

## Policy

### Execution, combined orders and distribution of order

**If a Client submits a specific instruction either a general instruction or an instruction concerning a certain order, e.g. that Erik Penser Bankaktiefbolag are to carry out the order on a certain marketplace or in a special way, such an instruction will have precedence before what is being stated in this policy. A specific instruction can thus mean that Erik Penser Bankaktiefbolag cannot take those measures as is stated in this policy in order to achieve best possible results.**

#### 1 General

In order to achieve best possible results when Erik Penser Bankaktiefbolag (EPB) carries out or transmits Client's order in financial instruments EPB will follow this policy.

One order can be executed using several of those methods that to be stated in this policy.

#### 2. Factors that influence execution/transmission of orders

In order to achieve best possible results for the Client EPB will take all reasonable measures in order to take into considerations the following factors when order is carried out/transmitted: the order's size and type, price, costs, promptness, probability that the order leads to a transaction and can be settled, the Client's category and each other factor that according to EPB assessment are relevant for a certain order. Normally EPB assess the price largest importance. In certain cases, e.g. large orders, orders with special conditions etc., EPB may take larger considerations to other factors, e.g. if the order because of its size or type, according to EPB assessment may have an important price impact or impact on the probability that the order can be executed and settled or for other reasons when it is relevant to give other factors higher relevance than the price.

#### 3. The most liquid marketplace

EPBs view is that financial instruments that is traded on one or more regulated markets or other marketplaces is to be traded to the best price on the marketplace where liquidity for the instrument in question is best and the settlement costs are lowest.

In the light of this EPB will when choosing between different marketplaces normally choose the most liquid market either for executing the order or to decide reference price or equivalent if the order is executed outside the marketplace technical system.

#### 4. Methods for order execution

In order to achieve best possible results EPB has the possibility to execute an order by using one or a combination of the following methods for order execution:

##### Direct on a regulated market or MTF.

EPB may execute the order directly or, where EPB is not direct member, through a third party.

##### Outside a regulated market or MTF.

The Client order is matched against other Client's order; the order is executed against EPB own holdings; or the order is executed against a third party, if not the Client concerning an individual Client order has given EPB a notice that the current Client order may not be executed outside a regulated market.

#### 5. Carrying out of order in financial instruments that mainly is traded on an external marketplace

This section is applicable on the execution of order in such financial instruments that mainly are traded on a regulated market (e.g. OMX), MTF or other marketplaces. Thus, the majority of those instruments that is covered are registered on a regulated market or MTF, e.g.:

- shares (e.g. shares admitted to trade on OMX or NGM);
- standardized derivatives (e.g. options and futures admitted on OMX); and
- such units in funds that as is registered on a regulated market or MTF.

EPB normally will handle orders in these instruments by:

- immediate send the order to the marketplace that EPB considers were the possibility to achieve best execution according to p. 2 and 3 above,
- put together the order with other order according to p. 9 below and then send the order to that marketplace that EPB considers were the

possibility to achieve best execution according to 2 and 3 above,

- execute the order through several separate transactions on the market (e.g. if the order is relatively larger),
- execute the order against EPB own holdings or against other Client's order to a price that corresponds the market price.

In certain cases, EPB gives, indicative or actual prices, directly to the Client, e.g. so called risk price. An agreement between the parties is been entered when either the Client accepts an actual price given by EPB or, when indicative prices, when EPB confirms the price to the Client and the Client accepts the price. In these situations, an agreement is been entered between two parties and EPB do not execute the order on behalf of Client why these guidelines are not applicable.

## **6. Marketplaces that EPB mainly uses for carrying out of order**

EPB participates on several regulated markets and other marketplaces. EPB evaluates regularly which marketplaces that are used for executing orders. For a list over those marketplaces that EPB mainly currently use see [www.penser.se](http://www.penser.se).

In order to execute transactions in instruments that are traded on other marketplaces than the marketplaces EPB participates in directly (e.g. marketplaces outside EU) EPB will send the order to companies with direct access to these marketplaces. The choice of such cooperation company is done through a continuous evaluation of the ability to offer best execution.

## **7. Execution of orders in financial instruments that are not traded mainly on an external marketplace**

This section is applicable on the handling of order in such instruments that mainly to be acted directly vis-à-vis an other party (OTC), t;

- Governmentalbonds, other money market instruments and corporate bonds
- Structured products (e.g. index linked bonds)
- OTC-derivatives, and other instruments issued by EPB or other financial institutes.

Normally EPB will in these cases to give prices, indicative or actual, direct against the Client. An agreement between the parties is been entered either when the Client accepts the actual price given by EPB or, at indicative prices, when EPB confirms the price to the Client and the Client accepts the price. In these situations, an agreement is been entered between two

parties and EPB do not execute the order on behalf of Client why these guidelines are not applicable.

## **8. Carrying out of order concerning units in funds not registered on a regulated market or MTF**

EPB will carry out order concerning units in funds through sending the order to the relevant fund's management company (or corresponding) for carrying out according to the fund provisions (or corresponding).

## **9. Order execution, combined orders and distribution**

EPB will carry out Client orders quickly, effectively and correctly. Comparable Client orders is carried out immediately and in that time the order was received if this is not inadequate taking into account the order's characteristics, existing market conditions or when something else is required because of the Clients interests.

EPB can combine a Client's order with other Clients' order and also with transactions for EPB own account if it is not unlikely that combining taken by EPB generally will not be a disadvantage for an individual Client whose order is included in the combined order. The procedure can be of disadvantage in respect of an individual order. If combinedorder is carried out as a whole they will be distributed on the average price. If a combined order only can be executed partially the order will be distributed proportionally on the average price. If a Client order is combined with a transaction for EPB own account and the order only can be executed partially the Client normally will have precedence before EPB.

## **10. Disturbances in the market or trading systems**

If there is a disturbances in the market or in EPBs own systems, e.g. interruptions or inadequate access in technical systems, EPB may decide that it is impossible or inappropriate to execute the order in those ways that have been stated in this policy. EPB will then take all reasonable measures to execute the order in other ways to achieve best possible results for the Client.

## **11. Changes**

EPB will regularly evaluate and when necessary to implement changes in this policy. Such changes will be announced the Client on that way that is stated in the Deposit-/cash account agreement or the trading agreement and to the agreements associated provisions.