

BEST EXECUTION POLICY

As of 1 January 2023

1 Introduction

According to relevant legislation, investment firms have an obligation to take all sufficient steps to achieve “the best possible result” for the client when executing a client order (“Best Execution”).

When receiving a client order, Arctic Securities AS (“the Company”) will make a specific assessment of how the order is to be executed to obtain Best Execution when trading in financial instruments such as shares, primary capital certificates, bonds, ETFs in order driven markets. The policy stated below (the “Policy”) will form the basis for the assessment.

2 Exception from the Policy – Specific instructions

Should a client give the Company specific instructions, this may prevent the Company from taking the steps set out in the Policy to secure Best Execution. 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 completion 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 (retail/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:

At an execution venue, such as a regulated market, a Multilateral Trading Facility (“MTF”), an OTF, a Systematic Internaliser, a market maker or other trading system:

- (a) by placing the order in an execution venue
- (b) by transmitting the order to a different investment firm if the Company does not have access to an execution venue.

Outside a regulated market, MTF or other trading system:

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

Re (a):

The Company is a member of and may execute orders on the following execution venues:

Oslo Børs
Euronext Expand Oslo
Euronext Growth Oslo
NASDAQ OMX Nordic Exchange Copenhagen

NASDAQ OMX Nordic Exchange Helsinki
NASDAQ OMX Nordic Exchange Stockholm
NASDAQ OMX Nordic Exchange Oslo
NASDAQ OMX Nordic @ Mid

The list is not exhaustive. The company has access to a smart order routing system, which may execute the order at other execution venues if this otherwise will be in compliance with the Policy.

If the financial instrument is traded at several execution venues (including Oslo Børs/Oslo Expand), the Company will normally execute the order on Oslo Børs/Oslo Expand, since the Company considers that this execution method will give Best Execution for the client. However, if the Company considers that the execution venue with the highest liquidity in relation to the relevant financial instrument will give Best Execution for the client, the Company will execute the order at the execution venue in which the financial instrument has the highest liquidity.

Re (c):

Where the Company has accepted orders both to purchase and sell the same financial instrument, and these orders may be matched internally, the Company will normally enter the orders in Oslo Børs/Oslo Expand's trading system, if the financial instrument is listed at Oslo Børs/Oslo Expand. The trading system will automatically match the orders at market price. Alternatively, the orders will be executed by the Company itself concluding the contract 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 Special information about trading of unlisted equities

If an unlisted share (or other financial instrument) is registered on the Norwegian OTC list, the Company will enter the order as an interest in the OTC system and subsequently contact another firm that has shown a corresponding interest in the OTC system. 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 prioritise orders by time of receipt unless the Company considers that Best Execution 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 certain 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 at the outset be given priority over the Company's order. 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 retail clients

In respect of retail clients, the Company, when weighing 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 cost 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 cost where they contribute to Best Execution for the client.