



BEST EXECUTION POLICY

A. THE PURPOSE

The aim of the Best Execution Policy is to provide an overview of how, when dealing with customer orders, DNB Luxembourg S.A. (the “Bank” or “DNB”) acts honestly, fairly and professionally, and taking into account the Bank’s customers’ (“Customer(s)”) best interest.

The Best Execution Policy is based on the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), the Delegated Regulation dated 25 April 2016 supplementing the directive and all the local regulations applicable to the Bank, such as the Luxembourg Law of 30 May 2018.

B. SCOPE

This policy applies to:

- all financial instruments defined as such by MiFID II;
- all financial services that the Bank provides, be it on execution-only, advisory, or discretionary portfolio management basis;
- all clients independently of their classification as retail or professional clients.

C. DEFINITION OF BEST EXECUTION/SELECTION

Best Execution is a regulatory obligation for the Bank to seek the best terms reasonably available when dealing with customer orders, so as to obtain for its Customers the ‘best possible result’ as further outlined in the present Best Execution Policy.

In summary, DNB is required to take into account the following factors as defined by MIFID II:

- price;
- costs;
- likelihood of execution and settlement;
- speed;
- size;
- nature; and
- any other consideration relevant to the execution of an order.

For retail clients, the best possible result will mostly be determined by the total price, representing the sum of the price of the financial instrument and the costs of execution. The latter includes all expenses that are directly relating to the execution of the order and that are incurred by the customer, including execution venue fees, clearing and settlement fees and any other fees paid to a counter party involved in the execution of customer orders.

D. APPROACH TO BEST EXECUTION

The Bank takes all sufficient steps to ensure the Customer is given the best possible result considering the factors mentioned above in regards to orders for transactions in financial instruments that it transmits to brokers / third parties (“Counterparty(ies)”) for execution.

Whenever a Customer provides specific instructions on how or with whom an order should be executed, DNB will – to the extent possible - transmit the order in accordance with those instructions. Such specific instructions may however prevent DNB from taking the steps described in this policy to obtain the best possible result for the execution of those orders.

Furthermore, trading rules for specific markets may prevent DNB from following certain of the customer’s instructions.



To the extent that a customer instruction is not complete, DNB will determine any non-specified components of the execution in accordance with this policy.

E. RANKING OF EXECUTION FACTORS

As already outlined above, the two primary factors for Best Execution are the price of the financial instrument and the transaction costs.

The price of the financial instrument

The price of the financial instrument is the primary criterion for Best Execution.

Transaction costs

All orders must take into account the costs incurred as a result of the transaction, such as execution venue fees, clearing and settlement fees and any other fees paid to a counter party or third party involved in the execution of the order. The Bank shall aim to safeguard the customer's interests through the negotiation of lower commission rates.

Likelihood of execution

DNB also assesses the ability of the Counterparty to execute orders. In this context, the expertise of the Counterparty in a particular sector or in certain securities shall be taken into consideration, if this is considered to be in the best interest of the Customer.

The type of order (size)

DNB must consider the Counterparty's ability to execute orders and the indirect costs, regarding the market impact incurred as a result of the order. The order must be placed with the Counterparty with the highest probability to execute the order with a low market impact. Especially when large orders (compared to a normal daily turnover) are to be executed in less liquid financial instruments, the order should be placed with a Counterparty that is expected to have the capacity to carry out the entire order within a reasonable time at an average price that is advantageous to the Customer. It may be in the best interest of the Customer to place the entire order at a seemingly less favorable price than placing a small part of the order at a better price, to avoid driving the price in an unfavorable direction for the Customer.

Speed

Normally, the price of the financial instrument and the ability of the Counterparty to execute the order are more important than the speed of the execution of the transaction. In some situations, however, speed may be given priority, for instance if the price for a particular financial instrument is anticipated to decline. In such a situation, speed is important to achieve the best average price for the financial instrument.

Other relevant factors for the Customer

In addition to the criteria mentioned above, DNB may also take into consideration other aspects relevant for the Customer when placing orders.

The criteria referred to above shall always apply when placing orders on behalf of Customers. The Bank shall on an ongoing basis evaluate whether the Counterparty used in the individual transaction does provide best execution based on these criteria.

F. GENERAL PRINCIPLES FOR THE MAIN CATEGORIES OF FINANCIAL INSTRUMENTS HANDLED BY THE BANK

DNB generally transfers the execution of trades to Counterparties approved by the Bank's Management. Prospective Counterparties must provide a confirmation of their compliance to the Bank's best execution compliance rules -based on the relevant factors mentioned above- before being approved by the Bank. The Bank will thereafter on an ongoing basis evaluate whether its counterparties do actually provide Best Execution.

These Counterparties may execute such orders as deemed appropriate, on a regulated market, a Multilateral Trading Facility (MTF), or Organised Trading Facility (OTF).



