

Nordea execution policy

1. Execution policy

To ensure the best possible execution of customer orders in financial instruments, Nordea has adopted the following execution policy. The policy applies to all customers, irrespective of their classification.

Nordea will follow this execution policy unless the client gives specific instructions as to how an order should be handled. Customers should be aware that such instructions might prevent Nordea from following the steps set out in this policy to obtain the best possible result. The trading rules for the relevant market may constitute an obstacle to certain instructions given by the customer.

2. Choice of venue for execution

Nordea has access to a variety of different trading venues. Nordea regularly reviews which trading venues to use. An updated list of trading venues that Nordea uses for execution can be found at www.nordea.com.

When choosing the best venue for execution Nordea will, as a minimum, take into account:

- the size and nature of the order
- the price at which it is likely to be executed and the costs that will be incurred by the customer
- the speed and likelihood of both execution and settlement.

Normally, Nordea will regard price as the most important factor. However, in the case of e.g. orders that – because of their size or type – may have an impact on either the prevailing price of the financial instrument or the markets on which it could be executed, other factors may take precedence to ensure the prompt execution of the order.

The speed or likelihood of execution or settlement may take precedence if there are significant differences in these, depending on the execution venue chosen.

Orders that are large compared to the total turnover in the market will, as a general rule, be directed to the market place with the best liquidity; i.e. the venue where a large order can be executed promptly with the least impact on the market price.

Nordea may execute an order outside a regulated market, against either its own account, another customer order, or another third party.

3. Orders in financial instruments principally traded at an external trading venue

This section applies to orders in financial instruments that are traded on a regulated market, Multilateral Trading Facility (MTF) or other organised trading venue, such as:

- shares admitted to trading on a regulated market or MTF (e.g. shares listed on the Stock Exchange)
- derivatives admitted to trading on a regulated market or MTF (e.g. options and futures listed on the derivatives exchange)
- units in collective investment undertakings admitted to trading on a regulated market or MTF.

3.1 Orders at market price

If the customer wants the order to be executed at market price, the order will be passed on to the trading venue considered to provide the best execution, in accordance with §2 above. If Nordea does not have access to the relevant trading

venue, the order will be passed on to a broker, who will handle the execution. Brokers will be chosen, in a continuous review, for their ability to provide best execution.

Orders can, at the discretion of Nordea, be split into multiple orders in the market place to limit the effect of market price movements that would adversely affect the price the customer trades at. The price will be calculated as the average volume weighted price.

Buy orders will be executed at the lowest possible ask price and sell orders will be executed at the highest possible bid price.

Nordea may also decide to execute all or part of the order against either Nordea's own account, another customer order, or another third party. The order will then be executed at a price that reflects prevailing market conditions.

3.2 Limit orders

Where the customer has attached a limit price to the order, the order will be handled as above, but the execution will not take place until all or part of the order can be executed at the limit price, or better.

Where a customer limit order is not executed immediately, Nordea will make it public by transmitting it to the relevant trading venue, unless otherwise agreed with the customer.

3.3 Other type of orders

If customers use other types of orders, such as Market on Close or Volume-Weighted Average Price, these orders are considered orders containing specific instructions and will be executed accordingly.

4. Transactions in financial instruments not principally traded at an external trading venue

This section applies to transactions in financial instruments that are normally traded directly against a counterpart (OTC), for example:

- bonds, treasury bills and other money market instruments
- OTC derivatives
- other instruments created by Nordea or an intermediary.

In these instruments, the pricing will be based on the market value or the value of the underlying assets and will take into account the cost of Nordea's business model and the utilisation of Nordea's own capital to support dealings with customers.

4.1 Quotes on request

When Nordea quotes prices in the instruments in question, an agreement between Nordea and the customer is concluded either by the customer accepting a firm quote or by Nordea confirming the price to the customer and the customer accepting this. In this procedure Nordea is entering into an agreement with the customer and is not executing an order on behalf of the customer. Hence the procedures set down elsewhere in this policy to ensure that orders are executed in the best interest of the customer do not apply to these transactions.

4.2 Order execution

When Nordea executes an order on behalf of the customer in these instruments, Nordea will execute the order against its own account.

In relation to a specific deal, market information will be sought through the use of brokers, potential counterparts and other potential information sources.

5. Investment funds

Nordea will execute orders from customers regarding collective investment under-takings by placing the order with the fund management company, or equivalent, for execution in accordance with investment fund regulations, or equivalent. In the case of the fund being admitted to trading at a regulated market or MTF, see §3 above.

6. Order handling, aggregation and allocation.

Nordea will execute customer orders promptly, fairly and expeditiously. Comparable customer orders will be executed sequentially, unless the characteristics of the order or prevailing market conditions make this impracticable, or the interest of the customer requires otherwise.

Nordea may aggregate a customer order with another customer order or a transaction for own account if it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any customer whose order is to be aggregated. The aggregation could be disadvantageous in relation to a specific order.

An aggregated order that has been executed in its entirety will be allocated on the average price. Where an aggregated order has only been partly executed, the allocation will be proportionate to the average price. Where a customer order has been aggregated with a transaction for Nordea's own account and the aggregated order is only partially executed, the allocation will normally give priority to the customer.

7. Code of conduct

Nordea is a member of the following organisations and complies with all recommended codes of conduct:

- Danish Securities Dealers Association
- Finnish Association of Securities Dealers
- Norwegian Securities Dealers Association
- Swedish Securities Dealers Association
- ISDA
- ICMA
- ACI.

8. Reservations

In the event of system disruption, irregularities, breakdown or exceptional market conditions Nordea may execute orders at other venues or subject to other considerations than set forth in this execution policy.

9. Review

To ensure the best execution possible on a consistent basis, Nordea will review this execution policy, the methods and the execution venues used for execution, including other firms to whom Nordea transmits orders for execution, at least annually. Changes and updates will be published on Nordea's website. Such changes and updates will come into effect from the day that they are published on the website.