

Policy for Transmission and Execution of Orders and Operation of the Nominee Function

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1 Introduction

1.1 Background and purpose

The purpose of this policy is to provide an overview of how Formue Norge AS (Formue NO or the Company) on behalf of Norwegian, Swedish, and Danish clients and Formue Sverige AB (Formue SE) on behalf of Swedish clients acts honestly, fairly and professionally when handling client orders and takes the clients' best interests into account. The policy further sets conditions for the operation of the nominee function in Formue NO.

Formue NO and Formue SE will be referred to collectively as Formue in this document.

1.2 Scope of application

This policy applies to:

- all financial instruments quality approved and distributed by Formue (see Investment Policy)
- all clients regardless of client classification as retail or professional
- all orders in financial instruments involving both investment service *reception and transmission of orders* and *execution of orders on behalf of clients*.

Investment services in handling of order provided by Formue SE are limited to reception and transmission of orders. Majority of orders in financial instruments are transmitted to Formue NO for further processing. Formue SE can approve selected execution venues and transmit orders to these. This Policy applies to Formue SE apart from section 2.3, 5 and 6.2.

Formue NO and Formue SE do not provide investment service own account trading and thus do not carry out any own account transactions.

1.3 Definitions

Best Execution

When executing client orders in financial instruments, investment firms must implement the necessary measures to ensure the best possible result for client orders on a continuous basis - Best Execution. This includes price, costs, market influence, speed, probability of execution and settlement, size, characteristics of order and other factors relevant to the execution of the order. This means that when Formue acts on behalf of a client, the Company is obliged to give the client the best result.

Order Handling

This term will be used in the Policy to include both transmission and execution of orders in financial instruments.

Nominee The financial firm that is nominee is the legal owner of the assets, but the beneficial owner retains all the rights to the assets, such as the right to receive income or dividends, sell or transfer the assets, or vote on matters related to the assets.

If a client gives specific instructions, this could prevent Formue from executing an order in line with the guidelines in this Policy to ensure Best Results.

2 Responsibility and organization

2.1 The Board

The Company's board has the highest responsibility for the Company's operations to ensure that there is a satisfactory organization, management, and internal control for execution of orders in financial products and operation of the nominee function. The same applies to the boards of other companies within the Formue group in their respective areas.

The Board is responsible for overseeing the implementation of the Policy and ensuring that it is being followed by Formue and its employees. This includes reviewing reports on execution quality and other metrics, and taking action if any issues or non-compliance are identified.

The Board should periodically review the best execution policy to ensure that it remains appropriate and effective given changes in market conditions, trading practices, or other factors. The Board should also ensure that the Policy is updated as necessary to comply with new or changing regulations or industry standards.

The Board should ensure that stakeholders, including clients, employees, and regulators, are informed about the firm's best execution policy and how it is being implemented. This includes providing regular updates on execution quality and other relevant metrics, as well as responding to any inquiries or concerns related to the policy.

2.2 Chief Executive Officer

Establishing a culture of compliance: The CEO is responsible for creating a culture of compliance within the organization, which includes ensuring that employees understand the importance of the Policy and the need to comply with it.

Setting the strategic direction: The CEO is responsible for setting the strategic direction for the firm, which includes defining the scope and objectives of the Policy. This includes establishing policies and procedures to ensure compliance with the Policy.

Providing resources: The CEO is responsible for ensuring that Formue has the necessary resources to effectively implement the Policy. This may include investing in technology, training, and other resources to support the Policy.

Monitoring execution quality: The CEO is responsible for monitoring the quality of execution and ensuring that clients are receiving the best possible outcomes. This includes regularly reviewing execution reports and other metrics to identify any issues or areas for improvement.

Communicating with stakeholders: The CEO is responsible for communicating with stakeholders, including clients, employees, and regulators, about the firm's best execution policy and how it is being implemented. This includes providing regular updates on execution quality and other relevant metrics, as well as responding to any inquiries or concerns related to the policy.

Reviewing and updating the Policy: The CEO should periodically review the Policy to ensure that it remains appropriate and effective given changes in market conditions, trading practices, or other factors. The policy should also be updated as necessary to comply with new or changing regulations or industry standards.

2.3 Head of Order Execution (Formue NO)

Appointed Order Execution Manager approved by authorities is overall responsible for all order execution handled by the Company. This includes not only professional and license-related responsibility of the order handling, but also an overall responsibility for the service and client experience being in line with what is described in this Policy and the Policy for holistic advice.

Key responsibilities include establishing policies and procedures, monitoring execution quality, selecting execution venues, handling client orders, training and education, and reporting to management.