These Counterparties may also execute such orders as deemed appropriate outside of regulated markets (OTC). When dealing in OTC, the best execution rules impose a requirement to check the fairness of the price proposed to the Customer, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products. The Bank draws its Customers' attention to the fact that the execution of orders on OTC increases the Counterparty risk related to execution. For this reason, the Bank must obtain the Customer's consent prior to such trades; such consent is deemed obtained by the Customer's acceptance of the Bank's general terms and conditions of business. Upon request, the Bank can provide additional information on the consequences of this means of execution.

The Bank will annually publish the top five Counterparties used for placing or transmitting customer orders for execution (in terms of trading volumes per each class of financial instruments and as per the preceding year). Such publication will also contain information on the quality of the execution obtained and will be publically available at the Bank's website.

The Bank's standard Counterparties for the main categories of instruments are however already stated here below:

- Scandinavian bonds and equities: DNB Bank ASA, Oslo
- Non-Scandinavian bonds and equities: UBS AG, Zurich
- Forward foreign exchange and other derivatives : DNB Bank ASA, Oslo
- Investment Funds: IFSAM (Fund trading platform)

Upon reasonable request from a client, the Bank will provide further information about the Counter Parties where the orders are transmitted.

G. MONITORING, EVALUATION AND REVIEW

The Bank monitors and evaluates the effectiveness of this Policy and the measures taken to comply with it, including the execution quality of the Counterparties. If necessary, the Bank will amend the Policy in the light of its evaluation and, where appropriate, correct any deficiencies. The review will be performed at least annually or whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for their clients.

The Bank also assesses, on an ongoing basis, whether the Counterparties that the Bank has chosen to ensure best execution continue to meet the Bank's requirements. If not, the Bank will correct any deficiencies and make the necessary changes. In order to do so, the Bank will require on an annual basis a self- certification and evidence of best execution principle for a sample of transactions.

H. ADDITIONAL PROVISIONS REGARDING THE EXECUTION OF ORDERS

All orders are carried out at the Customer's risk in accordance with the instructions given to the Bank and in compliance with the laws, regulations and usual practices in force in the various centres, markets and places of execution, and as applicable under the conditions laid down by the issuers. It will, in the absence of special instructions, transmit such orders at its discretion by telephone, letter, scanned copy or fax.

Any amendment or cancellation of an instruction or order must refer explicitly to the initial instruction or order. In the absence of a reference to the initial instruction or order, the Bank may not be held liable for having processed it as a new instruction and for having executed the initial order.

Failing a contrary stipulation, all unexecuted instructions shall expire at the end of the current month or according to the rules and practices of the market and correspondents. The Customer must renew any instruction that has expired in order for it to be carried out by the Bank. The Bank shall not take any initiative in this regard. The Customer understands that the Bank recommends shorter limit periods for the execution of orders due to market volatility.

Assets purchased by the Customer shall be deposited in safe custody at the Bank's initiative and shall be subject to custody fees. The same applies to assets deposited by the Customer for sale when there is no sale.



To the extent this does not conflict with its best execution principles, the Bank reserves the right to group different orders involving the same financial instrument so that they can be executed as a single order on the market. If/when grouping orders the Bank shall ensure:

- that the grouping of orders and transactions is unlikely to work to the disadvantage of any Customer whose order is to be grouped;
- as applicable, the disclosure to each Customer whose order is to be grouped that it may work to his/her disadvantage;
- in case the order can only be partially executed, that the Bank will share the quantity executed fairly by respecting the order in which the orders were received.

Customer orders for the purchase and sale of options, rights and warrants or any other derivatives shall be carried out within the time period specified in each instance. Without instructions from the Customer upon the maturity of options or futures, the Bank has no obligation to take any specific action. In order to safeguard the interests of the Customer, the Bank may trade options and futures at maturity without incurring liability. Failing a contrary stipulation, when a call option (or any derivatives contract where the Customer might have to deliver securities) is issued, the Bank shall request and block the securities under such option contract for the given period.

Failing instructions to the contrary the Bank shall carry out the Customer's orders in accordance with the rules and customs of the markets and counterparties. The Bank cannot be held responsible for being unaware of rules and practices in force in markets in which it is not usually involved.

Any objections concerning customer orders must be sent to the Bank by registered mail no more than 30 calendar days after:

- the receipt of the relevant notice or advice of settlement, as regards the execution of the order; and
- the day when the notice of execution or the advice of settlement should have reached the Customer, as regards the non-execution of an order.

In the absence of any objection within the specified time limit, the Bank's manner of transacting business is deemed to have been approved by the Customer.

Version:	v.2
Issued by:	Management
Effective as of:	12 September 2019
Document owner:	Management
Document prepared by:	Management
Approved by the Board	12 September 2019