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 AS (the Bank) executes orders on behalf of clients or receives and transmits clients’ orders to other entities for execution (the Policy). The Policy applies to the following investment services: execution of orders on behalf of clients, reception and transmission of client orders, portfolio management, investment advice.

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 implementing legislation.

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 the Bank’s website. The Bank’s website also provides a link to the most recent execution quality data for top 5 execution venues 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;
- Structured financial instruments;
- Exchange traded products – exchange traded funds, exchange trades notes and exchange traded commodities;
- Units of collective investment undertakings and mutual funds.

1.8. The client is familiarised with this Policy before entering into legal relationship with the Bank. The Bank must obtain prior written consent to this Policy from the client, when, after receiving the Policy in good time before the transaction, the client submits an order to the Bank for execution.

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 Bank seeks markets that provide the greatest liquidity and thus potential for execution of large orders. The Bank also seeks opportunities for client orders to benefit from ordernize commitments offered by third parties;
- Other factors – any other factors relevant to the order (for example, market impact – the effect that executing client’s orders; 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 executes all its clients’ orders in equities, exchange traded funds, mutual funds and bonds, through Saxo Bank A/S (“Saxo Bank”) in case clients are using Luminor Investor, Luminor Trade or Saxo Portfolio Manager, in case of discretionary portfolio management service, (hereafter referred to as Trading Platform). Luminor Bank AS is therefore bound by Saxo Bank’s Order Execution Policy for these instruments.

5.2. Luminor Bank AS requires Saxo Bank, through an agreement, and through fulfilling the requirements in its own order execution policy, to implement processes and procedures to evidence that, as our single execution venue for financial instruments quoted in the Trading Platform, it will deliver Best Execution and so enable the Bank to meet its Best Execution obligation to its clients.

5.3. The Bank executes clients’ orders in instruments not traded on the Trading Platform directly on one or several trading venues, or, if the Bank is not a member of the trading venue, indirectly through a third party. The Bank may execute client’s orders outside trading venues or OTC. These transactions can be executed against the Bank’s account or against account of third parties.

5.4. In scope of portfolio management service, the client authorizes the Bank to execute financial instrument orders on client’s behalf according to the rights and limitations listed in the portfolio management agreement. The orders placed as a result of a portfolio manager’s decision to trade financial instruments on a client’s behalf may be transmitted for execution to financial intermediaries or executed by the Bank as the client’s counterparty.

5.5. In scope of investment advice service, the client authorizes the Bank to execute financial instrument orders on client’s behalf according to the rights and limitations listed in the investment advice agreement. The orders placed as a result of client’s decision to trade financial instruments may be transmitted for execution to financial intermediaries or executed by the Bank as the client’s counterparty.

5.6. 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 5.7.

5.7. The application of best execution to professional clients, where the bank is dealing on own account and engages with the client on a request for quote (RFQ) basis, will depend on whether the client “legitimately relies” on the Bank to protect its interests in relation to the pricing and other elements of the transaction, such as speed or likelihood of execution and settlement, that may be affected by the choice made by the Bank when executing the order. If a professional client trades based on RFQ, the client will not legitimately rely on the Bank to provide best execution subject to the performance of the so called four-fold cumulative test, published by European Commission.

The four-fold cumulative test encompasses the following criteria:
- which party initiates the transaction (where clients initiate the transaction it is less likely that they are placing legitimate reliance on the Bank);
- the market practice and the existence of a convention for clients to “shop around” (where market practice for a particular asset class or product suggests that clients will have access to various providers and the ability to “shop around”, it is less likely that the client will be placing legitimate reliance on the Bank);
- the relative levels of price transparency within the market (if pricing information is transparent and accessible to the client, it is less likely that clients will be placing legitimate reliance on the Bank);
- the information provided by the Bank about its services and the terms of agreement reached between the client and the Bank (where the Bank and the client reach an understanding that the client is not placing legitimate reliance on the Bank).

5.8. 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 outside a trading venue or over the counter (OTC), if the Bank has the clients’ express consent as described 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. The Bank verifies on an on-going basis that its’ execution arrangements work well throughout the different stages of the order execution process and monitors not only the execution quality obtained but also the quality and appropriateness the Bank’s execution arrangements and policies on an ex-ante and ex-post basis to identify circumstances under which changes may be appropriate.

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 engage in 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) with prior express consent from the client. 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 abovementioned 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. The Bank regularly and independently reviews all its execution venues in order to provide the clients with an additional and independent monitoring process to help ensure that the Bank is taking all sufficient steps to deliver the best possible result for its clients.

10.7. 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.

10.8. Wherever possible, prices are benchmarked against external and internal reference prices to ensure that best execution is achieved on a consistent basis.

