

# Cost and Charges

Fearnley Securities AS

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29. October 2024

## Costs & Charges

### 1. Introduction

Pursuant to MiFID II Fearnley Securities AS is required to disclose certain costs and charges related to investment services and financial instruments to its clients on an ex-ante and ex-post basis.

Below we describe the cost and charge intervals for our brokerage services and the factors affecting them and for research services. The rate payable by our clients depends on a number of factors including, but not limited to the type of asset/security, execution venue, applicable taxes, transaction type and value.

Clients who incur commission costs as part of their trading activity receive disclosures and information in relation to their relevant activity.

This document should be read in conjunction with our General Business Terms and Conditions.

The costs and charges may be negotiated on an individual basis, are subject to change and may be amended at any time.

### 2. Trading in securities

Product	Fee type	Calculation base
Listed and unlisted equities and equity instruments	Commission	<p><u>Listed equities and equity instruments</u> A standard rate of commission is pre-agreed and set on client level normally in up to 0,5%. This rate will be used on trades in liquid instruments. Factors which determine the standard rate are:</p> <ul style="list-style-type: none"> <li>▪ expected trading volume</li> <li>▪ expected client dialogue</li> <li>▪ extent of settlement work</li> <li>▪ settlement risk</li> </ul> <p><u>Unlisted equities</u> A standard rate of commission is pre-agreed and set on client level normally up to 0,5%.</p> <p><u>Deviation</u> Fearnley Securities may deviate from the normally standard commission when the contemplated trade is of a size which is large compared to the liquidity of the instrument</p>

		<p>and execution will require extraordinary resources. In such cases the commission rate will depend on one or more of the following factors:</p> <ul style="list-style-type: none"> <li>▪ time and effort spent by the salesperson and trader</li> <li>▪ involvement of other salespersons</li> <li>▪ involvement of research professionals</li> <li>▪ trade size compared to the effort involved</li> </ul>
Listed and unlisted bonds	Price margin	<p>The cost associated with trading in fixed income instruments is the price margin we charge the client. The price margin is calculated as a mark-up on the purchase price or a mark-down on the sales price. The level of the price margin will normally be up to 1%, calculated on the basis of the nominal value of the bond.</p> <p>The actual level of margin is determined taking into account several factors which can be specific to the client, the instrument or related to external circumstances. Among them are:</p> <ol style="list-style-type: none"> <li>1) the resources required to clear a trade, such as:             <ol style="list-style-type: none"> <li>a. time and effort spent by the salesperson</li> <li>b. involvement of other salespersons</li> <li>c. involvement of research professionals</li> <li>d. trade size compared to the effort involved</li> </ol> </li> <li>2) the amount of dialogue the client relationship entails</li> <li>3) expected trading volume</li> <li>4) extent of settlement work</li> <li>5) settlement risk</li> <li>6) the level of the "clean price", where a price tick on a very low "clean price" may warrant a lower margin calculated</li> </ol>

		on the basis of the nominal value of the bond.
Money market instruments	Price margin	Please find description above regarding bonds.
Direct investments/shares in limited partnerships	Commission	These instruments are not traded on venues and the liquidity is normally low. Execution can be expected to take time. The standard rate of commission is 2,5%.
Exchange Traded Funds (ETF)	Commission	A standard rate of commission is pre-agreed and set on client level normally in the range of 0,05% and 0,5%.
Options (US Options)	Commission	A standard rate of commission is pre-agreed and set normally up to 2% but depending on price range.

**Subscribing to securities issues:**

When subscribing to security issues, no brokerage or price difference is to be paid by the client to Fearnley Securities. The company performing the security issue however pays a commission established in advance to the arranger. When the client then subscribes to security issues, the client as the owner of securities in the company is indirectly charged this commission.

**Selling financial instruments short:**

For selling financial instruments short through Fearnley Securities the client will be charged an interest rate for each security that is borrowed. The interest rate for each security is determined at ongoing market rates. The interest rate will vary from the instrument to instrument according to supply and demand of lendable instruments at the time of establishment of the loan. Fearnley Securities reserves the right to take a margin on the interest rate for each security agreed with Fearnley Securities' counterparty. Fearnley Securities' margin will be normally up to 2% p.a.

**Conversion of securities:**

Cost of conversion of dual listed securities will normally be in the range of NOK 1,500-2,500. For conversion of ADRs fees may vary depending on the conversion agent.

**Minimum brokerage:**

Up to a specific investment amount, the client normally pays a set of minimum brokerage fee.

**Fees imposed by third parties:**

Other fees/and or charges may occur that are not imposed through Fearnley Securities. Fearnley Securities reserves the right to deduct charges mentioned in the first paragraph, as well as taxes, purchase taxes etc. from the clients' credit balance. In the event that a trade is not executed, Fearnley Securities will not demand any remuneration unless otherwise specifically agreed.

**Foreign exchange (FX):**

When the client requests foreign exchange (FX) in relation to an executed trade/new issue, Fearnley Securities will facilitate this. The settlement amount will normally be converted to the agreed currency upon trade date, however FX related to US trades will normally be executed the following business day unless otherwise agreed. When Fearnley Securities executes the FX, Fearnley Securities will apply the foreign exchange rate agreed with our currency counterparty the moment the exchange is executed. Fearnley Securities reserves the right to take a spread on the foreign exchange rate agreed with our counterparty, e.g. added to the rate if bought or deducted from the rate if sold. Fearnley Securities' spread will normally be up to 1%.

**Trading in foreign shares:**

When trading in foreign shares listed on exchanges where Fearnley Securities is not a member, Fearnley Securities will be charged a commission amount by the third-party executing broker and this commission may be passed on to the client. The commission amount charged varies between different markets, but normally falls with the following intervals:

Markets	Fee
Western European Markets	1,5-5 bps
Main Asian Markets	10-15 bps
United States	1,5-3 cents per share

### 3. Securities Depository account

If the client opts to hold their Norwegian securities in a VPS account (Norwegian security depository) with Fearnley Securities, annual safekeeping fees charged by Euronext VPS may be invoiced the end-client.

If the client opts to hold their foreign securities with Fearnley Securities, Fearnley Securities is authorized to hold securities in depository on behalf of clients. The fees varies depending on the relevant market and may be invoiced the end-client.

When trading in foreign shares the client will be invoiced any costs, as outlined above, that Fearnley Securities is charged in connection with the transaction. Please note that in some jurisdictions, e.g. UK, trading of shares is subject to tax duty and US trading of shares is subject to US, SEC fee.

### 4. Interest rates

Client deposits are credited an interest rate as set out by our depository bank. Overdue interest will be levied in accordance with prevailing interest rate set out by our depository bank.

Interest rates in connection with securities financing and lending are set in accordance with separate agreements.

## **5. Research Services**

Pursuant to MiFID II, Fearnley Securities must provide separate pricing for its research services to those of its clients who are required to pay separately for research. Such pricing will be subject to the terms of an agreement(s) reached with each client in which Fearnley Securities will take into account matters such as the level of contact between Fearnley Securities and the client and the number of employees of the client who have access to Fearnley Securities' research material etc. Fearnley Securities' standard terms for distribution of research are available under Fearnley online.

### **Updates of Cost and Charges**

Updates of Cost and Charges will be displayed on Fearnley Securities' website.

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