The President of Nordea Bank Abp and Chief Executive Officer (CEO) in Group Leadership Team has approved this execution policy (“Execution Policy”), which was last updated in January 2021.
1. **Purpose of the Execution Policy – on a continuous basis to achieve the best possible results when executing orders and transactions**

This Execution Policy provides information on how Nordea Bank Abp (“Nordea”) seeks to provide the best possible results for its clients on a continuous basis when Nordea executes or transmits client orders and transactions in financial instruments, when operating in the European Economic Area, as required by the Markets in Financial Instruments Directive 2014/65/EC (“MiFID”). This Execution Policy applies to the extent described herein when trading with Nordea and when Nordea executes orders in provision of portfolio management services. Services provided by Nordea are also subject to the relevant applicable Terms & Conditions.

Best Execution is the requirement of Nordea, as a regulated investment firm, to take all sufficient steps to obtain the best possible results for our clients when executing orders and transactions or transmitting orders to other entities for execution, taking into account certain execution factors and criteria and determining their relative importance, as well as execution methods and selection of execution venues. These are outlined below.

A summary of this Execution Policy specifically intended for Retail (Non-Professional) Clients can be found at [www.nordea.com/mifid/](http://www.nordea.com/mifid/)

The appendices listed below shall be read together with this Execution Policy. Each appendix covers the respective classes of financial instruments and specifies how the Execution Policy is applied, the priority of the execution factors, the order process, which execution venues are used, and how Nordea monitors the effectiveness of the execution.

- Cash Equities (shares, exchange-traded products and depositary receipts)
- Debt Instruments (fixed income and repo products)
- Credit Derivatives (credit default swaps)
- Interest Rate Derivatives
- Foreign Exchange Products (FX)
- Investments Products (structured bonds and securitised derivatives)
- Listed Equity Derivatives
- OTC Equity Derivatives
- Securities Borrowing and Lending

2. **Scope**

The Best Execution requirements apply to the following investment services: (i) execution of orders and transactions on behalf of clients, (ii) reception and transmission of client orders and transactions, and (iii) portfolio management. Products in scope of the Best Execution requirements are Financial Instruments as defined under MiFID.
2.1 Non-Professional Clients

Nordea will always apply Best Execution to orders and transactions from Non-Professional Clients dealing in Financial Instruments.

2.2 Professional Clients

Nordea will apply Best Execution to orders and transactions from Professional Clients dealing in Financial Instruments in the following circumstances:

- where the Professional Client places an order with Nordea
- for requests for quotes (RFQs) where the Professional Client legitimately relies on Nordea to protect their interests in relation to pricing and other important elements of the transaction. Here, Nordea will use the EU Commission’s relationship-based “four-fold test” to determine if the Professional Clients are indeed legitimately relying on Nordea. The four-fold test takes into account the below four factors. All factors will have to be satisfied for Nordea to owe a duty of Best Execution:
  - whether the Professional Client or Nordea initiates the orders (for example where Nordea approaches the client and proposes a transaction, it is more probable that Nordea will owe a duty of Best Execution) and
  - market practice with respect to the relevant Financial Instrument, including the ability for the client to “shop around” (for example where a client is not able to approach several firms for a quote, it is more probable that Nordea will owe a duty of Best Execution) and
  - the level of price transparency in the market (for markets where clients do not have ready access to prices, it is more probable that Nordea will owe a duty of Best Execution) and
  - information provided by Nordea (where Nordea has expressly agreed to provide Best Execution to the client).

2.3 Eligible counterparties and non-MiFID business

Nordea does not provide Best Execution to orders and transactions from eligible counterparties or to non-MiFID business.

2.4 Agreement to execute

Nordea has the right, at any time and for any reason, to decline to execute an order or transaction. Furthermore, where Nordea has routed an order to a trading venue, but where it has not yet been executed, Nordea may subsequently cancel or reject such order if the trading venue rejects or cancels such order due to the rules of that trading venue (for example where the limit price on an order deviates substantially from the current bid/ask spread).

Nordea will inform you if Nordea is unable to execute your order or transaction.
3. Execution factors, total consideration and relative importance

3.1 Execution factors

When deciding how to execute an order or transaction Nordea will take into account the following factors:

- **price** – the fair price at which a Financial Instrument is executed
- **costs** – all costs related to the order or transaction, including implicit costs such as the possible market impact, explicit external costs including exchange or clearing fees and explicit internal costs, which represent Nordea’s own remuneration through commission or spread
- **speed of execution** – the time it takes to execute the order or transaction
- **likelihood of execution and settlement** – the likelihood that we will be able to complete the order or transaction
- **size of the order or transaction** – the size of the order or transaction executed for a client, accounting for how this affects the price of execution (typically only relevant for large transactions)
- **any other considerations relevant to the execution of the order or transaction** (for example market impact) – how the particular characteristics of the order or transaction can affect how Best Execution is achieved.

3.2 Price setting

Nordea adopts the following approach to the setting of prices for orders and transactions. The total price (called “total consideration”) provided to a client is made up of the base price plus costs and charges:

- **Base price**: the price that Nordea would face to hedge the order or transaction in the interbank market or other external venues, whether realised or estimated. The base price includes adjustments, if any, for Nordea’s view on market risk factors and how Nordea seeks to position itself in the market according to such risk factors.
- **Costs and charges**: This includes all costs and charges that are related to the order or transaction performed by Nordea or a third party including sales margins.

