

## **BEST EXECUTION POLICY**

As of 15 April 2011

### **1 Introduction**

According to the Securities Trading Act, security firms have a duty to take all reasonable measures to obtain “the best possible result” for the client when executing a client order (“Best Result”).

When receiving a client order, Arctic Securities ASA (“the Company”) will make a specific assessment of how the order is to be executed in order to obtain Best Result. In this assessment, the directions for order execution set out below (“the Guidelines”) will be normative.

### **2 Exception from the Guidelines - Specific instructions**

Should a Client give the Company specific instructions, this may prevent the Company from taking the steps set out in the Guidelines to secure the Best Result. A special agreement may be entered into between the client and the Company with the effect that an order received in special situations will be dealt with as a specific instruction.

### **3 Relevant factors in choice of execution method**

The Company will in choosing the method of execution take into account price, costs, speed, likelihood of execution and settlement, size, nature, and other relevant factors.

### **4 Weighing of relevant factors**

When the Company executes a client order, the following elements will be considered when the relevance of the above-stated factors (item 3) is to be weighed:

- Client characteristics (non-professional/professional client)
- Nature of the client order
- Nature of the financial instruments that are included in the order
- Nature of the trading systems to which the order may be directed

### **5 Alternative ways of executing an order**

The Company will execute an order for a client in one of the following ways:

In a regulated market or a Multilateral Trading Facility (“MTF”):

- (a) by introducing the order into a trading system (regulated market, MTF, market maker, etc.)
- (b) by transferring the order to another securities firm if the Company is not a member of a relevant regulated market or MTF

Outside a regulated market or MTF:

- (c) by buying from or selling to other clients (interrelated transactions)
- (d) by itself wholly or partly entering as a counterparty (own-account trading)
- (e) by transferring the order to another securities firm with which the Company collaborates.

#### **Re (a):**

Trading system shall mean:

Oslo Stock Exchange  
Oslo Axess  
Stockholm Stock Exchange  
Helsinki Stock Exchange  
Copenhagen Stock Exchange  
OMX Nordic Exchange

This list is not exhaustive. Execution may from time to time take place in other trading systems if this otherwise will be in compliance with these guidelines.

If the financial instrument is traded in several trading systems (including Oslo Børs/Oslo Axess), the Company will normally execute the order on Oslo Børs/Oslo Axess, since the Company considers that this execution method will give Best Result for the client. However, if the Company considers that the trading system with the highest liquidity in relation to the relevant financial instrument will give Best Result for the client, the Company will direct the order for execution in the trading system in which the financial instrument has the highest liquidity.

Re (c):

Where the Company has accepted orders both to purchase and dispose of the same financial instrument, and these orders may be matched internally, the Company will normally enter the orders in Oslo Børs/Oslo Axess' trading system, if the financial instrument is listed at Oslo Børs/Oslo Axess. The trading system will automatically match the orders at market price. Alternatively, the orders will be executed by the Company itself concluding the agreement on behalf of the clients. The Company will then look after the clients' interests with the same care, and determine the price of the financial instruments on the basis of the stock exchange price, or if a stock exchange price does not exist, a price that according to the situation of the market is reasonable.

Re (d):

Where the Company is a counterparty, this will be stated on the contract note or confirmed in another way. If the Company enters into the order as a counterparty (own-account trading) in relation to a client order, this will take place at a price that corresponds to the best obtainable price in a trading system, such as the stock exchange price. Exceptions will be made where the Company, in its capacity of being a market maker, on the direct inquiry of the client states a price at which the Company either will buy or sell the relevant financial instruments, and the client accepts this price.

## **6 In particular about trading of unlisted equities**

If an unlisted share (or another financial instrument) is registered on the Norwegian OTC list, the Company will enter the order as an interest in the OTC system and subsequently another firm that has shown a corresponding interest in the OTC system will be contacted. The Company will negotiate with this firm in order to obtain the best possible price for the client.

## **7 When will the order be executed?**

The Company will commence execution of the order immediately upon receipt of the order from the Client. This means that the Company will use prioritise orders by time of receipt unless the Company considers that Best Result will be obtained by combining the order with other orders. The Company reserves the right to aggregate the client's order with orders from other clients, persons or firms that are or are not associated with the Company. An aggregation of orders may be made if it is unlikely that an aggregation in general will be to the disadvantage of any of the clients. The client nevertheless understands that an aggregation of orders in individual cases may entail a disadvantage.

The Company also reserves the right to aggregate the client's order with transactions made for the Company's own account. If the total order is only partly executed, the client's order will as a point of departure be given priority over the Company's orders. However, an exception applies if the Company had not been able to execute the transaction at correspondingly favourable conditions without the aggregation.

If the order is received outside the opening hours of the market place, the order will be executed when the market place reopens.

## **8 Special information to non-professional clients**

In respect of non-professional clients, the Company, when balancing the factors that the Company takes into account when deciding how to carry out the order (see item 3), will place the most emphasis on the price of the financial instrument and the costs of carrying out the transaction. This means that other factors, such as speed, probability of implementation and settlement, will only be given priority over price and costs where this contributes to Best Result for the client.