Luminor

Policy for Execution of Orders in Financial Instruments

1. Objective

1. This Policy provides an overview of how the Bank executes orders on behalf of clients or receives and transmits clients' orders to other entities for execution. The Policy applies to the following investment services: execution of orders on behalf of clients, reception and transmission of client orders and portfolio management.

2. The Client is considered to have given consent to this Policy when submits an order to the Bank for execution.

2. Definitions

3. The below capitalized terms shall have the following meaning:

3.1. **Bank** – Luminor Bank AS (including all its branches established in and outside Estonia);

3.2. **Execution Entity** – investment firms or third country firms whereto the Bank transmits or submits clients' orders;

3.3. **Execution Venue** – Regulated Market or Multilateral Trading Facility whereto the Bank submits clients' orders;

3.4. **MiFID II** – Directive 2014/65/EU of the European Parliament and of the Council;

3.5. **Multilateral Trading Facility (MTF)** – a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments;

3.6. **Non-UCITS** – the undertakings of collective investment in transferrable securities that are not regulated with Directive 2014/91/EU of the European Parliament and of the Council;

3.7. **Organized Trading facility (OTF)** – a multilateral system, which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact;

3.8. **Over-the-Counter (OTC)** – stands for over-the-counter trading, which refers to the process of trading in financial instruments outside of trading venues;

3.9. **Policy** – this Policy for Execution of Orders in Financial Instruments;

3.10. **Regulated Market** (RM) – a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments and which is authorized and functions regularly and in accordance with the MiFID II implementing local legislation;

3.11. **Saxo Bank** – Saxo Bank A/S;

3.12. **Trading Platform** – Luminor Investor, Luminor Trade or Saxo Portfolio Manager;

3.13. **UCITS** – an undertaking of collective investment in transferrable securities that are investment funds regulated with Directive 2014/91/EU of the European Parliament and of the Council.

3. List of Appendixes

4. Appendix 1 - Order Execution Venues and Entities

5. Appendix 2 - Order Execution

6. Appendix 3 - Reception and Transmission of Orders

4. General Provisions

7. The Bank has a general duty to act honestly, fairly, and professionally, taking into account the client's best interest. In relation to order execution, the Bank is required to take all sufficient steps to obtain the best possible result to a client on a continuous basis (known as Best Execution).

8. The Policy is issued pursuant to, and in compliance with, the Markets in Financial Instruments Directive 2014/65/EC and its implementing legislation.

9. The Bank may receive inducements, more information can be found on the Bank's website: [in EE – Important documents for investing] [in LV – Information for investors] [in LT – Information for Investors (MiFID)].

10. The Policy applies to retail (non-professional) and professional clients.

11. A summary of the Policy specifically intended for retail (non-professional) clients can be found on the Bank's website [in EE – Important documents for investing] [in LV – Information for investors] [in LT – Information for Investors (MiFID)]. The Bank's website also provides a link to the most recent execution quality data for the top 5 execution venues listed in this Policy as soon as such information is available.

12. Upon acceptance of a client order and when there is no specific client instruction regarding the execution method, the Bank will execute an order in accordance with this Policy.

13. The appendixes of the Policy cover the below listed classes of financial instruments and specify how orders are executed with respect to such financial instruments, order types available, priority of execution factors, the order execution process, as well as which execution venues are used and how execution effectiveness is monitored:

a) Equities – shares and equity- like instruments;
b) Debt instruments – bonds and money market instruments;
c) Exchange traded products – exchange traded funds, exchange trades notes and exchange traded commodities;
d) Units of collective investment undertakings and mutual funds;
e) Interest rate derivatives – swaps, options and other;
f) Currency derivatives – forwards, swaps, options and other;
g) Commodity derivatives – futures and swaps.

14. The client is familiarized with this Policy before entering into a legal relationship with the Bank. The Bank must obtain prior written consent to this Policy from the client, when, after receiving the Policy in good time before the transaction, the client submits an order to the Bank for execution.

5. Best Execution

15. Best Execution is the process by which the Bank seeks to obtain the best possible result when executing clients' orders in financial instruments. The definition of the best possible result will vary as the Bank must take into account a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that it receives and the markets in which it operates. These factors are further described in the Policy.

