

CODE OF PRACTICE ON BEST EXECUTION OF TRADING INSTRUCTIONS

1. Objectives and scope

- 1.1. These rules are established in accordance with Articles 48 and 49 of Act no. 115/2021 on Markets in Financial Instruments.
- 1.2. ACRO Securities hf. (hereinafter “the Company”) endeavours with its rules on the best execution of trading instructions to achieve the best possible outcome for its customers through receipt and brokerage, execution of trading instructions, investment consultancy, asset management and other securities transactions falling under the Company’s operating licence each time, with respect to price, cost, speed, the likelihood of the trade occurring, the scope, nature, and other important factors.
- 1.3. The rules apply to retail investors and professional investors. The rules only apply to eligible counterparties if they have specifically requested it.
- 1.4. The rules apply to the receipt, brokerage, and execution of trading instructions unless the customer stipulates a specific execution.
- 1.5. The rules do not apply when the Company publishes price offers of professional investors, calls for price offers of professional investors or when professional investors request a price offer. This code of practice does not cover products that the act does not define.

2. General principles on executing trading instructions

- 2.1. Customers' instructions shall be carried out reasonably and as swiftly as possible. Customers' otherwise comparable instructions shall be acted on in the order in which they were received unless doing so is impossible because of the nature of the instructions, market conditions or if another execution is deemed better for the customer.
- 2.2. Instructions executed for customers shall be logged immediately and directed into the right channel. Retail investors shall be notified without delay if any real problems arise in carrying out instructions.
- 2.3. In the case of explicit instructions that are not carried out as soon as received because of market conditions, the Company, unless the customer instructs otherwise, shall arrange for the instructions to be carried out as quickly as possible by publishing them immediately and accessibly. This duty is fulfilled by passing the instructions onto a regulated securities market or multilateral trading facility (MTF). It is possible to seek an exemption from the obligation to make it public from the Financial Supervisory Authority of the Central Bank of Iceland. By signing the Company's trading terms on securities trading, a customer is deemed to have agreed that the Company shall evaluate whether and when to make such orders public.
- 2.4. In executing trading instructions, the Company will choose the trading platform best suited to the elements that are important for achieving the best possible outcome. If a customer prescribes a specific execution, the Company will follow his/her instructions.
- 2.5. If the customer does not prescribe a specific execution, the Company will carry out the business instructions as follows or a combination of the following elements:
 - 2.5.1. Outside a regulated securities market or MTF in transactions by a third party; and

- 2.5.2. In a regulated securities market or MTF or, when the Company is not a member of the relevant market or MTF, by the participation of a third party with whom the Company has an agreement to execute trading instructions on their behalf in the relevant regulated securities market or MTF.
- 2.6. The general principle is that the Company carries out customers' trading instructions in a regulated securities market or MTF. The Company chooses, in this way, to follow the general principle since, in a market, the pricing of financial instruments is transparent; the speed in executing transactions is high; it is easy to calculate the cost of acquiring the trades, and the chances are that agreements will be more profitable than in the off market.
- 2.7. The Company only attends to a customer's instructions with the instructions of another customer when the following conditions are met:
- 2.7.1. The aggregation of instructions and transactions will generally not prove disadvantageous to a customer; and
 - 2.7.2. The aggregation has no disadvantageous effect on a customer's specific instructions; and
 - 2.7.3. The execution is in accordance with the Company policy on the allocation and distribution of instructions.

3. Best execution of trading instructions

- 3.1. Best execution of trading instructions in these rules refers to the duty of the financial undertaking to ensure the best possible outcome for its customers. The evaluation of best execution does not necessarily focus on particular transactions but rather recorded transactions over a specific period, which indicate that, on the whole, best execution was attained by carrying out customers' instructions at a site of business in accordance with the instructions of these rules.
- 3.2. Despite searching for all normal ways to achieve the best outcome for customers, based on the available alternatives under the circumstances in which the Company operates, it is not possible to ensure that the best outcome can be attained in all cases. If the Company fully follows these rules, it will generally be deemed that the Company has fulfilled its duty to ensure its customers the most favourable outcome.
- 3.3. In executing trading instructions, the Company evaluates the importance of different factors that can affect price formation or other aspects of the transactions that are subject to their execution on behalf of the Company, to ensure the best possible outcome for the customers. The possible factors to examine are:
- 3.3.1. Price;
 - 3.3.2. Costs;
 - 3.3.3. Speed;
 - 3.3.4. Likelihood of the success of the trading and price settlement;
 - 3.3.5. Scope of trading;
 - 3.3.6. Nature of trading;
 - 3.3.7. Settlement and payment and
 - 3.3.8. Other factors requiring examination upon the execution of trading
- 3.4. Despite the price and cost generally being most important when seeking the best possible outcome, especially when retail investors are involved, circumstances can result in other factors weighing more, considering the customer involved, the wording of instructions, the financial instruments involved, and the market in which the trading occurs.

