



DNB Luxembourg S.A.

BEST EXECUTION POLICY

A. PURPOSE

The Best Execution Policy ('the Policy') aims at providing an overview of how, when dealing with Customer orders, DNB Luxembourg S.A. (the 'Bank' or 'DNB') acts honestly, fairly and professionally, and takes into account the best interest of its Customers.

This Policy describes the rules applicable in the Bank to comply with the Markets In Financial Instruments Directive 2014/65/EU ('MiFID II'), the Law of 5 April 1993 on the Financial Sector, as amended, and any other EU or national legislation or regulation that implements or supplements the foregoing, such as Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 and Luxembourg Law of 30 May 2018 on markets in financial instruments.

B. SCOPE

This Policy applies to:

- all financial instruments as defined in Appendix II of the Law of 5 April 1993 on the Financial Sector;
- all financial services that the Bank provides to its Customers, be it on execution-only, advisory, or discretionary portfolio management basis;
- all retail and professional Customers.

When executing orders from Customers, the Bank always acts as an intermediary, by providing order reception/transmission services for execution via a third party service provider (the 'Counterparty' or 'Broker'). Doing so, the Bank promptly transmits the Customer orders in the order of their arrival unless it is impossible given the order nature or/and market conditions or whenever it is not in the best interest of the Customer.

C. BEST EXECUTION FACTORS

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 the 'best possible result' for its Customers as further outlined in this Policy.

To meet this obligation, DNB takes into account the following factors as defined by MiFID II:

✓ **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 all 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 Counterparty / Broker involved in the execution of the order.



✓ **Likelihood of execution and settlement**

The Bank 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 (nature and size)**

The order must be placed with the Counterparty with the ability and 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 favourable price than placing a small part of the order at a better price, to avoid driving the price in an unfavourable 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, the Bank may also take into consideration other aspects relevant for the Customer when placing orders.

All the factors listed above always apply when placing orders on behalf of Customers. However, **as a general rule - and in particular for retail Customers - the best possible result will firstly be determined by the 'total consideration'**, representing the sum of the price of the financial instrument and all the costs relating to the 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 the Counterparty / Broker involved in the execution of Customer orders.

In some circumstances, however, this order of priority may change as the relative importance of the best execution factors for individual transactions is assessed on an ongoing basis considering:

- the characteristics of the Customer, including his/her classification as retail or professional;
- the characteristics of the order;
- the characteristics of financial instruments;
- the characteristics of the execution venue to which that order can be directed.

To be noted that the Bank's pricing policy is established in such a way as to avoid discrimination in the selection of execution Counterparties / Brokers.

D. SELECTION AND REVIEW OF COUNTERPARTIES / BROKERS

DNB transmits every Customer order for execution to Counterparties / Brokers approved by the Bank's Authorized Management and subject to re-assessment on a yearly basis as a minimum or in case of trigger event (e.g.: significant change in services or information suggesting a deterioration in the Counterparty / Broker' financial position, reputation...).



In case where, on exceptional basis, DNB has agreed to provide a Customer with settlement only services, the Bank will only settle transactions that the Customer has executed through a third-party Broker to the Customer's account with DNB. Counterparties / Brokers used in settlement only services are subject to pre-approval and re-assessment requirements equivalent to those applicable to the Counterparties / Brokers used for execution of orders by DNB.

The Bank carefully selects such Counterparties / Brokers to ensure that they provide the best possible execution in accordance with the factors listed above. To do so, DNB assesses their accreditation, relevant policies, financial strength, expertise and reputation, as well as their ability to execute and to ensure best execution of orders. Last but not least, DNB requires that all selected Counterparties / Brokers categorize the Bank as a 'professional client' under MiFID II in order to benefit from their best execution obligation or an equivalent commitment where relevant.

The Counterparties / Brokers may execute transmitted orders as deemed appropriate, on a regulated market, a Multilateral Trading Facility (MTF), or Organised Trading Facility (OTF). They may also execute them as deemed appropriate outside a trading venue (i.e. OTC, including bespoke products). In such cases, the Bank shall check on an ongoing basis 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.