6. Execution Factors

16. When executing orders on behalf of the clients, the Bank considers a number of factors as part of its obligation to take all sufficient steps to obtain the best possible result for its clients. The categorization of the client has a significant impact on the way in which the Bank considers the importance of the execution factors which might be important to clients, as set out in more detail below:

16.1. **Price** – the market or fair price at which an order is executed;

16.2. **Costs** – this includes implicit costs such as the possible market impact, explicit external costs, e.g., exchange or clearing fees;

16.3. **Speed of execution** – the time it takes to execute the order;

16.4. **Likelihood of execution and settlement** – the likelihood that the Bank will be able to complete the transaction;

16.5. **Size and nature** – the Bank seek markets that provide the greatest liquidity and thus potential for execution of large orders. The Bank also seeks opportunities for client orders to benefit from order size commitments offered by third parties;

16.6. **Other factors** – any other factors relevant to the order (for example, market impact – the effect that executing client's order, or showing it to market participants, might have upon the market).

17. Depending on the financial instrument, the order of importance of the execution factors may differ.

18. When the Bank executes orders on behalf of retail (non-professional) clients, Best Execution is determined on the basis of the total consideration paid by the client. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as the Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether Best Execution has been achieved, the Bank does not take into account its standard charges that will be paid by the client irrespective of how the order is executed.

19. When the Bank executes orders on behalf of professional clients, it will use reasonable judgement to weigh different execution factors at the time of execution in accordance with execution criteria (see 7 below). Even where it seems that the price of financial instruments was not the best available, the order may still be considered executed on the terms most favorable to the client.

7. Execution Criteria

20. The relative importance that the Bank attaches to the execution factors listed in 16 above in any particular case may be affected by the following execution criteria:

20.1. Client Characteristics – the type of the client: retail (non-professional) or professional;

20.2. Order Characteristics – such as potential to have an impact on the market;

20.3. Financial Instrument Characteristics – such as liquidity and whether there is a recognised centralised market;

20.4. Venue Characteristics – particular features of the liquidity sources available to the Bank.

8. Scope of Best Execution

21. The Bank will always apply the Best Execution to orders submitted by retail (non-professional) and professional clients, dealing in financial instruments, except for the situation described in Clause 28 (Chapter 1 - Section 1 - Subsection 1 - 27.

22. If a retail (non-professional) or professional client gives specific instructions to the Bank regarding the order submitted, the Bank shall – to the fullest possible extent – execute the order in accordance with those specific instructions. The Bank may only deviate from such specific instructions where, due to specific circumstances, this is required for the interests of the client, and the Bank did not have a possibility to inquire the client in advance or did not receive the response on time. In such a case the Bank shall collect and keep the proof of the terms of the execution of the order (which shall be submitted to the client upon request) and notifies the client as soon as possible that the order is executed on terms different than those instructed. Where specific instructions cover only certain elements of the client's order, the Bank maintains an obligation to achieve the Best Execution with respect to the elements of the order not covered by the client's instructions.

Warning: Such specific instructions from the client may prevent the Bank from taking actions established in the Policy and applied by the Bank for the purposes of achieving the Best Execution.

23. The Bank executes all its clients' orders in equities, exchange traded funds, mutual funds and bonds, through Saxo Bank in case clients are using a Trading -Platform Luminor Investor, Luminor Trade or Saxo Portfolio Manager, in case of the discretionary portfolio management service. The Bank is therefore bound by Saxo Bank's Order Execution Policy for these instruments.

24. The Bank requires Saxo Bank, through an agreement, and through fulfilling the requirements in its own order execution policy, to implement processes and procedures to evidence that, as the Bank's single execution venue for financial instruments quoted in the Trading Platform, it will deliver the Best Execution and so enable the Bank to meet its Best Execution obligation to its clients.

25. In scope of the portfolio management service, the client authorizes the Bank to execute financial instrument orders on the client's behalf according to the rights and limitations listed in the portfolio management agreement. The orders placed as a result of a portfolio manager's decision to trade financial instruments on a client's behalf may be transmitted for execution to financial intermediaries or executed by the Bank as the client's counterparty.

