

Ethical Principles

Dear colleagues,

We who work at Pareto Securities make our living by acting as intermediaries for clients who choose us because they believe we can find good financial solutions for them. They have trust in our commitment to putting their best interests first. If the client no longer has such trust, the client will soon walk away.

Trust and the reputation that accompanies trust take a long time to build, but can be swiftly demolished. The value of Pareto Securities lies in the reputation we have developed together over many years. Each of us shall contribute actively to further enhancing our reputation by maintaining a high ethical standard. To maintain a high ethical standard in our work is also of inherent value for us as people. We shall make money in a sustainable and honest manner, and be proud of our joint achievements.

These principles shall create awareness of such high ethical standard and facilitate compliance therewith. The principles are not intended as ordinary procedural provisions, but as fundamental rules of life to be reflected in everything we do.

Ethical dilemmas can of course not be fully resolved through a set of principles. However, if you cannot find the answer to an issue in this document, the «daylight test» will in most cases provide clarification: Everything we do shall withstand **scrutiny**. If you are considering a course of action that would not stand up to critical internal or external examination, you shall refrain from such course of action.

History shows that intermediaries can be tempted to modify, distort or hide the truth in order to bring about a transaction. There is no room for such conduct at Pareto Securities. We shall **seek the truth** in everything we do.

All of us can make misjudgements. There is scope for forgiveness for most missteps, as long as one acknowledges them, contributes actively to shedding light on what has happened and strives to prevent similar mistakes from being made in future. However, there is no room at Pareto Securities for anyone seeking to conceal mistakes made by themselves or others.

The principles set out below are of personal importance to me. We have a responsibility for complying with these, not only to our clients, but also to each other – and I will be genuinely saddened if anyone fails to take this responsibility seriously.

I ask everyone to thoroughly acquaint themselves with the principles. My door is always open for discussion if you have any questions of an ethical nature.



Ole Henrik Bjørge

Chief Executive Officer

1 INTRODUCTION

- 1.2 The securities legislation and other relevant legislation in the countries in which we operate define a minimum standard for the conduct of Pareto Securities personnel. Such legislation has been made operational through internal regulations and procedures for Pareto Securities and supplementary guidelines. However, it does not always suffice to comply with the letter of the law and our internal regulations and procedures. Pareto Securities shall contribute to upholding market integrity by refining good business practice standards. This requires each employee to take an active approach to ethical dilemmas in his or her work situation.
- 1.3 Ethical principles cannot exhaustively regulate the ethical dilemmas one is faced with in the work situation. Our business is in continual change and we are exposed to many ethical challenges, small and large. We shall loyally adhere to the intention behind the principles whenever these do not directly prescribe how one is expected to conduct oneself. This requires levelheadedness and sound judgement. A key test is whether the action would withstand public scrutiny. If you are worried that colleagues, clients, the press, government authorities or other stakeholders may discover what you are up to, there is every reason to believe that what you are contemplating is not in conformity with these principles. All activities at Pareto Securities shall stand up to critical internal and/or external examination.
- 1.4 In your are in doubt as to what is the appropriate conduct, you shall discuss the matter with colleagues, your supervisors or Compliance.
- 1.5 The principles apply to employees and officers of Pareto Securities AS and its subsidiaries in Norway and abroad.
- 1.6 The principles have been adopted by the Board of Directors. The Board of Directors shall review the principles and assess the need for any revisions at least every third year.

2 WE PUT THE CLIENT FIRST

- 2.1 We shall offer our clients sound financial solutions and investment opportunities. The interests of the client shall be placed before our own interests in all contexts, and the clients shall never have cause to doubt that such is the case.
- 2.2 There may be conflicting interests between our clients; between those who want to sell at a high price and those who want to buy at a low price, etc. The role of the intermediary is to find the market equilibrium, which will be achieved if we facilitate informed decisions by the parties.

3 WE SEEK THE TRUTH AND COMMUNICATE APPROPRIATELY

- 3.1 We shall in all our work actively seek the truth and never attempt to modify, distort or hide relevant facts or the truth. There is no room for lies at Pareto Securities.
- 3.2 Information provided to clients shall be correct, clear and not misleading, thus enabling them to make informed decisions.

3.3 Information for the press, government authorities or others shall, to the best of our knowledge, be correct, thus providing these with an appropriate understanding of our activities.

