

ORDER EXECUTION POLICY – FINANCIAL INSTRUMENTS

Applicable from 1 November 2007

This is a translation of the document “Politik for udførelse af ordrer om værdipapirer” in the Danish language. In case of discrepancies, the Danish version prevails.

This policy sets out the overall principles we follow as a securities dealer when executing your orders.

The policy does not apply to you if you have been classified as an “eligible counterparty” or if you are a “professional client” and we quote a price for our own account or negotiate terms directly with you in respect of transactions where we act as principal. The reason is that in the circumstances described, we do not carry out an order on your behalf.

Moreover, the policy does not apply to

- issues and redemptions of units of collective investment schemes
- share issues and repurchases
- acquisition offers to shareholders.

1. Best execution

When you ask us to buy or sell financial instruments, we will take all reasonable steps to obtain the best possible result for you in the circumstances – this is what we call “best execution”.

If your instructions limit, for example, our choice of execution venue or the time or price of a trade, it may not be possible for us to execute your order, either in full or in part, in accordance with the principles stated in our policy.

2. Basis of assessment

When we choose how to process your order to ensure best execution, we take various factors into account, such as

- price and costs (total consideration)
- speed
- likelihood of execution and settlement
- type and scope of the order, and
- other relevant elements.

We prioritise the factors differently, depending on

- your status as a retail client or a professional client
- prevailing market conditions
- the size and nature of your order
- the specific security or other financial instrument that the order concerns
- relevant execution venues.

In most cases, price and costs will be the essential factors for obtaining best execution. Accordingly, the total consideration is usually of paramount importance – unless the purpose of the execution of the order dictates that other elements should be prioritised.

To serve your interests, we may, for example, postpone the execution of an order or attempt to carry it out in tranches depending on your specific instructions, the size or nature of the order or on market conditions in general.

3. Execution venues

We choose the execution venues where, according to our ongoing assessment, best execution is most likely to be achieved. While the venues selected may not always offer the most favourable prices, your order will always be executed in accordance with the principles of this policy.

We select execution venues not only with a view to executing orders but also with a view to obtaining price information. We use this

information when our clients trade directly with us.

Our choice of execution venue is based on liquidity and efficient pricing, costs and likelihood of order execution. If a financial instrument is listed for trading at several execution venues, we normally choose the venue that generally is the most liquid.

We use business partners that, in our opinion, are able to execute orders in accordance with our best execution obligations. Business partners have also been selected because we believe that they will be able to achieve a result at least matching the result which we could reasonably expect to obtain through other business partners.

We use one or several of the following overall execution venues:

- execution on regulated and other markets. Orders may be executed through our own membership or via a business partner
- execution outside regulated and other markets. We may execute the order acting

as principal (including under the rules on systematic internalisation) or through a business partner.

You will find a more detailed description of the execution venues in the document “Terms and conditions for trading in financial instruments”.

Our most recent list of major execution venues can be found on our Web site at www.danskebank.com/denmark.

4. Execution of orders

We execute orders as quickly as possible and in the sequence in which they arrive.

Orders may be aggregated and executed in one or several tranches if, due to demand conditions, several orders may be settled at an average price that we consider generally favourable. Hence, aggregation may in some cases work to the disadvantage of a particular order.

When executed, aggregated orders will, to the extent possible, be allocated to clients on the

trade date at the calculated average price. If aggregated orders can be executed only in part, we allocate the executed part to the participants in proportion to the size and conditions of their orders. Allocation to Danske Bank will be made only if all the orders of participating clients are satisfied in full.

4.1 Special conditions

Below you can read about the special conditions that apply to certain financial instruments.

4.1.1 Shares, etc.

When executing orders in respect of shares, standardised derivatives (such as options and futures) and units of collective investment schemes which are listed for trading on a regulated or other market and are also traded outside that market, we may:

- promptly place the order at the execution venue. Execution is subject to the rules applied on the relevant market. Orders can be executed only if they match opposite bids or offers. However, if an order cannot be

matched in full, partial execution will often be possible

- wait before placing the order, or place it successively in tranches. We may wait if we find that, because of market conditions, liquidity or the size or nature of the order, this is the most favourable solution for you
- combine orders and subsequently place the aggregated order on the relevant market. We aggregate orders if we find that, because of market conditions, liquidity or the size or nature of the order, this is the most favourable solution for you
- act as principal, trading at a price reflecting the market price
- place the order through a business partner with whom we have an agreement. Usually, the business partner decides how the order will be executed.

4.1.2 Special financial instruments

When executing orders in respect of financial instruments which are not listed for trading on regulated or other markets, and which are not negotiated through issues, redemptions and repurchases, the Bank will act as buyer or

seller. Our prices match the prices which we can obtain, taking into account the time, volume and trading conditions.

We determine the price of units of collective investment schemes on the basis of information from the issuer on net asset value and on the basis of available market data on trading prices.

4.1.3 Bonds / Fixed income

Bond trades are normally executed with the Bank acting as buyer or seller.

We differentiate between orders regarding bonds for which we quote bid and offer prices, and bond orders that we execute on the basis of prices obtained from business partners quoting prices for the relevant bonds. In both cases, we trade as principal.

Bond pricing is based on models used to forecast yield curve and development trends. Through international, generally recognised information systems, we have access to price information from major market makers.

4.1.4 Derivatives trading (Danske Bank as counterparty)

The following section is relevant only if you have or want to have a master agreement with Danske Bank about trading in derivatives.

When you buy or sell derivatives with Danske Bank as counterparty, the price of the transaction will normally be based on current market prices.

The price will be calculated on the basis of either

- external reference prices from recognised operators in the relevant markets, information providers, business partners and others, or
- our internal reference price based on prices, interest and foreign exchange rates, yield curves, volatility, yield and price spreads, correlation and supply and demand.

In both cases, the following factors are also taken into account:

- information about the issuer of the underlying financial instrument
- relevant information about the market in question
- the complexity of the transactions
- the liquidity in the market for the relevant type of derivatives trade
- settlement risks
- creditworthiness
- Danske Bank's cost of capital in connection with the derivatives trade
- the costs incurred during the life of the transaction, including expenses for fixing, event and market value reporting.

5. Monitoring, evaluation and changes

We monitor and evaluate the effectiveness of this policy and the measures taken to comply with it. If necessary, we will amend the policy.

We also assess, on an ongoing basis, whether the execution venues and business partners that we have chosen to ensure best execution continue to meet our standards. If not, we will make the necessary changes.

Any amendments to our order execution policy will be published on our Web site.

6. Further information

For further information about the execution of your order, please contact your branch.

You can read more in "Terms and conditions for trading in financial instruments" and "Terms and conditions for foreign exchange and derivatives trading".