26. The Bank executes clients' orders in instruments not traded on the Trading Platform directly on one or several trading venues, or, if the Bank is not a member of the trading venue, indirectly through a third party. The Bank may execute clients' orders outside trading venues or OTC. These transactions can be executed against the Bank's account or against the account of third parties.

27. The application of the Best Execution to professional clients, where the Bank is dealing on own account and engages with the client on a request for quote (RFQ) basis, will depend on whether the client "legitimately relies" on the Bank to protect its interests in relation to the pricing and other elements of the transaction, such as speed or likelihood of execution and settlement, that may be affected by the choice made by the Bank when executing the order. If a professional client trade is based on RFQ, the client will not legitimately rely on the Bank to provide the Best Execution subject to the performance of the so called four-fold cumulative test, published by the European Commission.

28. The four-fold cumulative test encompasses the following criteria:

28.1. which party initiates the transaction (where clients initiate the transaction it is less likely that they are placing legitimate reliance on the Bank);

28.2. the market practice and the existence of a convention for clients to "shop around" (where the market practice for a particular asset class or product suggests that clients will have access to various providers and the ability to "shop around", it is less likely that the client will be placing legitimate reliance on the Bank);

28.3. the relative levels of price transparency within the market (if pricing information is transparent and accessible to the client, it is less likely that clients will be placing legitimate reliance on the Bank);

28.4. the information provided by the Bank about its services and the terms of agreement reached between the client and the Bank (where the Bank and the client reach an understanding that the client is not placing legitimate reliance on the Bank).

9. Execution Methods

9.1. Execution on a Trading Venue

29. When the Bank accepts an order in financial instruments which are admitted to trading on a Regulated Market (RM), Multilateral Trading Facility (MTF) or Organized Trading Facility (OTF), it usually executes the order on the trading venue itself acting as an agent on behalf of the client or, if the Bank is not a member of any relevant trading venue, it transmits the order to another entity (broker, credit institution or investment firm) for execution.

30. The Bank may as well execute an order outside a trading venue or over the counter (OTC), if the Bank has the client's express consent as described in 9.4of the Policy.

9.2. Execution Through Execution Entities

31. Where the Bank does not have a membership of the trading venue relevant for the order, such order will be transmitted to an Execution Entity, which will execute the order on such a trading venue, or alternatively transmit the order to another third party for execution.

32. When executing clients' orders by transmitting to third parties, the Bank takes all sufficient measures to select the Execution Entity, which provides the Best Execution on a continuous basis. The Bank verifies on an on-going basis that its execution arrangements work well throughout the different stages of the order execution process and monitors not only the execution quality obtained, but also the quality and appropriateness the Bank's execution arrangements and policies on an ex-ante and ex-post basis to identify circumstances under which changes may be appropriate.

9.3. Execution on Own Account

33. While dealing on own account, the Bank might deal with multiple clients or counterparties on the same financial instrument at the same time. The Bank might as well hold significant positions in such financial instruments and engage in hedging or trading activities which might have impact on the market.

34. The Bank acts as a principal (deals on own account) to the client in (i) trades for OTC instruments; (ii) trades where the Bank is a market maker in financial instruments admitted to a trading venue; and (iii) where the Bank acts as a systematic internaliser (when dealing systematically and substantially on own account the Bank will in certain financial instruments be acting as a systematic internaliser when executing clients' orders). In all cases the Bank owes the duty of the Best Execution to a client, except for the situations described in 8 of the Policy.

35. The Bank adopts the following approach to the construction of the price of the transaction when trading on own account. The total execution price provided to a client is made up of the base price plus costs and charges:

35.1. The base price is the price that the Bank would face to hedge the transaction in the inter-bank market, whether realised or estimated. The base price includes any adjustments for the Bank's view of the market risk factors and how the Bank seeks to position itself in the market according to such risk factors; and

35.2. Costs and charges, which are the difference between the base price and the total execution price for the client. This includes all costs and charges that are related to the transaction performed by the Bank and other parties.

