Luminor



***POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS***

## 1. GENERAL PROVISIONS

1.1. This Policy for Execution of Orders in Financial Instruments provides an overview of how Luminor Bank AB (the Bank) executes orders on behalf of clients or transmits orders to other entities for execution (the Policy).

1.2. The Bank has a general duty to act honestly, fairly and professionally, taking into account client's best interest. In relation to order execution, the Bank is required to take all sufficient steps to obtain the best possible result to a client on a continuous basis (known as Best Execution).

1.3. The Policy is issued pursuant to, and in compliance with, the Markets in Financial Instruments Directive 2014/65/EC (MiFID II) and the Law of the Republic of Lithuania on Markets in Financial Instruments (hereinafter referred as to "the MiFID Law").

1.4. The Policy applies to retail (non-professional) and professional clients.

1.5. A summary of the Policy specifically intended for retail (non-professional) clients can be found at https://www.dnb.lt/en/private/information-investors-mifid and http://www.nordea.lt/en/private/mifid-directive. The summary will also provide a link to the most recent execution quality data for each execution venue listed in this Policy, as soon as such information is available.

1.6. Upon acceptance of a Client order and when there is no specific Client instruction regarding the execution method, the Bank will execute an order in accordance with this Policy.

1.7. The appendices of the Policy cover the below listed classes of financial instruments and specify how orders are executed with respect to such financial instruments, order types available, priority of execution factors, the order execution process, as well as which execution venues are used and how execution effectiveness is monitored:

- Equities – shares and depository receipts;
- Debt instruments – bonds and money market instruments;
- Interest rate derivatives – swaps, options and other;
- Currency derivatives – forwards, swaps, options and other;
- Commodities derivatives – futures, swaps and other;
- Contracts for difference;
- Structured financial instruments;
- Exchange traded products – exchange traded funds, exchange trades notes and exchange traded commodities;
- Units of collective investment undertakings.

1.8. The client is familiarised with this Policy when entering into legal relations with the Bank. The client also confirms that he/she/it has been familiarised with the Policy and consents to it when placing an order with the Bank.

## 2. BEST EXECUTION

2.1. Best Execution is the process by which the Bank seeks to obtain the best possible result when executing client orders. The definition of best possible result will vary as the Bank must take into account a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that it receives and the markets in which it operates. These factors are further described in the Policy.

## 3. EXECUTION FACTORS

3.1. The Bank has considered a number of factors that might be important to clients when the Bank executes their orders:

- Price – the market or fair price at which an order is executed;
- Costs – charges that may be incurred in executing the order in a particular way. Where the Bank applies different fees depending on the execution venue, it will explain these differences in sufficient detail in order to allow the client to understand the advantages and the disadvantages of the choice of a single execution venue;
- Speed of execution – the time it takes to execute the order;
- Likelihood of execution and settlement – the likelihood that the Bank will be able to complete the transaction;
- Size and nature – the way that the Bank executes an unusual order (for example, the one that is larger than the normal market size or has unusual features such as shortened or extended settlement period) may differ from the way it executes a standard order;
- Other factors – any other factors relevant to the order (for example, market impact – the effect that executing client's order, or showing it to market participants, might have upon the market).

3.2. When the Bank executes orders on behalf of retail (non-professional) clients, Best Execution is determined on the basis of the total consideration paid by the client. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether Best Execution has been achieved, the Bank does not take into account its standard charges that will be paid by the client irrespective of how the order is executed.

3.3. When the Bank executes orders on behalf of professional clients, it will use reasonable judgement to weigh different execution factors at the time of execution in accordance with execution criteria (see Section 4 below). Even where it seems that the price of financial instruments was not the best available, the order may still be considered executed on the terms most favourable to the client.

**4. EXECUTION CRITERIA**

4.1. The relative importance that the Bank attaches to the execution factors listed in Clause 3.1 above in any particular case may be affected by the following execution criteria:

- Client Characteristics – the type of the client: retail (non-professional) or professional;
- Order Characteristics – such as potential to have an impact on the market;
- Financial Instrument Characteristics – such as liquidity and whether there is a recognised centralised market;
- Venue Characteristics – particular features of the liquidity sources available to the Bank.

**5. THE SCOPE OF BEST EXECUTION**

5.1. The Bank will always apply Best Execution to orders submitted by retail (non-professional) and professional clients dealing in financial instruments, except for the situation described in Clause 5.3.

5.2. The Bank will also apply Best Execution when a professional client Requests for Quote (RFQ) and relies on the Bank to protect its interests in relation to pricing and other important elements of the transaction. All the following factors will need to be satisfied for the Bank to owe a duty of Best Execution for a professional client:

- A professional client initiates the RFQ;
- A professional client is not able to “shop around” – when it is reasonable to assume that the Bank is the only counterparty available to the trade;
- A professional client does not have access to market prices;
- The Bank has expressly agreed to provide Best Execution to professional client.

