

## 1. Introduction

This order execution policy describes how, at Jyske Bank, we handle client orders for all financial instruments with the aim of securing you the best possible order execution under the circumstances. The policy applies to the execution, disclosure, aggregation and distribution of orders and applies to both retail and professional clients, including clients covered by asset management/portfolio management agreements. Section 7 of the policy applies to eligible counterparties. The other parts of the policy apply only to the extent this has been agreed with Jyske Bank.

Jyske Bank will follow this policy unless you give specific instructions as to how the order is to be executed. Your specific instruction may have the result that Jyske Bank will not be able to adhere to our order execution policy with a view to achieving the best possible transaction for you.

At least once a year, Jyske Bank's order execution policy will be revised by a centralised best execution committee with a view to ensuring the optimum execution of all types of client orders. The committee will also perform an ongoing evaluation of business partners, execution venues and other factors that affect order execution at Jyske Bank. If material amendments are made to the order execution policy, an announcement will be made on Jyske Bank's website. The order execution policy in force will always be available at our website at this link: [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)

Jyske Bank is a member of the following associations and organisations: the Danish Securities Dealers Association, ACI, ISDA, ICMA, FI. We adhere to the code of conduct of these organisations and associations, as well as the FX Global Code of Conduct, which provides some of the background for this order execution policy.

## 2. General guidelines for order execution at Jyske Bank – best execution and summary for retail clients

Jyske Bank will take all reasonable steps to achieve best execution when executing your orders. Before investing in financial instruments, we categorise all our clients as retail clients, professional clients or eligible counterparties

### 2.1. Order execution

When executing your order, we will take all adequate steps to achieve the best possible result for you under the circumstances. Among other things, we will consider price, costs, the speed of order execution, liquidity, the likelihood of execution and settlement, form of settlement, the size and nature of the order and any other factors relevant to the execution of your order (best execution factors).

When executing client orders, we will also take the following factors into account:

- Client classification
- Order type to be used
- Financial instruments to be traded
- Execution venues to which the order can be directed.

For retail clients, the best possible result will depend on the total remuneration, i.e. the price of the financial instrument and the total costs related to the execution of the order, including fees payable to execution venues, costs of clearing and execution and other costs for third parties involved in the execution of the order.

For professional clients, the weighting of the best execution factors may vary and will often depend on the agreements you have with the Bank. Price and costs are still important factors, but depending on your needs, we also consider speed and probability of execution decisive factors with a view to ensuring best execution for you.

If you are an eligible counterparty, you will not be subject to our order execution policy, but see Item 1, section 1. We are, however, still under an obligation to act in an honest, fair and professional way when executing your orders, and also we may agree that this order execution policy is to be applied in part or in full.

At your request, we will document that we have executed your order in accordance with our order execution policy.

### 2.2. Systematic Internaliser (SI)

Jyske Bank is a systematic internaliser in those financial instruments which we trade on an organised, frequent, systematic and substantial basis outside a trading venue.

Being an SI, Jyske Bank is obliged - under normal market conditions - to post firm quotes for its clients up to order sizes defined by the EU Commission. We call such firm quotes spot prices. On a quarterly basis, we publish an overview of those instruments where we act as an SI as well as the size or sizes at which we quote. The overview is available at Jyske Bank's website at this link: [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)

### 2.3. Execution venues and business partners

Jyske Bank has the option to execute your order outside a trading venue (OTC trading), see also section 5 below.

A trading venue is defined as a regulated market, a multilateral trading facility or an organized trading facility. Execution venues, on the other hand, is a broader term including systemic internalisers, market makers and other liquidity providers.

Trading rules and market conditions on the trading venue where your order is executed may prohibit us in executing the order in line with your instructions. If that is the case, you will be notified prior to any trade.

When your order is executed outside a trading venue, the counterparty will generally be Jyske Bank. This means that you will trade the financial instrument directly with us. At your request, we will furnish you with further information of the consequences of trading outside a trading venue.

Your order may be passed on to business partners if this is deemed best for the overall execution. Execution venues are selected in consideration of the best execution factors stated. When making this selection, the execution venues available in

the market that Jyske Bank uses for the individual categories of financial instruments are considered. The selection also takes into account Jyske Bank's own commissions and costs related to the execution of the order through each one of these execution venues. We assess the individual execution venues on a regular basis to achieve the best possible execution of your order. If your order includes financial instruments, including securities, which are admitted to trading on a trading venue, we may choose to execute the order on that particular venue or with Jyske Bank as the counterparty. Generally, we will be your counterparty if this is not to your disadvantage.