3.3 Non-Professional Clients – total consideration

When Nordea executes an order or transaction on behalf of a Non-Professional Client, the provision of Best Execution will be determined in terms of the total consideration

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1 i.e. the price of the relevant Financial Instrument plus the costs related to the execution of the order. These costs will include expenses incurred which are directly related to the execution of the order (such as execution venue fees and clearing and settlement and any other fees paid to third parties involved in the execution of the order).
(as described in clause 3.2 above).

Speed, likelihood of execution and settlement, the size and nature of the order or transaction, market impact and any other implicit costs may be given precedence over the immediate price and cost considerations only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Non-Professional Client.

3.4 Professional Clients - relative importance of execution factors

Nordea will, using its reasonable judgement, weigh the execution factors at the time of execution in accordance with the client’s characteristics, the type of order or transaction, the Financial Instrument involved and the prevailing market conditions.

3.5 Special Circumstances

In special circumstances Nordea may deviate from our prioritisation of the execution factors. Such special circumstances may include particularly large transactions, transactions in illiquid instruments, if certainty of execution and market impact are deemed more important, or if severe market disruptions prevent Nordea from following the prioritisation outlined in this Execution Policy.

4. Our different methods of execution and Specific Instructions

4.1 Execution on a Trading Venue

When trading with a client, Nordea may at its own discretion execute the order or transaction itself or transmit it to another broker/financial institution for execution.

When executing an order or transaction Nordea will use brokers possessing specific and adequate arrangements to satisfy the requirements of Best Execution. Subsequent to receiving an order or transaction to which this Execution Policy applies, Nordea will normally route the order or transaction directly to execution venues which are chosen in accordance with this Execution Policy.

The decision on how orders or transactions are executed on potentially multiple trading venues is dependent on multiple factors, such as the relevant order or transaction type or specific instructions in place as well as the trading venue’s suitability for that order or transaction or the availability of the relevant order or transaction type.

Nordea may execute an order or transaction on a single trading venue, i.e. a regulated market, an MTF (Multilateral Trading Facility) or an OTF (Organised Trading Facility) or a broker or choose to use automated order routing systems or algorithmic order execution solutions depending on the characteristics of the order or transaction.

When using automated order routing and/or algorithmic order execution solutions, the
orders are routed to various venues depending on several variables such as the type of financial instrument, client instructions and market conditions.

Orders and transactions may be dynamically amended during their life cycle, for example by changing the allocation of volume across trading venues in case this is considered desirable for Best Execution purposes.

4.2 Execution Over The Counter (OTC)

Subject to consent from the client, Nordea may execute orders or transactions outside trading venues e.g. against our own account (OTC). Such consent is not necessary for transactions in OTC instruments which are neither admitted to trade nor traded on a trading venue.

Nordea will with respect to certain financial instruments be acting as a systematic internaliser when executing orders or transactions. Nordea may also execute orders or transactions against our own account as a market maker or liquidity provider. When executing orders or transactions against own account the client will have a counterparty risk on Nordea.

4.3 Execution through Brokers

Where Nordea does not have membership of the relevant trading venue, the order or transaction will be executed via a broker. The broker will execute the order or transaction on such trading venue or alternatively transmit it to a third party. Typically, the broker is a credit institution, investment firm or similar intermediary.

When executing orders or transactions by transmitting them to third parties, Nordea takes all sufficient measures to select brokers that provide Best Execution on a continuous basis.

4.4 Aggregation and allocation of orders

When carrying out orders for clients, Nordea will usually execute comparable orders sequentially. All client orders will be handled in a timely manner, taking into account the characteristics of the order and prevailing market conditions or the instructions or interests of the client require otherwise.

Nordea may aggregate client orders with those of other clients, or a transaction for Nordea’s own account, to be executed at the same time. Aggregation will only occur if it is unlikely that it will work overall to the disadvantage of any client whose order is to be aggregated. However, it is possible that the aggregation could be disadvantageous in relation to a specific client order.

2 The commercial policy for Nordea as a systematic internaliser is available at www.nordea.com/mifid
An aggregated order that has been executed will be allocated at the average price. Where an aggregated order has only been partly executed, the allocation will be proportionate to the relative size of the order. Where a client order has been aggregated with a transaction for Nordea’s own account and the aggregated order is only partially executed, the client will be given priority in the allocation.

4.5 Specific Instructions

Where a client provides Nordea with specific instructions on how all or part of its order or transaction should be executed, Nordea will execute that order or transaction in accordance with those instructions. The specific instructions from the client will take precedence over what is stated in this Execution Policy. This means that specific instructions from the client may signify that Nordea should not follow the procedures set forth in this Execution Policy but will have satisfied its obligations to obtain the best possible result for the execution of the order or transaction by following the specific instructions.

If the client has given specific instructions which apply only to one part or one aspect of an order or transaction, Nordea still owe a duty of Best Execution to the part of the order or transaction that is not covered by the specific instructions of the client.

Examples of specific instructions would be if a client requests Nordea to execute an order at a specific price or at a specific trading venue.

