

Instruction on Shareholder Engagement

Internal rules and regulations laid down pursuant to:

- Section 4-7 of the AIFM Act
- Section 8-1 a of the Securities Funds Act (the **SFA**)
- Section 8-8 of the SFA
- Section 9-16a of the Securities Trading Act (the **STA**)
- Section 10-10a of the Securities Trading Act
- Section 9-6a of the Securities Trading Regulation
- Section 10-1 of the Securities Trading Regulation

Responsible: Chief Executive Officer

1. General and scope

This instruction is adopted on the basis of Norwegian rules transposing the second Shareholder Rights Directive (**SRD 2**). SRD 2 imposes transparency and disclosure obligations on institutional investors and asset managers.

By virtue of its authorisation from the FSAN, the Company is considered an asset manager for the purpose of SRD 2.

This policy applies to the Company to the extent it provides discretionary portfolio management services with respect to shares admitted to trading on a regulated market that is registered in or operating in the EEA.

The Company provides discretionary portfolio management services with respect to shares admitted to trading on a regulated market that is registered in or operating in the EEA. As such, the Company is required to disclose its shareholder engagement policy and information on how the Company:

- (a) Integrates shareholder engagement in its investment strategies;
- (b) Monitors its portfolio holdings on relevant matters;
- (c) Conducts dialogues with its portfolio companies;
- (d) Exercises voting rights and other shareholder rights;
- (e) Communicates with other shareholders and stakeholders; and
- (f) Manages conflicts of interest in relation to its portfolio holdings.

Further, the Company shall on an annual basis disclose how the above policy elements have been implemented, including by disclosing its voting behaviour, what it deems the most important votes and the use of proxy advisors.

The Company is also required to disclose certain data to life insurers and pension funds and intends to do so through periodic reports.

2. Shareholder engagement

2.1 Integration of shareholder engagement in our investment strategies

The Company manages two investment strategies in the Healthcare sector across three accounts - a market neutral strategy and a long only strategy. The two strategies are managed by the same investment team. Both strategies hold diversified portfolios which rarely, if ever, in total exceed 1% of the voting securities of a portfolio holding. The Company is therefore a relatively small shareholder and stakeholder in its portfolio holdings. Accordingly, the Company's integration of shareholder engagement in its investment strategies is primarily in the form of voting at shareholder meetings. All team members are responsible for engaging as a shareholder in the Company's portfolio holdings, including through providing input on how the Company should exercise its voting rights.

2.2 Monitoring of our portfolio holdings on relevant matters

The Company monitors all portfolio holdings as part of its on-going investment process. This includes review of periodic financial reports, review of published third party research as well as independent primary research carried out by the Company.

2.3 Dialogues with our portfolio holdings

The Company, as a relatively minor stakeholder in its portfolio holdings, seldom engage in any meaningful dialogue with its portfolio holdings outside of voting at general meetings.

2.4 The exercise of voting rights and other shareholder rights

The Company exercises voting rights for all securities managed on a discretionary basis on behalf of its clients. The same applies to decisions related to other shareholder rights and corporate actions, including equity issues, mergers/demergers, etc.

Further details on the Company's approach to exercising voting rights is set out in the Company's policies on the exercise of voting rights.

2.5 Communication with other shareholders and stakeholders

The Company generally does not communicate with other shareholders and/or stakeholders in its portfolio holdings.

2.6 Managing conflicts of interest in relation to our portfolio holdings

The Company shall ensure that any conflicts of interest are appropriately managed and to prevent, to the extent possible, potential conflicts of interest from arising, by providing the organisational and administrative procedures to identify and prevent or manage actual and potential conflicts of interests in the ordinary course of business of the Company.

Such conflicts may arise between the Company and its funds under management, clients, shareholders, board members, employees, suppliers, delegates and business partners, between different functions within the Company (including managers, employees and tied agents, or any person directly or indirectly linked to them by control) and also between the Company's customers.

The Company identifies and manages such conflicts of interest in accordance with its “*Instruction on Managing Conflicts of Interest*”.