3.5. The Company determines the proportional weight of individual factors in the execution of trading instructions for each transaction, based on the following criteria:

3.5.1. How the relevant customer is classified according to Act no. 115/2021 on Securities Transactions

3.5.2. The nature and characteristics of a financial instrument

3.5.3. The nature and characteristics of the markets to which instructions can be directed and

3.5.4. The nature of the client's instructions.

3.6. In instances where the Company executes transactions in new markets, other factors, such as the price spread, saleability, and costs, can have increased importance, compared to more developed markets.

3.7. The provisions of Article 3.3-3.6 do not apply when the customer stipulates specific trading instructions. In such cases, the instructions will be carried out regardless of the factors previously described.

4. Customer stipulates a certain execution

4.1. If a customer stipulates a certain execution of securities trading or an execution of transactions other than those covered in these rules, the Company shall carry out the customer's instructions. The Company deems that they thereby fulfil their obligation to find ways to ensure the best result for customers, to the extent that it carries out instructions or a specific part of them under a customer's special instructions.

4.2. The Company shall inform a customer that by specifying a certain execution of trading instructions, the best possible outcome will most likely not be achieved.

4.3. If a customer specifies a certain execution of instructions to a limited degree, the Company will in other respects follow the rules on best execution.

5. Execution of trading instructions in a market

5.1. The Company is a member of Nasdaq OMX in Iceland and the First North multilateral trading facility regarding trading in both shares and bonds and therefore carries out most trading orders in these markets. Other markets may emerge. The Company evaluates each time which market will be likeliest to achieve the best execution of trading instructions. In selecting a market, we focus on the possible relevant points, for example, the market's reliability, its potential for handling complex financial instruments, quality and other aspects. In evaluating markets, the Company will consider its commission and costs in carrying out instructions on each market. In instances where there is only one viable market, the Company's view is that it has fulfilled its duties under these rules.

5.2. Under normal circumstances, the Company will handle trading instructions as follows:

5.2.1. Send an order immediately to a regulated securities market or multilateral trading facility for financial instruments.

5.2.2. Execute the order with one or several different transactions on a market.

5.2.3. Utilise one customer's order to fulfil another customer's order at a price corresponding to the market price.

6. Execution of trading instructions off-market

6.1. To ensure the best possible result from executing trading instructions, the Company may

decide that it is necessary, to carry out customers' instructions outside of regulated securities markets or multilateral trading facilities for financial instruments.

- 6.2. The Company must inform customers individually and secure their agreement if the plan is to execute transactions off-market. By signing the Company's trading terms on securities trading, a customer agrees that the Company generally carries out trading instructions off-market in accordance with this code of practice.
- 6.3. If the Company receives trading instructions on financial instruments under which trading occurs in a regulated securities market or MTF of which the Company is not a member, the Company will execute such instructions by passing them on, with an agreement to that effect, to intermediaries that are members of or have access to the relevant markets. The Company's selection of such intermediaries shall be based on an evaluation that they are capable of executing the instructions effectively and on the basis of the important factors.

7. Supervision and auditing

- 7.1. The Company shall supervise to ensure that this code of practice conforms with the law and that they are followed by the Company's employees. The rules shall be reviewed annually and can only be amended in writing. Such amendments enter into force when the Company's Board of Directors has approved them.

8. Disclosure

- 8.1. The Company publishes these rules on its homepage and refers to them in its terms.
- 8.2. The Company shall inform its customers of any amendments to these rules. By publishing a new or amended code of practice on its homepage, the Company deems that it has fulfilled its duty to inform under this article.
- 8.3. If the Company provides services to retail investors, before providing the services, it shall ensure that it provides information in accordance with the law.
- 8.4. At a customer's request, the Company shall prove that the customer's instructions have been executed in accordance with these rules.

Approved by the board of directors of ACRO securities hf. on 10 August 2021

Reviewed and approved by the board of directors of Acro hf. on 6 July 2023

Revised and approved by the board of directors of Acro on 26 September 2024.