

Ringkjøbing Landbobank's Execution Policy

1. Object

This execution policy describes how Ringkjøbing Landbobank handles your orders for the purpose of ensuring you the best possible result in the circumstances in connection with the execution of your trade order - also called 'best execution' - while considering your specific needs and requirements.

The policy describes the handling of orders received as regards trades in the following securities and other financial instruments:

- Shares
- Units in collective investment undertakings (UCITS)
- Units in other collective investment undertakings (AIF)
- Certificates
- Bonds
- Money market instruments
- Repos
- Currency spot transactions
- Options, futures, swaps, FRAs, forward transactions and any other derivative contracts relating to securities, currencies, interest rates, yields, other derivatives and financial indices.

2. Delimitation

The policy applies to all clients.

However the policy does not apply to eligible counterparties when Ringkjøbing Landbobank as the counterparty quotes a price or negotiates terms directly with the eligible counterparty. This is a trade with Ringkjøbing Landbobank as the counterparty and not an order that Ringkjøbing Landbobank executes on behalf of the eligible counterparty.

Unless otherwise specified in the policy, the policy applies to all categories of clients as well as the individual classes of financial instruments.

3. Best execution

Ringkjøbing Landbobank takes all necessary steps to obtain the best possible result in the execution of orders for our clients (best execution).

To obtain best execution Ringkjøbing Landbobank takes into account the following factors to achieve the best possible result for our clients:

- Price
- Costs associated with order execution and settlement
- Speed
- Likelihood of execution of order
- Likelihood of settlement of order
- Settlement of order
- Size of order
- Nature of order
- Characteristics of execution venues
- Characteristics of financial instrument.

For retail clients the best possible result is determined on the basis of the total consideration, which is the price of the financial instrument and the total costs associated with order execution and settlement of the transaction.

For other clients, including professional clients, the price and costs will be given precedence under normal market conditions in order to obtain the best possible result. Subsequently the speed of order execution and the likelihood of order execution and settlement will be significant.

With regard to OTC products, for which no official market price exists, the Bank determines a price that is fair for the client and that is based on relevant market data and, where possible, the price of comparable products. OTC products are financial instruments that are not admitted to trading on a marketplace (eg Nasdaq OMX Copenhagen).

With regard to unlisted investment units the price is determined on the basis of the fund's most recently calculated net asset value including issue surcharges or redemption deductions prescribed by the articles of association.

With regard to unlisted bonds the following factors are taken into account when determining the price: interest rate risk, credit risk of the issuer, currency risk, liquidity risk and the Bank's cost of capital.

In connection with transactions involving interest rate and foreign exchange products, the Bank's possibility to hedge the transaction in the market, the Bank's cost of capital and the counterparty risk of the trade are crucial to pricing.

In connection with relatively large orders where the conditions for order execution are affected, the likelihood of order execution may be given precedence.

Where unusual market or settlement conditions prevail the characteristics of the execution venues and the financial instrument are taken into account.

As a rule orders are executed according to time of entry at Ringkjøbing Landbobank with the exception, however, of limit orders in the foreign exchange market. Limit orders in the foreign exchange market are logged exclusively according to rate and not according to time of order placement or time of entry. Contrary to eg shares, orders in the foreign exchange market are logged exclusively according to rate.

4. Choice of execution venues

The choice of execution venues is based on where best execution is most likely to be achieved.

Under the execution policy the Bank may execute an order outside a marketplace.

A marketplace means a regulated market (an exchange eg Nasdaq OMX Copenhagen), a multilateral trading facility (MTF) or an organised trading facility (OTF). Regulated markets must have systems ensuring that transactions executed in their trading systems are settled in an efficient and timely manner. An MTF must have rules imposing obligations on participants to settle trades and ensure efficient settlement of transactions executed in the trading system. This gives the client extra assurance that the trade will be settled.

Trades outside a marketplace are executed either with the Bank as the counterparty, eg as an immediate transaction and possibly by systematic internalisation, or by the Bank executing the trade at another execution venue in order to carry out the client's orders.

When an order is not executed on a regulated market or an MTF there is a greater risk that the trade cannot be settled because the counterparty (eg the Bank) does not comply with its obligations regarding settlement of the trade.

In practice the choice of execution venues is made for classes of financial instruments to obtain the best trade overall. There may be instances where the best price is not achieved despite the fact that handling is in compliance with the principles of this policy.

The choice takes into account the execution venues available in the market as regards the individual classes of financial instruments.

Primary criteria in the choice of execution venue include the possibility of achieving the best price including costs as well as of executing the order. This choice is based on an assessment of the liquidity/negotiability of the financial instruments at the execution venues as Ringkjøbing Landbobank assesses that effective pricing affords the best possibility of achieving the best price and the greatest likelihood of order execution. Moreover the size of costs at the individual execution venues is assessed.