5. Selection of execution venues/brokers

5.1 Execution venues

When selecting suitable execution venues for execution of orders or transactions, Nordea will take sufficient steps to select execution venues that consistently allow the best result to be achieved.

Nordea takes the following specific factors into consideration when selecting suitable execution venues, including primarily such venues’ liquidity (that is, spread, depth, market share etc.) and likelihood of both execution and settlement, but also any other circumstance that Nordea considers relevant to the selection of such execution venues. As a basis for its selection Nordea analyses the quarterly execution quality reports published by execution venues to evaluate and compare venues.

An updated list of the main execution venues that Nordea uses can be found at www.nordea.com/mifid.

5.2 Brokers

Brokers to whom Nordea passes orders or transactions are carefully chosen. Selection is carried out via regular reviews of the brokers’ ability to provide Best Execution and
their ability to enable Nordea to fulfil its obligations under relevant legislation, regulations and this Execution Policy.

When choosing the broker, Nordea will, in addition to the above-mentioned factors, consider factors that Nordea deems important from time to time. Such factors could for example be Nordea’s general assessment of and confidence in the broker, but also to which trading venues the broker has access.

Nordea may at its own discretion provide specific instructions to a broker, for example to execute the order or transaction at a specific trading venue in order to achieve Best Execution.

6. **Reservations and matters beyond Nordea's reasonable control**

In the event of system disruption, irregularities, breakdown or exceptional market conditions beyond Nordea’s reasonable control, Nordea may execute orders or transactions on other trading venues than those mentioned in the list of trading venues published on www.nordea.com/mifid.

In such exceptional circumstances, Nordea may also execute or transmit orders or transactions subject to other considerations than set forth in this Execution Policy. In such cases, Nordea will, with all possible means, execute the order or transaction in an alternative way and in the clients’ best interest, under the best possible conditions for the clients given the relevant circumstances.

7. **Monitoring and policy review process**

To ensure the best possible result of execution and transmission of orders or transactions, Nordea will monitor, on a documented and continuous basis, its strategy, this Execution Policy and the execution venues used for execution of transactions as well as the brokers to whom Nordea transmits transactions for execution.

Nordea makes public the execution quality provided when Nordea is the execution venue as well as documentation of the main venues used and a summary of the execution results when using these. This documentation can be found at www.nordea.com/mifid.

7.1 **Review and information on material changes**

Nordea will review this Execution Policy and our Best Execution arrangements at least annually and when a material change occurs.

Nordea will notify clients with whom we have an ongoing relationship of any material changes to our execution arrangements or this Execution Policy.

A material change is a significant event that could impact the parameters of Best
Execution such as cost, price, speed, likelihood of execution and settlement, size or nature of the order or transaction or any other considerations relevant to the execution of the order or transaction.

The addition or removal of execution venues or brokers is generally not considered a material change unless it is one of the main venues/brokers that Nordea relies on for execution of orders or transactions in a certain class of Financial Instruments. Non-material changes will only be published on www.nordea.com/mifid.

8. Reporting obligations

Nordea will on its website publish the top five execution venues and brokers in terms of trading volumes for all executed or transmitted client orders per class of Financial Instruments. Such information will include information about the class of Financial Instruments, the venue name or broker name and identifier and the volume and number of client orders executed on that execution venue or through that broker expressed as a percentage of the total executed volume and total number of orders.

Nordea will also publish for each class of Financial Instruments a summary of the analysis and the conclusions drawn by Nordea based on its detailed monitoring of the quality of execution obtained on the execution venues where Nordea executed all the client orders in the previous year.

As a systematic internaliser or market maker/other liquidity provider, Nordea will on a quarterly basis publish for each market segment it operates in and for each Financial Instrument information on the type of execution venue and Financial Instrument, information as regards prices for each trading day orders were executed in the Financial Instrument, costs applied by it to users of Nordea as an execution venue and likelihood of execution for each trading day in accordance with applicable legislation.

9. Consent

In order for Nordea to provide execution services to its clients, Nordea’s clients are required to accept this Execution Policy together with the terms and conditions for the respective brokerage service. Where the client has not previously accepted this Execution Policy, the client accepts this Execution Policy by submitting a transaction for execution to Nordea.

For further information please contact your relationship manager at Nordea.
1. Products in scope

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements in relation to cash equity products. This includes the following products:

- ordinary shares
- exchange-traded funds (ETFs)
- warrants and certificates
- depositary receipts
- investment funds (UCITS and alternative investment funds).

2. The order/quote handling process

Nordea deals in cash equities with clients through the receipt of orders or request for quotes (RFQs).

Orders

Nordea can receive orders in cash equity products from clients through multiple channels, meaning that a range of fully automated order routing solutions and order routing strategies as well as manual interaction can be applied. A specialised execution team monitors order activity to ensure efficient processing of orders.

More complex orders received either via electronic communication lines based on FIX standards or via recorded phone or message systems and/or including specific instructions will be handled by the specialised execution team or sales trading units. During such order handling various algorithms may be used to obtain the best result for the client given the nature of the order. The purpose of using trading algorithms is to facilitate execution by seeking liquidity across markets and to reduce the market impact by executing orders over time and across trading venues. A major part of the execution algorithms is developed and operated by external vendors. The algorithms are integrated into Nordea’s order management system and are subject to specific approval and application of testing, limit controls and other safety parameters.
Nordea’s Best Execution arrangements apply to all the below order types and subsequent transactions in cash equity instruments where Nordea as an agent transmits orders or in a principal capacity executes orders on behalf of our Professional and Non-Professional Clients:

- **Market orders**: These are orders received from the client to execute a transaction in a given financial instrument for a specific size and direction at the current market price. In cash equity products, these are also referred to as immediate orders. They include standard block orders which are large in size.