Jyske Bank publishes an annual overview of the top five execution venues for each class of financial instruments. Further, we publish a quarterly report on the quality of execution for those instruments where we act as an SI or as a market maker (first time after the second quarter of 2018), as well as - on an ongoing basis - a complete list of the execution venues used by Jyske Bank. The overview targets both retail and professional clients. The information is available on our website through the following link: [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)

#### 2.4. Partial settlements

In the event that your order cannot be executed in its entirety due to lack of liquidity in the market, the Bank will not be under the obligation to carry out partial execution/settlement. If possible, the client will prior to a transaction be asked to decide whether or not he wants partial settlement.

#### 2.5. Aggregation of orders

Your order may be aggregated with other client orders or the Bank's own orders, when we assess that, on the whole, this will be to the advantage of our clients. If an aggregated order is executed in its entirety, the individual orders will be settled at the average price. If an aggregated order is executed in part, the individual orders will be settled pro rata at the average price, and your order will normally be executed before the Bank's own orders.

In cases where we receive several client orders at the same price, it will generally be the time of receipt of your order that will decide the order according to which your order will be executed and settled.

#### 2.6. Internal order matching

Matching opposing orders between clients covered by asset management agreements / portfolio management agreements in Jyske Capital may occur. We only apply internal order matching if we can make sure that you would not be worse off had internal order matching not been applied, and provided, among other things, that prices reflect actual market prices.

Jyske Bank does not apply systematic internal order matching in financial instruments for which we are a systematic internaliser.

#### 2.7. Order types

The order type that can be applied depends generally on the order types that are made available by the individual execution venue and the financial instrument that you wish to trade. However, Jyske Bank reserves the right not to accept order

types of an execution venue if the Bank's systems do not support the desired order type.

Particularly when using the order type stop loss, the client should be aware that the desired stop loss price is not equal to the settlement price as factors such as market liquidity and trading volume will affect the final settlement price.

Placing of orders must meet the general terms and conditions for placing orders with Jyske Bank, which are described on the Bank's website in the document "Order types at Jyske Bank". This document describes the types of orders that we offer. The document can be retrieved by clicking this link: [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)

#### 2.8. Right to refrain from executing an order

Jyske Bank may refuse to execute your order in the event we suspect market abuse.

#### 3. Specific circumstances

If it is possible to trade during force majeure situations, exceptional market conditions and system breakdowns, the Bank may not be able to follow the guidelines for the order execution policy.

Trading venues and other execution venues reserve the right to cancel trades if, for instance, they have been executed on the basis of technical or manual errors.

The rules about cancellation, etc. are described in detail in the membership rules of the individual trading venues. Jyske Bank reserves the right to cancel such trades as may be cancelled under these rules and therefore assumes no liability for such cancellations. Also, Jyske Bank reserves the right to cancel transactions made on the basis of technical or manual errors.

Jyske Bank reserves the right not to execute orders in connection with which there is suspicion or proof of circumstances covered by the rules on prohibition on market abuse or in the event we suspect money laundering.

Under unusual market conditions, we are not under an obligation to provide firm quotes for the instruments for which we are a systematic internaliser, see also section 2 above.

#### 3.1. Tax-favoured savings

In connection with investments under this type of savings (pension, children's savings or home savings), Jyske Bank can solely trade shares or bonds that have been listed for trading on an organised execution venue outside the EU/EEA provided that the execution venue is a member of the WFE (World Federation of Exchanges) or Jyske Bank in other respects considers the execution venue equal to a regulated market. A list of third-country stock exchanges that are considered regulated is available on [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)

#### 3.2. Powers of attorney etc.

If another private individual is trading on your behalf, via a power of attorney agreement, etc., the provisions of this order execution policy will still apply to you, and any situations in which you incur costs due to actions by the holder of the power of attorney or lack of action in connection with the settlement of

transactions are a matter between you and your holder of a power of attorney and are of no concern to the Bank.

If the holder of a power of attorney is a professional, you will continue being comprised by this order execution policy's section on Settlement of transactions and any situations in which you incur costs due to actions by a holder of the power of attorney or lack of action in connection with the settlement of transactions are a matter between you and your holder of a power of attorney, and are of no concern to the Bank, unless the Bank is the holder of the power of attorney.

