

Best Execution Policy

1 GENERAL

- 1.1 These rules apply to the execution of orders from Icebank's clients. The rules are based on Articles 18 and 19 of Act no. 108/2007 on Securities Transactions ("the Act"). Icebank's commitment to provide its clients with "best execution" services does not mean that Icebank owes its clients any fiduciary responsibilities over and above the specific regulatory obligations imposed on Icebank at any given time.
- 1.2 "Execution of orders" refers to a situation when a client legitimately relies on Icebank to protect his or her interests with regard to pricing, speed, etc. when executing orders on behalf of the client. The above covers the following situations:
- When orders are executed on behalf of the client;
 - When Icebank executes orders by dealing as a riskless principal on behalf of a client;
 - When Icebank provides the service of receiving and transmitting orders;
 - When Icebank enters into transactions involving financial instruments with third parties on behalf of a client as a part of Icebank's asset management for the client.

2 BEST EXECUTION OF ORDERS

2.1 Execution Factors

- 2.1.1 "Best execution of orders" in this policy refers to the duty owed by Icebank to its clients to ensure the best possible result for them according to the Act.
- 2.1.2 When executing orders, Icebank will use all reasonable means to achieve the best possible result for its clients with regard to price, costs, speed, likelihood of execution and settlement, the nature and size of the transaction and other relevant execution factors of significance.
- 2.1.3 With regard to retail clients, the price in a transaction will ordinarily be given the greatest significance along with the relevant transaction costs, including fees for payment netting and settlement. The result of the above is that factors such as speed and likelihood of execution will only be given more significance when such factors are considered to provide the client with a better result when executing orders.
- 2.1.4 Price in a transaction will ordinarily be given the most significance when ensuring best execution. It is possible that in some instances the circumstances may lead to the conclusion that factors other than price are more significant in order to ensure best execution.

2.1.5 The execution criteria that will be taken into account are: the characteristics of the client, the order, the financial instrument in question and the execution venues to which the orders can be directed.

2.1.6 Such instances might arise in relation to special circumstances, for some clients, orders, financial instruments or venues.

2.2 Execution of Orders

2.2.1 Subject to any specific instructions on execution given to Icebank by a client, orders will be executed by one of the following methods or a combination thereof:

- with Icebank as a counterparty, if Icebank considers that such execution will give the client at least as good results as the methods listed below;
- by transmitting orders to the relevant regulated market;
- by executing orders by means of a number of different transactions in a regulated market;
- by using the orders of one client to meet the orders of another, priced according to the market price;
- by third party transaction outside the market;
- when Icebank is not a direct member of the relevant regulated market or MTF, with a third party with whom Icebank has entered into an agreement for executing orders on behalf of Icebank on that regulated market or MTF.

2.3 Best Possible Result with Regard to Circumstances

2.3.1 Notwithstanding all reasonable efforts being made to obtain the best possible result for clients, having regard to the resources available and the operating circumstances, it is not possible to guarantee that in every instance the best possible result can be achieved.

2.4 Specific Instructions from a Client

2.4.1 When a client gives specific instructions in relation to the execution of orders, the orders will be executed in accordance with such instructions. The client acknowledges that whenever he or she gives specific instructions with regard to the execution of orders, Icebank cannot and will not consider all the execution factors this policy provides for in an effort to obtain the best possible result.

3 REGULATED MARKETS

3.1 Execution of Orders on Regulated Markets¹

¹The term “regulated marked” shall be understood to include both regulated markets and MTFs, systematic internalisers and market makers within the EEA and other comparable parties outside the EEA.