Reference is made to the job description for Chief Operating Officer (Approved order execution manager - "Faktisk leder ordreformidling").

3 Order Handling

3.1 Processing of orders

In Formue, all majority of order handling is centralized in the business unit Formue Depot in Formue NO. Formue SE can in addition transmit orders through approved execution venues selected by the company. Formue shall, when handling orders, ensure that orders are registered and allocated immediately and accurately according to cut-off list.

Comparable client orders are executed immediately and in the time order in which they are received unless the nature of the order or the current market conditions make this impossible or it is in conflict with the client's interests.

In case of significant problems in operation of the order handling process in Formue, the client shall be informed as soon as the Formue has become aware of this.

All orders will be executed according to KIID/PRIIPs/fact sheet, prospectus and/or present terms and conditions for each financial instrument. Within reasonable timeframe, Formue can set earlier cut-off times than stated in KIID/PRIIPs/fact sheet, prospectus, and present terms and/or conditions.

All subscriptions are conditional on the client providing available liquidity on or before the day of trading in the bank account(s) designated by Formue. Liquidity can be provided by direct transfer

from the client to the bank account(s) designated by Formue. Unless otherwise separately agreed, Formue has the client's permission to, in accordance with the individual agreement or transaction, debit the client's account in the bank or submit a request for debiting the client's account in the bank.

Formue Depot must, when carrying out a settlement, take all sufficient measures to ensure that the client's financial instruments received at the settlement date are immediately recorded and posted to the relevant client's Client Account. For clients who wish redemption settlement(s) to be paid out to an external bank account, this must be indicated in a separate withdrawal transaction from the Client account. Formue will only transfer settlements to an account that is in the name of the client.

Alle payments are made in local currency.

3.2 Aggregation of orders

Formue is responsible to execute orders to relevant counterparties based on discretionary mandates (portfolio management) or instructions given by the client.

Formue reserves the right to aggregate the client's order with orders from other clients of Formue. Aggregation of orders occur if it is unlikely that the aggregation will be of a disadvantage to clients. However, the client agrees that aggregating orders in individual cases may cause a disadvantage.

A client order must not be executed together with another client order (aggregation), unless:

- it is unlikely that the aggregation will generally be disadvantageous for the client
- each client is given information that the aggregation may be disadvantageous for them as far as a specific client order is concerned

When aggregating client orders, each client's share of the order must be determined in advance. The clients will always be given a pro rata share in the same proportion as they participated in the aggregated order. Threshold values can be specified for the minimum subscription amount for the individual client. Such threshold values must be determined based on objective criteria.

If aggregated orders are fulfilled in stages, clients must be given the same average price.

4 Achieving the best result when handling orders

4.1 General

Formue, when handling client orders, shall make all sufficient measures to achieve the best possible result for the client with regards to price, costs, market influence, speed, probability of completion and settlement, size, characteristics of order and other relevant conditions. When deciding which of these factors should be given the most weight when executing a specific order, client characteristics (non-professional/professional/eligible counterpart), the nature of the order, characteristics of the financial instruments included in the order and characteristics at the trading systems where the order is placed.

Formue treats the majority of clients as non-professional clients, which means, in accordance with the requirement for best results, that the order must be conveyed at the lowest possible cost for the client. By "cost" is meant direct costs and fees that are triggered by the placement of the order.

The best results for trades in funds are mainly about quick and efficient handling in accordance with the fund's cut-off times, including efficient settlement.

If the client has given specific instructions, such as order execution on the desired future date, the order must be communicated in accordance with this.

4.2 Measures to ensure the best result when trading in funds

Formue mainly handles orders in investment funds and alternative investment funds (collectively named Funds in this Policy). A collaboration has been established with Euroclear Bank SA as supplier of FundSettle. FundSettle is an Order-Routing-Platform with global reach and coverage for a wide range of fund providers. With this as a starting point, FundSettle is the company's primary trading channel for Funds and associated order types (subscriptions, redemptions, switch). FundSettle gives Formue a single point of contact for order handling regardless of national borders and fund provider. FundSettle provides an automated trading process that minimizes the risk of errors in various parts of the trading process end to end. There are exceptions where orders are placed directly with the fund's manager or administrator.

Formue will always strive to achieve the most automated order handling possible by influencing fund providers to register their Funds on FundSettle, which in turn will provide the best results for the clients.

4.3 Measures to ensure the best result when trading in financial instruments other than Funds

For the case that Formue handles other types of instruments than funds, the following principles apply:

- Formue Depot will handle orders for the client by mediating orders in other financial instruments to another investment firm with which the Formue cooperates.
- Formue has standardized procedures for which orders should be placed with which firms. Formue shall not deviate from these procedures without the consent of the Approved Order Execution Manager or CEO.
- Formue does not charge fees for this type of mediation.