10.9. Information about the execution venues used by the Bank and the methods for executing different client orders with different financial instruments are provided in the 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 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 details are missing) 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 were applied.

11.7. There may be delays in execution of orders, including orders placed through Trading Platform. Some orders placed through Trading Platform may be handled manually. When high traffic in electronic orders causes a backlog, the Bank must sometimes discontinue normal automatic execution procedures and turn to manual execution, leading to possible delay in execution.

12. AGGREGATION, ALLOCATION AND SPLIT OF ORDERS

12.1. The Bank shall execute an order of each client separately except in the cases when the following conditions are met:

12.1.1. it is unlikely that the aggregation of orders will work overall to the disadvantage of any client whose order is to be aggregated;

12.1.2. upon execution any aggregated orders are fairly allocated taking into account the size of the order and price of the fills received;

12.1.3. clients whose orders are aggregated shall be treated in a non-discriminatory manner.

12.2. The Bank notifies the client about its intent to aggregate or split an order and discloses to each client whose order is to be aggregated or split that the effect of such aggregation or split 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 shall not aggregate the clients’ orders with its own orders under any circumstances.

12.5. The Bank shall provide any additional information requested by the client about the aggregation 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. ORDERLY MARKET AND DISTURBANCE IN TRADING SYSTEMS

13.1. In the event of disturbances in the market, e.g. due to outages or deficient access to technical systems of the Bank or its’ execution venue systems, it may be impossible or inappropriate to execute orders in any of the ways stated in this policy. The Bank thereupon undertake all reasonable measures in order to otherwise achieve the best possible result for the client. If an execution venue cancels or changes prices to an order executed on the relevant execution venue, the client will be bound by these measures, regardless if the Bank earlier has confirmed the order and the order has been executed.

13.2. The Bank is obliged to take all necessary steps to keep an orderly market, and so operate with compliance order filters. Compliance order filters are also present at exchanges and other brokers and execution venues that might be used by the Bank to route
an order to the designated market. The filters might result in orders with large expected market impact being delayed or traded using an algorithm, potentially causing slippage from the expected arrival price. The Bank can not be held liable for price slippage caused by acting to keep an orderly market and minimize the impact on markets and prices.

14. MARKET VOLATILITY

14.1. Market volatility may result in the price of a financial instrument moving significantly from the time of receipt of a client order to the time of order execution.

14.2. Clients should be aware that there are risks associated with volatile markets, especially at or near the open or close of the standard trading session and these risks include, but are not limited to:

14.2.1. execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices;

14.2.2. delays in executing orders for financial instruments that the Bank must send to external venues and manually routed or manually executed orders;

14.2.3. opening prices that may differ substantially from the previous day’s close;

14.2.4. locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which may prevent the execution of client orders;

14.2.5. price volatility is one factor that can affect order execution. When there is a high volume of orders in the market, order imbalances and backlogs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors: i. the number and size of orders to be processed; ii. the speed at which current quotations (or last-sale information) are provided to the Bank; and iii. the system capacity constraints applicable to the given exchange, as well as to Saxo Bank and other firms.

15. INFORMATION SHARING

15.1. The Bank may have access to, use and provide counterparties with information on an anonymous and aggregated basis, including but not limited to, client’s orders (i.e. orders executed in full or part, cancelled, or expired), positions, trade and other data and analytics (collectively, anonymous and aggregated data). This anonymous and aggregated data may be used for market information, analytical tools, risk management strategies for market making and liquidity provision and other Bank's products and services. The nature of any anonymous and aggregated data provided to client may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be changed from time to time without notice.

16. REVIEW AND REPORTING

16.1. 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.

16.2. 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.

17. FINAL PROVISIONS

17.1. Any amendments to the Policy shall approved by the Management Board.
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 Trading Platform, – Saxo Bank A/S;

1.3. Orders in exchange traded funds (ETF) other than those placed via the Trading Platform, – Citibank and 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 Trading Platform – via Saxo Bank A/S or Citibank;

1.5. Orders in collective investment undertakings units – via Nordea Investment Funds S.A., Nordea Funds Ltd., East Capital Asset Management AB and Saxo Bank A/S.

1.6. Orders in debt securities:

1.6.1. Orders in government debt securities of the Baltic States issued locally – via Luminor Bank AS, 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 AS, Bloomberg Multilateral Trading Facility, Saxo Bank A/S;

1.6.3. Orders in non-Baltic debt securities – via Luminor Bank AS, Bloomberg Multilateral Trading Facility, Saxo Bank A/S and others;

1.7. Orders in structured financial instruments – via Nordea Bank Abp.

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.
ORDER EXECUTION

1. Equities

1.2. Financial Instruments and Transactions in Scope

Cash equities and equity like products traded on the Baltic stock exchanges. 1.3. Execution Method

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

1.4. 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.