9.4. Execution Over the Counter (OTC)

36. Based on this Policy, clients' orders may be executed over the counter (OTC) with a prior express consent from the client. Clients' orders can be executed OTC for both: (i) financial instruments which are not admitted to trading or traded on a trading venue and (ii) financial instruments which are admitted to trading or traded on a trading venue. In both cases the Bank owes the duty of the Best Execution to the client, except for situations described in 8of the Policy. Where financial instruments are admitted to trading or traded on a trading venue, clients' orders may only be executed OTC if such execution of orders would ensure the best result for the client.

37. The Bank may execute orders OTC on own account or with another counterparty.

38. While executing orders OTC, the Bank checks the fairness of the price proposed to the client by gathering market data used in estimation of the price of such instrument and, where possible, by comparing it with similar or comparable products.

39. Clients should be aware of the following risks associated with executing orders OTC:

39.1. Counterparty risk, where a counterparty fails to complete the transaction in part or in full;

39.2. Execution at a substantially different price form the quoted bid or offer or the last reported price at the time of order entry, as well as partial execution or execution of large orders in several transactions at different prices;

39.3. Delays in executing orders for financial instruments, where the Bank has to search for counterparties or market makers;

39.4. Opening price that may substantially differ from the previous day's close price;

39.5. Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which may prevent the execution of client orders.

10. Selection of Execution Venues and Execution Entities

40. The Bank's policy is that the number of Execution Venues and Execution Entities used shall be sufficient to continuously ensure the Best Execution to the Bank's clients.

41. When selecting suitable Execution Venues and Execution Entities for execution of orders, the Bank will make sufficient efforts to select the Execution Venues and Execution Entities that consistently allow the best result to be achieved.

42. The Bank takes the following qualitative and quantitative factors into consideration when selecting suitable Execution Venues:

a) Liquidity – the venue's market share;
b) Likelihood of execution and settlement;
c) Cost of execution;
d) Order transmission speed to the venue;
e) Other relevant factors.

43. Selection of Execution Entities to which the Bank transmits orders is evaluated whether it can deliver the best possible result for the Bank's clients.

44. When selecting the Execution Entity, the Bank considers whether the entity itself is subject to Best Execution requirements or whether the entity will undertake to comply with the Best Execution requirements, and whether the entity can demonstrate that it delivers a high level of execution quality for the kind of orders that the Bank places with or transmit to that Execution Entity.

45. The Bank at least annually reviews all its Execution Venues and Execution Entities and assess the execution quality obtained.

46. The Bank will annually, for each class of instrument, publish a summary of the analysis and conclusions drawn from the assessment of the quality of execution obtained with Execution Entities used by the Bank and on the Execution Venues where the Bank has executed client orders in the previous year. Information can be found on the Bank's website [in EE – Important documents for investing] [in LV – Information for investors] [in LT – Information for Investors (MiFID)].

47. Information about the Execution Venues used by the Bank and the methods for executing different client orders with different financial instruments are provided in the Appendix 1 - to this Policy.

11. Client Order Handling

11.1. General Principles

48. Comparable orders of clients shall be executed on the basis of the time priority principle (sequentially), except where such execution is impracticable taking into consideration the characteristics of the relevant order or the prevailing market conditions, or where the interests of the client require otherwise, and where the breach of the principle can be reasoned. Clients' orders shall be executed with priority over the Bank's own orders.

49. In cases where a client does not give specific instructions, the Bank shall commence the execution of the order immediately after the receipt of the order from the client.

50. If clients' orders are received outside the marketplace's opening hours, the orders will normally be executed when the marketplace reopens.

51. Where due to any objective reasons which are beyond the Bank's control the execution of the client's order cannot be commenced (e.g. where the client does not have sufficient funds to settle for the order or the order details are missing) or the order cannot be executed within a reasonable time due to the unfavorable market conditions (reduction of price, absence of supply, etc.), the Bank will refuse to accept the order where the relevant circumstances already exist at the time when the order is submitted, or, if the order is already submitted, inform the client immediately and ask for specific instructions for further handling of the order.

52. Unless the laws provide otherwise, in the case of a client limit order in respect of shares admitted to trading on a Regulated Market or traded on a trading venue which are not immediately executed under prevailing market conditions, the Bank shall, unless the client expressly instructs otherwise, take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants (including by transmitting the client limit order to a trading venue).

53. Following execution of a transaction on behalf of a client the Bank will provide a confirmation of the execution of the order and will, among other things, inform the client where the order was executed and what costs and charges were applied.

