

DATE PROTECTION NOTICE OF STEFNIR HF.

1. INTRODUCTION

Stefnir hf. (hereafter “**Stefnir**” or “**the Company**”) cares about data protection. The protection of individuals’ data is important to the Company and there is special emphasis on ensuring that personal data is processed legally, fairly and transparently.

This Data Protection Notice contains explanations of which personal data the Company collects on *customers*, when and why, on what grounds and how long this data is expected to be kept, where the data might be shared and how the security of the data is safeguarded. The same applies to the processing by the Company of personal data on *contacts of customers who are legal entities, job applicants and other individuals* who may visit or contact the Company for other purposes. The Data Protection Notice also contains information on the rights of individuals with respect to the processing of data by the Company.

This Data Protection Notice applies to all processing undertaken by Stefnir as a controller as defined by the Data Protection and Processing of Personal Data Act No. 90/2018 and Regulation (EU) 2016/679 (“**Data Protection Legislation**”). The Company outsources part of its services to Arion Bank and in such cases acts as a joint controller with Arion Bank. For more details see Section 3 of this Notice.

Any queries concerning the Company’s processing of personal data or this Data Protection Notice can be sent to personuverdarfulltrui@stefnir.is.

2. PERSONAL DATA PROCESSED BY STEFNIR

2.1 *Personal data on customers*

The table below gives an overview of the personal data which Stefnir processes on customers, for what purpose it is being processed and on the basis of which authority. If other data than that specified in the table is being processed, or for another purpose, the Company will seek to inform the customer of this.

Processing connected to products and services	
<i>How does the Company process personal data and for what purpose?</i>	<p>Personal data is processed when the customer commences a business relationship with the Company. The Company does this in order to provide the customer with the services they have requested.</p> <p>The Company receives this data directly from the customer, its own systems, third parties, as applicable, or from public data.</p>
<i>What is the legal basis for processing data?</i>	<p>The processing of personal data is necessary for the Company to be able to provide the services requested by the customer and it is therefore necessary in order to fulfil agreements with the customer.</p> <p>The Company is also obliged by law to process certain personal data concerning the customer, e.g. in compliance with the Anti-Money Laundering and Terrorist Financing Act, the Markets in Financial Instruments Act, the UCITS Act and the Alternative Investment Funds Act.</p>
<i>What personal data does the Company process?</i>	<p>The Company processes different types of personal data depending on the type of products and services. The personal data processed can be categorized as follows:</p> <ul style="list-style-type: none"> • Identification information, i.e. name, ID number, customer number, electronic ID and copy of personal identification documents. • Contact information, i.e. address, phone number and e-mail address.

	<ul style="list-style-type: none"> Financial information concerning the product or service requested by the customer or which the customer has obtained from the Company, e.g. information on business history, solvency, turnover, account balance etc.
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Communications	
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<i>How does the Company process personal data and for what purpose?</i>	<p>The Company services its customers through different channels. The Customer processes personal data in order to be able to provide the services requested by customers, answer queries and to provide appropriate information.</p> <p>In order to improve its services the Company might ask customers to participate in service and communications surveys concerning the Company itself and the products and services it provides.</p>
<i>What is the legal basis for processing data?</i>	<p>Processing data is necessary to fulfil agreements.</p> <p>Processing linked to the Company's service and communications surveys is made on the basis of the Company's legitimate interests and the same applies to processing data relating to the use of the Company's digital media.</p>
<i>What personal data is processed by the Company?</i>	<p>The Company processes identification and communications data on the customer, the contents of messages the customer sends to the Company and in some circumstances financial data in connection with the advice requested by the customer at any given time.</p> <p>In connection with the use of digital media, the Company also processes the customer's IP numbers, action logs, log in routes, type of browser, type and operating system of device used by the customer. Such processing is carried out for the purpose of following up on advice and recommendations.</p> <p>In connection with service and communications surveys the Company also processes communications data on the customer and the results of the surveys.</p>

Marketing of products and services	
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<i>How does the Company process personal data and for what purpose?</i>	<p>The Company reserves the right to send the customer marketing material in order to promote the products and services of the Company to the customer.</p> <p>Such marketing material can be sent by post, phone, e-mail, digital media or other channels.</p>
<i>What is the legal basis for processing data?</i>	<p>It is in the Company's legitimate interests to process personal data for the purpose of marketing products and services.</p> <p>The customer is at all times entitled to object to the processing of personal data about themselves for the purpose of marketing, cf. Section 7.3. of this Statement.</p> <p>In cases where the Company wishes to use the customer's personal data and perform a more in-depth analysis of the customer's personal data for the purpose of marketing products and service, the Company may ask for special consent for this processing.</p> <p>If the customer gives the Company consent to process personal data for marketing purposes, the customer is always entitled to withdraw this consent, see section 7.5 of this Notice.</p>
<i>What personal data does the Company process?</i>	<p>The Company uses the customer's contact details to send them marketing material.</p> <p>In connection with the general marketing of products and services, the Company processes identification information on the customer, e.g. age and/or information on family circumstances.</p>

