

1. Introduction

This document of Best Execution Policy (the Policy) sets forth the procedures to which AS SEB Pank (SEB) must adhere in the event of orders related to financial instruments and executed or forwarded on behalf of its Retail and Professional Clients. SEB shall take all reasonable steps in accordance with the Policy with a view to obtain the best possible result for its clients. Please note that although the procedures set forth in the Policy should ensure the best possible result for the clients of SEB, there is still no guarantee that the circumstances allow for obtaining such result in respect of each individual transaction.

By placing a transaction order with SEB, you consent to the execution of the transaction order in accordance with the procedures set forth in the Policy.

If a client requests a price offer from SEB and consents to the price offer delivered by SEB or if the terms and conditions of a transaction are specifically agreed upon between SEB and the client, the transaction made on the basis thereof shall be deemed to be the best execution of an order for a retail client and the Policy does not apply to such transaction in the event of a professional client.

The same order may be executed in parts according to the procedures set forth in the Policy.

2. Specific client instructions

If a client gives a specific instruction to SEB about how its order or part of it should be executed, the transaction shall be performed in the basis of such instruction. If you give specific instructions to us, we may not be able to follow the procedures set forth in the Policy whose aim is to obtain the best possible result for you.

3. Relative importance of different factors of execution

SEB shall take into account the following circumstances when executing or forwarding orders:

- the price for which the order can potentially be executed and costs incurred by execution;
- the speed and likelihood of both the execution and settlement.
- the size and type of the order as well as its affect on the market;
- any other circumstances which according to SEB are relevant with regard to the execution of the order.

Upon execution of an order SEB shall also consider such factors as the type of client, the particular characteristics of the financial instruments and current market conditions.

In the absence of specific conditions, SEB will aim at the execution of the transaction with the best possible result with regard to the total payment due by or to the client.

4. Execution of orders of regularly traded financial instruments in external execution venues

This section shall be applied to any transactions with all financial instruments that have adequate liquidity traded outside SEB in external execution venues, such as a stock exchange or any other regulated market.

Such financial instruments may include, for example, certain:

- equities;
- bonds or other interest-bearing or discounted debt obligations, incl. index-linked bonds;
- standard derivatives;
- exchange-traded fund units;
- other financial instruments traded in external execution venues.
- SEB shall execute the client's orders for such financial instruments as follows:

As a rule, an order shall be sent for execution to the execution venue that according to SEB will deliver the best result for the client. This is, in general, the execution venue where the relevant financial instrument has been the most liquid in the past.

If an order is so voluminous that caution must be taken at its execution, in order to reduce the adverse effect of the order on the market, SEB shall execute the order at such time and in such separate parts, as it considers according to its justified assessment probable that the best possible overall result for its client can be obtained in a situation that may evolve.

If the circumstances allow and provided that according to SEB it will be beneficial for the client, SEB may decide to execute the order or part of it on account of its own funds or directly of another market participant's funds or the order of its any other client. But SEB will do that only if it seems probable at the time of performance of the transaction that the result would be as good as if executed in a regulated market.

If according to SEB it would be in the interests of the client in relation to a transaction whose volume is higher than the standard market volume, SEB may offer to the client the execution of the whole transaction against its account for such price which, although less favourable than the current price valid on the market for smaller quantities of the same security, would probably be more favourable than the current public market price for the volumes equal to the order. The terms and conditions related to such transactions will be agreed upon with the client when making the offer.

If the client asks from SEB a price offer for a transaction where SEB is a counterparty, SEB shall take all steps in order to ensure that the price so offered would be fair in every situation.

5. Execution of orders of non-regularly traded financial instruments in external execution venues

This section shall be applied to transactions with those financial instruments that do not have adequate liquidity and are traded in an execution venue outside SEB, such as standard financial instruments not traded on stock exchange, as well as financial instruments that are composed of (either by SEB or any other intermediary) one or many components, some of which may be listed or independently tradable, in order to obtain, for instance, a financial instrument corresponding to certain risk-related requirements. Such financial instruments include, for example, certain:

- bonds and other interest-bearing or discounted debt obligations;
- OTC derivatives;
- financial instruments whose income is related to the return of a certain index or price;
- financial instruments based on or containing agreements on exchange rate/price differences;
- unlisted shares;
- fund units;
- other financial instruments traded irregularly in external execution venues.