5.3. If a retail (non-professional) or professional client gives specific instructions to the Bank regarding the order submitted, the Bank shall – to the fullest possible extent – execute the order in accordance with those specific instructions. The Bank may only deviate from such specific instructions where, due to specific circumstances, this is required for the interests of the client, and the Bank did not have a possibility to inquire the client in advance or did not receive the response on time. In such a case the Bank shall collect and keep the proof of the terms of the execution of the order (which shall be submitted to the client upon request), and notifies the client as soon as possible that the order is executed on terms different than those instructed. Where specific instructions cover only certain elements of the client’s order, the Bank maintains an obligation to achieve the Best Execution with respect to the elements of the order not covered by the client’s instructions. **The Bank hereby warns the client that such specific instructions may prevent the Bank from taking actions established in the Policy and applied by the Bank for the purposes of achieving the Best Execution.**

**6. EXECUTION ON A TRADING VENUE**

6.1. When the Bank accepts an order in financial instruments which are admitted to trading on a Regulated Market (RM), Multilateral Trading Facility (MTF) or Organised Trading Facility (OTF), it usually executes order on the trading venue itself acting as an agent on behalf of the client or, if the Bank is not a member of any relevant trading venue, it transmits the order to another entity (broker, credit institution or investment firm) for execution.

6.2. The Bank may as well execute an order over the counter (OTC), as discribed in Section 9 of the Policy.

**7. EXECUTION THROUGH EXECUTION ENTITIES**

7.1. Where the Bank does not have a membership of the trading venue relevant for the order, such order will be transmitted to an execution entity, which will execute the order on such a trading venue, or alternatively transmit the order to another third party for execution.

7.2. When executing client orders by transmitting to third parties, the Bank takes all sufficient measures to select execution entity, which provides Best Execution on a continuous basis.

**8. EXECUTION ON OWN ACCOUNT**

8.1. While dealing on own account, the Bank might deal with multiple clients or counterparties on the same financial instrument at the same time. The Bank might as well hold significant positions in such financial instruments and carry on hedging or trading activities which might have impact on the market.

8.2. The Bank acts as a principal (deals on own account) to the client in (i) trades for OTC instruments; (ii) trades where the Bank is a market maker in financial instruments admitted to a trading venue; and (iii) where the Bank acts as systematic internaliser (when dealing systematically and substantially on own account the Bank will in certain financial instruments be acting as a systematic internaliser when executing client orders). In all cases the Bank owes the duty of Best Execution to a client, except for the situations described in Section 5 of the Policy.

8.3. The Bank adopts the following approach to the construction of the price of the transaction when trading on own account. The total execution price provided to a client is made up of the base price plus costs and charges:

- The base price is the price that the Bank would face to hedge the transaction in the inter-bank market, whether realised or estimated. The base price includes any adjustments for the Bank's view of market risk factors and how the Bank seeks to position itself in the market according to such risk factors; and
- Costs and charges, which are the difference between the base price and the total execution price for the client. This includes all costs and charges that are related to the transaction performed by the Bank and other parties.

**9. EXECUTION OVER THE COUNTER (OTC)**

9.1. Based on this Policy, client orders may be executed over the counter (OTC). It is deemed that the clients are informed and give their consent to the Bank to execute orders over the counter (OTC) when entering into contractual relations with the Bank and / or when submitting client orders. Client orders can be executed over the counter (OTC) for both: (i) financial instruments which are not admitted to trading or traded on a trading venue and (ii) financial instruments which are admitted to trading or traded on a trading venue. In both cases the Bank owes the duty of Best Execution to the client, except for situations described in Section 5 of the Policy. Where financial instruments are admitted to trading or traded on a trading venue, client orders may only be executed over the counter if such execution of orders would ensure the best result for the client.

9.2. The Bank may execute orders over the counter (OTC) on own account or with another counterparty.

9.3. While executing orders OTC, the Bank checks the fairness of the price proposed to the client by gathering market data used in estimation of the price of such instrument and, where possible, by comparing it with similar or comparable products.

9.4. Clients should be aware of the following risks associated with executing orders OTC:

- Counterparty risk, where counterparty fails to complete the transaction in part or in full;
- Execution at a substantially different price form the quoted bid or offer or the last reported price at the time of order entry, as well as partial execution or execution of large orders in several transactions at different prices;
- Delays in executing orders for financial instruments, where the Bank has to search for counterparties or market makers;
- Opening price that may substantially differ from the previous day's close price;
- Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which may prevent the execution of client orders.

**10. SELECTION OF EXECUTION VENUES AND EXECUTION ENTITIES**

10.1. The Bank's policy is that the number of execution venues used shall be sufficient to continuously ensure Best Execution to the Bank's clients.

10.2. When selecting suitable execution venues and entities for execution of orders, the Bank will take sufficient efforts to select execution venues and entities that consistently allow the best result to be achieved.