- **Limit orders, trigger orders (including stop-loss orders) or orders with specific instructions**: These are order types where the price or other considerations are defined by the client defining when/how to execute the order.

- **Orders relating to investment funds**: Orders based on subscription and redemption instructions from our clients with respect to units/shares in investment funds. Nordea will execute or transmit such orders by placing the order with the fund management company or equivalent or with a broker or other intermediary for execution in accordance with the relevant investment fund rules or equivalent rules.

Professional Clients using Nordea’s Electronic Access service, allowing clients to use Nordea’s trading infrastructure, may place orders with a higher degree of complexity and the arrangements for their execution are specifically adapted for that. The Electronic Access arrangements generally include access to more order types and routing strategies and require separate agreements with Nordea. Best Execution applies except if the client specifies how execution is to take place or restricts execution.

**RFQs**

Requests for quotes (RFQs) from Professional Clients are received via phone or Bloomberg chats, and tailoring of the product depends on the specific client needs. Specific valuation and pricing of the cash equity instruments is provided based on a systematic monitoring of the relevant underlying factors constituting the specific instrument. Upon acceptance of the RFQs the transactions are executed via Nordea’s own book.

Nordea does not consider Best Execution applicable for RFQs for cash equity instruments as RFQs are initiated by the client and there is a transparent market practice and multiple competing investment firms are involved in providing such RFQs. Nordea strives to provide fair and competitive OTC prices throughout the RFQ process.
3. Prioritisation of Execution factors

To achieve Best Execution of cash equity instruments Nordea will take into account the execution factors prioritised as described below.

The execution factor “Likelihood of settlement” is generally not considered to be a significant factor in equity markets and not listed below as settlement follows formal clearing procedures or is otherwise organised to facilitate timely settlement where Nordea holds a membership. When using brokers for the execution, settlement takes place bilaterally and Nordea holds responsibility for such settlement.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the cash equity product and the costs relating to execution. Other execution factors may be given precedence to total consideration only insofar as they are incremental in delivering the best possible result in terms of total consideration.

For Professional Clients the relative importance of the execution factors differs from the above as orders or transactions typically involve larger volumes and higher complexity, implying that price (excl costs) and size have higher relative importance. Higher complexity execution could for example be orders or transactions that potentially have a market impact and could affect prices if routed directly. Therefore, other considerations and likelihood of execution are also considered of relatively high importance, including considerations related to the selection of a suitable strategy such as executing orders as child orders and/or using algorithmic execution.

This means that the relative importance of the execution factors may be applied in the below order if no other considerations are influencing the execution:

1. Price
2. Size
3. Other considerations / likelihood of execution
4. Costs
5. Speed

4. Execution Venues

Nordea is a member of the Nordic trading venues (exchanges). Further, Nordea uses brokers on markets where we are not a member, e.g. for non-Nordic cash equity execution. Nordea assesses execution venues and brokers to make sure they provide the best possible results for our clients:

- Nordea reviews the exchange venue memberships annually in order to assess the level of quality of execution Nordea can achieve on these venues. Nordea assesses
several factors but attaches the highest relative importance to qualitative parameters such as coverage of instrument classes in the relevant market and system set-up as well as quantitative levels of prices via transaction cost analysis (TCA), available liquidity and clearing schemes possible to achieve.

- Nordea also reviews the external brokers annually using a combination of quantitative TCA and qualitative evaluation through meetings with and documentation on the selected brokers.

A list of our memberships and third-party brokers can be found at www.nordea.com/mifid
1. **Products in scope**

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements in relation to Debt Instruments. This includes the following fixed income (FI) and repo products:

- corporate bonds
- sovereign bonds
- covered bonds
- convertible bonds
- other public bonds
- repos

2. **The order/quote handling process**

Nordea deals in FI products with clients through the receipt of orders or requests for quotes (RFQs).

Orders

Nordea accepts the following types of orders for FI products from clients:

- **Limit orders**: These are orders from the client to buy or sell a volume of a FI product at a specified limit price.

Nordea will provide Best Execution of limit orders by respecting the specific instructions given by the client to execute the transaction in the requested instrument, direction and size at the specified price provided that market liquidity allows it.
RFQs

Nordea accepts and executes RFQs in FI or repo products. Nordea generally does not consider Best Execution applicable for FI and repo instruments as the majority of the clients operating in those markets do not rely on Nordea to achieve Best Execution. Nevertheless, Nordea always strives to provide fair and competitive prices throughout the RFQ process. Our pricing is based on internal models using relevant market data which, when necessary, are calibrated with our own input to ensure what we see as a fair market price. For clients identified as being dependent on Nordea we apply Best Execution by using those same models and documenting alignment with the relevant market.

