

BEST EXECUTION POLICY

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1. SCOPE

This procedure details the best execution policy applied by the Bank.

2. SCOPE OF APPLICATION

The principles established in this procedure apply to all employees of the Bank.

3. BACKGROUND INFORMATION

When executing or transmitting orders in financial instruments, institutions are required by regulation to take all sufficient steps to obtain the best possible outcome for their clients. The present document details the execution policy of Banque Degroof Petercam (hereinafter “the Bank”), in line with the Markets in Financial Instruments Directive (MiFID 2, 2014/65/EU), in particular Article 27 thereof and the implementing Regulation 2017/565/EU, in particular Articles 64-66.

The execution policy is considered as accepted by the client when the client gives an order for execution or transmission to the Bank.

Specifically, acceptance of the present policy implies the client’s explicit consent to:

1. the general provisions of the present execution policy;
2. the possible execution of an order outside a trading platform;
3. the possible delay in communicating a limit order to the market.

The latter two conditions are further explored in the present policy.

The acceptance and execution or transmission of orders on any financial instruments may be subject to any conditions imposed by the Bank. Where appropriate, the conditions for the execution of certain specific transactions may be determined in the framework of specific agreements.

In particular, this Policy does not apply to the following:

- primary market transactions relating to new issues of shares or debt securities in the context of public or private placements or reverse inquiry operations;
- spot transactions in commodities;
- loans and securities deposits;
- the exercise and assignment of options under an option plan; and
- transactions on FX spot products which are not covered by MiFID 2 regulations.

4. THE BANK'S ROLE

The Bank undertakes to take all sufficient measures to obtain the best execution of orders executed for its clients. The Bank also undertakes to provide its clients with relevant information relating to its execution policy.

5. EXECUTION QUALITY CRITERIA

Within the limits of the present execution policy, the Bank determines the criteria it deems most appropriate to consider and prioritise in the execution of any transaction.

This encompasses:

- the price;
- the implicit or explicit costs;
- the speed and likelihood of execution and settlement;
- the size and nature of the order; and
- any other parameters that may impact the quality or total cost of execution.

The Bank interprets the above criteria giving full consideration to

- characteristics and MiFID classification of the client;
- characteristics of the order;
- characteristics of financial instruments that are the subject of that order; and
- characteristics of the execution venues to which that order can be directed.

For non-professional clients within the meaning of MiFID 2, the best possible outcome depends on the total consideration, taking into account both the price of the financial instrument and the overall costs of executing the transaction - including any fees paid to third parties involved in the execution of the order.

For professional clients, in accordance with regulatory requirements, the best possible outcome depends on the relative evaluation of the aforementioned criteria depending on the market circumstances.

For eligible counterparties, in accordance with regulatory requirements, the present execution policy will not apply.

The Bank monitors the quality of execution obtained for its clients in a systematic manner through various controls and reports.

Clients may be provided with additional information and details of execution quality on request.

6. ORDER PROCESSING AND GROUPING

The Bank may execute orders itself or forward/transmit them for execution to a third party, called a broker.

Depending on the solution chosen, the content of the “Best Execution” obligation differs.

- If the Bank, in the cases specified in this document, executes orders itself on the markets on which it is a member, it will choose the place of execution, taking into account the relevant factors specified in this policy.

However, if the financial instrument can only be traded on a single trading platform, the Bank will comply with its best execution obligation by executing the order on that trading platform.

If transactions in the financial instrument can be carried out on several trading platforms, the Bank may decide to include in its policy a single trading platform as the execution venue, if the Bank reasonably expects that this trading platform will consistently generate results at least as good as the results it could reasonably expect by submitting its orders to several trading platforms.

- If the Bank forwards orders for execution to a broker, it will not select the execution venue on which the broker will execute the order. The Bank selects the brokers it uses based on relevant factors specified in this policy that enable the Bank to comply with its best execution obligations.

The Bank periodically assesses the extent to which brokers are acting properly in this context. The Bank also examines whether the broker is subject to the MiFID rules (or comparable provisions) for the execution of orders or whether it can demonstrate that it provides a high quality of execution for the types of orders that the Bank may transmit to it. The Bank may also choose only one broker, if that broker can guarantee that the best possible result will be obtained in a consistent manner. This implies that the Bank can reasonably expect that this broker will perform at least as well as the results that the Bank could reasonably expect from several brokers.

