

CORPORATE SOCIAL RESPONSIBILITY POLICY

IS Funds' Corporate Social Responsibility (CSR) policy is founded on our role, values and priorities. It lays solid foundations for social responsibility towards the environment and community and is designed to help us contribute to creating a healthy financial market.

We work on our responsibility with integrity, guided by the principle of long-term thinking. Responsible decision-making is important to us, and compliance with regulations, professional working procedures, efficient risk management and sound corporate governance are key factors in our activities.

IS Funds places an emphasis on showing responsibility in its choice of investment options and asset management. It is important to us to act professionally and create value for our customers. We strive to work with responsibility towards the environment and community in a positive manner and believe that sound corporate governance is an important element to show responsible management. We apply recognised corporate governance criteria both in our own operations and in our exercise of voting rights in the companies in which our funds invest. We are also constantly seeking ways of encouraging them to adopt similar criteria in their own operations.

We strive to be a responsible company with a healthy working environment and want to be competitive by attracting the best people. We enable our personnel to use their knowledge in a professional manner and to further enhance it by, among other things, giving them opportunities to develop in their work, follow training and further their education. We endeavour to enable our staff to create an equilibrium between work and their private lives and we participate in projects that support their welfare and health.

We also acknowledge that there are multiple advantages in showing social responsibility towards the environment and community and believe that it lays solid foundations for the financial performance of the community.

Approved by the Board of Directors of IS Funds (Íslandssjóðir hf.)

27 February 2017