3. Prioritisation of Execution factors

To achieve Best Execution of FI products, Nordea will take into account the execution factors prioritised in the below order. Nordea will generally focus on optimising the first three factors (price, costs and speed) when dealing in FI products and may change the order of importance depending on the characteristics of the specific transaction or instructions from the client.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the FI product and the costs relating to execution.

1. Price
2. Costs
3. Speed
4. Likelihood of execution and settlement
5. Size
6. Nature of the order or transaction or any other considerations relevant to the execution of the order or transaction.

4. Execution venues

The execution venue can either be Nordea or electronic venues. A list of main venues where Nordea’s clients can access liquidity electronically can be found here www.nordea.com/mifid

Nordea almost always trades FI products on a principal basis. When not acting as principal, Nordea will act as broker and execute orders or transactions on an exchange for execution.

For FI instruments that are admitted to trading on a trading venue (ToTV), Nordea will act as a systematic internaliser.
1. Products in scope

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements in relation to credit default swaps (CDSs). This includes the following products:

- credit default swaps
- customised credit default swaps

2. The order/quote handling process

Nordea deals in CDSs with clients on a request for quotes (RFQ) basis. Nordea does not accept orders for CDSs from clients.

**RFQ**

An RFQ is a request from a client for Nordea’s price for a specific CDS. Nordea accepts RFQs for CDSs via the following channels:

- voice or chat

Nordea does not consider Best Execution applicable for RFQs for CDSs to Professional clients as RFQs are initiated by the client, there is a transparent market practice and multiple competing investment firms are involved in the RFQ process. Nordea will provide Best Execution of RFQs to Non-Professional Clients by pricing the transaction fairly and as soon as practicable for the specified volume and underlying given current market conditions (see prioritisation of execution factors below).

3. Prioritisation of Execution factors

To achieve Best Execution of CDSs, Nordea will take into account the execution factors prioritised in the below order. Nordea will generally focus on optimising the first three factors (price, costs and size) when dealing in CDSs and may change the order of importance depending on the characteristics of the specific transaction or instructions
For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the CDS and the costs relating to execution.

1. Price  
2. Costs  
3. Size  
4. Speed  
5. Likelihood of execution and settlement  
6. Nature of the transaction or any other considerations relevant to the execution of the transaction.

4. Execution venues

In the majority of instances Nordea will be the execution venue for CDSs. A list of main venues where Nordea’s clients can access our liquidity electronically can be found here www.nordea.com/mifid

Nordea trades CDS products on a principal basis. The client’s counterpart can be Nordea or a central counterparty (CCP) clearing house. This will be agreed with the client when the trade is entered into.

Where the MiFIR trading obligation is applicable, an authorised trading venue for CDSs will be the execution venue.
1. **Products in scope**

   This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements in relation to interest rate derivative products (IRDs). This includes the following products:

   - interest rate swaps
   - cross currency swaps
   - caps
   - floors
   - swaptions
   - other interest rate derivatives not covered in the above categories

2. **The order/quote handling process**

   Nordea deals in IRDs with clients through the receipt of request for quotes (RFQ) or orders.

   **Orders**

   Nordea accepts the following types of orders for IRDs from clients:

   - **Specific price orders**: This is an order to enter into an IRD for a given volume and maturity at a specified limit price within an agreed time period when the order price is accessible in the market.

   Nordea will provide Best Execution of specific price orders by following the instructions as far as reasonably possible in accordance with those instructions and once the agreed limit price has been reached by either executing the order in the market, taking the risk onto the trading book or through a combination of both.
• **Market Orders**: These are orders from the client to execute a transaction in a given financial instrument for a specific size, direction and maturity at the current market price. Nordea will provide Best Execution of market orders at best price orders by executing the order at the best price possible for the specified volume and maturity as soon as practicable given current market conditions.

**RFQs**

An RFQ is a request from a client for Nordea’s price for a specific IRD product. Nordea accepts RFQs for IRDs via the following channels:

- voice or chat
- electronically via multi-dealer platform

Nordea will provide Best Execution of RFQs by pricing the transaction fairly and as soon as practicable for the specified volume and underlying given current market conditions.

3. **Prioritisation of Execution factors**

To achieve Best Execution of IRDs, Nordea will take into account the execution factors prioritised in the below order. Nordea will generally focus on optimising the first three factors (price, costs and size) when dealing in IRDs and may change the order of importance depending on the characteristics of the specific order or transaction, or instructions from the client.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the IRD and the costs relating to execution.

1. Price
2. Costs
3. Size
4. Speed
5. Likelihood of execution and settlement
6. Nature of the order or transaction or any other considerations relevant to the execution of the order or transaction.

4. **Execution venues**

In the majority of instances Nordea will be the execution venue for IRDs. A list of main venues where Nordea’s clients can access our liquidity electronically can be found here www.nordea.com/mifid
The client’s counterpart can be Nordea or a central counterparty (CCP) clearing house. This will be agreed with the client when the trade is entered into.

Where the MiFIR trading obligation is applicable, an authorised trading venue for IRDs will be the execution venue.

For IRD instruments that are admitted to trading on a trading venue (ToTV), Nordea will be a systematic internaliser.
Execution Policy Appendix
Foreign Exchange Products
1 January 2021

1. Products in scope

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements in relation to foreign exchange (FX) products. This includes the following products:

- FX forwards
- FX non-deliverable forwards (NDFs)
- FX swaps
- FX options

2. The order/quote handling process

Nordea deals in FX products with clients through the receipt of orders or requests for quotes (RFQs).