4 WE ACT INDEPENDENTLY

4.1 Pareto Securities shall act independently of other companies and our clients.

4.2 We shall actively avoid situations in which our independence may be questioned.

5 WE ACT WITH HUMILITY AND DECENCY

5.1 Humility, respect and politeness shall characterise all of our relations.

5.2 We play fair with competitors. Clients and assignments shall be won by offering superior products, not by talking down competitors or using inappropriate business methods.

5.3 Bullying, harassment or discrimination of colleagues or others is never acceptable.

5.4 Communications channels made available by Pareto Securities, such as landline telephones, mobile telephones, Bloomberg and e-mail, shall never be used to pass on messages with pornographic or racist content, or content that is otherwise unlawful or offensive.

5.5 We may be identified with Pareto Securities outside the work situation as well, and we shall act accordingly. Unacceptable conduct outside working hours, such as the use of illicit drugs, illegal gambling or the procurement of sexual services, represent a violation of these principles.

5.6 We shall keep our private finances in order and settle our debts in a timely manner. Unpaid bills may cloud one's judgement and give rise to undesirable conduct. All personnel are encouraged to contact their immediate supervisor in the event of payment problems.

6 WE DO NOT ACCEPT INAPPROPRIATE BENEFITS

6.1 We shall never accept gifts or other benefits that are intended – or may be perceived to be intended – to influence the performance of our work.

6.2 We shall never use our Pareto Securities affiliation to achieve inappropriate private benefits,¹ or for our own gain. Use of one's Pareto title externally shall only take place where it is of relevance to one's own work.

6.3 We shall not give any gifts, grant any benefits, or provide any services of such nature or scope that these may give rise to inappropriate dependence between Pareto Securities and its client.

6.4 We shall not make facilitation payments and shall in no way be involved in corruption.²

¹ Such as, for example, access to private events, tables for private restaurant visits, etc.

² See «Anti-Bribery & Corruption Policy for Pareto Securities», which is available on the intranet, for further details.

7 WE MAINTAIN CLIENT CONFIDENTIALITY

- 7.1 Employees get access to confidential information on a regular basis. Our position of trust in relation to clients and government bodies depends on such information never being misused and never being disclosed to unauthorised parties.
- 7.2 Confidential information shall only be used for the purpose for which it is gathered. A need-to-know principle applies internally within Pareto Securities.
- 7.3 We shall work actively to prevent confidential information from being disclosed to unauthorised parties.
- 7.4 No client information searches in internal registers or databases shall be made for any other purpose than the performance of work duties.
- 7.5 Confidential client information may, depending on the circumstances, represent inside information within the meaning of the Securities Trading Act. Such information is subject to particularly strict disclosure restrictions, etc. We shall actively assess whether any information represents inside information and take any appropriate measures to prevent the disclosure and/or misuse thereof.

8 WE GIVE NOTICE OF INAPPROPRIATE CONDUCT

- 8.1 We give notice of inappropriate conduct at Pareto Securities, in accordance with designated whistleblowing procedures and regulations.
- 8.2 Pareto Securities is required to report suspicious transactions to the authorities. Employees shall report potentially suspicious transactions internally.
- 8.2 Notification shall have no negative consequences for whistleblowers. Failure to give notice may, on the other hand, have consequences, cf. Principle 10.

9 RESPONSIBILITY FOR COMPLIANCE

- 9.1 Each employee has independent responsibility for compliance with these principles.
- 9.2 Heads of department shall be responsible for compliance with these principles in their department, and shall embody such principles in their own conduct.
- 9.3 Compliance with the principles shall be promoted by Compliance through training and other awareness enhancement measures.

10 WE ARE AWARE OF THE CONSEQUENCES OF VIOLATING THE ETHICAL PRINCIPLES

- 10.1 Violation of the ethical principles may have consequences for the employee in question. Relevant consequences may be written warnings, reduced variable remuneration, reassignment to a different position, termination of employment, referral to the Disciplinary Committee of the Norwegian Securities Dealers Association (or corresponding bodies in other jurisdictions) and/or reporting to the police.

10.2 Each employee is required to keep updated, on an ongoing basis, about the development of external rules and regulations within his or her area of work, as well as any amendments to internal regulations and procedures, in order to ensure compliance with relevant internal and external rules.

These principles have been read and understood.

Signature

Name

Date