54. There may be delays in the execution of orders, including orders placed though a Trading Platform. Some orders placed through a Trading Platform may be handled manually. When high traffic in electronic orders causes a backlog, the Bank must sometimes discontinue normal automatic execution procedures and turn to manual execution, leading to possible delay in execution.

11.2. Aggregation, Allocation and Split of Orders

55. The Bank shall execute an order of each client separately except in the cases when it is unlikely that the aggregation of one client's orders with other clients' orders will work overall to the disadvantage of any client whose order is to be aggregated.

56. An aggregated order that has been executed is allocated on the average price.

57. Where an aggregated order has only been partly executed, the share allocation will be proportionate to the relative size of the order.

58. The Bank notifies the client about its intent to aggregate or split an order and discloses to each client whose order is to be aggregated or split that the effect of such aggregation or split may work to its disadvantage in relation to a particular order.

59. The Bank shall not aggregate the clients' orders with its own orders under any circumstances.

60. Where a client places an order in a primary market (e.g., average price auction order or corporate bond issuance 'book-build' order), the Bank considers these to be specific instructions, and any Best Execution obligation owed by the Bank will be met by following these instructions.

12. Orderly Market and Disturbance in Trading Systems

61. In the event of disturbances in the market, e.g., due to outages or deficient access to technical systems of the Bank or its Execution Venue systems, it may be impossible or inappropriate to execute orders in any of the ways stated in this Policy. The Bank thereupon undertakes all reasonable measures in order to otherwise achieve the best possible result for the client. If an Execution Venue cancels or changes prices to an order executed on the relevant Execution Venue, the client will be bound by these measures, regardless of if the Bank earlier has confirmed the order and the order has been executed.

62. The Bank is obliged to take all necessary steps to keep an orderly market, and so operate with compliance order filters. Compliance order filters are also present at exchanges and other brokers and Execution Venues that might be used by the Bank

to route an order to the designated market. The filters might result in orders with large expected market impact being delayed or traded using an algorithm, potentially causing slippage from the expected arrival price. The Bank cannot be held liable for the price slippage caused by acting to keep an orderly market and minimize the impact on markets and prices.

13. Market Volatility

63. Market volatility may result in the price of a financial instrument moving significantly from the time of a client order receipt to the time of the order execution.

64. Clients should be aware that there are risks associated with volatile markets, especially at or near the open or close of the standard trading session and these risks include, but are not limited to:

64.1. execution at a substantially different price from the quoted bid or offer or the last reported price at the time of the order entry, as well as partial executions or execution of large orders in several transactions at different prices;

64.2. delays in executing orders for financial instruments that the Bank must send to external venues and manually routed or manually executed orders;

64.3. opening prices that may differ substantially from the previous day's close;

64.4. locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which may prevent the execution of clients' orders;

64.5. price volatility is one factor that can affect order execution. When there is a high volume of orders in the market, order imbalances and backlogs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors: i) the number and size of orders to be processed; ii) the speed at which current quotations (or last-sale information) are provided to the Bank; and iii) the system capacity constraints applicable to the given exchange, as well as to Saxo Bank and other firms.

14. Information Sharing

65. The Bank may have access to, use and provide counterparties with information on an anonymous and aggregated basis, including, but not limited to, clients' orders (i.e., orders executed in full or part, cancelled, or expired), positions, trade and other data and analytics (collectively, anonymous and aggregated data). This anonymous and aggregated data may be used for market information, analytical tools, risk management strategies for market making and liquidity provision and other Bank's products and services. The nature of any anonymous and aggregated data provided to clients may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be changed from time to time without notice.

15. Review and Reporting

66. In order to ensure that the intended outcomes in this Policy can be successfully achieved on an ongoing basis, the Bank monitors the execution quality obtained as well as appropriateness of its execution arrangements.

67. The Bank monitors and verifies the results of transactions and orders executed in accordance with MiFID II rules and internal processes set for regular checking of the pre-trade information on prices of financial instruments offered to clients and post-trade assessment of Execution Venues and Execution Entities used by the Bank.