Some execution venues offer a routing function which allows for settlement at other execution venues if the price is better there. Ringkjøbing Landbobank takes this factor into account when determining to which execution venues direct access is established.

Secondary issues include speed of pricing of order, access to price information and technical issues as regards access to an execution venue.

In some markets/classes of securities Ringkjøbing Landbobank uses business partners to execute orders provided they execute such orders as best execution.

5. Execution venues

As regards the above securities and other financial instruments, Ringkjøbing Landbobank has selected a number of execution venues that it considers reliable in connection with achieving best execution.

Appendix 1 lists all important execution venues used by Ringkjøbing Landbobank. The execution venues are also available at www.landbobanken.dk/betingelser and any significant changes will be posted on the website.

In special circumstances Ringkjøbing Landbobank may choose execution venues not included in the list - when selecting new execution venues. Moreover Ringkjøbing Landbobank may place your orders outside a regulated market if order execution considerations so dictate.

On an annual basis the Bank publishes on its website a list of the top five execution venues (in terms of turnover volume) for each class of financial instruments, including information on the quality of execution.

The latest published list can be seen here: www.landbobanken.dk.

6. Special conditions

6.1. Shares, units in collective investment undertakings and certificates

Ringkjøbing Landbobank may be the counterparty of the trade and as such be the execution venue. When this is the case the trade will be executed on terms which as a minimum reflect an execution of the trade at the other execution venues listed by Ringkjøbing Landbobank in accordance with best execution.

6.2. Limit orders - shares

If a limit order in respect of shares admitted to trading on a regulated market or a multilateral trading facility is not immediately executed, Ringkjøbing Landbobank will immediately place the order in the marketplace to make it public. However Ringkjøbing Landbobank may not make the order public in the event of exceptional circumstances:

- specific member rules at the exchanges/trading facilities which prohibit Ringkjøbing Landbobank from doing so
- major deviations between the price of your order and the current market price
- other agreement with you.

6.3. Bonds and repos

Ringkjøbing Landbobank may be the counterparty of the trade and as such be the execution venue. When this is the case the trade will be executed on terms which as a minimum reflect an execution of the trade at the other execution venues listed by Ringkjøbing Landbobank in accordance with best execution.

6.4. Limit orders - bonds

If a limit order in respect of bonds admitted to trading on a regulated market or a multilateral trading facility is not immediately executed, Ringkjøbing Landbobank will immediately place the order in the marketplace to make it public. However Ringkjøbing Landbobank may not make the order public in the event of exceptional circumstances:

- specific member rules at the exchanges/trading facilities which prohibit Ringkjøbing Landbobank from doing so
- major deviations between the price of your order and the current market price
- other agreement with you.

6.5. Foreign exchange and derivatives

Ringkjøbing Landbobank may be the counterparty of the trade and as such be the execution venue. When this is the case the trade will be executed on terms which as a minimum reflect an execution of the trade at the other execution venues listed by Ringkjøbing Landbobank in accordance with best execution.

In connection with trades in derivatives with Ringkjøbing Landbobank as the counterparty, the starting point with regard to the price will be the price at which Ringkjøbing Landbobank can hedge the trade in the market available to Ringkjøbing Landbobank. The price will be calculated on the basis of the reference prices of Ringkjøbing Landbobank's counterparties on the relevant markets in combination with Ringkjøbing Landbobank's own reference prices, which are based on Ringkjøbing Landbobank's prices, yield curves, volatility, yield spreads as well as on factors such as market liquidity, creditworthiness, settlement risks and the cost of capital in connection with derivatives trading.

6.6. Ringkjøbing Landbobank as the agent in the foreign exchange market

Ringkjøbing Landbobank can take on the role of the agent for the client and place orders directly in the foreign exchange markets available to Ringkjøbing Landbobank. In these cases Ringkjøbing Landbobank will decide at its discretion on which market or with which eligible counterparty to Ringkjøbing Landbobank the order will be placed in order to obtain best execution for the client. In these cases Ringkjøbing Landbobank will continue to be seen as the client's counterparty as is the case when Ringkjøbing Landbobank chooses to assume risk on its own positions. This applies to all types of products that Ringkjøbing Landbobank offers to foreign exchange clients.

6.7. Limit orders - foreign exchange

Ringkjøbing Landbobank is the counterparty and as such the execution venue in respect of limit orders in the foreign exchange market. As regards ordinary limit orders in a regulated market this means that the order will be executed at the limit rate agreed if Ringkjøbing Landbobank is able to execute the full order in the market at this rate. If the full order cannot be executed it will not be settled but instead it will remain applicable until such time when it may be executed in full. Thus no partial settlement of an order will be executed.