The Approved Order Execution Manager in Formue NO and CEO in Formue SE must assess whether the companies Formue conveys orders to have effective procedures, systems and arrangements that ensure that clients are guaranteed the best possible result when handling the order. As far as the mapping of which execution companies Formue is to place orders with the Company should obtain the execution company's routine for order handling (if relevant) and ensure that the company has effective procedures, systems and arrangements to ensure that clients are guaranteed the best possible result when handling orders. Securities firms with a license for order execution shall normally be considered to satisfy the requirements in point 4.1.

Formue can choose only one execution company for order execution for a financial instrument if the Company can demonstrate that it provides the best results for the client. Formue must nevertheless in any case assess whether there are other performing companies that will give the client a better

result. In these assessments, the company must take into account information published by executing companies about the quality of order execution.

Where a financial instrument is only listed on one trading venue, the best result assessment will depend on the conditions (price, speed, etc.) the executing company sets for order execution.

Trading outside a regulated marketplace requires the client's consent. Such consent can be given in a client agreement or in individual cases. Consent is deemed to exist where the client's order concerns a financial instrument that is not listed on a regulated market.

If Formue mediates orders in other types of financial instruments than Funds, the company must keep an overview of the specific executing companies to which orders are communicated, sorted by category of financial instruments and investor type. The company must at least once a year review the companies included in the list, assess the quality of order execution and revise the list and update the list if necessary.

5 Nominee function

5.1 General

Formue NO uses a nominee account for all Fund trading. All clients are assigned a holding account / securities account for the registration of all holdings that are conveyed through Formue NO. The client agrees that Formue NO can stand as a client of the management company and act as a legal representative for the client.

5.2 Order

Orders are traded at different frequencies, daily, weekly, monthly and quarterly. Assets have a deadline of 23.59 to ensure that an order is executed by the cut-off on the following day or the next possible cut-off time. No purchase order is executed until the Client account has liquidity for the specified purchase order. Settlement from redemption takes place as soon as settlement is received from the individual fund provider.

Redemption can be carried out based on shares or in amounts. Redemption amounts can be a maximum of 90% of the market value depending on the fund type.

Holdings for each fund provider are reconciled in full on a monthly basis with a subsequent annual audit of the share register carried out by the company's auditor PWC.

Cash and transactions on the client account are reconciled daily with a monthly follow-up to ensure that correct settlement is taken care of based on completed transactions.

5.3 Corporate actions

For AIFs, a number of capital calls and payments are carried out. Clients are informed no later than 5 working days before a capital call and payments are distributed as soon as funds are received from the fund manager.

6 Reporting

6.1 Internal reporting

See point 7.

6.2 External reporting

The nominee function requires Formue NO to carry out annual tax reporting to the Norwegian, Swedish and Danish Tax Agency in line with current practice. Inventory reporting is done monthly via Client net and continuously on Client net and via the Formue app. Reporting on completed orders is done continuously through the publication of Transaction Receipts on Client net.

To the extent that Formue NO handles orders via a trading venue or via another executing securities firm, the Company must publish detailed information about the five most used trading venues/securities firms in accordance with Regulation (EU) 2017/576, cf. Commission Regulation 2017/565 art. 65(6). The overview must be published on the company's website no later than three months after the end of the calendar year.

6.3 Deviation reporting

Deviations as a result of errors in processes and systems, in people or as a result of external factors and entailing financial consequences, must be reported. The same applies to errors without financial consequences, but which take at least one working day to correct. Incidents where personal information goes astray are also subject to reporting. The deviations are reported to Compliance & Risk as FORX - operational errors (see separate routine).

Errors in the order process must always follow the same practice, where the client is possibly compensated based on the rate the client should actually have been allocated.

7 Follow-up and control

Compliance & Risk will at least once a year assess the company's systems, procedures, arrangements and guidelines for achieving the best results for clients in connection with order execution. Such an assessment must also be carried out when there are significant changes of importance to the company's continued ability to achieve the best possible result for the client. Such assessments must be documented. Compliance & Risk must keep the general manager continuously updated with regard to whether the company's routines for order execution are working as expected.

Compliance & Risk will annually publish information on order execution, including the quality of order execution, in accordance with RTS 28 (Commission Regulation 2017/576).

The board is responsible for ensuring follow-up and control of compliance with this policy.

8 Determination and update

This policy must be reviewed by the board at least annually, even if no changes are implemented.