68. The Bank will review, at least on an annual basis, this Policy as well as its order execution arrangements. The Bank will notify its clients about any material changes in the Policy and publish the updated version of the Policy on the website of the Bank.

16. Final Provisions

69. Any amendments to the Policy shall approved by the Bank's Management Board.

Appendix 1 - Order Execution Venues and Entities

Orders in financial instruments submitted by the retail (non-professional) and professional clients will be executed in the execution venues and/or entities specified below:

1. List of Execution Venues where the Bank executes clients' orders:

   1.1. Equities:
   - NASDAQ OMX Tallinn, Riga, and Vilnius;
   - NASDAQ FIRST NORTH, Estonia, Latvia, and Lithuania.

   1.2. Debt instruments:
   - NASDAQ OMX Tallinn, Riga, and Vilnius;
   - Bloomberg Multilateral Trading Facility;
   - AS SEB Bankas;
   - Swedbank AB;
   - Saxo Bank.

   1.3. Other exchange traded products (exchange traded funds, notes, commodities):
   - NASDAQ OMX Tallinn and Vilnius.

2. List of Execution Entities with whom the Bank cooperates when transmitting clients' orders for execution:

   2.1. Equities:
   - Saxo Bank A/S, Denmark;
   - Citigroup Global Markets Europe AG, Germany.

   2.2. Debt instruments:
   - Luminor Bank AS, Lithuania;
   - Saxo Bank A/S, Denmark.

   2.3. Other exchange traded products (exchange traded funds, notes, commodities):
   - Saxo Bank A/S, Denmark;
   - Citigroup Global Markets Europe AG, Germany.

   2.4. Units in collective investment undertakings:
   - Nordea Investment Funds S.A;
   - Nordea Funds Ltd;
   - Citigroup Global Markets Europe AG, Germany;
   - Saxo Bank A/S, Denmark.

   2.5. OTC Derivatives (interest rate, currency, commodity):
   - Luminor Bank AS, Lithuania.

3. The list of Execution Entities used by the Bank is not exhaustive and, if necessary, the Bank can also use the investment services of other entities not listed in the list.

Appendix 2 - Order Execution

1. Equities

1.1. Financial Instruments in Scope

Equities and equity-like instruments that are traded on NASDAQ OMX Tallinn, Riga, and Vilnius and/or NASDAQ FIRST NORTH, Estonia, Latvia, and Lithuania exchanges.

1.2. Order Types Available

Market Order. With a market order the client instructs the Bank to execute a trade of a certain size as promptly as possible at the prevailing market price. The Bank executes market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to handle a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. It is the client's own responsibility to check if the order is traded in the market after the order entry.

Limit Order. With a limit order the client sets the maximum purchase price or the minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. Clients that leave limit orders must be aware that they are giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

1.3. Implementation of Best Execution

The obligation to provide the Best Execution will apply to the majority of equity executions. Generally, it applies where the Bank executes an order as an agent or a riskless principal on the client's behalf. The Bank owes the Best Execution duty where a client commits to a trade that is not immediately executable and the execution can be booked to the client's account, without the need to re-confirm the price, size or any other factor(s) with the client. In these cases, a client leaves discretion with the Bank as to the manner of execution and exact terms of the resulting transaction. Examples of where the Bank owes the Best Execution include market orders and limit orders.

1.4. Prioritization of Execution Factors

Retail (Non-Professional) Clients	Professional Clients
1. Price and costs (total consideration) 2. Speed 3. Likelihood of execution and settlement 4. Size of order 5. Other factors	1. Price 2. Size of order 3. Other factors 4. Costs 5. Speed 6. Likelihood of execution and settlement

2. Debt Instruments

2.1. Financial Instruments in Scope

Government, sovereign and corporate bonds that are traded on NASDAQ OMX Tallinn, Riga, and Vilnius exchanges and/or using Bloomberg Multilateral Trading Facility and/or other trading facilities or systematic internalisers.

2.2. Implementation of Best Execution

The Bank services the client demand by trading debt instruments as a principal. In circumstances, when working with large orders or orders in highly illiquid bonds, the Bank may execute an order as an agent. The Bank owes the Best Execution duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as an agent on the client's behalf.

Pricing and execution of orders in debt instruments is a manual process where market is characterised by indicative OTC prices.