10.3. The Bank takes the following qualitative and quantitative factors into consideration when selecting suitable execution venues and entities:

- Liquidity – that is spread, depth and market share;
- Costs applied by an execution venue;
- Likelihood of execution and settlement;
- Other relevant factors.

10.4. Selection of execution entities to which the Bank transmits orders is carried out via regular reviews of the execution entities' ability to provide Best Execution and their ability to enable the Bank to fulfil its obligations under Best Execution.

10.5. When selecting execution entity, the Bank will, in addition to the above mentioned factors, consider factors that the Bank deems important from time to time. Such factors could, for example, be the Bank's general assessment of and confidence in the execution entity and trading venues the execution entity has access to.

10.6. For the purposes of delivering Best Execution where there is more than one competing venue, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed in this Policy that is capable of executing that order, the Bank's own commissions and the costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.

10.7. Information about the execution venues used by the Bank and the methods for executing different client orders with different financial instruments are provided in Annexes to this Policy.

**11. ORDER HANDLING**

11.1. Comparable orders of clients shall be executed on the basis of the time priority principle (sequentially), except where such execution is impracticable taking into consideration the characteristics of the relevant order and (or) the prevailing market conditions, or where the interests of the client require otherwise, and where the breach of the principle can be reasoned. Client orders shall be executed with priority over the Bank's own orders.

11.2. In cases where a client does not give specific instructions, the Bank shall commence the execution of the order immediately after the receipt of the order from the client.

11.3. If client orders are received outside the marketplace's opening hours, the orders will normally be executed when the marketplace reopens.

11.4. Where due to any objective reasons which are beyond the Bank’s control the execution of the client’s order cannot be commenced (e.g. where the client does not have sufficient funds to settle for the order) or the order cannot be executed within a reasonable time due to the unfavourable market conditions (reduction of price, absence of supply etc.), the Bank will refuse to accept the order where the relevant circumstances already exist at the time when the order is submitted, or, if the order is already submitted, inform the client immediately and ask for specific instructions for further handling of the order.

11.5. Unless the laws provide otherwise, in the case of a client limit order in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, the Bank shall, unless the client expressly instructs otherwise, take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants (including by transmitting the client limit order to a trading venue).

11.6. Following execution of a transaction on behalf of a client the Bank will provide a confirmation of the execution of the order and will, inter alia, inform the client where the order was executed and what costs and charges where applied.

## 12. AGGREGATION, ALLOCATION AND SPLIT OF ORDERS

12.1. The Bank shall execute an order of each client separately except in the cases specified in Clauses 12.1.1 and / or 12.1.2 herein below.

12.1.1. Where any contract(s) in financial instruments entered into by a client via the DNB Trade platform (e.g. future contract(s) or contract(s) for difference (CFD)) expire(s) and the client does not close the contract (s) and does not give the Bank any instruction(s) to close such contract(s) within the time stipulated by the Bank for the closing of open contract (s), the Bank may close such contract(s) of the client by means of aggregation of such contracts with other similar orders regarding the closing of such contracts of other clients, if the Bank believes such aggregation will not prejudice the interests of any client.

12.1.2. In other situations when it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated.

12.2. The Bank notifies the client about its intent to aggregate an order and discloses to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order.

12.3. An aggregated order fully executed at a single price is allocated pro rata to the volume of primary orders at a single price of such aggregated order. An aggregated order executed in several transactions and at different prices is generally allocated pro rata to the volumes of primary orders at the weighted average price of such aggregated order. An aggregated order executed partially is allocated by the Bank pro rata to the volume of primary orders at the price of such aggregated order executed partially.

12.4. The Bank may split an order of a client regarding the financial instruments traded on a regulated market, a multilateral trading facility and / or an organised trading facility.

12.5. The Bank shall not aggregate the clients’ orders with its own orders under any circumstances.

12.6. The Bank shall provide any additional information requested by the client about the aggregation and (or) splitting of the client’s order within 15 (fifteen) business days from the date of the client’s written request. The client may submit a written request for the detailed information in person at any branch of the Bank or via the internet bank.

## 13. REVIEW AND REPORTING

13.1. The Bank monitors and evaluates the effectiveness of the Policy on an ongoing basis, and, in particular, monitors the execution quality of the entities identified in the Policy, and if any defects are detected – corrects them without any delay.