### 3.3. Trading under power of attorney and wholesale agreements

Trading under power of attorney agreements and wholesale agreements may deviate from the guidelines set out in the order execution policy, and reference is made to the terms and conditions governing the individual agreements.

## 4. Special circumstances for handling of orders involving equities and equity-like instruments

This section describes the circumstances that especially apply in connection with trading involving equities and equity-like instruments. The special circumstances stated below supplement the circumstances described under sections 2) and 3), which will always apply.

You decide how you wish to trade with Jyske Bank. In relation to the individual order types available to you, we refer to our general terms, cf. section 2.7 above.

For all instruments, we have the option to execute your market orders with the Bank as a counterparty. When using market orders, you should be aware that – in contrast to instant orders – delays in settlement can occur in connection with periods without observable prices in the market.

The most relevant best execution factors when executing orders in equities and equity-like instruments is normally the price of the financial instrument and the costs associated with the execution of the order, including any commission and fees. Depending on your needs, the probability of the settlement of the order and the speed of the order execution may also be of material importance.

### 4.1. Trading in equities

Jyske Bank may assess that the market conditions or the attributes of the order you have placed justify that we divide your order into several smaller orders. This would be the case if your order is large, and we assess a single order execution would have a negative effect on your price.

Jyske Bank is not obliged to quote spot prices for orders in excess of the standard market size. Standard market size is determined on the basis of turnover data published on a quarterly basis by the European Supervisory Authority ESMA.

#### 4.1.1. Trading via Smart Order Routing

A number of our business partners and Nasdaq OMX Denmark, Sweden and Finland offer the possibility of trading via a functionality called Smart Order Routing (SOR) in connection with large cap equities/CCP cleared equities traded

through them. We generally make use of these functionalities. SOR is a functionality that can be used in connection with all order types – except for instant orders. When SOR is used, the functionality will search pre-defined execution venues to find the best price for the specific share requested and execute the purchase/sale where the price is best.

#### 4.1.2. Trading in foreign equities via e-trading solutions

When you are offered access to trade foreign equities through our e-trading solutions, your orders are placed with one or several of our business partners and subsequently booked as a trade with Jyske Bank as a counterparty.

### 4.2. Trading in investment association certificates

When executing orders for investment association certificates, we will trade the order in the market or place the order with the market maker/administrative company behind the investment association/mutual fund or investment association certificate. We may also choose to act as counterparty for the trade, if this is assessed not to be to your disadvantage.

For investment association certificates where we act as an SI, we will make public firm quotes on a regular and continuous basis. In case of events in the market that Jyske Bank considers have a significant effect on the NAV (exceptional market conditions), we reserve the right not to post firm quotes during such periods where a new NAV is being calculated.

### 4.3. Trading in certificates and ETFs

When you trade certificates admitted to trading on Nasdaq Copenhagen, we will normally execute your order directly in the market. Consequently, you will normally not be trading with us as your counterparty. If your order pertains to foreign certificates, we will execute your order via one of our business partners.

When you trade ETFs, we will normally execute your order via one of our business partners. Consequently, you will normally not be trading with us as your counterparty.

We evaluate our business partners on a continuous basis, including their ability to deliver satisfactory prices, so we can continue to provide best execution to you.

We regularly provide an overview of execution venues we use. The overview is available at Jyske Bank's website at this link: [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)

## 5. Special circumstances relating to orders on trading in non-equity instruments

The special circumstances stated below concerning trading in non-equity instruments supplement the circumstances described under sections 2) and 3), which will always apply.

For non-equity instruments, where Jyske Bank is not an SI, the order may be executed with Jyske Bank as a counterparty on market terms on the basis of the best execution factors. When using market orders you must be aware that – in contrast to instant orders – delays in settlement can occur in connection with periods without observable prices in the market.

The most relevant best execution factors when executing orders in non-equity instruments are normally the price of the financial instrument and the costs associated with the execution, including any commissions and fees.

Depending on your needs, the probability of the settlement of the order and the speed of the order execution may also be of material importance.

Trading of non-equity instruments often takes place on dealer markets (quote-driven markets). If you are a professional client, the Bank's best execution obligation will, among other things, depend on which party initiated the trade, normal market practice, access to price transparency and the general terms and conditions of your agreement with the Bank.