2.3. Prioritization of Execution Factors

Retail (Non-Professional) and Professional Clients

Liquid debt instruments	**Illiquid debt instruments**
1. Price and costs (total consideration)	1. Size of order
2. Speed	2. Likelihood of execution and settlement
3. Likelihood of execution and settlement	3. Price and costs (total consideration)
4. Size of order	4. Speed
5. Other factors	5. Other factors

2.4. Benchmarking

Wherever possible, prices are benchmarked against external and internal reference prices to ensure that the Best Execution is achieved on a consistent basis. A fair price for debt instruments is set by looking at the relevant market data for that particular instrument. These can be foreign and domestic government bonds and other relevant instruments.

3. Interest Rate Derivatives

3.1. Financial Instruments in Scope

OTC interest rate derivatives, including swaps (including cross-currency swaps) and other interest rate derivatives.

3.2. Implementation of Best Execution

The Bank services the client demand by trading OTC interest rates derivatives on a principal or riskless principal basis. The Bank owes the Best Execution duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as a riskless principal on the client's behalf.

3.3. Prioritization of execution factors

Retail (Non-Professional) and Professional Clients

1. Price and costs (total consideration)
2. Likelihood of execution and settlement
3. Expected impact of execution/Size of order
4. Speed
5. Other factors

3.4. Benchmarking

Wherever possible, prices are benchmarked against external and internal reference prices to ensure that the Best Execution is achieved on a consistent basis. A fair price for various interest rates derivatives is set by looking at the relevant market data for that particular instrument.

4. Currency Derivatives

4.1. Financial Instruments in Scope

Currency derivatives, including FX derivatives and swaps, forwards, options and other currency derivatives.

4.2 Implementation of Best Execution

FX transactions are largely executed by the Bank as a principal, but some transactions could be executed on a riskless principal basis. The Bank owes the Best Execution duty when a clients commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as a riskless principal on the client's behalf.

4.3. Prioritization of execution factors

Retail (Non-Professional) and Professional Clients
1. Price and costs (total consideration) 2. Likelihood of execution and settlement 3. Expected impact of execution/Size of order 4. Speed 5. Other factors

4.4. Benchmarking

Wherever possible, the Best Execution price streams are benchmarked against external and internal reference prices to ensure that the Best Execution is achieved on a consistent basis. A fair price for various FX instruments is set by looking at the relevant market data for that particular instrument.

5. Commodity Derivatives

5.1. Financial Instruments in Scope

OTC commodity derivatives, including swaps and futures.

5.2. Financial Instruments and Transactions not in Scope

The Bank does not support physical delivery of the underlying security on expiry of futures. Therefore, the Bank advises clients to take note of the expiry and first notice dates (FND) of any futures in which they have positions and ensure they are closed before the appropriate day, as described below.

If the FND is before the expiry date, positions need to be closed the day before the FND. If the expiry date is before the FND positions need to be closed no later than on the expiry date.

If futures positions are not closed before the relevant date, the Bank will close the position on the client's behalf at the first available opportunity at the prevailing market rate. Any resulting costs, gains or losses will be passed on to the client.

5.3. Implementation of Best Execution

The Bank services the client demand by trading OTC commodity derivatives on a principal or riskless principal basis. The Bank owes the Best Execution duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as a riskless principal on the client's behalf.

5.4. Prioritization of Execution Factors

Retail (Non-Professional) and Professional Clients
1. Price 2. Cost 3. Likelihood of execution and settlement 4. Expected impact of execution/Size of order 5. Speed 6. Other factors

5.5. Benchmarking

Wherever possible, prices are benchmarked against external and internal reference prices to ensure that the Best Execution is achieved on a consistent basis. A fair price for various commodity derivatives is set by looking at the relevant market data for that particular instrument.

Luminor

Appendix 3 - Reception and Transmission of Orders

1. Equities

1.1. Financial Instruments in Scope

Equities and equity-like instruments that are not traded on NASDAQ OMX Tallinn, Riga, and Vilnius and/or NASDAQ FIRST NORTH, Estonia, Latvia, and Lithuania exchanges.

1.2. Order Types Available

Available order types are dependent on the Execution Entity to whom the Bank transmits the order for execution.

