

Best Execution Policy

This document (the "Policy") specifies the procedures which Statkraft Financial Energy AB (SFE) will follow when executing or transmitting orders of financial or physical instruments on behalf of its clients. SFE will take all sufficient steps in accordance with this Policy in order to obtain the best possible result for its clients. Please note that although the procedures set out in the Policy are expected to produce the best possible result for SFE's clients, there is no guarantee that circumstances will enable this to be achieved in every single transaction.

As such the procedures set out herein constitute "Best Execution" in SFE's view. By asking SFE to enter into a transaction on behalf of a client, the client agrees to the transaction being executed in accordance with this Policy.

The same order can be executed in parts using more than one of the methods described in this Policy.

Terms used in this Policy have the same meaning as defined under EU financial regulation.

Specific instructions

Where a client gives SFE a specific instruction on how all or part of its order should be executed, the relevant execution will be effected in accordance with such instructions. The client should be aware that providing specific instructions may prevent SFE from following the procedures set out in this Policy, which are considered likely to obtain the best possible result for the client.

Where a client requests a quote and accepts it, or where the terms (including price) of a deal are otherwise specifically agreed between SFE and the client prior to execution, the resulting transaction will be considered to be outside the terms of this Policy.

The relative importance of different factors in execution

In executing a client's order SFE will take the following matters into account :

- the cost which will be incurred;
- the characteristics of the client;
- the price at which it is likely to be executed;
- the speed and likelihood of both execution and settlement;
- the size and nature of the financial and physical instruments in the order and its impact on the market; and
- any other factor which SFE consider to be relevant for the execution of the order.

SFE will weigh these factors at the time of execution in accordance with its clients characteristics and client categorisation, the financial or physical instrument involved and the prevailing market conditions.

Unless special circumstances apply, SFE's priority in executing transactions will be to obtain the best possible result in terms of the total consideration to be paid or received by the client. Total consideration for a non-professional client includes all expenses incurred such as execution venue fees, clearing and settlement fees and any other fee paid to third party involved in the execution of the order. The cost for the client will be considered as the main factor.

Execution of orders in liquid instruments

This section applies to financial or physical instruments traded with reasonable liquidity on a regulated market or other marketplace. Such instruments include, for example:

- Standardized derivatives
- Other financial or physical instruments traded on an external execution venue.

SFE will execute its client's order in such a financial or physical instrument in the following way:

- Provided that it appears to SFE that it will operate to the client's overall advantage, SFE may choose to execute all or part of the order against the order of another of its clients. However, SFE will only do this if it appears likely at the time of dealing that the result is at least as good as would have been obtained in the market.
- SFE may offer to execute an order of larger size at a price agreed with the client. The agreed price may be less advantageous than the price prevailing in the market for small volumes, but is likely to be more advantageous than the price that could have been obtained in the market at the time for volumes equal to the size of the order.
- Where the order is of a larger size, such that care is required in its execution so as to minimize the adverse impact of the order in the market, SFE will execute the order at such times, and in such separate parts in the market, as appears in its reasonable judgement likely to produce the best possible overall result for the client under circumstances as they develop.
- Where a client request SFE to make a quote for a transaction SFE will take sufficient care to ensure that the price quoted is fair in all circumstances.

Execution of orders in illiquid instruments

This section applies to financial or physical instruments which are not traded with reasonable liquidity on a regulated market or other marketplace, such as both standardised but non-exchange traded instruments and instruments created from one or more components, some of which may be listed or traded in their own right, for example in order to provide an instrument designed to meet specific exposure requirements. Such instruments include, for example, certain:

- OTC derivatives;
- Instruments based on or involving contracts for difference (EPADs);
- Other financial or physical instruments not traded on a regulated market or other marketplace.

SFE will execute its client's order in such a financial or physical instrument in the following way:

- The pricing will take into account the prevailing market price available, or level of the underlying asset, index or rate incorporated into the structure of the instrument, or other relevant market factors and events. In addition, the pricing will take into account the risk and cost involved for instruments in question - such as costs inherent in the utilization of its own capital to support its dealing with clients, counterparty credit risk, operational risk or risk position assumed in creating the instrument and making it available to clients - and SFE's reasonable profit margin.
- To be able to provide execution in instruments for which there is no readily available market quote, SFE may execute the order against the order of another of its clients.

Execution venues and market information sources used

In order to provide the best possible prices, SFE gathers price information from several different market information sources and execution venues. SFE does not receive any remuneration, discount or non-monetary benefit for routing client orders to any particular trading venue. Any commissions will be disclosed.

List of the most important execution venues and market information sources used by SFE:

- Nasdaq OMX
- ICAP
- Hwh energimegling
- Svensk kraftmäkling
- Cleanworld
- ICE
- EEX

Client order handling

SFE will execute each client's orders in a prompt, fair and expeditious manner and will generally seek to execute comparable orders in the sequence in which they are received, unless for example the characteristics of the order or prevailing market conditions make this impracticable or against the best interest of its clients.

Since SFE treats all clients individually, all transaction will be executed separately and will not aggregate trades between its clients. Information provided to each client is consistently presented in the same manner and the same language.

The impact of disrupted markets, system failures etc.

In some cases, whether as a result of trading suspensions, cancellation of transactions by execution venues, disrupted markets, system failures or otherwise, SFE may judge that it is a client's best interest to execute or transmit its order using a method different to the one normally used for the instrument in question. In such cases, SFE will take all sufficient steps to achieve the best possible overall result for the client under the prevailing circumstances.

For execution only clients this means that SFE will make sufficient efforts to contact clients whose orders have not yet been executed to obtain additional instructions. If SFE is unable to obtain such instructions, it will take such actions as sufficiently seems to be in the best interest of the client, and the client will be bound by the result.

Information and Complaints Handling

Clients may address reasonable requests for information on SFE's policies and arrangements to the firm's general manager.

Any statement of dissatisfaction related to SFE's provision of investment services shall be addressed to the firm's Compliance Officer. The complaint shall contain detailed information to enable proper analysis and follow up of the complaint.

Changes and updates to this Policy

This Policy is subject to change. The Policy, and the execution venues, third party brokers and execution arrangements referred to in the Policy, as well as the result they produce, will be reviewed when needed, at least yearly, in order to ensure that they are likely to provide the best possible result for SFE's clients.

A daily P/L-report is issued ensuring compliance with the risk mandate, also the clients of SFE are checked and reported on a weekly basis where a report is being sent to the board outlining the weekly status in terms of risk and the current positions of the portfolio. Furthermore samples of hedge deals are evaluated in terms of fairness of the price, any numbers outside of a reasonable scope are being investigated and the trader is contacted for an explanation.

The Managing Director is responsible for the monitoring of the systems and controls that are implemented.