

Order Execution Policy for financial instruments in order-driven markets

(shares, primary capital certificates, ETFs)

In force from 1st January 2018

(Based on standard prepared by the Norwegian Securities Dealers Association, 24th October 2017)

1 Introduction

According to the legislation, investment firms have an obligation to take all sufficient steps to achieve the "*best possible result*" for their clients when executing client orders ("Best Execution"). When it receives a client order, the Firm will carry out a specific assessment of how the order is to be executed to obtain Best Execution.

The order execution policy stated below ("the Order Execution Policy") will form the basis for this assessment.

2 Exemption from the Order Execution Policy – specific instructions

If the client provides specific instructions, this may prevent the Firm from taking the steps stipulated in the Order Execution Policy below to ensure Best Execution. The client and Firm may enter into a separate agreement stating that orders received in special situations are to be treated as specific instructions.

3 Relevant factors when choosing the execution method

When choosing the execution method, the Firm will take into account price, costs, speed, the likelihood of execution and settlement, size, nature and other relevant factors.

4 Relative importance assigned to relevant factors

When the Firm executes client orders, the following elements will be taken into account when determining the relevant importance of the abovementioned factors (item 3):

- The client's properties (retail/professional client)
- The properties of the client's order
- The properties of the financial instruments included in the order
- The properties of the trading systems to which the order may be sent

In dealings with retail clients, the Best Execution will be determined based on the total amount the client is to pay in connection with the order execution.

5 Alternative ways to execute orders

The Firm will execute orders for the client in one of the following ways:

5.1 At an execution venue, such as a regulated market or MTF, OTF, Systematic Internaliser, or market maker:

- (a) by placing the order in an execution venue
- (b) by transmitting the order to a different investment firm if the Firm does not have access to an execution venue

5.2 Outside a regulated market or MTF:

- (c) by buying from or selling to other clients (mutual business)
- (d) by itself wholly or partially becoming an opposite party (own account trading)
- (e) by transmitting the order to another investment firm with which the Firm cooperates

Re a)

The Firm is a member of and may execute orders on the following execution venues:

- Oslo Børs
- Oslo Axess
- Merkur Market
- Oslo Stock Exchange North Sea Dark Pool
- ABM (Alternative Bond Market)

The list is not exhaustive. At times, execution may take place at other **execution venues** if this is in accordance with the rest of this Order Execution Policy.

If the financial instrument is traded at **execution venues** (including Oslo Børs (Stock Exchange)/Oslo Axess), the Firm will normally execute the order in Oslo Børs/Oslo Axess, since it believes this method of execution will provide the Best Execution for the client. However, if the Firm believes that the **execution venue** with the highest liquidity for the financial instrument in question will provide the Best Execution for the client, the Firm will execute the order in the **execution venue** where the financial instrument has the highest liquidity.

Re c), if the Firm has received orders to both buy and sell the same financial instrument and these orders can be matched internally, the Firm will normally place the orders in the Oslo Børs/Oslo Axess trading system if the financial instrument is listed on Oslo Børs/Oslo Axess. The trading system will automatically match the orders at the market price. Alternatively, the orders will be executed by the Firm itself concluding agreements on behalf of clients. In such case, the Firm will safeguard the clients' interests with the same care and determine the price of the financial instruments on the basis of the stock exchange price or, if no stock exchange price is available, a price that is reasonable considering the state of the market.

Re d), if the Firm is an opposite party, this will be stated on the contract note or any other confirmation. If the Firm steps in as an opposite party (own account trading) in relation to a client order, this will take place at a price which equals the best obtainable price in a trading system, for example the stock exchange price. Exceptions will apply if the Firm, in its capacity as a market maker and when directly requested by the client, states a price at which the Firm will either buy or sell the financial instruments in question and the client accepts this price.

6 Trading in unlisted shares

If an unlisted share (or another financial instrument) is registered on the Norwegian OTC List, the Firm will place the order as an interest in the OTC system and then contact another firm that has shown a corresponding interest in the OTC system. The Firm will negotiate with this firm to achieve the best possible price for the client.

7 When will the order be executed?

The Firm will start to execute the order as soon as it receives it from the client. This means that the Firm will prioritise orders according to the time when they are received unless the Firm believes that Best Execution will be obtained by aggregating the order with other orders. The Firm reserves the right to aggregate the client's orders with orders from other clients, persons or firms that are or are not affiliated with the Firm. Orders may be aggregated if it is unlikely that aggregation in general will be a disadvantage to any of the clients. However, the client is aware that aggregating orders can in some cases be a disadvantage.

The Firm also reserves the right to aggregate the client's orders with transactions carried out for the Firm's own account. If the total order is only partially executed, the client's order will basically be given priority over the Firm's order. However, exceptions will be made if the Firm could not have executed the trade on correspondingly favourable conditions without the aggregation.

An order received outside the marketplace's hours of business will be executed once the marketplace re-opens.