	<p>In order to be able to send the customer personalized marketing material, the Company might also process personal data based on the customer's business history, product use and their dealings with the Company.</p> <p>The Company might also process data on the customer's interests in order to invite them to events which the customer might be interested in and/or to offer them personalized services.</p>
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Product development and managing IT systems

<i>How does the Company process personal data and for what purpose?</i>	<p>In order to develop and improve products and services and analyze the need for new products and services, the Company uses customers' personal data.</p> <p>The Company also processes personal data in certain instances when testing and developing the Company's systems. Development and testing is essential in order to safeguard the quality and security of the Company's systems. The Company tries to make customers' personal data unidentifiable and to process it for the aforementioned purposes.</p>
<i>What is the legal basis for processing data?</i>	Processing is carried out on the grounds of the Company's legitimate interests.
<i>What personal data does the Company process?</i>	The personal data the Company processes in connection with product development and managing IT systems might encompass all the data the Company processes on the customer in connection with providing products and services and the customer's dealings with the Company.

Internal controls and risk management at the Company

<i>How does the Company process personal data and for what purpose?</i>	<p>The Company processes personal data when assessing risk, whether this concerns the Company's internal operations or business decisions concerning the business relationship with the customer.</p> <p>Data is processed when a business relationship is commenced and for its duration.</p>
<i>What is the legal basis for processing data?</i>	The Company has a legal obligation to process data in accordance with the legislation applicable to the Company's operations at any given time. Processing related to the Company's internal controls is carried out on the grounds of legitimate interests.
<i>What personal data does the Company process?</i>	The personal data the Company processes in connection with internal controls and risk management might encompass all the data the Company processes on the customer in connection with providing products and services, the customer's dealings with the Company and processing connected to anti-money laundering measures and terrorist financing.

Anti-money laundering measures and terrorist financing

<i>How does the Company process personal data and for what purpose?</i>	The Company is obliged to know its customers and to perform risk assessments. When commencing a business relationship all customers have to undergo due diligence. In some cases customers have to undergo enhanced due diligence. The Company is obliged to monitor business relationships.
<i>What is the legal basis for processing data?</i>	The Company is obliged under the Anti-Money Laundering and Terrorist Financing Act to process personal data for the purpose of preventing money laundering and terrorist financing. Processing is therefore carried out on the basis of legal obligations.

<p><i>What personal data does the Company process?</i></p>	<p>The personal data processed by the Company in connection with anti-money laundering and terrorist financing measures can be categorized as follows:</p> <ul style="list-style-type: none"> • Identification information • Contact information • Information on family status • Financial information • Information about political connections

2.2. *Personal data of contacts and representatives*

In cases where the Company's customers are legal entities, the Company processes the contact information of the representatives of the legal entities, e.g. the signature authorities and position of the person in question. One of the reasons for doing this is to be in contact with the customer and to ensure that the person in question is authorized to bind the legal entity. The Company also processes data on the owners of the relevant legal entity, board of directors, executive committee, authorized signatories, controllers and, as relevant, other contacts. Furthermore, the Company may process data on the interests of the customers' contacts for marketing purposes, e.g. in connection with invitations to events. In cases where the representative of the legal entity is not a customer of the Company, Stefnir may process personal data for the aforementioned purpose, e.g. when looking at investment opportunities.

This processing is based on the legitimate interests of the Company and in some circumstances legal obligations.

2.3 *Personal data of job applicants*

The Company processes copies of job applications and the data contained therein, such as name, ID number, address, phone number, e-mail address, education, qualifications and work experience. The Company might also process data on job references and information which is in the public domain, e.g. on social media.

If the Company offers an applicant a job, it usually asks for proof of a clean criminal record and information on the applicant's financial status in addition to other information, e.g. which confirm the applicant's education and experience.

Job applications are kept for six months.

Personal data on applicants is processed by the Company on the basis of the applicant's request to enter into an agreement with the Company, and in some circumstances, the Company's legitimate interests.

2.4 *Processing of personal data of minors*

The Company processes personal data on children when this is necessary in order to perform a requested transaction or service, e.g. custody in Stefnir funds. In this instance Arion Bank enters into a special agreement or obtains the consent of the parent/guardian for the processing before a child under 13 is offered the service.