Are you trading OTC or bespoke products, i.e. financial

instruments that are not admitted to or traded on a trading venue, we will control the fairness of the price by reference to accessible market data and by comparison with similar products.

The pricing of these instruments will typically be based on market value or the value of the underlying assets and other relevant factors in the market. When pricing such products, Jyske Bank will furthermore take into account factors such as the Bank's costs relating to credit risk and operational risk relating to the Bank's offsetting transaction as well as the use of equity when trading with the client.

When Jyske Bank quotes prices of OTC traded financial instruments, an agreement is concluded between Jyske Bank and the client by the client accepting a firm price.

### 5.1. Trading in Danish mortgage bonds

The price formation on the Danish market for mortgage bonds is normally determined in the institutional market. Consequently, Danish mortgage bonds do not always have an observable market price because they are not traded on the trading venue where they are admitted for trading. Therefore, when you trade with us as a counterparty, our prices are based upon our own internal price models, which - among other things - are built upon accessible market data and models for the future interest-rate development.

For mortgage bonds where we act as an SI, we will make public firm quotes on a regular and continuous basis. In case of events in the market that Jyske Bank assumes have a significant effect on our internal price models (exceptional market conditions), we reserve the right not to post firm quotes during such periods where our price model is being adjusted.

### 5.2. Trading in corporate and emerging market (EM) bonds

Client orders relating to corporate and EM bonds are normally executed with Jyske Bank as the counterparty, but can also be executed via our business partners, with due consideration to the best execution factors, or executed directly on a trading venue.

For certain corporate and EM bonds, there is not always an observable market price available. This may be due to lack of liquidity in the market, that the bonds are not traded on the trading venue where the bonds are admitted for trading, or that the bonds are not at all admitted for trading on a trading venue. Therefore, when you trade with us as a counterparty, our prices are based upon our own internal price models, which - among other things - are built upon accessible market data and models for the future interest-rate development.

### 5.3. Trading in government bonds

The execution of orders for government bonds will normally take place with Jyske Bank as the counterparty, and will not necessarily be executed through our business partners, or on a regulated market.

We consider the price the most important execution factor.

### 5.4. Listed derivatives

The execution of orders for listed derivatives will normally take place with Jyske Bank as the counterparty, and will not necessarily be executed through our business partners, or on a regulated market.

We consider the price the most important best execution factor, but speed and probability of settlement may be an important factor depending on your requirement and the risk you wish to minimise.

### 5.5. Trading in FX derivatives

Pricing in the FX market takes place on market conditions, which means that the transaction will generally be executed at the price at which we can hedge the transaction at the individual market players. We use recognised external business partners as references in connection with the execution of the client order so that we make sure it is executed at a market price. Moreover, we use Jyske Bank's own reference prices, which have been calculated on the basis of various factors such as volatility and yield curves.

The execution of FX orders will normally take place with Jyske Bank as the counterparty, and will not necessarily be executed through our business partners.

When using Fixing orders for foreign exchange, please see a separate description of this, which is available upon request to Jyske Bank.

The trading price offered to you may include a margin. The margin is set on the basis of the individual client relationship and the market conditions, including volatility and liquidity. We therefore point out that our clients are not necessarily charged the same margin.

### 5.6. Trading in commodity derivatives

The execution of orders for commodity derivatives will always take place with Jyske Bank as the counterparty, and a transaction will not necessarily take place with our business partners.

The commodity derivative contract, which you trade with us, will therefore always be an OTC instrument, reflecting current market prices for the commodity in question. Therefore, you

will normally not have the option to trade exchange traded commodity derivatives with us.

The pricing of commodity swaps and commodity futures is based on market values, and the transaction will be executed at the price at which we can hedge the transaction in the market. We use recognised external market players as references in connection with the execution of orders.

#### 5.7. Interest-rate derivatives

The pricing in the market for interest-rate derivatives is based on market values, and the order will generally be executed at the price at which we can hedge the transaction in the market or through counterparties in the interbank market. We can also use Jyske Bank's own price models to calculate a price for orders where the price will be calculated on the basis of market factors such as FX rates, volatility and yield curves.

The execution of orders for interest-rate derivatives will generally take place with Jyske Bank as the counterparty, and a transaction will not necessarily take place with our business partners.