1.5. The Bank’s Selected Execution Venue

Bank executes orders on:
- Nasdaq Baltic;
- First North;

1.6. Benchmarking and Monitoring

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

1.7. Execution Factors for Retail (Non-Professional) Clients

For retail (non-professional) clients sending order for execution will follow a simple predefined 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.

1.8. 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;

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. Debt instruments

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. Execution Method
The Bank in general 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 orders in debt instruments 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;
  - Saxo Bank A/S

2.4. 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.

2.5. The Bank’s Selected Execution Venue
Bank’s execution venues:
- Luminor Bank AS;
- Nasdaq OMX Baltic exchange for listed bonds;
- Bloomberg Multilateral Trading Facility;
- AS SEB Bankas;
- Swedbank AB;
- Saxo Bank A/S.

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

2.7. 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 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. Execution Method
The Bank trades interest 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.

3.4. 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.

3.5. The Bank’s Selected Execution Venues
- Luminor Bank AS;
- DNB Bank ASA.

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

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

4.4. 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.

4.5. The Bank’s Selected Execution Venue
- Luminor Bank AS;
- DNB Bank ASA;
- Barclays PLC;
- Nordea Bank Abp.

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

4.7. 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. Likelihood of execution and settlement;
3. Expected impact of execution/Size of order;
4. Speed;
5. Other factors.
5. Structured Products

5.1. Intended for
Retail (non-professional) and professional clients.

5.2. 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 Abp or arranged by Nordea Bank Abp.

5.3. Financial Instruments not in Scope
Structured products not issued by Nordea Bank Abp.

5.4. 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.

5.5. The Bank’s Selected Execution Venue
The Bank trades structured products as an agent to the clients.

The Bank’s execution entity:
- Nordea Bank Abp.

5.6. 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 Abp 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 Abp internal valuation models are used. This process is reviewed and monitored by the Bank based on information provided by Nordea Bank Abp.

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 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.
6. Commodity derivatives

6.1. Intended for
Retail (non-professional) and professional clients for hedging purposes.

6.2. Financial Instruments and Transactions in Scope
OTC transactions in commodity swaps and options.

6.3. 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.

6.4. Execution Method
The Bank trades commodity 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.

6.5. Order Types Available
Request for Quote (RFQ). The Bank will provide prices for commodity 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.

6.6. The Bank’s Selected Execution Venue
- Luminor Bank AS;
- DNB Bank ASA

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

6.8. 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;
2. Costs;
3. Likelihood of execution and settlement;
4. Expected impact of execution_Size of order;
5. Speed;
6. Other factors.
1. Equities and equity-like instruments – shares and exchange traded funds traded via Trading Platform

1.1. Intended for
Retail (non-professional) and professional clients.

1.2. Financial Instruments and Transactions in Scope
Cash equities and equity like products not traded on the Baltic stock exchanges.

1.3. Financial Instruments and Transactions not in Scope
Equities traded outside Trading 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. Exchange traded products – Exchange Traded Funds

2.1. Intended for
Retail (non-professional) and professional clients.

2.2. Financial Instruments in Scope
Exchange traded funds.

2.3. Financial Instruments not in Scope
Exchange traded funds via Trading Platform.

2.4. 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.

2.5. 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:
- Citibank;
- Nasdaq Baltic.

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

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 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.
3. Other instruments – units in collective investment undertakings

3.1. Intended for
Retail (non-professional) and professional clients.

3.2. Financial Instruments and Transactions in Scope
UCITS and non-UCITS collective investment undertakings.

3.3. 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.

3.4. 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:
- Nordea Investment Funds S.A.;
- Nordea Funds Ltd.;
- East Capital Asset Management AB;
- Citibank;
- Saxo Bank A/S.

3.5. Monitoring

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

3.6. 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.
4. Debt instruments

4.1. Intended for
Retail (non-professional) and professional clients.

4.2. Financial Instruments and Transactions in Scope
Purchase and sale of sovereign and corporate bonds on the Trading Platform.

4.3. Execution Method
The Bank trades as an agent with respect to debt instruments quoted on the Trading Platform. The Bank transmits all client orders to Saxo Bank, which acts as a principal to trades with the Bank. In exceptional circumstances Saxo Bank A/S may act as an Agent.

4.4. Order Types Available
Fill or Kill Market Order:
   a) order will be filled at the indicative limit price;
   b) order will be filled at better terms than (below/above) the limit price;
   c) can be cancelled (killed) due to pricing outside of the indicative bid/offer price, or due to lack of liquidity.

