Principles for the Careful Execution of Client Orders

Best Execution Policy

Approved on 6 October 2026

For the information of Power-Deriva Oy's clients

This document sets out the principles followed by Power-Deriva Oy (hereinafter referred to as "PD") when executing orders in financial instruments on behalf of its clients. These principles apply to transactions executed with PD's professional clients and to orders executed for professional clients on PD Port, the OTF operated by PD.

Careful execution of orders means that, when a client gives PD a buy or sell order concerning a derivative transaction, PD takes all sufficient steps to obtain the best possible result for the client considering the client's circumstances. Orders are executed accurately and fairly.

PD is not required to apply this Policy when conducting business with clients classified as eligible counterparties. Nevertheless, PD acts honestly, fairly and professionally also when conducting business with eligible counterparties.

1. Measures

Pursuant to Article 27(1) of Directive 2014/65/EU, PD takes the following factors into account in order to obtain the best possible result for the client:

the price of the product and trading and settlement costs (total consideration)
speed of execution (liquidity)
likelihood of execution and settlement
the nature and size of the order
any other relevant factors

When determining the relative importance of the factors listed in Article 27(1) of Directive 2014/65/EU, PD takes into account the criteria set out in Article 64 of Commission Delegated Regulation (EU) 2017/565:

the characteristics of the client, including the client's categorisation
the characteristics of the client order and any specific instructions given by the client
the characteristics of the financial instruments that are the subject of the order
the characteristics of the execution venues to which the order may be directed

As a general rule, execution price and likelihood of execution are the primary criteria for careful execution, unless the client provides specific instructions concerning the order. If a client gives PD specific instructions as to how all or part of an order is to be executed, PD

executes the order in accordance with those instructions. The client's specific instructions take precedence over the provisions of this Policy. Examples include instructions to execute an order at a specified price or on a specified trading venue. Clients are informed about specific instructions, PD's obligation to follow them and the client's obligation to communicate them clearly and sufficiently in advance of execution. If specific instructions restrict PD's ability to select, for example, the trading venue, time of execution or trading price, execution may be partly or completely impossible. If PD cannot follow the client's specific instructions, or if the execution rate would be significantly lower than normal, PD informs the client without delay. Any further action to execute the order requires the client's express consent.

In order to safeguard the client's interests, PD may depart from its general execution policy and delay execution or seek to execute the order in parts using one or more venues where required by the client's specific instructions, the size or nature of the order, or prevailing market conditions.

Due to market conditions and specific terms set by the client, an order may not be capable of being submitted to the market for immediate execution when received. For example, the relevant product may not always have sufficient liquidity, or market makers' spread may exceed the client's preference. Before providing investment services, PD provides its clients with a written description of its order execution policy, including this circumstance.

Orders for standardised derivative transactions are entered without delay in the Order Book (order monitoring system).

Orders are executed in the order in which they are received where possible, taking into account the size of the order, any price limits or other terms specified by the client, and the manner in which the order was submitted.

2. Execution Venues

PD executes client orders on the execution venues that it has assessed as providing the best possible result for the client.

PD trades on the following execution venues:

Execution venue	Type of venue	Products
PD Port	Organised Trading Facility	Power derivatives
Euronext N.V.	Regulated market	Power derivatives
European Energy Exchange AG	Regulated market	Power derivatives, power options, emission allowance derivatives and emission allowance options
ICAP Energy AS	Organised Trading Facility	Power derivatives, power options
Intercontinental Exchange	Regulated market	Emission allowance, coal and oil derivatives and options; emission allowances
Bilateral counterparties	Outside trading venues	Power, emission allowance, coal and oil derivatives and options; emission allowances; foreign exchange transactions (forward, swap)

The selection of an execution venue is particularly influenced by the following factors: the clearing system, price fluctuation limits, liquidity and planned measures. In most cases, the clearing system and price are the most significant factors.

Where necessary, Power-Deriva may execute an order outside trading venues (bilaterally). This is usually because the client is not a member of any clearing system or trading venue, or because the required product is not available on a trading venue. A transaction is executed outside a trading venue only with the client's permission. In most cases, the request to trade outside a trading venue comes from the client. Counterparty risk may be higher for transactions executed outside a trading venue than for transactions executed on a trading venue.

When executing a bilateral order, the trader must ensure that the price proposed to the client is fair. The product price is assessed by reviewing market data and, where appropriate, by comparing the product with similar or comparable products. If no comparable products are available on trading venues, quotes are generally requested from several counterparties, depending on how many counterparties the client has framework agreements with. The quotes received are archived.

3. Best Execution Principles for Orders in Financial Instruments Traded on PD Port

PD operates PD Port as an Organised Trading Facility (OTF). Where a client gives PD an order in a product traded on PD Port, the principles of careful execution apply at two levels: (i) at firm level, when PD decides whether to direct the order to PD Port or another execution venue; and (ii) at OTF level, when PD acts as the OTF operator and decides on execution on PD Port. When an order is received by PD, it is directed, in accordance with this Best Execution Policy, to the venue that best satisfies these principles from the client's perspective. Orders are therefore not automatically directed to PD Port solely because it is operated by PD, if the best execution principles are better achieved on another venue.