- 3.1.1 As a general principle Icebank will execute client orders in regulated markets. Icebank has chosen this method as pricing of securities on regulated markets is transparent, the speed of execution is high, it is easy to work out the cost of obtaining the business and the probability of agreements being reached is generally high. On the date of issuance of this policy, Icebank is a member only of the OMX Nordic Exchange in Iceland (“OMX”) as regards transactions with financial instruments.
 - 3.1.2 If orders can be executed in another venue (other than OMX Nordic Exchange Iceland), it may be Icebank’s assessment of the circumstances that a better result will be obtained by executing orders in another venue. This mainly applies if the volume of trading in the relevant financial instrument is greater in a venue other than OMX Nordic Exchange Iceland; in such circumstances, Icebank will generally use the venue with the highest volume of trading in the relevant financial instrument.
 - 3.1.3 When choosing a market, Icebank will evaluate what is in the best interest of the client with regard to carrying out the relevant orders. Other factors can be of significance during this valuation, such as the reliability of the market, the possibility of executing complex financial instruments and the quality of the market.
 - 3.1.4 When the execution of orders can only take place in one venue, Icebank’s execution of the orders in that venue will constitute fulfilment of its obligations under this policy. Icebank will regularly update the list of venues in which it executes orders and new venues will be published through its website, (www.icebank.is). A special notification will not be sent to clients when new venues are added. Clients are therefore encouraged to check the above website regularly.
- 3.2 Execution of Orders Outside Markets
- 3.2.1 Notwithstanding the principle set forth in Section 3.1 it may be Icebank’s assessment of circumstances that a better result would be obtained by executing orders outside a regulated market or MTF.
 - 3.2.2 Such circumstances arise mainly in relation to large transactions. Icebank will assess, on the basis of all the prevailing circumstances, whether it is more favourable to execute orders outside or within a regulated market or MTF.
 - 3.2.3 Enclosed with this policy is a customer consent form where the client specifically agrees that Icebank will routinely execute orders outside of regulated markets or MTF in accordance with this policy.
- 3.3 Execution of Orders in Other Markets
- 3.3.1 If Icebank receives orders pertaining to financial instruments which are traded in a regulated market where Icebank is not a member (including markets outside the EEA), Icebank will execute such orders by transmitting them to intermediaries, based on an agreement to such effect, who are members of, or have access to, the relevant market. The choice of such intermediaries is based on a continual evaluation of their ability to execute orders in a satisfactory manner and on the basis of the quality and cost of the service they provide.

4 DISTURBANCE IN THE MARKETS

- 4.1 When there is a disturbance in the market due to electrical failure, computer malfunctions or other events, it may be impossible or inappropriate to execute orders as stipulated in this policy. Icebank will under such circumstances take all reasonable steps to achieve the best possible result for the client.

5 GENERAL PRINCIPLES ON EXECUTION

- 5.1 Client orders will be executed fairly and as quickly as possible. Client orders which are in other respects comparable shall be executed in chronological order based on time of receipt unless this is impossible due to the characteristics of the order, prevailing circumstances in the market or if another procedure is deemed to be in the best interest of the client.
- 5.2 Icebank is required, in the case of client limit orders which are not immediately executed, to take steps for such orders to be made public immediately in an easily accessible manner unless the client expressly instructs otherwise. By signing the consent form attached to this policy, the client will be regarded as having given Icebank instructions to determine, at its discretion, whether or not to immediately publish unexecuted limit orders.

6 PROCESSING OF AGGREGATE ORDERS (BLOCK ORDERS)

- 6.1 Icebank is permitted, but not required, to aggregate orders from different clients or orders made by Icebank for its own account. Icebank is also permitted to allow another financial undertaking, to which Icebank might mediate orders, to aggregate orders from Icebank, orders from the clients of the relevant financial company or orders made for the financial undertaking's own account. Icebank will allocate to its clients the results of such block trades in a fair and reasonable manner.
- 6.2 If an aggregated order is not wholly executed at the same price, Icebank is permitted to calculate the average price of the transactions when allocating to its clients.
- 6.3 Icebank will provide clients with the appropriate information regarding such calculation on request. Attention is drawn to the fact that aggregate orders can in certain instances lead to a less favourable result for the client.

7 DISCLOSURE

- 7.1 Icebank shall be able to produce, at the request of its clients, proof that it has executed their orders in accordance with the company's best execution policy. Icebank shall ensure that the enforcement of this policy is subject to regular surveillance and that this policy will be followed to the extent that it is applicable.
- 7.2 This policy is accessible on Icebank's website (www.icebank.is.)
- 7.3 Clients of Icebank will be informed of any material changes in this policy. Icebank will be considered to have fulfilled its disclosure obligations according to this paragraph if it publishes the new policy on its website.