We consider the price the most important best execution factor, but speed and probability of settlement may be an important factor depending on your requirement and the risk you wish to minimise.

#### 5.8. Repo transactions

When you enter into repo transactions (securities financing transactions) with Jyske Bank, you will always trade with us as the counterparty.

We consider the price the most important execution factor. The price is primarily determined on the basis of the underlying assets, volatility in the markets, and the size of the transaction as well as credit and yield curves.

#### 5.9. Structured products

The execution of orders for structured products will generally take place with Jyske Bank as the counterparty, and a transaction will not necessarily take place with our business partners.

We consider the price the most important execution factor.

#### 6. Special circumstances relating to portfolio management

When Jyske Bank provides portfolio management services to you, we are obliged to act in your best interest, and we therefore always follow this order execution policy.

The portfolio management services offered by Jyske Bank are generally provided by Jyske Capital, which is a business unit of Jyske Bank A/S, operating independently of the other activities of Jyske Bank. As such, Jyske Capital uses a number of business partners not used by the other business units of the Bank.

Jyske Capital evaluates the business partners it uses on a continuous basis and publishes a list of these business partners.

#### 7. Settlement of transactions

Jyske Bank handles the settlement of your securities in connection with transactions made with us. In other words, we ensure that the securities you have bought are safely deposited in your custody account. Similarly, we make sure that securities you have sold are withdrawn from your custody account. Both transactions take place on the value date, which is usually two business days after your purchase/sale.

Derivatives transactions are a contract between you and us, and trading and execution takes place simultaneously.

#### 7.1. Third-party trading and settlement

##### 7.1.1. Clients holding custody accounts with Jyske Bank

If you have a custody account with Jyske Bank and you trade with another counterparty than us, we will only handle the settlement to and from your custody account by depositing or withdrawing on the basis of instructions received from you and the counterparty you have traded with. As such, we are not to be considered a party of the transaction.

To ensure timely settlement, we must receive adequate information about transactions made and the required settlement details no later than on 12 noon on the day before the value date. If we do not receive the relevant settlement details within the deadline, we may refuse to settle the transaction. This may lead to errors in the settlement of the transaction, and you may be required to cover any costs, etc. The settlement details should be sent to [settlement@jyskebank.dk](mailto:settlement@jyskebank.dk).

##### 7.1.2. Clients without custody accounts with Jyske Bank

If you do not have a custody account with Jyske Bank and you trade with us, we will settle transactions made against your custodian bank, which handles the final settlement to your custody account.

To ensure timely settlement, you must prior to placing the order disclose the required settlement details (SSI) to us, and we must subsequently exchange adequate trading information about the specific transaction.

If we do not receive the relevant settlement details within the deadlines set out below, it could lead to errors in the settlement of the transaction, and you may be required to cover any costs, etc.

##### 7.1.2.1. Retail clients

If, contrary to expectations, we have not already received the required settlement details and exchanged adequate trading information with you at the transaction date, as a retail client you must send all relevant settlement details to us on the first business day after the date when the transaction took place.

##### 7.1.2.2. Professional clients and eligible counterparties

If, contrary to expectations, we have not already received the required settlement details and exchanged adequate trading information with you at the date of transaction, you must inform us in writing about these details no later than at 4:00pm on the transaction date. If you reside in a time zone more than two hours different from our time zone, or if you have traded after

4:00pm on the transaction date, the deadline will be 12 noon on the day after the transaction date.

### **7.2. Cash penalties**

Pursuant to the EU Central Securities Depositories Regulation (CSDR), central securities depositories must impose a cash penalty if a securities transaction is not settled at the value date. This cash penalty is passed onto the bank for all custody accounts held with the bank.

However, Jyske Bank will not pass cash penalties onto you if you **have a custody account** with the Bank, neither when a cash penalty is imposed on the Bank or when the Bank receives penalty funds from others.

If you **do not have a custody account** with Jyske Bank, your custodian bank will be imposed/receive cash penalties for your transactions. It is therefore up to your custodian bank to decide whether and how these cash penalties will be passed onto you.

### **8. Additional information**

Clients with Jyske Bank can at our website find an overview of all relevant circumstances in connection with investment and order execution in the financial markets by clicking the following link: [www.jyskebank.dk/investeringsinfo](http://www.jyskebank.dk/investeringsinfo)