Firm-level discretion

For products traded on PD Port, orders are directed to PD Port provided that doing so produces the best possible result for the client, taking into account factors including execution price and total transaction costs, diversification of counterparty risk, collateral requirements and likelihood of execution. If another trading venue offers a better result for the client, the order may be directed to that venue in the client's best interests. However, where the client has expressly instructed that trades be executed on PD Port, the orders are directed to that venue. This requires that the request comes expressly from the client or that the client is classified as an eligible counterparty.

PD Port applies a hybrid model in which Clients may trade through both the electronic Trading System and the Voice Trading System (by telephone or another electronic means of communication). The best execution principles apply to both forms of trading as follows:

(a) Electronic trading

In the electronic Trading System, Clients may enter Maker Orders into the Order Book visible to all Clients. By means of a Taker Order, a Client selects a Maker Order displayed in the Order Book as the corresponding order. PD exercises discretion as to whether a Taker Order is matched with a particular Maker Order and seeks to obtain the best possible result for the client, taking particular account of price, costs, likelihood of execution and order size. Orders are not matched automatically, and no matching algorithm is used.

(b) Voice Trading System

In voice trading, a Client contacts a PD trader by telephone or another agreed means of communication and provides order details corresponding to the details of a Maker Order on PD Port. The PD trader may then provide the Client with information on Maker Orders in the PD Port Order Book and seek to match trading interests or facilitate negotiations between Clients. The PD trader exercises discretion in executing the order so as to obtain the best possible result for the client in accordance with the criteria described above and, in line with this principle, also provides the client with price information for comparable products on other trading venues.

The order details that a Client must provide in voice trading correspond to the Maker Order details specified in the PD Port Rulebook.

Where a Client gives an order in voice trading with insufficient execution instructions, the PD trader may exercise discretion in determining appropriate execution parameters in accordance with the best execution obligation. Where a Client gives an order with precise execution instructions (price and volume), the PD trader has no discretion as to whether the order is placed or whether it is placed in full or only in part.

OTF-level discretion

(a) Principles
If a client order is directed to PD Port, PD acts in its capacity as OTF operator and exercises discretion in accordance with the following principles in order to obtain the best possible result:

PD Port does not execute orders automatically by algorithm; instead, PD exercises discretion when matching orders. In particular, the following factors are taken into account:

the price of the order and trading costs,
the speed and likelihood of execution and settlement,
the size and nature of the order,
counterparty risk and any client preference regarding specific counterparties,
any other factors specified in the PD Port Rulebook, as amended from time to time, and
the specific characteristics of the Instrument, such as the term of the contract.

(b) Matching
PD Port applies specific matching principles under which Maker Orders are matched only with Taker Orders, and PD has discretion as to which Maker Order a Taker Order is matched with. PD may also decide not to match a particular client order with other orders at a given time if this is consistent with the client's specific instructions or in the client's best interests.

Orders are not matched automatically in the Trading System, and no automatic matching algorithm is used. A PD trader assesses the available counterparties and their quotes and performs the match at the trader's discretion, taking into account the factors described above. PD may facilitate negotiations between the parties and amend client orders entered on PD Port in order to match them on the basis of those negotiations, but the client must then separately confirm that the matched transaction is acceptable.

For price formation purposes, the PD trader assesses the market price using trading data from multiple sources and compares prices with historical price data, taking into account the term of the contract, the liquidity of the Instrument and the most recently executed prices.

Where a client gives specific instructions for executing an order on PD Port (for example, a price limit or a specific counterparty), PD follows those instructions to the extent permitted by the PD Port Rulebook and applicable regulation. If following the specific instructions prevents the best possible result from being achieved in certain respects, PD informs the client without delay.

The OTF-level principles of discretion described above are set out in greater detail in the PD Port Rulebook, which must be read together with this document.

4. Aggregation of Orders

An order may be aggregated with orders received from other clients. Orders may be aggregated only where aggregation is unlikely to disadvantage any client whose order is to be aggregated.

5. Order Allocation Principles

The trader allocates executed transactions to the client's account as soon as possible after execution. PD executes transactions in accordance with the client's order and therefore already knows at the time of execution to which client or clients the transaction will be allocated. Middle and Back Office verify from the clearing house system or report that the executed transaction has been allocated correctly in accordance with the client's order and without undue delay.

Before providing investment services, PD provides its clients with a written description of its order execution policy. As PD's clients are classified as professional clients or eligible counterparties, the scope of the description is proportionate to their investment experience and knowledge. PD notifies its clients of any material amendments to the description.

6. Active Trading Orders

Active trading transactions are primarily executed as block trades. Transactions are allocated as evenly as possible among active trading clients in proportion to their risk capital. The results of active trading are reported to the Board of Directors at a Board meeting.

7. Monitoring of Order Execution

The person responsible for Power-Deriva's Compliance function monitors and verifies, through regular sampling, that the best possible results are obtained for clients. The samples examine, among other things, the trading authorisations of the person placing the order, whether the order was executed in accordance with its terms, and consistency between the trading sequence and the order sequence.