

Best Execution Policy | Clarksons Securities AS

This document sets out the Execution Policy and approach to providing “Best Execution” as required by the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and the Norwegian Securities Trading Act for Clarksons Securities AS.

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1 Introduction

According to the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and the Norwegian Securities Trading Act clause 10-12, investment firms have a duty to implement all reasonable measures in order to achieve the "*best possible result*" for the client when executing client orders ("Best Result" or "Best Execution").

When receiving a client order, Clarksons Securities AS ("CS") will assess how the order is to be executed in order to achieve Best Result for the client. This assessment will be based on the guidelines for executing orders set out below (the "Guidelines").

2 Execution Venues

2.1 Introduction

The Guidelines include, for each financial instrument in which CS executes orders on behalf of clients, CS considers the venues enabling "Best Execution" on a consistent basis. Such venues include, as appropriate for each product, regulated markets, multilateral trading facilities ("MTFs"), an organized trading facility ("OTF") a system internaliser ("SI"), market makers and other liquidity providers that carries out similar functions resident outside the EU/EEA area. CS will, on request, provide further details to you of the execution venues included in our Execution Policy.

CS may also transmit client orders to another broker or dealer (which may be non-EEA, including an affiliate) for execution, in which case CS will either determine the ultimate execution venue on the basis described above and instruct the other broker or dealer accordingly, or CS will satisfy itself that the other broker or dealer has arrangements in place to enable Best Execution.

2.2 Execution Venues

Below is an overview of which markets and which types of financial instruments CS may submit orders to. The list below is not exhaustive and may change on a continuous basis.

Market place	Status	Instrument(s)
Oslo Børs	Member	All listed securities
Euronext Expand	Member	All listed securities
Nordic ABM	Member	All listed securities
Euronext Growth	Member	All listed securities
Euronext NOTC	Member	All registered securities
NASDAQ/NYSE/AEX	Non-member	All listed securities
Toronto Stock Exchange	Non-member	All listed securities
EU/EEA/UK regulated markets, ex derivatives	Non-member	All listed securities
Foreign currency	Non-member	Top 10 currencies

Foreign currency is traded through separate agreements with different counterparties.

CS also trades on request on other regulated and unregulated markets and exchanges through external brokers and certain dark pools.

CS may also transmit client orders to another broker or dealer for execution (which may be a non-EEA, including an affiliate), in which case CS will either determine the ultimate execution venue on the basis described above and instruct the other broker or dealer accordingly, or CS will be satisfied that the other broker or dealer has arrangements in place to enable Best Execution.

3 Types of transactions where Best Execution has limited scope

In some cases the Best Execution obligation technically applies, but, because of the nature of the order given, or of the transaction, the obligation is in effect satisfied. This includes the following:

3.1 Single venue transactions

If the security in question is traded in one venue only and therefore the only pricing consideration is time of execution, the Guidelines will have limited scope. It therefore precludes the use of comparable prices.

3.2 Highly structured transactions

The Best Execution obligation applies only in very limited form to highly structured off-exchange transactions where, due to the unique contractual structure entered into with the client, it is not possible to provide any comparisons with other transactions or instruments.

3.3 Specific instructions

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

4 Choosing method of execution

When choosing the method of execution and choice of execution venue, CS will take into account price, costs, speed, the likelihood of completion and settlement, size, nature and other relevant factors.

When executing client orders, CS will take the following factors into consideration:

- The characteristics of the client including categorization as professional or non-professional client;
- The characteristics of the order;
- The characteristics of the financial instruments that are subject of that order;
- The characteristics of the execution venues to which that order can be directed.

CS will not structure or impose any commission which will discriminate unfairly between execution venues, nor will CS receive any monetary or non-monetary benefits from a specific execution venue.

A client giving specific orders or instructions may prevent CS from following all or some of these Guidelines.

In dealings with non-professional investors, the Best Result will be determined based on the total amount the client is to pay in connection with the order execution.

5 Alternative ways of executing orders

CS will execute client orders in one of the following ways:

5.1 On a regulated market or MTF

- a) by submitting the order to an execution venue (regulated market, MTF, market maker, etc);
- b) by placing the order with another investment firm if CS is not a member of a relevant regulated market or MTF;

5.2 Outside a regulated market or MTF

- c) by buying from or selling to other clients (agency cross);
- d) by itself becoming, in whole or in part, the other contracting party (trading on own-account); or
- e) by placing the order with another investment firm with which CS co-operates.

Re a) CS is a member of the venues listed under clause 2.2 above. From time to time, orders may be executed on other execution venues provided this is in accordance with the rest of these Guidelines. If the financial instrument is traded on several execution venues (including Oslo Børs on the Euronext Exchanges), CS will normally execute the order on Oslo Børs and the Euronext Exchanges, since this method of execution will produce the Best Result for the client. However, if CS believes that the execution venue with the highest liquidity relating to the financial instrument in question will produce the Best Result for the client, it will execute the order on such execution venue where the financial instrument has the highest liquidity.

Re c) If CS has received orders to both buy and sell the same financial instrument and these orders can be matched internally, CS will normally submit the orders to Oslo Børs and the Euronext Exchanges trading system if the financial instrument is listed on these exchanges. The trading system will automatically match the orders at market price. Alternatively, the orders will be executed by CS itself concluding the contract on behalf of the clients. CS will in such case safeguard the clients' interests with the same care and will determine the price of the financial instruments on the basis of the listed price or, if no such price exists, a price that is reasonable according to the state of the market.

Re d) If CS is the contracting party this will be stated on the contract note or other confirmation. If CS becomes the other contracting party (trading on own-account) in relation to a client order, this will be concluded at a price which is equal to the best achievable price in a trading system, such as the stock exchange price. An exception will apply if CS, in its capacity as a market maker and when asked directly by a client, states a price at which it will either buy or sell the financial instruments in question and the client accepts this price.

5.3 Trading of unlisted financial instruments

If an unlisted share (or other financial instrument) is registered on the Norwegian OTC-list (Euronext NOTC), CS will enter the order as an interest in the NOTC-system and then make contact with another firm that has registered a corresponding interest in the OTC system. CS will negotiate with this firm in order to achieve the best possible price for the client. For shares listed on Euronext Growth, CS will use the trading systems available by Oslo Børs.

CS will check the reasonableness of the price proposed to the client for instance through estimating the price of such products in the market space or by comparison with similar or comparable products.

5.4 Aggregation of orders

CS reserves the right to aggregate the client's orders with orders from other clients, persons or undertakings that are or are not linked to CS. Orders may be aggregated if it is unlikely that aggregation in general will be a drawback to any of the clients. However, the client understands that the aggregation of orders may in individual cases cause drawbacks.

CS also reserves the right to aggregate client orders with transactions carried out for CS' own account. If the total order is only partially executed, the clients order will be given priority over CS' order. However, exceptions will be made if CS could not have executed the trade on correspondingly favorable conditions without the aggregation.

6 Time of execution

CS will start to execute the order as soon as the order has been received. This means that CS will prioritize incoming orders according to the time when they were received unless CS is of the opinion that Best Result will be achieved by combining the order with other orders (see 5.4 above). An order received outside the market place's hours of business will be executed once the market place re-opens.

Clarksons Securities AS
Munkedamsveien 62 C
0270 Oslo
Norway
Tel: +47 22 01 63 00
<https://securities.clarksons.com>