2.5 *Electronic surveillance*

The Company carries out electronic surveillance by recording telephone calls and using CCTV cameras. CCTV surveillance is carried out at Stefnir's offices at Arion Bank's headquarters. Surveillance is carried out to ensure security and to minimize the risk of fraud. The data created by electronic surveillance is kept in accordance with the current laws and regulations.

Processing connected to electronic surveillance is based on legitimate interests and Arion Bank acts as the controller of the processing linked to CCTV surveillance and Arion Bank and the Company are joint controllers of the processing linked to the recording of telephone calls. Further information on data processing linked to electronic surveillance can be found in the Data Protection Notice of Arion Bank.

2.6 *Other processing*

In cases where other people than customers, or contacts and representatives of customers and other partners and regulators, contact the Company, it may be necessary for the Company to process the personal data of the person in question. This applies for example if the Company receives a sponsorship request from a customer and/or any kind of feedback concerning the Company.

3. ROLE OF STEFNIR AND ARION BANK

Stefnir acts as a controller as defined in the Data Protection Legislation with regard to all the processing specified in this Data Protection Notice. In cases where transactions with Stefnir funds and related services are conducted at Arion Bank, the Company acts as a joint controller with the Bank with respect to such transactions. Stefnir and Arion Bank also act as joint controllers in cases where the Bank's asset management and related services are conducted at Stefnir.

In cases where Stefnir enlists the help of Arion Bank in the hiring process, the companies act as joint controllers with respect to the processing of the personal data of the job applicants.

When Stefnir and Arion Bank act as joint controllers the companies are required to share data on customers with each other to the extent that such sharing is necessary so that each party can service the customers in question in transactions with Stefnir funds. The same applies to sharing data on job applicants.

In the event that Stefnir and, where applicable, Arion Bank or other companies in the Group offer customers joint products or services, e.g. in connection with special rewards programmes, it can be assumed that the Stefnir will act as joint controller with the company in question.

Stefnir can also request special consent from the customer to share data with Arion Bank or other parties, e.g. for marketing purposes, in cases where the parties do not act as joint controllers.

4. WHERE IS PERSONAL DATA SHARED?

Stefnir may be required to share personal data on the persons it works with to third parties.

4.1 *Third parties*

Third party refers to independent legal entities, other than Stefnir, or individuals who are not employees of the Company. The sharing by the Company of personal data on persons with third parties is done for various reasons. On the basis of legislation, regulations and court and government rulings and government orders, Stefnir may be obliged to share information, particularly on customers, with third parties or competent authorities. On the basis of clear legal authority, authorities such as the Financial Supervisory Authority, the Central Bank of Iceland, the District Prosecutor, the Directorate of Inland Revenue and the Police can request from Stefnir information on customers and others. Stefnir is obliged to agree to such requests and, in some circumstances, provide the authorities with access to Stefnir's places of work and IT networks for this purpose.

Some of the Company's service providers act as independent controllers, e.g. lawyers and accountants. In cases where it is necessary to share an individual's personal data with such parties in connection with a provided service, including in connection with protecting interests and pursuing court cases, this represents the sharing of personal data to a third party. Such sharing is principally done on the basis of the Company's legitimate interests and is, as applicable, necessary in order to establish, exercise or defend legal claims.

Stefnir may also be required to share data with the courts in the event of any disputes concerning the Company's activities.

With respect to data which has been collected through electronic surveillance, Stefnir may be permitted to share such data with the police or an insurance company, e.g. in the case of a damage to property where Stefnir has to make a claim.

In connection with potential mergers and/or acquisitions and sales, Stefnir can also share limited data on the customer to potential investors and consultants, e.g. for the purpose of conducting due diligence.

4.2 Processors

Stefnir uses third parties in connection with various services, e.g. information technology. In connection with these services Stefnir may be required to share or provide services providers with access to the personal data processed by Stefnir and in such cases the service providers act as processors. In such cases Stefnir ensures that the organizations in question have taken adequate security measures to protect personal data and Stefnir makes the appropriate processing agreements with them. Processors only process personal data for this purpose and to the extent decided by Stefnir.

4.3 Sharing personal data outside the EEA

In certain circumstances personal data may be shared abroad and outside the European Economic Area (EEA). However, Stefnir does not share information outside the EEA unless this is done on the basis of the appropriate authority in the Data Protection Legislation and provided that appropriate measures have been taken.