Orders

Nordea accepts only NDF orders from clients. NDF orders are placed either directly with a sales person via phone/chat or electronically on a single-dealer or multi-dealer platform. Nordea accepts the following type of NDF orders:

- **Market Orders**: These are orders from the client to execute a transaction in a given financial instrument for a specific size and direction at the current market price. In FX, market orders (at best, at worst) are orders from the client to buy or sell a volume of a currency pair with the aim of achieving the best possible outcome based on the client’s instructions and available liquidity. Nordea will provide Best Execution of Market Orders by executing the order at the best price possible for the specified volume and currency pair as soon as practicable given current market conditions.

RFQs
An RFQ is a request from a client for Nordea’s price for a specific FX product. Nordea accepts RFQs for FX products via the following channels:

- voice or chat
- electronically via multi-dealer platform
- electronically via single-dealer platform
- electronically via APIs (e.g. FIX)

Nordea will provide Best Execution of RFQs by pricing the transaction fairly and as soon as practicable for the specified volume and underlying given current market conditions.

3. Prioritisation of Execution factors

To achieve Best Execution of FX products, Nordea will take into account the execution factors prioritised in the below order. Nordea will generally focus on optimising the first three factors (price, costs and speed) when dealing in FX products and may change the order of importance depending on the characteristics of the specific transaction or instructions from the client.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the FX product and the costs relating to execution.

1. Price
2. Costs
3. Speed
4. Likelihood of execution and settlement
5. Size
6. Nature of the transaction or any other considerations relevant to the execution of the transaction.

4. Execution venues

The execution venue can either be Nordea or electronic venues where clients access our liquidity. A list of main venues where Nordea’s FX clients can access our liquidity electronically can be found here www.nordea.com/mifid.

Nordea trades FX products on a principal basis. For FX products that are admitted to trading on a trading venue (ToTV), Nordea will be a systematic internaliser.
1. Products in scope

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements in relation to investment products (IPs). IPs are structured products – defined as a note with an embedded derivative in the form of structured credit, structured equity, complex rate risk, FX risk or any combination/hybrid of these. IPs can be issued by Nordea or another issuer and arranged by Nordea or another arranger.

2. The orderQUOTE handling process

Nordea deals in IPs with clients through the receipt of orders or request for quotes (RFQ).

Orders

Nordea accepts orders electronically from clients for IPs that Nordea has set up in systems. Nordea accepts the following types of orders from clients for IPs:

• **Market orders**: These are orders from the client to execute a transaction in a given financial instrument for a specific size and direction at the current market price.

  Nordea will provide Best Execution of market orders by immediately routing the client’s order to the exchange where the IP is listed.

• **Limit orders**: These are orders from the client to buy or sell a volume of a given financial instrument at a specified limit price.

  Nordea will provide Best Execution of limit orders by immediately routing the client’s order to the exchange where the IP is listed.

RFQs
An RFQ is a request from a client for Nordea’s price for a specific IP. Nordea accepts RFQs for IPs via the following channels:

- voice or chat
- electronically via own or multi-dealer platform

Nordea will provide Best Execution of RFQs by pricing the transaction fairly and as soon as practicable for the specified volume and underlying given current market conditions.

3. **Prioritisation of Execution factors**

To achieve Best Execution of IPs, Nordea will take into account the execution factors prioritised in the below order. Nordea will generally focus on optimising the first three factors (likelihood, price, and size) when dealing in IPs and may change the order of importance depending on the characteristics of the specific order or transaction or instructions from the client. For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the IP and the costs relating to execution.

1. Likelihood of execution and settlement
2. Price
3. Size
4. Costs
5. Speed
6. Nature of the order or transaction or any other considerations relevant to the execution of the order or transaction.

4. **Execution venues**

The execution venue can either be Nordea or electronic venues where clients access our liquidity.

Nordea largely trades IPs on a principal basis. When accepting and routing client orders or transactions to the exchange where the IP instrument is listed, Nordea will act as broker but may also be the principal when the order or transaction is executed on the exchange. This is especially the case if the IP is manufactured by Nordea.

A list of main venues where Nordea’s IP clients can access our liquidity electronically can be found here www.nordea.com/mifid
1. **Products in scope**

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements and explains the arrangements in place when handling transactions in relation to listed equity derivatives (LEDs). This includes the following products:

- listed equity futures (including look-alikes traded via own book)

2. **The order/quote handling process**

**Orders**

Nordea deals in LEDs with clients mainly through phone, Bloomberg chats or via electronic communication lines. This means that a limited range of order routing solutions and order routing strategies can be applied and specific agreements for dealing such instruments are required per client.

Orders and transactions from Non-Professional Clients typically agreed via phone are considered limited in size and if not considered complex they are transmitted electronically following a pre-defined order routing logic with a low degree of manual interaction. Similar orders or transactions agreed via electronic communication lines based on financial information exchange (FIX) standards from Professional Clients will also follow a pre-defined order routing logic with low touch interaction.

More complex orders or transactions agreed either directly, via electronic communication lines based on FIX standards or via recorded phone calls and/or including specific instructions will be handled by specialised sales trading units.

