

## **Best Execution Guidelines for Neonet Securities AB**

### **1. Introduction**

In order to achieve the best possible result when Neonet Securities AB (Neonet) executes and/or transmits orders in financial instruments on behalf of its clients, Neonet will follow these guidelines:

An order can be handled using one or several of the methods listed below.

If the client gives either a general instruction or an instruction for a specific order (e.g. that the order shall be sent to and executed on a specific marketplace or that the order shall be sent to and executed on a specific marketplace using one or more of Neonet's algorithms and/or Neonet's "SOR" Smart Order Routing functionality) those specific instructions override these guidelines. A specific instruction given by the client can therefore mean that Neonet may not perform the actions specified in this policy.

As a consequence, all orders sent by the client using Neonet's DMA services (Neonet Trader or FIX) are regarded as if the client has given a specific instruction, which has priority over these guidelines.

### **2. The relative importance attached to different factors when performing execution/transmitting of orders**

Neonet will take the following factors into consideration when clients' orders are executed/transmitted:

- The characteristics of the client including the categorisation of the client
- The characteristics of the order, (size, type, and price)
- The characteristics of the execution venues to which that order can be directed (liquidity, speed, probability of execution and the client's possibility to settle a transaction executed on a specific venue) and anything else that Neonet deem relevant for a specific order.

Normally, Neonet will attach the largest relative importance to price. In certain cases, however, if the size of the order is relatively large or if the order is attached with specific conditions, Neonet may attach larger importance to other factors such as whether the size of the order will have a significant effect on execution price, the possibility to settle the trade or other factors that may warrant consideration.

### **3. The market place with the highest liquidity**

Where there exists the possibility to execute at the same price on multiple venues, Neonet will seek to execute on the most liquid market and/or where the probability of execution is highest.

### **4. Methods for order execution**

In order to achieve the best possible result for its clients, Neonet has the possibility to execute an order by using one or a combination of the following methods for order execution:

#### A. Directly on a regulated market or MTF

Neonet can perform order execution either by direct execution where Neonet is a member or, in the case where Neonet is not a member, through a third party with whom Neonet has an agreement.

#### **B. Outside of a regulated market or MTF**

Neonet can perform order execution by executing one client's order with another client's order. Neonet may, at its discretion, execute orders using one or several third parties. Neonet will not execute client orders towards its own account (The only exception from this is when clients require Neonet to facilitate a "give up" trade on the LSE).

### **5. Execution of orders in financial instruments that are mainly traded on a regulated marketplace or MTF**

This section relates to the handling of orders in financial instruments that are mainly traded on regulated markets, MTF or other execution venue.

For example:

- Stocks, derivatives and exchange traded funds listed on execution venues (LSE, Euronext, NASDAQ OMX, etc.)

Neonet will under normal circumstances handle orders in these financial instruments by:

- Immediately sending the order to the regulated market or MTF.
- Executing the order through several separate transactions on the regulated market or MTF.
- Executing the order against another client's order at a price that corresponds to the market price.
- Executing the order using one or several of Neonet's algorithmic order types and/or Neonet's "IOR" Intelligent Order Routing.

### **6. Marketplaces that Neonet mainly uses for order execution**

Neonet participates on different regulated marketplaces and MTFs. Neonet regularly evaluates (at least once a year) or in connection with significant changes which regulated marketplaces and MTFs are used for order execution in financial instruments (please see <http://www.Neonet.com/en/Execution-Services/Connected-Marketplaces/> for a list of marketplaces that Neonet are connected to or are a member of)

In order to execute orders in financial instruments traded on execution venues where Neonet is *not* a member (including markets outside of the EC) Neonet executes orders by transmitting them to intermediaries with membership on or access to these marketplaces. The choice of these intermediaries is performed through a continuous evaluation of the intermediaries' ability to offer quality execution and service.

### **7. Order handling, aggregation of orders and allocation of trades**

Neonet will execute client orders quickly, effectively and fairly. Comparable client orders will be executed immediately in the sequence they were received unless this is impossible due to the characteristics of the order, existing circumstances in the market or if something else is deemed to be in the best interest of the client.

Neonet may aggregate one client's order with another client's order if it is not unlikely that the aggregation will be of disadvantage for a client whose order is part of such aggregation.

**8. Disturbances in markets or DMA systems**

When there is a disturbance in the market or Neonet DMA system, it may be impossible or inappropriate to execute orders by ways described in this policy. Neonet will, to the best of its effort, take all reasonable action to achieve the best possible result for the client.

**9. Changes**

Neonet will control and, if required, change this policy on a regular basis. These changes will be available on Neonet's webpage [www.Neonet.com](http://www.Neonet.com). Any changes are in force from the day they are published.

---

---

.....  
*Last updated 9/02/09*