The Appendix contains a non-exhaustive list of brokers used by the Bank.

Orders are executed promptly and precisely in the chronological order in which the Bank receives them, taking into account the channel through which each order is received. Comparable client orders are hence executed in the chronological order of their arrival, unless the nature of the orders concerned or market conditions make this impossible or clients’ interests call for a different procedure.

The Bank may, in relevant circumstances, group similar orders to form a block whenever it reasonably believes that it could obtain a better result than when executing the orders separately. An order allocation policy is established and implemented. It provides for the fair and consolidated distribution of orders and transactions. Consolidation may however occasionally produce a less favourable result for a particular order. By endorsing the present execution policy, clients explicitly allow the Bank to act in this manner.

7. EXECUTION VENUES, INTERMEDIARIES AND COUNTERPARTIES

The Bank selects execution venues able to ensure the best execution of the orders on behalf of its clients with regard to relevant criteria and conditions detailed earlier.

The Bank may use one of the following execution venues, as defined in the regulatory framework¹:

- Trading platforms:
 - Regulated markets;
 - Multilateral Trading Facilities (MTF)²;
 - Organised Trading Facilities³;
- Platforms other than a trading platform for so-called over-the-counter (OTC) transactions, these platforms may be:
 - Systematic Internalisers⁴;
 - Market makers⁵;
 - Transfer agents⁶;
 - Other liquidity providers⁷;

The Bank may therefore execute orders outside a trading platform when in the best interest of the client, and considers the endorsement of the present policy an express consent of its clients to such treatment.

The Bank may also rely on intermediaries to carry out the transactions entrusted to it by its clients. It may call upon one or more intermediaries of its choice whenever it considers it necessary or in the best interest of the client. The Bank ensures these intermediaries provide own execution policies matching the quality criteria set forth in the present policy.

Selection of execution venues and intermediaries is based on the below explicit criteria, in order of importance:

- Market share and liquidity, ensuring consistence in price efficiency and ability to handle typical orders the Bank executes on behalf of its clients;
- Performance in execution, expressed as consistence in meeting execution quality criteria (overall costs, speed and likelihood of execution and settlement); and
- Resilience and reliability, ensuring stable best possible execution results.

Lists of execution venues and intermediaries selected by the Bank are maintained as appendices to the present policy. These lists may be non-exhaustive as the Bank may select other execution venues and intermediaries when deemed appropriate, in accordance with the present policy.

The periodical evaluation of the execution quality provided through the selected venues or by the

¹ MiFID 2 (Directive 2014/65/EU), Article 4

^{2 3} MTFs and OTFs (abbreviation of Organised Trading Facility) are unregulated markets for trading in financial instruments

⁴ an investment firm which, in an organised, frequent and systematic manner, trades on its own account when executing client orders outside a regulated market, MTF or OTF without operating a multilateral system

⁵ a person who is continuously present on the financial markets to trade on his own account and who buys and sells financial instruments by committing his own capital at prices fixed by him

⁶ a trust company, bank or similar institution designated by a corporation for the purpose of maintaining an investor's financial records and monitoring the investor's account balance.

⁷ companies that are willing to trade on their own account and that provide liquidity as part of their normal business, whether or not they have entered into formal agreements to this effect or whether or not they undertake to provide liquidity on an ongoing basis (including the Bank).

selected intermediaries feeds into a formal review and may lead to changes in the list. Formal review is organised at least on an annual basis, while specific circumstances may also prompt immediate changes outside the formal regular review cycle. The lists of selected execution venues and intermediaries are regularly reviewed and updated, at least annually and following every formal review.

Banque Degroof Petercam does not receive any remuneration, rebates or non-monetary benefits for the execution of client transactions on a particular execution venue that would violate the conflict of interest or incentive requirements of the MiFID 2 directive.

8. SPECIFIC INSTRUCTIONS

Clients who wish to deviate from the Bank's execution policy must send a specific instruction with their order in written form to that end.

For example, the most common specific instructions are as follows:

Limit orders: The Bank accepts limit orders from clients. As a standard, limit orders are immediately communicated to the market for execution.

The Bank may, in relevant circumstances, delay the transmission of a limit order in order to protect the best interest of the client due to specific market liquidity or price conditions. To that end, the delayed order may be transmitted either in full or gradually to the market. By endorsing the present execution policy, clients explicitly allow the Bank to act in this manner.