Market Order. With a market order the client instructs the Bank to execute a trade of a certain size as promptly as possible at the prevailing market price. The Bank executes market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to handle a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. It is the client's own responsibility to check if the order is traded in the market after the order entry.

Limit Order. With a limit order a client sets the maximum purchase price or the minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. Clients that leave limit orders must be aware that they are giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

1.3. Implementation of Best Execution

The Bank services the client demand of trading equities and equity-like instruments as an agent by transmitting orders to an Execution Entity. The Bank owes the Best Execution duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as an agent or a riskless principal on the client's behalf.

1.4. Prioritization of Execution Factors

Retail (Non-Professional) and Professional Clients
1. Price and costs (total consideration) 2. Expected impact of execution/Size of order 3. Likelihood of execution and settlement 4. Speed 5. Other factors

2. Debt Instruments

2.1. Financial Instruments in Scope

Government, sovereign and corporate bonds that are quoted for trading on the Trading Platform.

2.2. Order Types Available

Market Order. With a market order the client instructs the Bank to execute a trade of a certain size as promptly as possible at the prevailing market price. The Bank executes market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to perform a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. It is the client's own responsibility to check if the order is traded in the market after the order entry.

Limit Order. With a limit order, a client sets the maximum purchase price or the minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. Clients that leave limit orders must be aware that they are giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

2.3. Implementation of Best Execution

The Bank services the client demand by trading debt instruments as an agent by transmitting orders to an Execution Entity. The Bank owes the Best Execution duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as an agent or a riskless principal on the client's behalf.

2.4. Prioritization of Execution Factors

Retail (Non-Professional) and Professional Clients
1. Price 2. Expected impact of execution 3. Likelihood of execution and settlement 4. Size of order 5. Cost 6. Speed 7. Other factors

2.5. Benchmarking

Wherever possible, prices are benchmarked against external and internal reference prices to ensure that the Best Execution is achieved on a consistent basis. A fair price for debt instruments is set by looking at the relevant market data for that particular instrument. These can be foreign and domestic government bonds and other relevant instruments.

3. Exchange Traded Products – Exchange Traded Funds

3.1. Financial Instruments in Scope

Exchange traded funds that are not traded on NASDAQ OMX Tallinn, Riga, and Vilnius and/or NASDAQ FIRST NORTH, Estonia, Latvia, and Lithuania exchanges.

3.2. Order Types Available

Available order types are dependent on the Execution Entity to whom the Bank transmits the order for execution.

Market Order. With a market order the client instructs the Bank to execute a trade of a certain size as promptly as possible at the prevailing market price. The Bank executes market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to handle a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. It is the client's own responsibility to check if the order is traded in the market after the order entry.

Limit Order. With a limit order the client sets the maximum purchase price or the minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. Clients that leave limit orders must be aware They are giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future.

3.3. Implementation of Best Execution

The Bank services the client demand of trading exchange traded funds as an agent by transmitting orders to an Execution Entity. The Bank owes the Best Execution Duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as an agent or a riskless principal on the client's behalf.

3.4. Prioritization of Execution Factors

Retail (Non-Professional) and Professional Clients
1. Price and costs (total consideration) 2. Speed 3. Likelihood of execution and settlement 4. Expected impact of execution/Size of order 5. Other factors

4. Other Instruments – Units in Collective Investment Undertakings

4.1. Financial Instruments in Scope

UCITS and non-UCITS collective investment undertakings.

4.2. Purchase Order Types Available

Limit Order. The client sets the maximum purchase amount, for which the trade is to be executed.

4.3. Implementation of Best Execution

The Bank services the client demand of trading units in collective investment undertakings as an agent by transmitting orders to an Execution Entity. The Bank owes the Best Execution duty when a client commits to a trade that is not immediately executable, leaving discretion with the Bank as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the client's account without the need to re-confirm the price, size or any other factor(s) with the client or where the Bank executes an order as an agent or a riskless principal on the client's behalf.

4.4. Prioritization of Execution Factors

Retail (Non-Professional) and Professional Clients
1. Price and costs (total consideration) 2. Speed 3. Likelihood of execution and settlement 4. Expected impact of execution/Size of order 5. Other factors