Nordea accepts the following types of orders:

- **Market orders**: These are orders received from the client to execute a transaction in a given financial instrument for a specific size and direction at the
current market price. For LED instruments, these are also referred to as immediate orders. They include standard block orders which are large in size.

Nordea’s Best Execution arrangements apply to all the above order types and subsequent transactions in LED instruments where Nordea as an agent transmits orders or in a principal capacity executes orders on behalf of our Professional and Non-Professional Clients.

- **Limit orders, trigger orders (including stop-loss orders) or orders with specific instructions:** These are order types where the price or other considerations are defined by the client, with controls in place as to when to execute the order.

Nordea will provide Best Execution of limit, trigger and specific instructions orders by following the instructions as far as reasonably possible in accordance with those instructions. However, specifics of the instructions may prevent us from taking the steps that we have put in place to obtain the best possible result for execution of the order.

Professional Clients using Nordea’s Electronic Access service, allowing clients to use Nordea’s trading infrastructure, may execute orders or transactions with a higher degree of complexity and the arrangements for their execution are specifically adapted for that. Electronic Access arrangements generally include access to more order types and routing strategies and require separate agreements with Nordea. Best Execution applies except if the client specifies how execution is to take place or restricts execution.

**RFQs**

Requests for quotes (RFQs) from Professional Clients are received via phone or Bloomberg chats, and tailoring of the product depends on the specific client needs. Specific valuation and pricing of the LED is provided based on a systematic monitoring of the relevant underlying factors constituting the specific instrument. Upon acceptance of the RFQs the transactions are executed via Nordea’s own book.

Nordea generally does not consider Best Execution applicable for LED instruments as the majority of the clients operating in those markets do not rely on Nordea to achieve Best Execution. Nevertheless, Nordea always strives to provide fair and competitive prices throughout the RFQ process. Our pricing is based on internal models using relevant market data which, when necessary, are calibrated with our own input to ensure what we see as a fair market price. For clients identified as being dependent on Nordea we apply Best Execution by using those same models and documenting alignment with the relevant market.
3. Prioritisation of Execution factors

To achieve Best Execution of LEDs Nordea will take into account the execution factors prioritised as described below.

The execution factor “Likelihood of settlement” is generally not considered to be a significant factor in equity markets and not listed below as settlement follows formal clearing procedures or is otherwise organised to facilitate timely settlement where Nordea holds a membership. When using brokers for the execution, settlement takes place bilaterally and Nordea holds responsibility for such settlement.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the LED products and the costs relating to execution. Other execution factors may be given precedence to total consideration only insofar as they are incremental in delivering the best possible result in terms of total consideration.

For Professional Clients the relative importance of the execution factors differs from the above as orders or transactions typically involve larger volumes and higher complexity, implying that price (excl costs) and size have higher relative importance. Higher complexity execution could for example be orders or transactions that potentially have a market impact and could affect prices if routed directly or other considerations such as the liquidity of the underlying instrument and the maturity of the order or transaction.

This means that the relative importance of the execution factors may be applied in the below order if no other considerations are influencing the execution:

1. Price
2. Size
3. Other considerations / cost
4. Speed
5. Likelihood of execution.

4. Execution venues used

Nordea is a member of the Nordic trading venues (exchanges) for execution of LEDs. Further, Nordea uses brokers on markets where we are not a member, e.g. for non-Nordic listed equity derivatives execution.

Nordea can also execute LED orders or transactions via Nordea’s own book as principal trading. This execution is specifically taken into account for risk facilitation of large or complex orders or transactions with Professional Clients, and is not applicable for orders or transactions with Non-Professional Clients. Nordea does not expect to act on a frequent and systematic basis as systematic internaliser in such trading.
Nordea assesses execution venues and brokers to make sure they provide the best possible results for our clients:

- Nordea reviews the exchange venue memberships annually in order to assess the level of quality of execution Nordea can achieve on these venues. Nordea assesses several factors but attaches the highest relative importance to qualitative parameters such as coverage of instrument classes in the relevant market and system set-up as well as quantitative levels of prices via transaction cost analysis (TCA), available liquidity and clearing schemes possible to achieve.

- Nordea also reviews the external brokers annually using a combination of quantitative transaction cost analysis (TCA) and qualitative evaluation through meetings with and documentation on the selected brokers.

A list of our memberships and third-party brokers can be found at www.nordea.com/mifid
1. Products in scope

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements and explains the arrangements in place when handling transactions in relation to OTC equity derivatives (EDs), which are derivatives tailored by Nordea and not listed. This includes the following products:

- equity total return swaps (TRS)
- equity forwards and equity options (where Nordea acts as principal in the transactions and which are not look-alikes to listed derivatives)
- equity variance swaps, equity dividend swaps and equity correlation swaps

2. The order/quote handling process

Orders

Nordea deals in OTC EDs with clients through phone or Bloomberg chats. This means that a limited range of order routing solutions and order routing strategies can be applied and specific agreements for dealing such instruments are required per client. Nordea accepts the below types of orders:

- Market orders: These are orders received from the client to execute a transaction in a given financial instrument for a specific size and direction at the current market price. In OTC EDs, market orders are typically received via phone and are considered limited in size. They follow a standardised valuation/pricing model and order execution. All market orders are executed against Nordea’s own book.