Stop-limit order: A stop-limit order is an order to buy or sell a financial instrument that combines the characteristics of a stop order and a limit order. When the stop price is reached, the stop-limit order is transformed into a limit order, which will be executed at the limit price (or at a better price).

Stop-loss order: is an order to buy or sell a financial instrument when the price of the financial instrument reaches a specified level called a stop price. When the stop price is reached, a stop order is transformed into a market order. A stop buy order is introduced at a stop price higher than the current market price. A stop sale order is introduced at a stop price lower than the current market price. With stop-loss orders, execution takes place when the stop price is reached, but the actual execution price is not guaranteed. The investor should be aware that in the event of a volatile market, execution may take place at a price significantly different from the stop price if the market moves quickly.

Any specific instructions from the client may prevent the Bank from taking the steps that it has designed and implemented in its execution policy to obtain the best result for the execution order, which the client expressly accepts.

Unless otherwise instructed, a specific instruction given for a particular transaction is valid only for that single transaction, other client orders being deemed to be transmitted for execution in accordance with the execution policy.

In executing or routing specific instructions, the Bank will give priority to the specific instruction over all other relevant execution quality criteria.

9. MONITORING AND REVIEW

The Bank regularly checks the effectiveness of its execution policy and periodically reassesses its order execution policy in the light of these checks and all other relevant factors. Such assessment is performed on at least an annual basis, and may be performed more frequently as circumstances call for it.

Any changes to the execution policy and its annexes will be brought to the client's notice in the manner determined by the Bank according to the materiality of the changes. Information regarding the policy is always available from the website of the Bank in the “investor protection” section.

On an annual basis, the Bank publishes, in line with the regulatory requirements, an activity report detailing i) its top five counterparties regarding each class of financial instruments and ii) its five most important counterparties for each category of financial instruments, but also for orders from professional and non-professional clients. The report, like information regarding the policy, is available from the website of the Bank.

10. SPECIFIC FEATURES BY ASSET CLASS TYPE

10.1. Shares

The Bank provides execution of equity instructions on the market for the client, or OTC in its capacity as broker.

In addition to the standard criteria for best execution set out in this policy, the Bank takes into account the following factors for shares:

1. Instruction details (e.g. market, direction, potential applicable restrictions, blockable or not);
2. Possibility to cross client orders where and when permitted.

Taking into account standard and best-execution action-specific criteria, the Bank has two options for placing client orders:

1. The Bank forwards the client's order to a broker who will execute it based on the execution strategy defined by the Bank. Depending on the execution strategy, the Bank may use direct market access (DMA) or trading algorithms that are associated with smart order routing (SOR) systems to select the best execution venue.
2. The Bank may also execute client orders itself because of its membership with the following stock exchanges:
 - Euronext Brussels;
 - Euronext Paris;
 - Euronext Amsterdam;
 - The Luxembourg stock exchange.

In the event that the share is listed only on Euronext Growth (formerly Alternext) & Euronext Access or on the Expert Market, the Bank will execute the order on these markets.

For large orders, commonly referred to by the term "LIS" (Large in Scale), which could affect the liquidity of a shallow market, the Bank may also decide to leave an order to the discretion of one of these brokers. This is done in the interest of the client.

When the Bank and the client agree on specific conditions and/or a fixed price for a transaction, these conditions prevail over the execution policy.

For professional clients, as intermediary broker ("agency broker"), the Bank relies on membership in several venues, a regularly monitored network of brokers as well as an access to key algorithmic trading platforms.

For "equity like" products, such as ETFs ("exchange traded funds"), the Bank will apply the same best execution principles as those for equities. The Bank may also use an electronic trading platform if the size of the order is greater than the liquidity posted on the market.

10.2. Fixed income investments

The Bank most often executes instructions for money market instruments (certificates of deposit, commercial paper and treasury bills) and bonds (government bonds, corporate bonds, structured bonds) on the interbank market.

