

Best Execution Policy

1. Introduction

This document “Best Execution policy” (hereinafter the “Policy”) specifies the procedures, which SEB will follow when executing or forwarding transaction orders (hereinafter the “Order”) in financial instruments on behalf of its retail and professional clients. SEB will take all reasonable steps in accordance with this Policy in order to obtain the best possible results for its clients. Please note that although the procedures set out in the Policy are generally expected to produce the best possible result for SEB’s clients, there is no guarantee that circumstances will enable this to be achieved in every single transaction.

By giving SEB an Order the client agrees to the transaction being executed in accordance with this Policy.

Where a client requests a quote from SEB and accepts it or where the terms of a deal are otherwise specifically agreed between SEB and the client, the resultant transaction will for a client be considered to constitute Best Execution and in case of a RFQ transaction made on the initiative of the professional client the Policy will not apply.

A single order of a client can be executed in parts pursuant to rules specified in this Policy.

SEB may restrict trading with specific securities or certain types of securities or limit the types of orders to be accepted.

The bank is not obliged to immediately disclose to other market participants the order with the price set by the client in connection with a share accepted to the market for trading, which is not promptly executed on prevailing market conditions.

2. Specific client instructions

Where a client gives SEB a specific instruction on how all or part of its order should be executed, the relevant execution will be effected in accordance with such instructions. SEB would like to stress that providing specific instructions by the client may prevent SEB from implementing the measures and following the procedures set out in this Policy, which SEB has developed and introduced to obtain the best possible result.

3. The relative importance of different factors in execution

In executing a client’s order SEB will take into account the following matters:

- the price at which it is likely to be executed and the costs which will be incurred;
- the speed and likelihood of both execution and settlement;
- the size and nature of the order and its impact on the market; and
- any other factor which SEB considers to be relevant to the execution of the order.

At the time of execution SEB will weigh also such factors as client’s classification, characteristics of the client and his order, the financial instrument involved, characteristics of the execution venue, where the order can be forwarded and the prevailing market conditions.

Unless special circumstances apply, SEB's priority in executing transactions will be to obtain the best possible result in terms of the total consideration to be paid or received by the client. In certain cases, e.g. execution of voluminous order, the speed and likelihood of execution may be more relevant factors than the total value of the transaction.

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

This section applies to financial instruments traded with sufficient liquidity on a regulated market (e.g. stock exchange), on an multilateral trading facility (MTF; e.g. First North) or on another execution venue (e.g. systematic internaliser of the client's orders, provider or liquidity or the bank itself). Such financial instruments are *inter alia*:

- shares;
- bonds and other interest-bearing or discounted debt instruments, including index-linked bonds;
- standardised derivatives;
- Fund units (ETF) and certificates (ETC) traded at the stock exchange, and
- other financial instruments traded on an external execution venue.

SEB will execute its client's order in such financial instruments in the following way:

- The order will normally be routed for execution to the execution venue SEB considers to provide the best result for the client taking into account the factors in section 3.
- Where the order is of a larger size, such that care is required in its execution in order to minimize the adverse impact of the order to the market, SEB will execute the order at such times, and in such separate parts in the market, as appears in its reasonable judgement to be necessary to produce the best possible overall result for the client under the circumstances as they develop.
- Should circumstances permit it, and provided that it appears to SEB that it will operate to the client's overall advantage, SEB may choose to execute all or part of the order against either its own book or directly against a non-market counterparty or the order of another of its clients. However, SEB will only do this if it appears likely at the time of dealing that the result is at least as good for the client as would have been obtained in the regulated market.
- SEB may offer to take an order of a larger size directly onto its own book at a price, which may be less advantageous than the price prevailing in the market for small volumes, but is not likely to be worse than the price that could have been obtained in the market for transactions equal to the size of the order. Conditions related to such a transaction shall be agreed upon with the client before execution of the order.
- Where a client requests SEB to make a quote for a transaction off its own books, SEB will take reasonable care to ensure that the price so quoted is fair in all the circumstances.

5. Execution of orders in financial instruments not regularly traded on external execution venues

This section applies to financial instruments which are not traded with reasonable liquidity on a regulated market or on another marketplace. Such instruments include both standardised but non-exchange traded instruments and instruments created by SEB or another intermediary from one or more components (some of which may be listed or traded in their own right), for example in order to provide an instrument designed to meet specific exposure requirement. Such financial instruments are *inter alia*:

- bonds and other interest-bearing or discounted debt instruments;
- non-exchange traded derivative securities or derivative contracts (OTC derivatives);
- Financial instruments in which the return is linked to the performance of a specific index or reference rate;
- instruments based on or involving contracts for difference;
- shares, not traded on a regulated market, on an MTF or on other regulated market
- fund units (not ETF) and
- other financial instruments not regularly traded in MTF or on a regulated market or other marketplace.