Every year, the Bank publishes on its website the top five Counterparties / Brokers 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.

At the time of approval of this Policy, the Bank uses primarily the following Counterparties / Brokers:

- Scandinavian Equities: DNB Bank ASA, Oslo
- Non Scandinavian Equities: UBS AG, Zurich
- Scandinavian Bonds:
 - DNB Bank ASA, Oslo
 - ABG Sundal Collier ASA, Oslo
 - Arctic Securities
 - Sparebank 1 Markets Oslo
 - Nordea Bank Norge
 - SEB Stockholm
 - Pareto Securities
- International Bonds: UBS AG, Zurich
- Investment Funds: IFSAM Trading platform
- Foreign Exchange and Derivatives: DNB Bank ASA, Oslo

The Bank reserves the right to use any execution counterparty other than those listed above if it deems it appropriate in accordance with this Policy. Upon reasonable request from a Customer, the Bank will provide further information about the Counterparties / Brokers selected to execute their orders. The list of approved Counterparties / Brokers is made available to Customer on demand.

E. LIMITATIONS AND OTHER PRACTICALITIES

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



possible result for the execution of those orders. When the Customer's instruction is partly in line with the Bank's best execution factors, the principles of this Policy will apply only to the factors not impacted by the Customer's specific instruction.

It should be also noted that trading rules for specific markets may prevent the Bank from following the Customer's instructions in part or in full.

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.

F. 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 / Brokers. If necessary, the Bank will amend the Policy in the light of its evaluation and, where appropriate, correct any deficiencies. **This review is performed at least annually or whenever a material change occurs that affects the Bank's ability to continue to obtain the best possible result for its Customers.**

G. CONSENT

The Bank draws its Customers' attention to the fact that when carrying out a customer order, the Bank may be required to execute a trade outside of a regulated market (RM), multilateral trading facility (MTF) or organised trading facility (OTF) to achieve the best possible result. As such execution of orders may increase the risk involved, including but not limited to counterparty risk (e.g. *the risk that the other party in the transaction is not able to fulfil its contractual obligations*), the Bank must obtain the Customer's consent prior to such trades. By accepting the Bank's General Terms and Conditions of Business and this Policy and by issuing an order, the customer is deemed to have expressly authorized the Bank to execute all or part of the Customer's order outside a RM, MTF or OTF, where doing so provides better means to achieve a better execution for the Customer. Such consent is only required where the relevant financial instruments are admitted to trading on RM, MTF or OTF (as opposed to where the relevant instruments are not admitted to trading on said markets). The Bank will take all reasonable measures to limit the counterparty risk during the counterparty selection process. Notwithstanding the foregoing, and the general consent provided, the Customers can still provide the Bank with specific instructions as to how an order should be handled which the Bank will take into account. Upon request, the Bank can provide additional information on the consequences of this means of execution.

Customers are informed of this Policy and any amendments thereto through communication channels agreed with the Customers in the Bank's General Terms and Conditions, including via publication on the Bank's website, and if necessary by any other means of communication deemed appropriate by the Bank. This Policy and/or any amendments thereto are deemed to be accepted by the Customer if the Customer has not provided the



Bank with a written objection within thirty (30) days of the date of communication of the Policy or any amendments thereto, or if the Customer transmits an order after having received the Policy.

This Policy is published on the Bank's website and is also made available to the Customers on request.

H. ADDITIONAL PROVISIONS REGARDING THE EXECUTION OF ORDERS

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.

G. RECORD KEEPING

All orders, instructions, transactions, communications and assessments in relation to the provisions of this Policy shall be recorded and retained by the Bank for a minimum period of ten years without prejudice to any other record-keeping obligations arising from other legislation than those listed in section A of this Policy.

Version:	v.4.4
Issued by:	Management
Effective as of:	28/11/2024
Reviewed on:	05/09/2025
Document owner:	Management
Document prepared by:	Compliance, Private Banking
Endorsed by Authorized Management	17/09/2025
Approved by the Board	17/09/2025