

POLICY ON PREVENTIVE MEASURES AGAINST CONFLICTS OF INTEREST

1. General / scope

- 1.1. This policy is established on the basis of Act no. 115/2021 on Markets in Financial Instruments and regulations deriving from it cf. in particular the provisions of Commission Delegated Regulation (EU) 2017/565 and Regulation no. 976/2021 on the protection of financial instruments and customer funds, product development obligations and on the issuance and receipt of fees, commissions or any kind of benefits. The rules are also based on the guidelines of the European Banking Authority ("EBA") regarding internal governance, as they are at any given time. The rules are considered to be the policy of Acro securities hf. (the "Company") on measures against conflicts of interest within the meaning of Article 34 of Regulation (EU) 2017/565 and the aforementioned guidelines.
- 1.2. The goal of this policy is to take appropriate measures to prevent conflicts of interests from damaging the interests of clients of ACRO Securities hf. (hereinafter "the Company") by identifying and responding to such conflicts of interest.
- 1.3. Conflicts of interest that can damage the interests of the Company's customers can arise between:
 - 1.3.1. The Company, on one hand, including employees, tied agents or parties subject to the Company's authority and the Company's customers, on the other hand, and
 - 1.3.2. the Company's internal customers.
- 1.4. This policy applies to the securities services that the Company provides to its clients.
- 1.5. Under this policy, the Company's employees include the following parties:
 - 1.5.1. board members, co-owners or comparable parties, the Company's directors or tied agents,
 - 1.5.2. a board member, co-owner or comparable party, or executive of a tied agent,
 - 1.5.3. an employee of the Company or its exclusive agent, or any individual working under the direction of the Company or its tied agents that participates in providing services for the Company in the field of securities trading,
 - 1.5.4. Individuals directly providing the Company or its tied agent services, based on an agreement on outsourcing services in the field of securities trading.

2. Identifying conflicts of interest

- 2.1. Each time the Company provides securities services, there shall be an evaluation of whether the Company, its employee or a party directly or indirectly related to the Company through authority:
 - 2.1.1. Is likely to benefit financially or avoid financial loss at the cost of the client,
 - 2.1.2. Has interests at stake in the outcome of the services provided to the client as well as whether the interests are segregated from the client's interests regarding the outcome,

- 2.1.3. Has a financial or other kind of incentive to put the interests of another client or group of clients before the interests of the client in question
- 2.1.4. Engages in the same kind of operations as the client, or
- 2.1.5. Accepts or will accept remuneration related to the services provided to the client in the form of money, products or services, other than customary commissions or remuneration for the services from parties other than the client.

3. Potential conflicts of interest

- 3.1. In light of the Company's services, one can expect possible conflicts of interest between the Company, on one hand, and its clients, on the other, and the Company's internal customers as follows:
 - 3.1.1. Two or more clients request the purchase of securities in limited supply, or
 - 3.1.2. The Company or its employees receive a gift or remuneration exceeding the norm (for example, non-financial value) that could influence a relevant person's behaviour, contravening the interests of the Company's clients.

4. Measures to prevent conflicts of interest

- 4.1. To prevent conflicts of interest in the Company's operations, the Company has instigated the following measures and arrangements:
 - 4.1.1. The Company does not engage in proprietary trading through a trading book.
 - 4.1.2. There are restrictions on proprietary trading by the Company's employees.
 - 4.1.3. Relevant areas of work have been segregated. Examples of this include brokerage, investment consultancy/asset management and back-office work being segregated in management, performance, spaces, IT systems, document custody, and with rules on communications between divisions/departments.
 - 4.1.4. Rules require employees of particular work units not to work in other segregated fields, except with the approval of the Compliance Officer, who keeps a record of these instances.
 - 4.1.5. Internal regulations govern, among other things, the securities trading of the Company, employees, board members, and owners of qualifying holdings, the membership of the CEO and employees of boards outside the Company, and security and communications rules of employees.
 - 4.1.6. The Company publishes information on a group of employees that are shareholders in the Company and receive dividends from its operations.
 - 4.1.7. The Company keeps information on file facilitating the identification and handling of conflicts of interest in a secure environment.
 - 4.1.8. The Company regularly reviews this policy as well as the Company's internal work processes.