All orders to buy and sell coming from client portfolios on the secondary market are centralised at the Bank's order desk. The order desk executes transactions on behalf of clients and forwards them to a counterparty. To this end, orders are executed:

- either via "Request For Quotes" on electronic trading platforms organised as MTF: Bloomberg Multi Trading Facilities, Market Axess Europe, MTS (formerly Bond Vision) and TradeWeb Europe Limited MTF using Requests for Quotes among others
- or through bilateral negotiations with other investment companies organised as systematic internalizers (defined under MiFID 2) or any other entity outside Europe assuming the same role based on similar regulations.

In exceptional cases, the Bank will execute fixed-income investment orders on Euronext as a member.

In order to provide the best possible outcome for clients on a consistent basis, the Bank takes into consideration the standard best execution criteria detailed in the policy (whereby the price for the liquidity sought is the overriding criterion) to determine the broker providing the best execution.

The Bank may also act as principal. In this case, all transactions are considered executed on agreed specific terms, at a fixed price.

Within the limits of the Bank's best execution policy, the Bank's Luxembourg entity may be selected as counterparty for its market making activities if this makes it possible to offer the best price to the client.

When the Bank and the client agree on specific conditions and/or a fixed price for a transaction, these conditions prevail over the execution policy.

For professional clients, the Bank may also provide execution of fixed income instructions on an agency basis if agreed with the client.

10.3. Listed derivatives

When executing instructions relating to listed derivatives, the Bank applies the same best execution principles as those for equities.

As an intermediary broker, the Bank relies on a network of brokers and counterparties to provide indirect access (via Direct Market Access, via Bloomberg's OMS (EMSX) or Bloomberg's Request For Quote) to key trading platforms.

The Bank reviews as key criteria the market, size of the order and type of order (single order or linked strategy).

The execution policy differs when an order allows direct execution on the market or requires the use of a specialised broker:

- for an order whose size allows direct execution on the market,
 - it will be executed directly via Direct Market Access
- complex orders (linked strategy)
 - will be sent to a specialised broker for execution
- for large orders (blocks)
 - several brokers will be interviewed (via Bloomberg RFQ) and the transaction will be carried out at the best price received

10.4. Collective investment undertakings

Orders for the subscription and redemption of investment fund units are transmitted by the Bank to the custodian of the units of the fund concerned. The custodian then forwards the orders to the transfer agent of the fund in question.

The trading period (e.g. daily, weekly, etc.) of a fund's units is defined in the fund's prospectus. The prospectus also indicates the cut-off time at which orders for units of the fund must be sent to the transfer agent in order to be executed during the current trading period. The custodian is responsible for consolidating all orders placed for units of a specific fund during the trading period and transmitting them to the transfer agent before the order acceptance deadline. After this deadline, all orders received by the custodian will be forwarded to the transfer agent for execution during the next trading period.

For UCIs administered by the Degroof Petercam Group (DPAS), the Bank transmits subscription/redemption orders directly to the financial services provider (Transfer Agent).

For UCIs administered by third parties, the Bank sends the order to an automated processing platform as soon as possible. The time limit for execution mentioned in the prospectus cannot be guaranteed. However, the Bank will do its utmost to respect this deadline.

10.5. Structured products

For the primary market, the rules of the issue prospectus are followed and the best execution rules do not apply.

The Bank ensures the execution of instructions relating to structured products by transmitting orders to the relevant counterparty as defined in the specific conditions of the issue.

These orders will therefore be executed over-the-counter (i.e. outside a regulated market or MTF), due to the limited liquidity on regulated markets and MTFs. All transactions are considered executed on agreed specific terms, at a fixed price.

The Bank may also provide execution of structured products instructions on an agency basis if agreed with the client. Instructions not initiated as agency orders will be executed on agreed specific terms, at a fixed price.

In order to provide the best possible outcome for clients on a consistent basis, the Bank maintains an open network of structured product manufacturers. Based on clearly defined criteria, the transaction will always be executed with the provider of the best price.

The Bank has implemented internal procedures to monitor the fairness of the price provided to clients; In particular:

- if a similar instrument is traded on a trading platform, the Bank will compare its prices and the marketable price of the similar instrument,
- in the absence of such a similar instrument, the Bank will determine a fair price using its pricing models and available market data.

Whenever the Bank and the professional client agree to a transaction specific terms and fixed price, the general provisions of the execution policy do not apply.

10.6. OTC derivatives

The Bank provides execution services in OTC derivatives.

The Bank may act as principal for options on equities, FX or precious metals. For other derivative instruments, the Bank may also contact other counterparties.