13.2. The Policy must be reviewed at least once per year or in connection with the important changes in the financial instruments markets or whenever a material change occurs that impacts parameters of Best Execution listed in Clause 3.1 of this Policy and thus affects the Bank‘s ability to achieve the Best Execution (including addition or removal of execution venues). The Bank will notify its clients about any material changes in the Policy and publish the updated version of the Policy in the website of the Bank. The Bank will annually summarise and publish on its website, per class of financial instrument, the top five execution venues and entities in terms of trading volumes for all executed or transmitted client orders and information on quality of execution obtained. Periodic reports on the quality of execution to be published by the Bank shall include details about price, costs, speed and likelihood of execution for individual financial instrument. Reports shall be prepared separately for the top five execution venues and the top five entities (brokers) to which client orders were routed during the relevant period. The Bank shall also publish for each class of financial instruments, a summary of the analysis and conclusions it draws from their detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

## 14. FINAL PROVISIONS

14.1. Any amendments to the Policy shall approved by the Head of Markets Division.

*ANNEX NO. 1 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS*

**ORDER EXECUTION VENUES**

1. Orders in financial instruments submitted by the retail (non-professional) and professional clients will be executed in the execution venues specified below:

1.1. Orders in shares of companies of the Baltic States – on NASDAQ stock exchanges in Vilnius, Tallinn and Riga;

1.2. Orders in financial instruments that are traded on the regulated markets and (or) multilateral trading facilities, placed via the DNB Trade platform, – via Luminor Bank AB and Saxo Bank A/S;

1.3. Orders in exchange traded funds (ETF) other than those placed via the DNB Trade platform, – via BNY Mellon Capital Markets EMEA Limited, HSBC Trinkaus & Burkhardt AG and Nordea Bank AB (publ), NASDAQ stock exchanges in Vilnius, Tallinn and Riga;

1.4. Orders in shares of companies that are traded on the regulated markets and (or) multilateral trading facilities, other than those of the Baltic States and those placed via the DNB Trade platform – via Nordea Bank AB (publ);

1.5. Orders in collective investment undertakings units – via HSBC Trinkaus & Burkhardt AG and Nordea Investment Funds S.A.;

1.6. Orders in debt securities:

1.6.1. Orders in government debt securities of the Baltic States issued locally – via Luminor Bank AB, AB SEB Bankas and “Swedbank”, AB;

1.6.2. Orders in government debt securities of the Baltic States other than those specified in Clause 1.6.1 herein above – via Luminor Bank AB, Bloomberg Multilateral Trading Facility, and others;

1.6.3. Orders in non-Baltic debt securities – via Luminor Bank AB, Bloomberg Multilateral Trading Facility, and others;

1.7. Orders in structured financial instruments – via Nordea Bank AB (publ).

2. Where client orders cannot be executed in any of the venues specified in Clause 1 of this Annex to the Policy due to reasons beyond the Bank’s control, such orders can also be executed in other execution venues provided that such order execution does not prevent the Bank from obtaining the best possible result for the client in accordance with the terms and conditions of the Policy.

*ANNEX NO. 2 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS*

**ORDER EXECUTION**

### 1. Equities – shares listed on OMX Nasdaq Baltic exchanges

#### 1.1. Intended for

Retail (non-professional) and professional clients.

#### 1.2. Financial Instruments and Transactions in Scope

Purchase and sale of shares on OMX Nasdaq Baltic Exchange List.

#### 1.3. Financial Instruments and Transactions not in Scope

Purchase and sale of foreign shares and funds.

#### 1.4. Execution Method

The Bank acts as agent and executes orders with Baltic shares on Nasdaq Baltic Exchanges (Vilnius, Riga and Tallinn).

#### 1.5. Order Types Available

**Limit Orders.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

#### 1.6. The Bank's Selected Execution Venue

Bank executes orders on:

- Nasdaq OMX Baltic (RM); and
- First North (MTF).

#### 1.7. Benchmarking and Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

#### 1.8. Execution Factors for Retail (Non-Professional) Clients

For retail (non-professional) clients sending order for execution will follow a simple predifined automated order routing logic. Total consideration is considered to be the most important factor, the other factors shall only be analysed if total consideration is similar in several execution venues. In such a case, the ranking of execution factors would be as follows:

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution;
4. Size of order;
5. Other factors.

#### 1.9. Execution Factors for Professional Clients

For professional clients that are typically trading larger size and with higher complexity, their specific instructions are taken into consideration. Higher complexity is defined as orders that potentially could have market impact if routed directly to the market and therefore would require pre-trade analysis and considerations related to selection of suitable strategy. The ranking of execution factors is:

1. Price;
2. Size of order;
3. Other factors (market impact);
4. Costs;
5. Speed;
6. Likelihood of execution.

The Bank reserves the right to use its own judgement on the order of priority of the above list of factors if a specific situation or circumstance is evaluated to require such change of order priorities.

**2. Bonds**

**2.1. Intended for**

Retail (non-professional) and professional clients.

**2.2. Financial Instruments and Transactions in Scope**

Purchase and sale of sovereign and corporate bonds.

**2.3. Financial Instruments and Transactions not in Scope**

N/A

**2.4. Execution Method**

The Bank usually trades bonds as a principal to clients (on own account). In exceptional circumstances, for instance when working with large orders in highly illiquid bonds, the Bank may execute an order as agent.

