

COMPLIANCE PROGRAM

1. Introduction

Based on the Company's strong commitment to promoting honest conduct, ethical business and integrity, compliance is a central part of how we conduct ourselves and our business.

The Company has access to highly qualified and experienced compliance resources. The in-house Compliance Officer is responsible for creating, implementing, and further developing the Compliance Program as described in this document. The Company also has a Group Compliance Officer responsible for SOX testing procedures¹ as documented in the Audit Plan and Compliance Charter. For the purposes of this compliance program, it only refers to the responsibilities of the Compliance Officer.

The in-house resources are employed in Front Ocean Management AS. This ensures autonomy from management. Allocation of resources is determined upon the results of the risk assessment. Reporting is made to Management and the Audit Committee.

All employees, directors, officers, and agents of the Company, have an independent responsibility to follow all applicable laws, regulations and policies.

Our compliance program is approved by the board of directors and sets out what our values mean in ascertaining full compliance with laws, rules and regulations. This document provides an overview of our risks, our compliance work and a description of roles and responsibilities for the compliance work. The risk assessment is the foundation for our compliance efforts. The level and proportionality of our efforts reflect the level of risk the company faces.

Our compliance program applies to all employees, leaders, board members, consultants and others who act on our behalf. Where relevant for our cooperation partners, suppliers and customers, compliance requirements will be set out in the applicable contracts.

2. The Risk Landscape

We are a leading international dry bulk shipping company. Our business involves transportation of inter alia ores, coal, grain, and fertilisers through our fleet of owned and chartered vessels, ranging in size from Capesize to Supramax. We also have vessels that are chartered out on fixed rate time charters and index linked time charter contracts.

From time to time, vessels are sold, and new ones acquired through newbuilding programs. The company has outsourced many of the operational tasks, including ship management to a selection of ship managers.

The compliance risk assessment lists third-party corruption and bribery, third parties in breach of sanctions and direct breach of sanctions as the top risks. Other risks include, among others, breach of competition laws, breach of human- and labour rights in different settings, breach of environmental regulations, breach of insider trading rules and various types of fraud.

¹ Management's testing responsibilities over the Company's internal controls over financial reporting.

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3. Broad description of our Compliance Program

The compliance program is an essential component to ensure compliance. Our compliance program is based on relevant guidance such as guidance from United Kingdom Ministry of Justice UK and US Department of Justice. The compliance program shall safeguard that we work in a comprehensive and structured manner to prevent breaches. Our compliance program shall be data driven when possible and relevant. The scope for the compliance program and the responsibilities for the compliance function is the following compliance areas:

- Sanctions and export control
- Anti-corruption and bribery
- Facilitation payments
- Anti-money laundering
- Competition law/anti-trust
- Insider trading
- Human rights

The most essential components of our compliance program are summarised below.

4. A risk-based approach

We conduct thorough, yearly risk assessments. The compliance risk assessments are based on best practice and guidance. Our risk assessments include all compliance risks. Our work with internal audit and compliance is based on the risk assessments.

That means that we prioritise our efforts addressing the greatest risks. Actions as a result of risk assessment conclusions may include new or better systems, adjustment of resource allocation, differentiation of the training, adjusted communication, amended or new policies or addressing awareness.

5. Principles, guidance, routines and controls

We have governing documents describing how the business is conducted, how it is organised, and which functions have been established to address compliance and related areas. They also describe the governing principles and processes that lay the foundation for the organisation. All governing documents are created with input from relevant stakeholders and external counsel as appropriate. The relevant documents are revised yearly or more frequently as required. The Company has the following compliance policies:

- Corporate Code of Business Ethics and Conduct
- Financial Crime Policy
- Ship Recycling Policy
- Sanctions Policy
- Know Your Business Partner Policy
- Insider Manual for All Employees
- Insider Manual for Primary Insiders
- Complaints Procedure (Whistleblowing)
- Environmental Policy
- Access to emails and files policy
- Dawn raid routines

All our vessels are continuously monitored, both with regards to sanctions and AIS in Maritime Intelligence Risk Suite. In connection with purchases of second-hand tonnage

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comprehensive due diligences are performed.

All business partners are vetted, screened, and monitored as appropriate in a third-party compliance system². Both financial and non-financial controls have been established. These include proxy measures (powers of attorney), relevant mandates and authority, controller functions and appropriate accounting routines.

