

Order execution policy in summary

Applicable from April 2024

This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.

Introduction

In executing client orders in financial instruments, Nykredit Bank's primary objective is to obtain the best possible result for you as client. This objective is also denoted "best execution". In our Order Execution Policy, we have laid down the overall guidelines ensuring that we meet our objective when executing orders in financial instruments placed by or on behalf of clients. The following is a summary of our Order Execution Policy for retail clients with focus on the client's overall costs forming part of the total consideration. We recommend that you read our Order Execution Policy, which is available at nykredit.dk.

Best execution

Nykredit Bank will ensure best execution when executing client orders and performing portfolio management involving financial instruments. Best execution is pursued in the Bank's own execution of orders and when transmitting and communicating orders to external trading partners for execution.

In cases where we are under an obligation to ensure best execution, we will take all sufficient steps to obtain the best possible result for you in the circumstances. In the assessment of how to obtain the best result in a specific situation, the following factors will be taken into consideration:

- Price and costs relating directly to the execution of the order and trade settlement (total consideration).
- The likelihood of order execution and trade settlement.
- The speed of execution.
- The size and type of the order.
- Other factors relevant to the order execution, including market conditions and their impact.

In our endeavours to ensure best execution, we determine the relative importance of each of the above factors, taking the following criteria into consideration:

- Your status as retail or professional client or as approved counterparty
- The specific order, including whether you have given specific instructions
- The characteristics of the financial instrument
- The characteristics of potential execution venues for the order.

Where possible, the factors above may be prioritised in consultation with you. Otherwise, the Bank

will exercise its discretion as to what will be the most appropriate action for you in the particular situation. If you are a retail client, our order execution will usually be determined on the basis of the total consideration, and we will, given the circumstances, attach higher relevance to other factors only in special circumstances. In certain situations, specific conditions may result in relatively higher weight being attached to other factors, including in respect of trading in illiquid financial instruments where a higher weight is attached to the likelihood of being able to execute the order at all. Another situation is the execution of very large orders expected to impact the market price of the financial instrument concerned, in which case the order will be divided into several orders executed over a period of time.

The significance of specific instructions

If the Bank receives specific instructions from you in relation to the entire order or parts thereof, the Bank will be under an obligation to execute the order accordingly. Orders with a limit price placed by you in Nykredit's online banking service are, for example, considered specific instructions. Please note that compared with a situation where the order had been executed by us at our own discretion, your specific instructions may not lead to the best possible result. If your specific instructions only concern part of your order, we will still ensure best execution for the remainder of the order.

Execution venues

In order to ensure best execution at all times, we may use one or more of the following execution venues:

- Regulated markets (also referred to as stock exchanges)
- Multilateral Trading Facilities (MTFs)
- Organised Trading Facilities (OTFs)
- Systematic Internalisers (SIs) – (banks or securities dealers that are subject to specific rules on quoting and publication of prices and trades)
- Trading partners (other banks or securities dealers)

Nykredit Bank will on a regular basis assess the market for execution venues, selecting the ones where the Bank believes that it can obtain the best possible result when executing client orders, based on the factors mentioned under "Best execution", including in particular price, costs, speed of execution and liquidity in the market. The selection is based on data available to the public on the quality of the order execution at the individual execution venues.

Nykredit Bank may choose to execute a client order outside a trading venue subject to your consent. In this Policy, trading venue is defined as a stock exchange, an MTF or an OTF. Execution of an order outside a trading venue may involve increased counterparty risk. If we execute the order outside a trading venue, execution will take place via an SI or a trading partner or we will act as counterparty. Trading outside a trading venue is also referred to as Over-the-Counter (OTC) trading. Please do not

hesitate to contact us for further information about the consequences of order execution outside a trading venue.

If we use a trading partner, such trading partner will decide whether to act as counterparty to the trade or whether to transmit the order to a trading venue. On a regular basis and at least once a year, we will assess the possibility of achieving best execution at the relevant execution venues.

If Nykredit Bank acts as counterparty, the role of counterparty will sometimes be that of SI. This means that we comply with specific rules on quoting and publication of prices and trades. Nykredit Bank may choose to act as SI in certain financial instruments, or we may be under an obligation to do so as we are trading for our own account on an organised, frequent and systematic basis and in significant volumes. Nykredit Bank complies with this Policy irrespective of whether we act as SI or not in our capacity of counterparty.

Nykredit Bank may choose one specific venue for execution of clients orders in certain types of financial instruments if we find that one venue suffices for the purpose of ensuring best execution at all times, and if we find that, overall, better results cannot be achieved via several execution venues.

You can find a complete list of primary execution venues used at nykredit.dk.

Portfolio management

When Nykredit Bank manages your portfolio, we are also obliged to handle your interests as best as possible when we make trading decisions and therefore always abide by this policy. Portfolio management services are provided by Nykredit Asset Management, an independent business unit of Nykredit Bank. Its activities are independent of the Bank's other activities. All transactions executed under a portfolio management agreement entered into with Nykredit Asset Management are executed via a trading partner in Denmark or abroad, to whom we transmit trade decisions. For each transaction, Nykredit Asset Management will determine which trading partner may be expected to ensure best execution. Nykredit Asset Management may decide to have the Bank execute the transaction on an equal footing with external trading partners. When executing these transactions, the Bank will comply with this Policy for the purpose of ensuring best execution for you as client. In connection with portfolio management where Nykredit Asset Management asks a trading partner to quote a price, Nykredit Asset Management is responsible for complying with the best execution obligation set out in this Policy.

The choice of trading partner is based on assessment of the relevant trading partner's ability to comply with the Bank's Order Execution Policy and the best execution requirements. The trading partners' ability to comply with the Bank's Order Execution Policy and the best execution requirements are checked and evaluated on a regular basis, and the market is continuously searched

to find trading partners who may ensure best execution.

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Monitoring of best execution

Nykredit Bank evaluates the quality of our order execution on a regular basis to check whether our procedures and measures work as intended and that you obtain the best possible result as client.