

GUIDELINES FOR ORDER EXECUTION

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1 INTRODUCTION

Securities firms have an obligation under the legislation to implement sufficient measures to achieve the best possible result for clients when executing client orders (“Best Execution”).

Arctic Fund Management AS (hereinafter called the “Company”) does not itself execute client orders in financial instruments, but transmits client orders to other securities firms for execution. When transmitting client orders the Company will make a specific assessment of how the order can be executed in order to achieve Best Execution. The guidelines (the “Guidelines”) below are the basis for this assessment.

2 EXCEPTIONS FROM THE GUIDELINES – SPECIFIC INSTRUCTIONS

If the client gives specific instructions, this may prevent the Company from implementing the measures that are set out in the Guidelines below in order to secure Best Execution. A separate agreement may be entered into between the client and the Company that orders received in special situations will be treated as a specific instruction.

3 RELEVANT FACTORS IN SELECTION OF THE METHOD OF EXECUTION

The Company, when choosing the method of execution, will take account of price, costs, time, probability of implementation and settlement, size, nature and other relevant conditions.

4 WEIGHTING OF RELEVANT FACTORS

When the Company transmits client orders the following points are to be taken into consideration when the relevance of the above-mentioned factors (point 3) is weighted:

- the nature of the client (non-professional/ professional client)
- the nature of the client order
- the nature of the financial instruments contained in the order

5 ALTERNATIVE METHODS FOR EXECUTION OF ORDERS

The Company will execute orders for the client in one of the following ways:

At a marketplace that is a regulated market, multilateral trading facility (MTF), OTF, systematic internaliser, market-maker or other trading system:

- (a) by transmitting the order to another securities firm that has access to a marketplace.

Outside a regulated market, MTF or other trading system:

- (b) by buying from or selling to other clients (internal transactions)
- (c) by transmitting the order to another securities firm with which the Company cooperates.

Re (b):

If the Company is to transmit orders for both the purchase and sale of the same financial instrument, and these orders can be matched internally, the Company will normally place the orders for execution with another securities firm. Alternatively, the orders will be executed by the Company itself closing out the contracts on behalf of the clients. The Company will then treat the clients' interests with the same care, and set the price of the financial instruments on the basis of the market price or, if there is no available market price, a price that is reasonable by reference to the market's situation.

6 WHEN WILL THE ORDER BE EXECUTED?

The Company will begin execution of the order immediately after the order has been received from the client. This means that the Company will prioritise incoming orders by time unless the Company considers that Best Execution can be achieved by combining the order with other orders. The Company reserves the right to aggregate the client's order with orders from other clients, persons or companies that are, or are not, associated with the Company. Aggregation of orders may take place if it is unlikely that aggregation in general will be to the disadvantage of any of the clients. The client however accepts that aggregation of orders in certain cases may involve a disadvantage.

7 SPECIAL INFORMATION FOR NON-PROFESSIONAL CLIENTS

In the case of non-professional clients, the Company, when weighing the factors that the Company takes into account as to how the order is to be executed (see point 3), will place the greatest weight on the price of the financial instrument and the cost of implementing the transaction. This means that other factors, such as speed, probability of implementation and settlement only take precedence ahead of price and cost if this contributes to Best Execution for the client.