Pricing and execution of bonds orders is a manual process. The market is characterised by indicative OTC prices.

The Bank may source liquidity from:

- Its own trading book;
- Other dealers in the market, such as:
  - AB SEB Bank;
  - “Swedbank”, AB;
  - Danske Bank A/S;
  - AB Šiaulių bankas;
  - Nasdaq OMX Baltic exchange for listed bonds;
  - Bloomberg Multilateral Trading Facility;
  - Goldman Sachs International;
  - UniCredit Bank AG;
  - Raiffeisen Bank International AG;
  - Commerzbank AG;
  - JP Morgan Chase Bank;
  - Societe Generale SA.

**2.5. Order Types Available**

**Limit Orders.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

**Request for Quote (RFQ).** An RFQ is a client’s request for the Bank’s price on a specific bond. The Bank will provide Best Execution for RFQ by pricing the transaction fairly and as soon as possible for the specified volume given market conditions.

**2.6. The Bank’s Selected Execution Venue**

Bank‘s execution venues:

- Luminor Bank AB;
- Nasdaq OMX Baltic exchange for listed bonds.
- Bloomberg Multilateral Trading Facility

**2.7. Benchmarking and Monitoring**

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

**2.8. Relevant Execution Factors**

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the bonds and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution;
4. Size of order;
5. Other factors.

**3. Interest Rate Derivatives – Interest Rate Swaps and Options**

**3.1. Intended for**

Retail (non-professional) and professional clients.

**3.2. Financial Instruments and Transactions in Scope**

Transactions for interest rate swaps and options.

**3.3. Financial Instruments and Transactions not in Scope**

N/A

**3.4. Execution Method**

The Bank trades interest rate derivatives as a principal to clients (on own account) being an execution venue itself.

Th Bank reviews its prices against prices available to it in the inter-bank market to ensure that its mid points are within the best bid and offer prices available to it.

**3.5. Order Types Available**

**Request for Quote (RFQ).** The Bank will provide prices for interest rate derivatives to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration. If a client wishes to trade, he/she/it may elect to do so at the price the Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

**3.6. The Bank's Selected Execution Venues**

- Luminor Bank AB

**3.7. Benchmarking and Monitoring**

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

**3.8. Relevant Execution Factors**

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.

**4. Currency Derivatives – FX Forwards and FX Options**

**4.1. Intended for**

Retail (non-professional) and professional clients.

**4.2. Financial Instruments and Transactions in Scope**

Transactions in FX forwards and options.

**4.3. Financial Instruments and Transactions not in Scope**

Currency Derivatives traded via DNB Trade platform such as FX Rolling spot, FX forwards and FX Options.

**4.4. Execution Method**

The Bank trades curency rate derivatives as a principal to clients (on own account) being an execution venue itself.

The Bank reviews its prices against prices available to it in the inter-bank market to ensure that its mid points are within the best bid and offer prices available to it.

**4.5. Order Types Available**

**Request for Quote (RFQ).** The Bank will provide prices for currency derivatives to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration. If a client wishes to trade, he/she/it may elect to do so at the price Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

**4.6. The Bank's Selected Execution Venue**

-Luminor Bank AB

**4.7. Benchmarking and Monitoring**

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

**4.8. Relevant Execution Factors**

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.

**5. Currency derivatives – Rolling Foreign Exchange Spot traded via DNB Trade**

**5.1. Intended for**

Retail (non-professional) and professional clients.

**5.2. Financial Instruments and Transactions in Scope**

Purchase and sale of rolling foreign exchange spot contracts via DNB Trade.

**5.3. Financial Instruments and Transactions not in Scope**

- Spot foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.
- Transactions undertaken to roll forward the value date of a client position which do not result in a change to the client's FX market exposure.

**5.4. Order Types Available**

**An Immediate or Cancel (IOC) Market Order** is similar to a standard Market order (described below). It is an instruction to trade immediately on the best available terms. However, the Bank will not continue to work the order if it is unable to perform it immediately within three seconds.

**A Market Order** is a traditional "at best" instruction to trade as much of the order as possible on the best available terms in the market. A market order will normally be filled immediately (or failing that in a relatively short time). Financial institutions are required to execute market orders as soon as reasonably possible without regard to price changes.

A market order will be treated as good for the day. If it can't be filled in full immediately, the Bank will continue to work the order until the official close of the relevant market.

**Immediate or Cancel (IOC) Limit Order** is an order to trade at the price the client sees on his/her/its screen if it is still available subject to a defined tolerance.When placing an IOC Limit order, a client may specify a tolerance. Tolerance can be specified either as a fixed price increment or as a percentage of the current market price. If the client specifies a tolerance, order may be filled at a worse price than the client had seen on the screen, provided the price difference does not exceed the client's specified tolerance.

If a better price is available, client order will get the full benefit of the available improvement by filling the client order at the better price no matter how much better it is.

