



TRADE AND EXECUTION POLICY

FOR

FONDSMÆGLERSELSKABET CARBONWISE A/S





Contents

1.	Background, Purpose and Scope.....	3
2.	Legal basis.....	3
3.	Approach to Best execution	4
3.1	Exemptions from the requirement to provide Best Execution	4
4.	Specific instructions	4
5.	Counterparties and execution venues.....	5
6.	Risk associated to order execution	5
7.	Request for explanation of best execution.....	6
8.	Suspicion of market abuse or insider trading.....	6
9.	Monitoring, review and approval of the policy	6
10.	Changes log.....	6



1. Background, Purpose and Scope

This policy is issued in respect of Fondsmæglerselskabet Carbonwise A/S (“**the Company**”) and provides an overview on how trades and orders are executed on behalf of the clients, what factors that can affect an execution’s timing and the way in which market volatility plays a part in handling orders when buying or selling a financial product. The policy shall ensure that an order is executed in the best possible way for the customer according to the circumstances (Best Execution).

This policy applies to the Company’s execution of orders in the following financial instruments admitted to trading on a regulated market, a multilateral trading facility (MTF), an organized trading facility (OTF) or Over-the-counter (OTC):

- (i) Emissions allowances consisting of any units recognized for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme) and
- (ii) options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event¹.

The orders are executed via the client’s custodian to whom Carbonwise has a financial power of attorney. All trading costs accrue to the order executing custodian.

The policy applies to clients that the Company has classified as “Professional Clients²” and Carbonwise will provide them with a notice regarding any material change to this policy. All clients must give prior consent to the Policy when entering into agreement with the Company. The Company does not execute orders on behalf of Retail Clients³ or Eligible Counterparties⁴.

2. Legal basis

The policy has been drawn up pursuant to the following legislation:

- The European Directive 2014/65/EU on markets financial instruments (“MiFID II)
- Delegated Regulation (EU) 2017/565 supplementing MiFID II as regard organizational requirements and operating conditions for investment firms and defined terms for the purpose of that Directive (MiFID II Delegated Regulation)
- The Danish act on Investment firms’ execution of orders (Bekendtgørelse om værdipapirhandlers udførelse af ordrer, BEK nr. 917 af 25/06/2017)
- Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“Market abuse regulation”)
- Delegated Regulation (EU) 2016/957 supplementing Market abuse regulation with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as

¹ This includes both exchange-traded derivatives and OTC-derivatives.

² Including “Elective Professional Clients” cf. appendix 1(b) I the Danish Act on Investor Protection in Securities Trading.

³ cf. article 2(9) in the Danish Act on Investor Protection in Securities Trading

⁴ cf. appendix 2 in the Danish Act on Investor Protection in Securities Trading



notification templates to be used for preventing, detecting and reporting abusive practices or suspicious orders and transactions.

3. Approach to Best Execution

When ensuring that orders are being executed in the best possible way for the clients and that all reasonable measures have been considered, the company relies on the basic components of (i) know-how in monitoring and executing orders; (ii) careful consideration of the elements of order execution, (iii) regular and rigorous examination of the overall execution quality.

In each individual case, the price, costs, speed, completion and settlement probability, scope, nature and other circumstances that are relevant to the execution of the order shall be taken into account.

When placing and executing a buy or sell order, the company always considers the following:

- a. Client characteristics, including the client's setup of accounts and custodians
- b. Price of the financial instrument that are subject to the order
- c. Costs related to the execution of the order
- d. Volume of the order and likelihood that it can be executed and settled correctly.
- e. Any other consideration relating to the execution of the order
- f. A total consideration of the above-mentioned factors as a whole.

3.1 Exemptions from the requirement to provide Best Execution

Notwithstanding the intentions expressed above, Carbonwise does not undertake to provide Best Execution in the following circumstances:

- a. In the wholesale OTC commodities derivatives market in which we operate it is normal market practice for buyers and sellers to "shop around" by approaching several brokers or dealers for quotes. In these circumstances there is no expectation between the parties that the broker or dealer chosen will be required to provide Best Execution.
- b. Specific instructions from clients regarding an order may affect our obligation and possibility of delivering best execution and may prevent us from taking the steps that Carbonwise would otherwise take to comply with this policy.