An order placed for the purpose of limiting a loss or retaining a gain where the cross of a currency cross reaches or exceeds a certain level is called a stop/loss order. In this type of order the agreed limit rate acts as a trigger. When the trigger is reached/exceeded, the order is executed at the best possible rate achievable by Ringkjøbing Landbobank after the limit rate has been reached/exceeded. The order cannot be expected to be executed at the agreed limit rate. During periods with large market fluctuations or in one-off cases, a significant difference may occur between the agreed limit rate and the rate at which the order is executed. In isolated cases Ringkjøbing Landbobank may choose to aggregate and subsequently settle this type of limit orders at an average rate if it is not possible to trade the full amount in a single trade in the market. In these situations where exceptional market conditions typically prevail, you will not be notified of the aggregation ahead of the execution.

6.8. Specific client instructions

If you place an order which includes specific instructions Ringkjøbing Landbobank will execute the order according to these instructions. For instance your interest in executing the order in several tranches. Your instructions take precedence over order execution according to this policy and may mean that our possibility of obtaining best execution is limited or prevented. One consequence may be that you do not obtain the best achievable price regarding the financial instrument or that the total consideration for executing the order is higher.

6.9. Aggregation and allocation of orders

In accordance with common practice, client order aggregation may occur before Ringkjøbing Landbobank places the order in the market. This will predominantly work to your advantage but depending on the specific circumstances surrounding a specific order this may also work to your disadvantage and have the opposite effect to that intended as a smaller part of the order may be executed or the price may be worse. Aggregated orders consist of your orders and other clients' orders. Ringkjøbing Landbobank will notify you of any aggregation of orders in connection with order placement. Where orders involving currency spots and derivatives such as swaps, futures and options, forward exchange transactions etc are concerned, you will not be notified of any aggregation in connection with order placement.

In accordance with the Bank's order allocation policy, the allocation (settlement) of an aggregated order will be subject to an average price of all aggregated orders and a proportionate settlement of volume if the entire aggregated order is not executed.

Ringkjøbing Landbobank's order allocation policy comprises the following classes of instruments:

- Shares
- Units in collective investment undertakings (UCITS)
- Units in other collective investment undertakings (AIF)
- Certificates
- Bonds
- Money market instruments
- Repos
- Currency spot transactions
- Options, futures, swaps, FRAs, forward transactions and any other derivative contracts relating to securities,

currencies, interest rates, yields, other derivatives and financial indices.

Ringkjøbing Landbobank ensures that client orders are registered and allocated immediately and accurately. Orders are executed according to time of entry and according to time of placement.

Aggregated client trades that are fully settled are settled at an average price.

Aggregated client trades that are partially settled will be allocated proportionately at an average price.

On an annual basis Ringkjøbing Landbobank reviews the effectiveness of its order allocation policy and addresses any deficiencies.

6.10. Orders from portfolio management agreements - PM

As regards orders deriving from portfolio management agreements, including the Bank's wealth management products, the principles of order handling will - subject to the trade decision of the portfolio manager - comply with the above order execution principles. Direct execution venues in this respect are included in the list of execution venues in Appendix 1 and appear from www.landbobank-en.dk.

6.11. Review of execution policy

At least on an annual basis or whenever a material change or event occurs that may affect best execution factors that are relevant for order execution, Ringkjøbing Landbobank will update/review the execution policy in order to take all sufficient steps to obtain the best possible result for clients. Ringkjøbing Landbobank reviews on a regular basis whether the execution venues listed in Appendix 1 give you the best possible result.

Changes in the choice of execution venues will be published at www.landbobanken.dk (see "Choice of execution venues" above).

The Bank will publish on its website on a quarterly basis a report on the Bank's quality of execution as regards selected financial instruments. The report will be published for the first time at the end of June 2018.

The latest published report can be seen here: www.landbobanken.dk.

Valid from 6 December 2019

APPENDIX 1

When executing an order in accordance with the Execution Policy, Ringkjøbing Landbobank either executes directly through execution venues or via our business partners, this enables us to consistently obtain the best order execution result on customer orders.

The below is a list of the most important execution venues. Updates according to Ringkjøbing Landbobank's execution policy.

The Bank's most important execution venues

Stocks, ETFs og mutual funds

BankInvest, Danske Bank, Jyske Bank, Nordea, Sydbank.

Bonds

Danske Bank, Jyske Bank, Nykredit, Skandinaviska Enskilda Banken, Sydbank.

Forex products

Danske Bank, JP Morgan, Nordea, Skandinaviska Enskilda Banken, Jyske Bank.

Exchange traded equity derivatives

Danske Bank, Nordea, Sydbank.

Interest rate derivatives

Danske Bank, KBC, Nordea.

Translation

The above is a translation of the Danish "Ringkjøbing Landbobanks politik for ordredførelse". In case of doubt the Danish original will apply.