**A Limit Order** is an order to trade at a specified price or better if it is possible to do so within a specified time. The following order durations are available:

- Day Order (DO): Valid until the official close of trading on the day the order is placed (or on the subsequent business day for orders accepted during the weekend).
- Good Till Date (GTD): Valid until the official close of trading on a date of the client's choice.
- Good Till Cancelled (GTC): Valid indefinitely unless or until specifically cancelled by the client.

Where an order is attached to an open position, it will automatically be cancelled if the position is closed.

A limit order will be triggered when the market price reaches the limit price. At any time when there is not enough liquidity available to fill the order in full at the specified price or better, the remaining order will revert to a "resting order".

**A Stop Order** is usually used to close a position when the market is going against it with a view to prevent further losses. It may also be used to open a position when the market moves through a chosen level.

A stop order may have a duration similar to a limit order (described above).

Where an order is attached to an open position, it will automatically be cancelled if the position is closed.

A stop order to sell will be triggered when the offer price at which the client could undertake a transaction of equivalent size reaches the specified price level. Once triggered, the order will be treated as a market order.

A stop order to buy will be triggered when the bid price at which the client could undertake a transaction of equivalent size reaches the specified price level. Once triggered, the order will be treated as a market order.

This arrangement is designed to protect clients from the risk that their stop order is executed as a result of spreads widening without the market actually moving. This can happen around the release of economic statistics or at times of reduced liquidity such as during a value date roll or during the close and opening of the market.

Clients should note, however, that this means a stop order will never be executed at their specified level but always at a price that is worse for the client (typically the spread away from the client's stop level).

The trigger level for a stop order can be specified to trail the market. In this case, when the market moves in the client's favour, the trigger level for the order moves the same way. The trigger level for a trailing stop moves in steps which are defined when the order is placed.

When a stop order is triggered it will be executed at the first possible opportunity on the best terms immediately available in the market. This means that the client is exposed to the risk of a worse fill in gapping or illiquid markets.

**A Stop Limit Order** rests in the same way as a stop order. However, once triggered, rather than executed at the next available price it is converted to a limit order at a pre-agreed limit price. From that point on, the order is treated as a limit order.

This type of order gives the client some protection from a bad fill in a gapping or illiquid market. However, that protection comes at a cost. In some circumstances the order may not be executed at all.

**Trailing Stop Limit orders** are not available.

### 5.5. The Bank's Selected Execution Venue

Bank trades as a riskless-principal with respect to Rolling FX Spot trades with clients thus being an execution venue itself.

### 5.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

### 5.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

**6. Currency derivatives – Foreign Exchange Forwards traded via DNB Trade**

**6.1. Intended for**

Retail (non-professional) and professional clients.

**6.2. Financial Instruments and Transactions in Scope**

Purchase and sale of foreign exchange forward contracts.

**6.3. Financial Instruments and Transactions not in Scope**

Foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.

**6.4. Order Types Available**

**Immediate or Cancel (IOC) Market Order** – see Rolling Foreign Exchange Spot (Section 5 above) for details.

**Immediate or Cancel (IOC) Limit Order** – see Rolling Foreign Exchange Spot (Section 5 above) for details.

**6.5. The Bank's Selected Execution Venue**

The Bank trades as a riskless-principal with respect to Foreign Exchange Forwards trades with clients thus being an execution venue itself.

**6.6. Monitoring**

Bank routinely monitors the effectiveness of order execution by chosen execution entities.

**6.7. Relevant Execution Factors**

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

## 7. Currency derivatives – Foreign Exchange Options traded via DNB Trade

### 7.1. Intended for

Retail (non-professional) and professional clients.

### 7.2. Financial Instruments and Transactions in Scope

Foreign Exchange Vanilla options.

### 7.3. Financial Instruments and Transactions not in Scope

Barrier and Binary Touch Options.

### 7.4. Order Types Available

**Dealing on Quotes.** The Bank will provide prices for foreign exchange options to clients on request. These prices will be calculated to meet its obligation to provide the client with the best possible outcome on the transaction in terms of total consideration.

If a client wishes to trade, he/she/it may elect to do so at the price the Bank has quoted. Acceptance of the trade is subject to filters based on time elapsed and/or price movements in the underlying market since the price was quoted.

### 7.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal with respect to Foreign Exchange Options trades with clients thus being an execution venue itself.

### 7.6. Monitoring

Bank routinely monitors the effectiveness of order execution by chosen execution entities.

### 7.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

## 8. Contracts for difference – CFD Equities traded via DNB Trade

### 8.1. Intended for

Retail (non-professional) and professional clients.

### 8.2. Financial Instruments and Transactions in Scope

Purchase and sale of contracts for differences based on individual shares.

### 8.3. Financial Instruments and Transactions not in Scope

N/A

### 8.4. Order Types Available

**Market Order.** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the client's own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

**Immediate or Cancel (IOC).** An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately performed is cancelled. IOC order may be performed completely or partially, or it may not be performed at all.

