

Order Execution Policy

In force as from 3 January 2018 – updated on 1 November 2019

12 September 2019

SKJ/MTH/TSH

1. Scope

This Order Execution Policy (the "Policy") describes the framework for the intermediation and execution of orders for customers by Fondsmæglerselskabet Maj Invest A/S ("Maj Invest"). The Policy has been drawn up in accordance with Order no. 917 of 25 June 2017 concerning securities traders' execution of orders and the European Commission's delegated regulation no. 2017/565 of 25 April 2017. The Policy will ensure that an order is executed with the best possible result for the customer in the circumstances ("Best Execution"). The Policy concerns Maj Invest's intermediation and execution of orders in the following financial instruments listed for trading in a regulated market, a multilateral trading facility or an organised trading facility: (i) shares and other negotiable securities equivalent thereto; (ii) bonds and other negotiable debt instruments; (iii) all other negotiable securities; (iv) money-market instruments; (v) units in collective investment schemes; (vi) options, futures, swaps, future interest agreements (FRAs) and any other derivative agreement concerning securities, etc., or other derivatives, etc. that can be settled physically or settled in cash including forwards; and (vii) credit derivatives.

2. Intermediation and execution of customer orders

Maj Invest intermediates and executes orders for customers when Maj Invest provides (a) investment advisory services and intermediates orders according to the customer's instructions; (b) discretionary portfolio management; and (c) executes customer orders without prior investment advisory services or portfolio management.

When Maj Invest *intermediates orders*, the order is sent for execution by a securities trader on the customer's behalf. The trade is executed by the securities trader. Maj Invest does not act as a counterparty in the trade between the customer and the securities trader. The individual customer's orders are solely intermediated to securities traders approved by the customer among the securities traders selected by Maj Invest.

When Maj Invest *executes orders*, this takes place in the Maj Invest Markets unit or when trading with bonds and forwards. When orders are executed in the Maj Invest Markets unit, Maj Invest is the counterparty towards the customer. As a general rule, Maj Invest Markets' orders are executed for Maj Invest's trading portfolio. If it is not possible for the Maj Invest Markets unit to execute the order as an immediate trade, Maj Invest Markets will trade the securities in the market and then execute the order towards the customer, and the order will be settled at the achieved price. When trading with bonds or forwards the orders are executed at a securities trader for the securities trader's trading portfolio.

3. Best execution

"Best Execution" means that all adequate measures are taken to achieve the best possible result for the customer in the circumstances on the intermediation and execution of an order, taking due account of price, costs, speed, execution and settlement probability, scope, nature and other circumstances that are relevant for the execution of the order. Maj Invest in principle considers price and costs to be the most significant factors on assessing the best possible result in the circumstances, so as to give weight to the most advantageous overall remuneration for the customer. Thereafter in its assessment, Maj Invest gives weight to the factors of speed and execution probability. The assessment of how Maj Invest can deliver Best Execution in relation to the individual customer order takes due account of any customer instructions that may affect the weighting of the factors and their sequence.

4. Intermediation of orders for execution by securities traders

Maj Invest intermediates orders for execution by licensed securities traders ("Securities Traders"). The five most significant Securities Traders to which Maj Invest intermediates orders are presented on Maj Invest's website. Maj Invest's Securities Traders have an order execution procedure to ensure Best Execution for Maj Invest's customers. If the trades are executed at a trading venue, this trading venue will be selected in accordance with the criteria to which Maj Invest attaches importance.

Maj Invest has selected Securities Traders to execute orders whose quality on order execution with regard to the achieved price, costs, speed and probability of execution is sufficient to achieve the best possible result for the customer. On selection, Maj Invest gives weight to the Securities Trader's achieved results on the execution of orders. On selecting the trading venue/other trading place, the Securities Trader assesses whether the trading venue/another trading place is relevant with regard to trades in the relevant type of securities, price and delivery time, as well as the Securities Trader's opportunities to achieve Best Execution on executing orders at the trading venue/another trading place. On intermediating orders to a Securities Trader, for each trade Maj Invest assesses which securities trader can offer the best execution of the order. Maj Invest assesses Securities Traders continuously and adjusts the cooperation with them in accordance with the overall quality of their order execution.

Maj Invest may intermediate orders for execution by Maj Invest Markets.

5. Execution of orders at trading venues

As a general rule, Maj Invest Markets executes a customer's order within a regulated market, a multilateral trading facility or an organised trading facility ("trading venue"). An order can only be executed outside a regulated market, a multilateral trading facility or an organised trading facility with the customer's express prior consent ("other trading place"). If the customer consents to execution at another trading place, Maj Invest Markets may execute the order as an OTC trade against Maj Invest's trading portfolio. Trading with bonds and forwards may be executed via a systematic internaliser with the customer's consent hereto. Orders executed at another trading place may entail an increased risk for the customer. Maj Invest Markets does not execute trades as systematic internaliser. Execution of the individual customer's order takes place at a trading venue selected by Maj Invest Markets. Maj Invest only uses trading venues that fulfil the following general requirements: Trading venue which is recognised and open to the general public, and which functions regularly.