4.5. The Bank’s Selected Execution Venue
Bank’s execution venues:
   - Saxo Bank A/S.

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

4.7. 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 bonds and the costs relating to execution):

   6. Price;
   7. Expected impact of execution;
   8. Likelihood of execution and settlement;
   9. Size of order;
   10. Costs;
   11. Speed;
   12. Other factors.
PORTFOLIO MANAGEMENT

1. Equities and equity-like instruments– shares and exchange traded funds traded via Trading Platform

1.1. Intended for
Retail (non-professional) and professional clients.

1.2. Financial Instruments and Transactions in Scope
Purchase and sale of cash equities and equity-like products not traded on the Baltic stock exchanges.

1.3. Financial Instruments and Transactions not in Scope
Equities traded outside Trading 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. Other instruments – units in collective investment undertakings

2.1. Intended for
Retail (non-professional) and professional clients.

2.2. Financial Instruments and Transactions in Scope
UCITS and non-UCITS collective investment undertakings.

2.3. 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.

2.4. 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:
- Saxo Bank A/S.

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

2.6. 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):

6. Price and costs (total consideration);
7. Speed;
8. Likelihood of execution and settlement;
9. Expected impact of execution/Size of order;
10. Other factors.
3. Debt instruments

3.1. Intended for
Retail (non-professional) and professional clients.

3.2. Financial Instruments and Transactions in Scope
Purchase and sale of sovereign and corporate bonds on the Trading Platform.

3.3. Execution Method
The Bank trades as an agent with respect to debt instruments quoted on the Trading Platform. The Bank transmits all client orders to Saxo Bank, which acts as a principal to trades with the Bank. In exceptional circumstances Saxo Bank A/S may act as an Agent.

3.4. Order Types Available
Fill or Kill Market Order:
   
   d) order will be filled at the indicative limit price;
   
   e) order will be filled at better terms than (below/above) the limit price;
   
   f) can be cancelled (killed) due to pricing outside of the indicative bid/offer price, or due to lack of liquidity.

3.5. The Bank’s Selected Execution Venue
Bank’s execution venues:
   - Saxo Bank A/S.

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

3.7. 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 bonds and the costs relating to execution):

13. Price;
14. Expected impact of execution;
15. Likelihood of execution and settlement;
16. Size of order;
17. Costs;
18. Speed;
19. Other factors.
ANNEX NO. 5 TO THE POLICY FOR EXECUTION OF ORDERS IN FINANCIAL INSTRUMENTS

INVESTMENT ADVICE

1. Equities and equity-like instruments – shares and exchange traded funds.

1.1. Intended for
Retail (non-professional) and professional clients.

1.2. Financial Instruments and Transactions in Scope
Purchase and sale of cash equities and equity-like products.

1.3. Financial Instruments and Transactions not in Scope
Equities traded on Trading 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.

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:
- Citibank.

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):

11. Price and costs (total consideration);
12. Expected impact of execution;
13. Likelihood of execution and settlement;
14. Speed;
15. Other factors.
2. Other instruments – units in collective investment undertakings

2.1. Intended for
Retail (non-professional) and professional clients.

2.2. Financial Instruments and Transactions in Scope
UCITS and non-UCITS collective investment undertakings.

2.3. 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.

2.4. 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:
- Citibank.

2.5. Monitoring

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

2.6. 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):

11. Price and costs (total consideration);
12. Speed;
13. Likelihood of execution and settlement;
14. Expected impact of execution/Size of order;
15. Other factors.
3. Debt instruments

3.1. Intended for
Retail (non-professional) and professional clients.

3.2. Financial Instruments and Transactions in Scope
Purchase and sale of sovereign and corporate bonds.

3.3. Execution Method
The Bank in general 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 orders in debt instruments 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:
  o AB SEB Bank;
  o “Swedbank”, AB;
  o Danske Bank A/S;
  o AB Šiaulių bankas;
  o Nasdaq OMX Baltic exchange for listed bonds;
  o Bloomberg Multilateral Trading Facility;
  o Goldman Sachs International;
  o UniCredit Bank AG;
  o Raiffeisen Bank International AG;
  o Commerzbank AG;
  o JP Morgan Chase Bank;
  o Societe Generale SA;
  o Saxo Bank A/S

3.4. 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.

3.5. The Bank’s Selected Execution Venue
Bank’s execution venues:
- Luminor Bank AS;
- Nasdaq OMX Baltic exchange for listed bonds;
- Bloomberg Multilateral Trading Facility;
- AS SEB Bankas;
- Swedbank AB;
- Saxo Bank A/S.

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

3.7. 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 bonds and the costs relating to execution):

20. Price and costs (total consideration);
21. Speed;
22. Likelihood of execution;
23. Size of order;
24. Other factors.