**Stop Order.** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

**Trailing Stop Order.** The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

**Stop Limit Order.** A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

### 8.5. The Bank's Selected Execution Venue

Bank trades as a riskless-principal to CFD equity trades with clients thus being an execution venue itself.

### 8.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

### 8.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

## 9. Contracts for difference – CFD Indices traded via DNB Trade

### 9.1. Intended for

Retail (non-professional) and professional clients.

### 9.2. Financial Instruments and Transactions in Scope

CFDs based on stock indices.

### 9.3. Financial Instruments and Transactions not in Scope

N/A

### 9.4. Order Types Available

**Market Order.** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

**Immediate or Cancel (IOC).** An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately performed is cancelled. IOC order may be performed completely or partially, or it may not be performed at all.

**Stop Order.** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" market order until the stop price is reached or breached.

**Trailing Stop Order.** The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

**Stop Limit Order.** A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies.

### 9.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal to CFD Index trades with clients thus being an execution venue itself.

### 9.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

### 9.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

## 10. Contracts for difference – CFD Commodities traded via DNB Trade

### 10.1. Intended for

Retail (non-professional) and professional clients.

### 10.2. Financial Instruments and Transactions in Scope

CFDs based on commodity futures.

### 10.3. Financial Instruments and Transactions not in Scope

N/A

### 10.4. Order Types Available

**Market Order.** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/it order the client should contact the Bank immediately.

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention.

**Immediate or Cancel (IOC).** An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately filled is cancelled. IOC order may fill completely or partially, or it may not fill at all.

**Stop Order.** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

**Trailing Stop Order.** The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

**Stop Limit Order.** A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies.

### 10.5. The Bank's Selected Execution Venue

The Bank trades as a riskless-principal to CFD Commodity trades with clients thus being an execution venue itself.

### 10.6. Monitoring

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

### 10.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

## 11. Structured Products

### 11.1. Intended for

Retal (non-professional) and professional clients.

### 11.2. Financial Instruments and Transactions in Scope

Structured products are defined as a note with an embedded derivative in the form of structured credit, structured equity, complex rate risk, FX risk or any combination/hybrid of these and it can be issued by Nordea Bank AB (publ) or arranged by Nordea Bank AB (publ).

### 11.3. Financial Instruments not in Scope

Structured products issued not by Nordea Bank AB (publ).

### 11.4. Order Types Available

**Request for Quote (RFQ).** An RFQ is a client's request for the Bank's price on a specific bond. The Bank will provide Best Execution for RFQ by pricing the transaction fairly and as soon as practicable possible for the specified volume given market conditions.

### 11.5. The Bank's Selected Execution Venue

The Bank trades structured products as an agent to the clients.

The Bank's execution entity:

- Nordea Bank AB (publ).

### 11.6. Monitoring

The Bank has implemented a governance framework and control process for monitoring the effectiveness of order execution.

Prices of structured products are benchmarked by execution entity Nordea Bank AB (publ) to reference data applicable for the relevant instrument or underlying exposures where possible. Where no directly applicable reference data of sufficient quality is available, Nordea Bank AB (publ) internal valuation models are used. This process is reviewed and monitored by the Bank based on information provided by Nordea Bank AB (publ).

### 11.7. Relevant Execution Factors

The ranking of execution factors is (for retail (non-professional) clients, the Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the structured products and the costs relating to execution):

1. Price and costs (total consideration);
2. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.

*ANNEX NO. 3 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS*

**RECEPTION AND TRANSMISSION OF ORDERS**

**1. Equities – shares and depositary receipts traded via DNB Trade**

**1.1. Intended for**

Retail (non-professional) and professional clients.

**1.2. Financial Instruments and Transactions in Scope**

Purchase and sale of non-Baltic cash equities and equity-like products.

**1.3. Financial Instruments and Transations not in Scope**

Equities traded outside DNB Trade platform.

**1.4. Order Types Available**

**Market Order.** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the client's own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

**Immediate or Cancel (IOC).** An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately performed is cancelled. IOC order may be performed completely or partially, or it may not be performed at all.

**Stop Order.** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" market order until the stop price is reached or breached.

**Trailing Stop Order.** The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

**Stop Limit Order.** A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

**1.5. The Bank's Selected Execution Entity**

The Bank trades as an agent with respect to cash equity trades with clients. The Bank transmits all client orders to Saxo Bank, which has access to a number of Smart Order Routers that are able to check multiple different execution venues when trying to execute a cash equity order.

The Bank's execution entity:

- Saxo Bank A/S.

**1.6. Monitoring**

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

**1.7. Relevant Execution Factors**

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the shares and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

**2. Equities – Shares traded via Nordea direct market access (DMA)**

**2.1. Intended for**

Retal (non-professional) and professional clients.