The Bank has implemented internal procedures to monitor the fairness of the price provided to clients; In particular:

- if a similar instrument is traded on a trading platform, the Bank will compare its prices and the marketable price of the similar instrument,
- in the absence of such a similar instrument, the Bank will determine a fair price using its pricing models and available market data.

11. LINKS WITH OTHER POLICIES AND PROCEDURES

This policy is linked to the following policies and procedures.


List	Procedure/policy
1.	Order handling policy
2.	


12. LEGAL AND REGULATORY SOURCES

No.	Type (law, regulation, circular...)	Source
1.	Directive	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments
2.	Delegated Regulation	Commission Delegated Regulation 2017/565/EU supplementing Directive 2014/65/EU of the European Parliament and of the Council regarding organisational requirements and operating conditions for investment firms and the definition of certain terms for the purposes of that Directive.

13. ROLES AND RESPONSIBILITIES

	Compliance	Investment Banking
Policy	R, A	C, I

 Responsible

 Accountable

 Consult

 Inform

14. APPENDICES

14.1. Appendix A - List of execution venues

The execution venues for each type of instrument are listed in the sections dedicated to the instrument in question.

14.2. Appendix B - List of brokers

14.2.1. *Shares*

ABN AMRO BANK NV
CM-CIC SECURITIES SA
CREDIT SUISSE INTERNATIONAL
DANSKE BANK A/S
DEUTSCHE BANK AG
EXANE SA
GOLDMAN SACHS INTERNATIONAL
ING BELGIUM SA
INSTINET EUROPE Ltd
J.P.MORGAN SECUR. Ltd
KBC SECURITIES NV
MERRILL LYNCH INTERNATIONAL
MORGAN STANLEY &CO international,PLC
NATIXIS SA
NOMURA INTERN. PLC
RABOBANK Netherlands
SOCIETE GENERALE SA
State Street Global Markets International Limited
UBS Ltd

14.2.2. Bonds

BNP PARIBAS SA
ABN AMRO BANK NV
BANCO SANTANDER SA
Banque de Luxembourg SA
BARCLAYS BANK PLC
Unicredit Bank AG
Banco Bilbao Vizcaya Argentaria
BELFIUS BANK SA
Banque Et Caisse Depargne De L'etat
Canadian Imperial Bank of Commerce
CM-CIC SECURITIES SA
Citigroup Global Markets Deutschland AG
COMMERZBANK AG
CREDIT AGRICOLE CIB
CREDIT SUISSE INTERNATIONAL
DAIWA EUROPE BANK PLC
DANSKE BANK A/S
DEUTSCHE BANK AG
DZ BANK AG
GOLDMAN SACHS INTERNATIONAL
HSBC BANK PLC
ING BELGIUM SA
J.P.MORGAN SECUR. Ltd
JEFFERIES INTERNATIONAL LTD
KBC BANK NV
Landesbank Berlin AG
Baden-Wuerttembergische Bank
LLOYDS BANK PLC
MERRILL LYNCH INTERNATIONAL
Mizuho Securities USA Inc
MORGAN STANLEY & CO INT,PLC
NATIXIS SA
NOMURA INTERN. PLC
Nordea Bank AB
RABOBANK Netherlands
Raiffeisen Bank International AG
ROYAL BANK OF SCOTLAND PLC
ROYAL BANK OF CANADA
Skandinaviska Enskilda Banken AB
SOCIETE GENERALE SA
State Street Global Markets International Limited
Sumitomo Mitsui Trust Bank Limited
Svenska Handelsbanken
Swedbank AB
UBS Ltd
Wells Fargo Advisors LLC

14.2.1. *Derivatives*

ABN AMRO BANK NV
CM-CIC SECURITIES SA
CREDIT SUISSE INTERNATIONAL
DANSKE BANK A/S
DEUTSCHE BANK AG
EXANE SA
GOLDMAN SACHS INTERNATIONAL
ING BELGIUM SA
INSTINET EUROPE Ltd
J.P.MORGAN SECUR. Ltd
KBC SECURITIES NV
MERRILL LYNCH INTERNATIONAL
MORGAN STANLEY & CO international, PLC
NATIXIS SA
NOMURA INTERN. PLC
RABOBANK Netherlands
SOCIETE GENERALE SA
State Street Global Markets International Limited
UBS Ltd