SEB shall execute the client's order for such financial instrument as follows:

- SEB may execute the order against its own funds for the determined price. Price calculations shall consider the current market price or the market price available for SEB or the level of the underlying assets, index or exchange rate contained in the structure of the financial instrument or other important market factors or events. In addition, price calculations shall take into account the costs incurred by the calculation method of the financial instrument in question. These are costs that are related to the use of the Bank's own funds for the performance of transactions with clients, the credit risk, operational risk or risk position of the counterparty taken at creation of the instrument and its being made available for the clients.
- In order to enable, for example, execution of an order with regard to unlisted shares, SEB may execute the order on account of the funds of another market participant or the order of any of its clients.
- In the case of fund units, SEB shall execute its client's order, forwarding it directly or via an intermediary to the management company (or any other similar person), who is responsible for the management of the fund.

6. Lending of securities and primary market transactions

SEB shall execute the lending transactions of securities on account of SEB's own funds for a favourable price and according to the terms and conditions specifically agreed upon with the client.

SEB shall execute the primary market transactions of financial instruments, forwarding the client's order to the issuer or the representative of the issuer, according to the client's instructions and the terms and conditions of the respective issue.

7. Execution venues used by SEB

SEB is a participant in many regulated markets and in addition has access to many other execution venues which depending on each case are selected as being in accordance with SEB's requirement to execute the orders in correspondence with the best interests of clients.

In order to get a list of the execution venues currently used by SEB, please visit the website www.seb.ee/investorkaitse.

8. Submission and forward of orders to third party intermediaries

When SEB provides the service of portfolio management and/or forwards its clients' orders, it shall arrange the submission of orders in a way that takes into account the clients' best interests at that moment and, if relevant, SEB may use a third party intermediary.

SEB shall assess thoroughly the third party intermediary whom it intends to use and with who it wishes to establish relations. Upon selection of a third party intermediary whom the orders will be submitted or forwarded for execution, SEB shall consider such factors as the price, costs, speed, probability of execution and settlement, as well as any other factors which may be relevant at the moment of submission and forward of an order.

In order to avoid suspicions, all additional costs arising from the use of such third party intermediary will be taken into account, in order to assess whether such execution will help to obtain the best general result for the client.

9. Execution outside a regulated market or in an MTF

SEB may execute the client's orders outside a regulated market or in a multilateral trading platform (MTF). This applies in particular to financial instruments not traded on stock exchange, but may be applied also in the case of exchange traded financial instruments.

Upon consenting with the Policy, you consent to the execution of the order also outside a regulated market or in an MTF.

10. Handling of client order

SEB shall execute the orders of all clients in an accurate and fair manner and without delay and tries to execute equal orders in the order of their submission, unless this is not reasonable with regard to the order or current market conditions or if in contradiction with the client's best interests.

Provided that it is not harmful for the clients, SEB may combine its clients' orders with the orders of other clients or transactions which SEB executes in its name and on its account. Although the aim of combining orders is to achieve the best possible result for the clients, it may in certain cases be still harmful for a client with regard to a certain order. If SEB combines the client's orders with other orders, the combined transactions will be distributed fairly between the client and the other persons whose orders have been combined.

11. Impact of trading interruptions, system errors, etc.

In certain cases, e.g. upon interruption of trading, cancellation of transaction by the execution venue, system errors or any other reason, SEB has the right to decide that in the best interests of the clients it would be right to use other measures for the execution or forwarding of orders, which are different from those usually used with respect to the relevant instrument. In such cases SEB shall take all necessary measures to obtain the best possible result for its client in the respective situation.

Should the events mentioned above result in the interruption of trading, SEB shall take reasonable steps to contact with those clients whose orders have not been executed yet, in order to get additional instructions. If SEB fails to get additional instructions, it shall take all measures that are in the best interests of the client and in such case the result shall be binding upon the client.

In the event that the market operator cancels or amends the transaction performed on the market, such steps shall be binding upon SEB and its clients even if SEB has in the meantime declared that the transaction was executed.

12. Amendment and revision of the Policy

SEB may unilaterally amend the Policy. The rules, execution venues, third party intermediaries and execution orders, as well as their results shall be reviewed in order to ensure the best possible result for the clients of SEB. It shall be made when necessary, but at least once a year. All amendments to the Policy shall be published on the website of SEB at www.seb.ee/investorkaitse. Amendments and revisions shall enter into force on the day following their publication on the website.