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