Our Corporate Code of Business Ethics and Conduct, and all other policies, which have been approved by the Board, provide, in conjunction with the employees' employment contracts, clear guidance for all employees' expected behaviour. All employees are required to familiarise themselves with the Corporate Code of Business Ethics and Conduct, which is readily available on Seatranet and on the Company's website.

All conduct which could qualify as a criminal offence may be notified to the relevant authorities. We will always cooperate closely with the relevant authorities as necessary. Cooperation will be offered both when the company and/or its employees are charged or are defendants as well as when they are an injured party. In the event breaches or incidents are discovered that would warrant an investigation, the company may notify relevant authorities.

Relevant agreements on salary, bonus or other types of remuneration include consequences for employees or consultants who act in contradiction of the Corporate Code of Business Ethics and Conduct, the Financial Crime Policy and/or other policies. Such consequences may include financial impacts, future promotions and may ultimately result in termination of the employment.

Guidance on use of communication platforms and retention of messages is a part of the IT policy that is made part of the employees' on- and offboarding.

6. Training and Communication

All employees, management, relevant consultants and stakeholders such as the board of directors are provided/offered compliance- and integrity training. The training is conducted both virtually and face-to-face as appropriate. Completion of e-learning is logged in Motimate. The foundation for the training is the risk assessment and the training shall always be relevant and tailored to the audience.

Compliance communication shall be a regular part of the conversation between leaders and employees and will always be brought up when relevant. We communicate around compliance both internally and externally as appropriate. The Compliance Officer reports on a quarterly basis to Management and the Audit Committee.

In the event of major compliance breaches, we will aim to communicate openly, if possible, to ensure awareness and learning for the entire organisation. Any privacy and confidentiality concerns shall always be accommodated.

7. Reporting, whistleblowing and follow-up of investigation

We have reporting mechanisms to detect non-conformities. There is a whistleblowing system, EthicsPoint. It is available to employees, officers, directors, and business partners, and can be found on Seatranet for employees or through the link in the Complaints Procedure (Whistle Blowing), available on the Company's website. The whistleblowing routines are set out in the Complaints Procedure (Whistle Blowing),

² Dow Jones RiskCenter

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currently available in English. The Complaints Procedure includes a routine for receipt of reports, treatment of complaints, report management and corrective actions as appropriate.

In the event there is a potential compliance breach an investigation may be initiated. The purpose is to have a structured procedure where it is possible to identify the potential misconduct and to ensure appropriate remedies and accountability for the relevant individual, including managers failing their supervisory duty. In addition to the system, it is also possible to report to a manager, a member of the Audit Committee or a member of the board of directors.

8. Suppliers and third-party management

We have agreements with third parties, such as vessel buyers, suppliers, agents, ship managers or various partners. We shall be aware of the potential risk exposure in such relationships and shall apply relevant risk mitigation measures to manage the risk. We conduct thorough integrity due diligences of relevant third parties based on the risk level. The due diligence is always conducted through a third-party system, and, also, as appropriate, through external counsel or others, especially in connection with transactions. Business partners are screened to identify any compliance and integrity risk. Third-party testing is also performed to ascertain compliance performance, which includes testing of third parties' compliance programs and testing of crew's labour conditions. Any non-conformities are followed up closely.

9. Mergers and acquisitions

In connection with mergers and acquisitions, an external compliance resource shall be involved to ascertain compliance risk throughout the process, in addition to ensure integration in the merged or acquired entity. Integrity due diligence shall be conducted of the target entity or the other party to the transaction. The CEO is responsible for compliance in mergers and acquisitions.

10. Continuous improvement and program enhancement

Significant efforts are made to always evolve the compliance program. To that end, all policies and procedures are revised annually or as required, where regulatory or other developments are considered.

In addition, gap analyses are made to identify possibilities for improvement of the compliance program. The compliance officer identifies where efforts are required and either draws on internal resources or obtains external advice to develop the program.

In the annual external audit, compliance is included. The external auditor tests that the compliance systems implemented as part of the compliance program are working efficiently. Any relevant input is used to adjust the program if necessary. Compliance testing is conducted annually, both of internal compliance systems such as the third-party screening and monitoring platform, and of external parties' compliance programs. Any reporting to the various reporting channels is also used as learning to identify gaps and improve routines, as applicable.

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