4. Specific instructions

When there is no specific client instruction regarding the execution method, the Company will endeavor to execute that order in accordance with this policy and the Company's Trading Procedure.

Whenever there is a specific instruction from a client, the Company shall execute the order following the specific instruction. This being the case regardless of whether such specific instructions from the client prevents the Company from taking the steps that it has designed and implemented in this policy to obtain the possible result for execution of such order in respect of the elements covered by the instructions.



5. Counterparties and execution venues

When brokering trades on the client's behalf, Carbonwise has identified the following types of venues on which the Company will most regularly seek for execution of the clients' orders and which Carbonwise believes offers the best prospects for achieving the best possible results for the client:

- a. Any Regulated Market and Exchanges available to Carbonwise
- b. Any MTF available to Carbonwise
- c. Any OTF available to Carbonwise
- d. Third party brokers
- e. Other Carbonwise clients

When choosing an execution venue, Carbonwise will choose an execution, that in our opinion, offers the best possibilities of ensuring best execution. The main criterions when choosing between execution venues is cost of trading on the trading venue, liquidity of the derivative contract and type of the derivative contract since certain derivatives contracts only trade or clear at certain venues. To make sure our client's total considerations are not negatively affected by the choice of execution venue, Carbonwise also consider any external costs related to for e.g., clearing.

If different fees are to be applied depending on the execution venue, Carbonwise will explain these differences to the client in sufficient detail to allow the client to understand the reasoning here fore and the potential advantages/disadvantages of the choice of a particular execution venue.

The execution venues currently used are based in Europe. However, from time to time, the Company may use other execution venues if this is deemed appropriate in order to provide the best possible execution for the clients.

As OTC-derivate instruments are bilateral contracts no clearing venues are used. Clients will therefore be entering into a derivative contract with a Counterparty ultimately chosen by the client in dialog with Carbonwise. Carbonwise will not enter into a derivative contract directly with the client. Carbonwise can only give clients visibility to prices that have been communicated to Carbonwise by these potential counterparties that operate in the same market. When executing orders or taking a decision to deal in OTC products, including bespoke products, Carbonwise will check the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

6. Risk associated to order execution

The company is aware of the following non-exhaustive list of risk related to executing orders in volatile markets that is subject to fluctuations:

- a. Execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry
- b. Partial executions or execution of large orders in several transactions at different prices



7. Request for explanation of best execution

If Carbonwise receives a request from a client for an explanation that the order is carried out in accordance with this Policy and best execution in general, the Company is required to and will always seek to comply with such requests.

By default, a request from a customer is handled as follows:

Carbonwise clarifies, through its internal trading system, which trading partner the Company has used in connection with the specific order. This can be supplemented by relevant correspondence and relevant trading data with the trading partner in relation to the specific order which will be forwarded to the client.

8. Suspicion of market abuse or insider trading

Carbonwise reserves the right to not execute orders if there is suspicion or proof of market abuse or insider trading. We are further obliged to promptly report such suspicion to the DFSA.

9. Monitoring, review and approval of the policy

Carbonwise will on a regular basis monitor the effectiveness and accuracy of its order execution policy and, in particular, the execution quality of the counterparties and execution venues used as well as the Company's own ability to reach the best possible result for its client when executing orders. In addition to this the company's compliance function will further assess the effectiveness of all of Carbonwise's policies and business procedures. Where the monitoring reveals the need for any changes or enhancements to be made, they will be implemented as appropriate.

This policy is subject to review and approval by the Board of Directors at least on an annual basis. The Board of Directors is to be notified immediately if deviations are identified. If it after the review is concluded that no changes are required a new version of the policy is not issued. Potential changes will further be highlighted in the changes log below.

10. Version Control

The present policy has been adopted by the Board of Directors of Fondsmæglerselskabet Carbonwise A/S on the 23.01.2026

Version	Prepared by	Approved by	Changes
1.0			



Signed by:

Erik Evjen

D44B6B07CF8A43F...

Chairman of the Board of Directors
Erik Evjen

Signed by:

Torben Juul Andersen

2107A263700A4D0...

Member of the Board of Directors
Torben Juul Andersen