Maj Invest uses trading venues which are selected according to the following criteria:

- Whether the trading venue trades in the relevant securities.
- Price and delivery time for the relevant securities.
- Maj Invest's experience with the trading venue and its ability to deliver with regard to the fulfilment of Best Execution.

For trading in both Danish and foreign listed equities and bonds, and for currency transactions, Maj Invest uses: Trading venues approved by Danish or foreign FSAs, as well as OTC markets and via systematic internalisers. A list of the five most significant trading venues/other trading places can be found on Maj Invest's website.

With due consideration of the individual customer order, as a general rule trading takes place in the regulated market on which the securities in question are listed, and where there is the highest turnover in the securities. Unlisted securities and financial instruments, such as money market instruments and derivatives, are usually traded in OTC markets; via a systematic internaliser or on an organised trading facility.

6. Procedure

For investment advisory services and discretionary portfolio management, Maj Invest intermediates orders for execution by a Securities Trader or at Maj Invest Markets. On receipt of customer orders in Maj Invest Markets, the order is executed by Maj Invest Markets – or in special cases is intermediated for execution by a Securities Trader. When trading with bonds and forwards Maj Invest executes the order via a securities trader.

On the receipt of an order from a customer, the execution of the order in question is initiated for intermediation or execution. For both the intermediation and execution of customer orders, Maj Invest ensures due observance of the rules for Best Execution based on an assessment of: (i) the customer's characteristics, including the customer's set-up of accounts, securities accounts, and any currency translation agreements, etc. of the customer, as well as the customer classification; (ii) the customer order's characteristics; (iii) characteristics of the financial instruments that may be included in the order; and (iv) characteristics of the trading venue/other trading place to which the order can be directed.

If there is a specific instruction from a customer, Maj Invest will execute the order in accordance with the instruction. A specific instruction from a customer or a customer's special characteristics, including the customer's set-up of accounts, securities accounts, any currency conversion agreements of the customer, etc., may therefore limit Maj Invest's opportunities to choose trading method, venue, time and price, and thereby the terms for the trade. A specific instruction from a customer may thereby prevent Maj Invest from fulfilling its Best Execution obligation by intermediation or execution of the order.

7. Limited orders

When Maj Invest executes orders or when the Securities Trader to which Maj Invest intermediates orders, Maj Invest will not publish remaining limited orders to the market if current market conditions mean that the full limited order cannot be executed immediately, unless it is assessed that publication is in the customer's best interest, or the customer has specifically given instructions for the publication of remaining limited orders.

8. Simultaneous trades

If Maj Invest receives several orders on the same terms, on both intermediation and execution of orders Maj Invest may combine a customer's order with other customers' orders, if it is unlikely that this combination of orders will be to the disadvantage of the individual customer. This will only apply, however, to the extent that it has not been agreed with the individual customer that the customer's orders may not be combined with other customer orders. The allocation of securities for orders executed on a combined basis will take place according to a pro rata distribution for all simultaneous trades.

On simultaneous trades for customers and Maj Invest (own positions) the customer's trade will always take place first. Trades for Maj Invest's own portfolio will thus always be waived in favour of simultaneous trades for customers.

9. Changes and control

Maj Invest assesses regularly, and at least once a year, whether the Policy is functioning as intended. As part of the control according to Maj Invest's procedures for this area, the quality of order execution by the Securities Traders to which Maj Invest intermediates orders is assessed. It is also controlled that Maj Invest Markets' execution of orders takes place in accordance with the Policy. The Order Execution Policy and any changes thereto are published on Maj Invest's website. Amendments to the Policy will take effect from the time of their publication on Maj Invest's website.

Maj Invest annually updates the list of the five most important Securities Traders to which Maj Invest has intermediated orders, as well as the list of the five most important trading venues/other trading places used by Maj Invest Markets to execute orders.

It is controlled continuously that Maj Invest's intermediation and execution of orders take place in accordance with the Policy.

10. Contact

Questions or comments concerning the Order Execution Policy may be directed to Maj Invest, Legal Department, tel.: +45 33 38 73 00 or e-mail: legalcompliance@majinvest.com.

Entry into force

This Policy enters into force from the Board of Directors approval.

Board of Directors:

_____ Chairman of the Board of Directors Tommy Pedersen	_____ Board member Jørgen Tang-Jensen	_____ Board member Nils Bernstein
_____ Board member Ruth Schade	_____ Board member Tomas Munksgard Hoff	_____ Board member Anders Møller Olesen