SEB will execute its client's order in such a financial instrument in the following way:

- SEB may execute the order against its own book, at a sound price. The pricing will take into account the prevailing market price available to SEB or level of the underlying asset, index or rate incorporated into the structure of the instrument, or other relevant market factors or events. The pricing will in addition take into account the risks and costs involved in SEB's business model for the instrument in question. These are costs inherent in execution of the client's order on SEB's account, counterparty credit risk or risk position assumed in creating the instrument and making it available to clients – and SEB's reasonable profit margin in the light of these. Upon execution of orders of financial instruments not regularly traded on the market, SEB proceeds from a principle that where a client requests a quote from SEB and accepts it or where the terms of a deal are otherwise specifically agreed between SEB and the client, the resultant transaction will for a client be considered to constitute Best Execution.
- To be able to provide execution in financial instruments for which there is no readily available market quote, SEB may execute the order on account of a non-market counterparty or the order of another of its clients.
- Specifically for fund units, SEB will execute its client's order by transmitting it, directly or through an intermediary, to the fund management company (or equivalent) responsible for administering the fund in question.

6. Securities lending and primary market transactions

SEB will execute securities lending transactions against SEB's own book at a fair price and in accordance with special terms agreed with the client. SEB will execute primary market transactions in financial instruments by transmitting the client order to the issuer, or the agent of the issuer, in accordance with the client's instruction or marking the specific financial

instrument on its own account, based on the order given to SEB by the client. In both cases the terms and conditions of the specific issue must be followed.

7. Execution venues used by SEB

SEB participates in a variety of different regulated markets and MTF and in addition, has direct access to a number of other execution venues, chosen in each case (in addition to other reasons) because SEB assumes that they help to meet the requirement to execute orders to the best advantage of its clients, considering relative importance of execution factors. For a list of execution venues frequently used by SEB, please see link above.

Note, however, that SEB may execute client orders on venues other than those on the list when it considers that this is appropriate in the light of the circumstances at the time and unlikely to produce a worse overall result for the client.

8. Placing and transmission of orders to third party brokers

When providing portfolio management services and/or transmitting its clients' orders, SEB will handle the placing of orders in the way it regards at the time as being in the best interest of the client, and, where it deems it appropriate, may use the services of a third party broker.

SEB will make a careful assessment of any third party broker it uses and will establish a relationship with it. When establishing a business relationship with a third party broker through which or by which client orders are executed, SEB will consider factors such as price, costs, speed and likelihood of both execution and settlement, as well as other factors that might be significant at the time of placement and transmission of orders. The list of third party brokers used by SEB can be found above on this website.

9. Execution outside a regulated market or in an MTF

SEB may execute client orders outside a regulated market or an MTF upon consent of the client. This applies primarily to non-exchange traded financial instruments, but could also be the case for exchange-traded financial instruments.

10. Client order handling

SEB will execute each client's orders in a prompt, fair and expeditious manner and will generally seek to execute comparable orders in the sequence in which they are received, unless for example the characteristics of the order or prevailing market conditions make this impracticable and this exception is justified.

Provided that it is unlikely to work to the overall disadvantage of its clients concerned, SEB may aggregate a client's orders with the orders of other clients, or with transactions that it is arranging for its own account. Whilst the purpose of such aggregation is to achieve the best possible result for its clients, it still does not give any guarantee that on other occasions it may not work to the client's disadvantage in relation to a particular order. Where SEB aggregates a client's order with other orders, the combined trades will be allocated fairly between that client and the other parties whose interests have been aggregated.

The bank will execute the client's order promptly after receipt hereof, whereas the time sequence in receiving the orders may depend on the channel through which the order was

presented. If the client's order is received immediately before closure of the respective execution venue, SEB starts to execute the order on the next trading day.

11. Trading suspension and system failures

In certain cases, whether as a result of trading suspensions, cancellation of transactions by the execution venue, disrupted markets, system failures or otherwise, SEB may decide that it is in a client's best interests to execute or transmit its order using means different to that normally used for the order in question. In such cases, SEB will take all reasonable steps to achieve the best possible overall result for the client under the prevailing circumstances.

If the events referred to above result in suspension of trading, SEB will make reasonable efforts to contact clients whose orders have not yet been executed in order to obtain additional instructions. If SEB is unable to obtain such instructions, it will take all actions that are to be in the best interest of the client, and the client will be bound by the result.

Where a market operator cancels or amends trades executed on its market, SEB and its clients will be bound by such steps, even if SEB has in the meantime confirmed that the transaction has been executed. SEB will take all actions to inform the client immediately of such circumstances, except if the circumstances do not permit such notification of the client.

12. Changes and updates to this policy

This Policy is subject to change. The Policy, the execution venues, third party brokers and execution arrangements referred to in it, as well as the results they produce, will be reviewed periodically in order to ensure that they are likely to provide the best possible result for SEB's clients. This will be done as circumstances dictate, and at least annually. Any changes to the Policy will be published on this website.

Such change and updates will take effect from the day following the day they are published on the website.