**2.2. Financial Instruments and Transactions in Scope**

Purchase and sale cash equities and equity-like products via Nordea direct market access (DMA).

**2.3. Financial Instruments not in Scope**

Equities traded outside direct market access (DMA) agreement.

**2.4. Order Types Available**

**Market order.** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered.

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

**2.5. Bank's Selected Execution Entity**

The Bank trades as an agent with respect to cash equity trades with clients. The Bank transmits all client order to Nordea Bank AB (publ), which has access to a number of multiple different execution venues for cash equities.

The Bank's execution entity:

- Nordea Bank AB (publ).

**2.6. Monitoring**

Bank uses governance framework and control process for monitoring effectiveness of order execution arrangements in Equity like products. Execution quality (price analysis) is verified by the Bank using information of Transaction Cost Analysis (TCA) tool received from Nordea Bank AB (publ). TCA is used for verification of Best execution, where emphasis is to verify execution at the best available prices at the time of execution.

**2.7. Relevant Execution Factors**

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the shares and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

**3. Commodity and Equity derivatives – Futures traded via DNB Trade**

**3.1. Intended for**

Retail (non-professional) and professional clients.

**3.2. Financial Instruments and Transactions in Scope**

Purchase and sale of futures for speculative and hedging purposes.

**3.3. Financial Instruments and Transactions not in Scope**

The Bank does not support physical delivery of the underlying security on expiry of futures. Therefore, the Bank advises clients to take note of the expiry and first notice dates (FND) of any futures in which they have positions and ensure they are closed before the appropriate day, as described below.

If the FND is before the expiry date, positions need to be closed the day before the FND. If the expiry date is before the FND positions need to be closed no later than on the expiry date.

If futures positions are not closed before the relevant date, the Bank will close the position on the client's behalf at the first available opportunity at the prevailing market rate. Any resulting costs, gains or losses will be passed on to the client.

**3.4. Order Types Available**

**Market Order.** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, the Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her/its order the client should contact the Bank immediately.

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention.

**Stop Order.** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

**Trailing Stop Order.** The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

**Stop Limit Order.** A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

**3.5. The Bank's Selected Execution Entity**

The Bank trades as an agent with respect to futures trades with clients. The Bank transmits all orders to Saxo Bank, which routes client orders to the electronic order book of the relevant exchange. Price formation will be according to the rules of the exchange.

The Bank's execution entity is:

- Saxo Bank A/S.

**3.6. Monitoring**

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

**3.7. Relevant Execution Factors**

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Expected impact of execution;
3. Likelihood of execution and settlement;
4. Speed;
5. Other factors.

**4. Exchange traded products – Exchange Traded Funds**

**4.1. Intended for**

Retail (non-professional) and professional clients.

**4.2. Financial Instruments in Scope**

Exchange traded funds.

**4.3. Financial Instruments not in Scope**

Exchange traded funds via DNB Trade platform.

**4.4. Order Types Available**

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention. Where a limit order is placed in a share admitted to trading on a regulated market, the Bank shall not be obliged to publish that limit order if it cannot be immediately executed under prevailing market conditions.

**4.5. The Bank's Selected Execution Venue**

The Bank trades as agent with respect to cash equity trades with clients. The Bank transmits client orders to the following execution entities:

- BNYM Capital Markets;
- HSBC Trinkaus und Burkhardt AG;
- Nordea Bank AB (publ).
- Nasdaq OMX Baltic;

**4.6. Monitoring**

Bank routinely monitors the effectiveness of order execution by chosen execution entities.

**4.7. Relevant Execution Factors**

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.

**5. Other instruments – units in collective investment undertakings**

**5.1. Intended for**

Retal (non-professional) and professional clients.

**5.2. Financial Instruments and Transactions in Scope**

UCITS and non-UCITS collective investment undertakings.

**5.3. Financial Instruments not in Scope**

N/A

**5.4. Order Types Available**

**Limit Order.** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she/it is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

**5.5. Bank's Selected Execution Entity**

The Bank trades units in collective investment undertakings as an agent to the clients. When Bank receives subscription and redemption orders from its customers with respect to units/shares in investment funds, it will execute such orders by placing the order with the fund management company (or other company assigned by fund management company).

The Bank's execution entities:

- HSBC Trinkaus und Burkhardt AG
- Nordea Investment Funds S.A.

**Nordea Investment Funds S.A.5.6. Monitoring**

The Bank routinely monitors the effectiveness of order execution by chosen execution entities.

**5.7. Relevant Execution Factors**

The ranking of execution factors is (for non-professional clients, Bank will provide Best Execution assessed on the basis of total consideration, representing the price of the financial instruments and the costs relating to execution):

1. Price and costs (total consideration);
2. Speed;
3. Likelihood of execution and settlement;
4. Expected impact of execution/Size of order;
5. Other factors.