5. SECURITY OF PERSONAL DATA PROCESSED BY STEFNIR

Stefnir is obliged to safeguard the security of the personal data which it processes, and Stefnir has a certified information security management system in accordance with ÍST ISO/IEC27001. Stefnir fulfils the obligation by assessing the risk involved in the processing of data, e.g. the risk that unauthorized persons may gain access to the data or the data gets damaged or destroyed, and Stefnir therefore takes measures to mitigate such risk. The security measures mainly involve access management, physical security, personnel security, operating security and communications security. The company has internal controls in place and the company's risk assessment is reviewed on a regular basis.

6. STORAGE TIME OF PERSONAL DATA

Personal data is stored for the duration of the business relationship between the customer and Stefnir or as long as is necessary with respect to the purpose of processing, terms of agreements, Stefnir's rules and provided there are legitimate reasons to store it. The Company may be required to store data for legal reasons. Accordingly, accounting data is stored for seven years, data concerning money laundering and due diligence is stored for five years after an individual transaction or after the business relationship ends and copies of trade orders are stored for five years.

7. RIGHTS OF INDIVIDUALS UNDER DATA PROTECTION LEGISLATION

Data Protection Legislation ensures various rights for the individuals Stefnir is processing personal data on. However, these rights are not absolute, and legal obligations or the higher-ranking interests of the Company or third parties may prevent Stefnir from being able to comply with a person's requests. Stefnir seeks to respond to all requests from individuals to exercise their rights under Data Protection Legislation within 30 days and if Stefnir cannot for any reason comply with such request, either partially or fully, Stefnir will seek to explain its decision.

7.1 Access to own personal data

Individuals are entitled to know whether Stefnir is processing personal data about them and to receive information on processing, e.g. purpose, where data is being shared, origin, whether automated decisions are being made and information on their rights. Individuals are also entitled to obtain a copy of the personal data Stefnir is processing on the person in question.

7.2 Correcting and destroying personal data

If an individual believes that the personal data being processed by Stefnir is inaccurate or incorrect, that person is entitled to have it corrected.

In certain cases a person is entitled to demand that Stefnir destroy personal data on them if they believe the data is no longer necessary for the purpose for which it was collected. The same applies if the person withdraws their consent for the processing of personal data and if there is no other legal basis for the processing or if the processing of the data is illegal.

7.3 Right to object and restrictions on processing

A person about whom Stefnir is processing data is entitled to object to the processing of personal data on them when the personal data is processed for marketing purposes.

A person is entitled to ask Stefnir to restrict the processing of personal data about them, if they believe the data is incorrect, if the processing of the data is illegal or Stefnir no longer needs the data but the person needs the data to establish, exercise or defend legal claims.

7.4 *Right to data portability*

In specific cases where processing is done on the basis of an agreement or consent, a person who has provided Stefnir with personal data on themselves electronically may be entitled to get a copy of such data in an organized, standardized and computerized format. A person can also request that Stefnir send data about them directly to a third party.

7.5 *Withdrawing consent*

In cases where processing is based on consent, a person who gave Stefnir their consent can withdraw it at any time. Withdrawing consent has no impact on the legitimacy of processing carried out on the basis of consent up until the time that consent is withdrawn.

7.6 *Complaints to the Data Protection Authority*

The Data Protection Authority monitors the implementation of Data Protection Legislation and makes rulings on disputes concerning data protection. Further information on the Data Protection Authority can be found on its website, personuvernd.is. If a person is not satisfied with the processing of their personal data by the Company, they can make a complaint to the Data Protection Authority by completing a complaints form on the organization's website or by submitting a complaint to the Data Protection Authority, Laugavegur 166, 4th floor, 105 Reykjavík.

8. CONTACT DETAILS OF STEFNIR AND DATA PROTECTION OFFICER

If a data subject wishes to exercise their rights on the basis of the Data Protection Legislation, cf. section 7 of this Data Protection Notice, or if the person has questions on the Company's processing of personal data, they are encouraged to contact Company by calling 444 7400 or sending an e-mail to info@stefnir.is.

Stefnir has also appointed a Data Protection Officer who is responsible for matters relating to data protection. Stefnir's Data Protection Officer is shared with the parent company Arion Bank and all more complex personal data cases are referred there. The Data Protection Officer monitors all handling of personal data at Stefnir. The Data Protection Officer can be contacted by e-mail at personuverndarfulltrui@stefnir.is.

9. HOW DOES STEFNIR UPDATE OR CHANGE THE DATA PROTECTION NOTICE?

Stefnir reserves the right to change this Data Protection Notice and add to it at any time in order to best reflect the processing undertaken at Stefnir at any given time. Such changes are approved by the managing director and come into effect without prior notice when published on Stefnir's website, unless otherwise specified.

Last updated on 2 April 2025