Nordea’s Best Execution arrangements apply to all transactions in OTC EDs where Nordea in a principal capacity executes orders on behalf of our Professional and Non-Professional Clients.

RFQs
Requests for quotes (RFQs) from Professional Clients are received via phone or Bloomberg chats, and tailoring of the product depends on the specific client needs. Specific valuation and pricing of the OTC EDs is provided based on a systematic monitoring of the relevant underlying factors constituting the specific instrument. Upon acceptance of the RFQs the transactions are executed via Nordea’s own book.

Nordea does not consider Best Execution applicable for RFQs for OTC EDs as RFQs are initiated by the client and there is a transparent market practice and multiple competing investment firms are involved in the RFQ process. Nordea strives to provide fair and competitive OTC prices throughout the RFQ process.

3. **Prioritisation of Execution factors**

To achieve the best possible results for clients trading OTC EDs, Nordea will take into account the execution factors prioritised as explained below.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the cash equity product and the costs relating to execution. Other execution factors may be given precedence to total consideration only insofar as they are incremental in delivering the best possible result in terms of total consideration.

For Professional Clients, multiple considerations are at play for OTC ED orders or transactions as they often include tailored aspects, however generally, an important execution factor is the execution price of the OTC ED and funding costs. Further factors such as liquidity of the underlying, maturity of the derivative and counterparty credit risk are of importance due to the fact that they define the production cost for Nordea.

This means that the relative importance of the execution factors may be applied in the below order if no other considerations are influencing the execution:

1. Price
2. Cost
3. Size
4. Speed
5. Likelihood of execution and settlement
6. Nature or any other consideration relevant to the execution of an order or transaction.

4. **Execution venues used**

Nordea will execute OTC ED orders or transactions on a principal basis; hence the execution venue will be Nordea. However, Nordea does not act as a systematic internaliser, trading on a substantial and frequent basis from its own book towards clients in OTC EDs but rather acts on an ad hoc and infrequent basis.
Execution Policy Appendix
Securities Borrowing and Lending

1 January 2021

1. Products in scope

This appendix to Nordea’s Execution Policy provides further details regarding the application of Best Execution requirements and explains the arrangements in place when handling securities borrowing and lending (SBL).

2. The order/quote handling process

Orders

Nordea conducts SBL with clients through phone, email and Bloomberg chats. This means that a limited range of order routing solutions and order routing strategies can be applied and specific agreements for dealing such instruments are required per client. Nordea accepts the below types of orders:

- **Market orders**: These are orders (also referred to as immediate orders) from the client to execute a transaction in a given financial instrument for a specific size and direction at the current market price. For SBL products, market orders are typically received via phone and are considered limited in size. They follow a standardised valuation/pricing model and order execution. All market orders are executed against Nordea’s own book.

  Nordea’s Best Execution arrangements apply to all SBL where Nordea in a principal capacity executes orders on behalf of our Professional and Non-Professional Clients.

- **Limit orders or orders with specific instructions**: These are orders where the price or other considerations are defined by the client, with controls in place as to when to execute the order.

  Nordea will provide Best Execution of limit and specific instructions orders by following the instructions as far as reasonably possible in accordance with those
instructions. However, specifics of the instructions may prevent us from taking the steps that we have put in place to obtain the best possible result for execution of the order.

**RFQs**

Requests for quotes (RFQs) from Professional Clients are received via phone and transaction quotes are tailored to fit the specific client requests. Specific valuation and pricing of the SBL is provided based on a systematic monitoring of the relevant underlying factors constituting the specific SBL product. Upon acceptance of the RFQs the transactions are executed via Nordea’s own book.

Nordea does not consider Best Execution applicable for RFQs for SBL as RFQs are initiated by the client and there is a transparent market practice and multiple competing investment firms are involved in the RFQ process. Nordea strives to provide fair and competitive SBL prices throughout the RFQ process.

3. **Prioritisation of Execution factors**

To achieve the best possible results for SBL Nordea will take into account the execution factors prioritised as described below.

For Non-Professional Clients Nordea will provide Best Execution assessed on the basis of total consideration, representing the price of the SBL product and the costs relating to execution. Other execution factors may be given precedence to total consideration only insofar as they are incremental in delivering the best possible result in terms of total consideration.

For Professional Clients, mainly the price but multiple considerations are at play for SBL as they often include tailored aspects affecting the price (see below). Further, factors such as likelihood of settlement and collateral quality are also of relatively high importance because many clients use SBL to secure coverage of short positions.

This means that the relative importance of the execution factors may be applied in the below order if no other considerations are influencing the execution:

1. **Price** (i.e. loan fee or interest rate of the SBL transaction)
   - Value of the loan
   - Stability of the order or transaction (duration), short term vs long term
   - Client credit quality and netting status and collateral criteria/quality
   - Portfolio or market constraints
2. **Likelihood of settlement**
3. **Cost**
4. **Size**, i.e. the availability of lendable securities
5. **Speed**
4. Execution venues

The execution venue can either be Nordea or electronic venues where clients access our liquidity. Nordea will mainly execute SBL on a principal basis; hence the execution venue for client transactions will be Nordea.

A list of venues used for SBL can be found at www.nordea.com/mifid.