5. Segregation of fields of work and handling of confidential information

- 5.1. To reduce the likelihood of conflicts of interest, the Company endeavours to limit access to confidential information to the parties that, in the Company management's view, have a real need for such information in the execution of their duties. A key aspect of the Company's measures to prevent conflicts of interest is the segregation of fields of work as

prescribed in the Company's code of practice on investor protection and business practices. The purpose of the segregation is to prevent the inappropriate unrestricted flow of information between the Company's different departments. This promotes the ability of the Company's employees to see to daily tasks for the Company's clients without being influenced by other information that may exist within the Company that could result in conflicts of interest.

- 5.2. If there is an unusual reason, due to individual projects or unexpected information, the Company can set up special segregation or make comparable arrangements.

6. Additional arrangements

- 6.1. In dealing with a specific risk of conflicts of interest, the party involved can make additional arrangements if conventional measures are insufficient to prevent conflicts of interest that could damage clients' interests.

It is always the CEO who makes a special decision to employ such measures. These additional arrangements can entail the following measures:

- 6.1.1. After special evaluation of the particular case, the Company can set up special segregation or employ other measures to restrict information flow,
- 6.1.2. The Company can increase requirements for the Company's directors on measures and risk evaluation regarding possible conflicts of interest.
- 6.1.3. The Company can decide to employ special monitoring of employees seeing to projects for clients whose interests can conflict, or otherwise act on behalf of other interests that can conflict with clients' interests, including the Company's interests.
- 6.1.4. The Company can decide to employ special arrangements to restrict or manage situations where the Company's operations simultaneously or immediately afterwards play a role in different projects.
- 6.1.5. The Company can refuse to execute specific trades if the Company deems it impossible to prevent conflicts of interest. Before making such a decision, the Company shall inform the client concerned of the conflicts of interest involved, so that it can make an informed decision on the continuation of trading.

7. Providing information on conflicts of interest

- 7.1. If measures in accordance with the above do not provide certainty that clients' interests are sufficiently protected, the following measures shall be taken before initiating or executing trading:
 - 7.1.1. Inform the customer of the nature and reasons for possible conflicts of interest.
 - 7.1.2. The information provided shall be sufficiently detailed, given the nature of the trading, so that a client can take a position on the trading that may involve a conflict of interest.
 - 7.1.3. The disclosures shall be in a durable medium and the Compliance Officer notified.
- 7.2. The Compliance Officer shall record and store in digital form information on the instances where conflicts of interest have arisen entailing real risk to the interests of one or more clients that could be damaged, or instances which are still ongoing or could occur. The Company's employees shall notify the Compliance Officer by email when the above instances arise.

7.3. This file shall contain information on which clients were involved, what events occurred, and the kinds of relevant financial instruments and trading entries. The file shall also keep a record of the Company's response.

8. Supervision of the policy on measures against conflicts of interest

8.1. The Compliance Officer monitors the implementation of this policy.

8.2. The Company's employees shall submit issues to the Compliance Officer involving possible conflicts of interest that come up in the Company's daily activities. The Compliance Officer shall report to the CEO or, depending on circumstances, the Company's Board of Directors any risk of potential conflicts of interest he/she becomes aware of in the course of his/her work.

8.3. The Compliance Officer can suspend the execution of a transaction if he/she deems there to be a risk of conflicts of interest. If the transaction has already occurred, and the Compliance Officer considers that a conflict of interest may have damaged a client's interests, he/she shall alert the CEO of this and propose an appropriate response.

8.4. In the Board of Directors' annual report, the Compliance Officer shall discuss the implementation of the policy and, if relevant, employees' working methods.

9. Review and publication

9.1. This policy shall be reviewed, if appropriate. The review shall consider, among other things, the effectiveness of the policy's implementation, both for the Company's operations as a whole and the operations of individual work units.

9.2. The policy shall also undergo review, taking into account changes in the Company's operations and legal environment.

9.3. The Company shall inform clients of changes in its policy by publishing a new policy on its homepage.

9.4. This policy enters into force upon the Board of Directors' approval and shall be published on the Company's home page.

Approved by the Board of Directors of ACRO Securities hf. on 10 August 2021

Reviewed and approved by the Board of Directors of Acro Securities hf. on 6 July 2023

Revised and approved by the Board of Directors of Acro Securities hf. on 26 September 2024.