



Execution Policy Kepler Cheuvreux

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I. INTRODUCTION

Whenever **Kepler Cheuvreux** and/or all entities concerned (parent, subsidiaries and branches) hereinafter jointly referred to as “**Kepler Cheuvreux**” or “**we**”, receives, executes or transmits Orders on behalf of its clients (“**Clients**”), **Kepler Cheuvreux** shall take sufficient steps to satisfy its best execution obligation, as defined in Directive 2014/65/EU of 15 May 2014 on Markets in Financial Instruments, Commission Delegated Regulation (EU) 2017/565 plus transposition measures (“**MiFID II**”). To this end, Kepler Cheuvreux has put in place the Order Execution Policy (the “**Policy**”) along with electronic facilities and procedures designed to obtain the best possible result for Client Orders.

Our commitment to take sufficient steps to satisfy our best execution obligation does not however mean that we are subject to a performance obligation. Kepler Cheuvreux is subject to a best-efforts obligation that may not under any circumstances go beyond the MiFID II provisions, or the contractual undertakings between Kepler Cheuvreux and its clients.

This policy comes into force on 3 January 2018.

II. SCOPE OF APPLICATION

1. Clients

This Policy applies to both professional clients and non-professional clients. Eligible counterparties are excluded from the scope of application of this Policy.

2. Orders

This Execution Policy also applies when Kepler Cheuvreux receives, executes or transmits an Order (“**Order**”), to another Investment Service Provider (“**Investment Service Provider**”) on the Client’s behalf, regardless of the Client’s country of domicile. Kepler Cheuvreux ensures that:

- Clients are treated fairly
- Client interests prevail
- The information provided is clear, accurate and not misleading

3. Financial instruments

The Financial Instruments (“**Financial Instruments**”) covered by this Policy are those Financial Instruments defined in Section C of Annex I of Directive 2014/65/EU.

4. Limits to the best execution obligation

When a client gives a Specific Instruction (“**Specific Instruction**”) regarding the execution of an Order (for example that an Order should be executed in a particular Execution Venue “**Execution Venue**”), the Order shall be executed in accordance with that Specific Instruction.

We draw Clients’ attention on the fact that their Specific Instructions may potentially mean that Kepler Cheuvreux is unable to follow the measures set out in this Policy to obtain, when executing orders, the best possible result.

When a Client makes a Request For Quote (RFQ) regarding a transaction, Kepler Cheuvreux is not deemed to be acting on behalf of the Client and is therefore not subject to the best execution obligation.

By way of exception, where the Client legitimately relies on Kepler Cheuvreux to protect his/her/its interests as regards determining the price and other transaction details, Kepler Cheuvreux may be required to achieve best execution for the Client.

In order to determine whether the Client is relying on Kepler Cheuvreux, we do an assessment based on the four criteria test (European Commission Opinion dated 19 March 2007, ESC-07-2007), looking at the following factors:

- Which party initiates the transaction
- Market practice
- Level of transparency within the market
- Information provided to the Client and any prior agreement reached

III. BEST EXECUTION FACTORS

When executing Client Orders, Kepler Cheuvreux shall have regard to the following Execution Factors (“Execution Factors”):

1. Price
2. Impact of execution
3. Likelihood of execution and settlement
4. Cost*
5. Speed of processing
6. Size and nature of the order
7. Any other key consideration in the execution of a particular Order

The likelihood that an Order shall be executable on or outside a Trading Platform (“**Trading Facilities**”) shall also be taken into account.

* In the case of Non-professional Clients, the “cost” factor considered by Kepler Cheuvreux when executing should be understood as a reference to the “total consideration” as defined in Article 27 of Directive 2014/65/EU, namely the price at which the transaction was executed plus any costs relating to execution.

IV. BEST EXECUTION CRITERIA

The relative importance of Execution Factors is determined by the following Best Execution Criteria (“Best Execution Criteria”):

- The categorisation of the Client
- The characteristics of the Order, including Specific Instructions from the Client regarding the Order
- The characteristics of the Financial Instruments that are the subject of the Order
- The characteristics of the Execution Venues and Trading Facilities (“Execution Venues and Trading Facilities”) to which the Order can be directed.

V. TRADING PLATFORMS

The “**Trading Platforms**” mentioned in this Policy represent those defined in Regulation (EU) No. 600/2014 of 15 May 2014 (“**MiFIR**”), namely:

- **Regulated Markets (RM)**
- **Multilateral Trading Facilities (MTF)**
- **Organised Trading Facilities (OTF)**

The Trading Platforms on which Kepler Cheuvreux executes orders are listed in Appendix 1.

For the purposes of its brokerage activities, Kepler Cheuvreux has established an Organised Trading Facility (the “OTF Platform”) for the trading of a certain number of Financial Instruments such as those indicated in the OTF Rulebook, which can be found on the Kepler Cheuvreux website.

1. Selective Approach

From a financial perspective, we do not feel becoming a member of all Trading Platforms can be justified unless it can first be shown that they offer a significant improvement in price or liquidity.

That is why we take all reasonable steps to fully assess the various Trading Platforms available and to select those that we feel offer the best possible results for the execution of our Clients’ orders.

This selective approach is based on significant back testing in order to assess the following factors:

Key factors	Determining Factors	
Liquidity, price, relative market volatility, costs, likelihood of execution	Credit risks associated with the Execution Venue’s clearing process	Operational risks in terms of
		System availability

The list of Trading Platforms selected by Kepler Cheuvreux to execute its Clients’ Orders is reviewed at least once a year. An updated list can be found on Kepler Cheuvreux’s website.

Kepler Cheuvreux may, occasionally, execute Orders on a Trading Platform that is not listed in Appendix 1 to this Policy when this would enable better execution for the client.

2. Execution chain - via another Investment Service Provider

Kepler Cheuvreux may transmit a Client Order to another Investment Service Provider (and “**Intermediary**” or “**Third-Party Broker**”) for execution.

Kepler Cheuvreux has drawn up a list of Third-Party Brokers for Order execution on Trading Platforms of which Kepler Cheuvreux is not a member. These Third-Party Brokers were selected on the basis of the following criteria:

- ❖ Regulatory compliance by the Third-Party Broker
- ❖ The technology used by the Third-Party Broker
- ❖ The cost of the service
- ❖ The complementarity of the Third-Party Broker’s execution policy with Kepler Cheuvreux’s

Third-Party Broker selection is reviewed annually as part of the best selection policy.

Kepler Cheuvreux takes all reasonable steps to ensure that Third-Party Brokers provide sufficient execution quality. Should they fail to do so, Kepler Cheuvreux reserves the right to temporarily suspend or remove a Third-Party Broker from its list.

In the course of the annual review of Third-Party Brokers, Kepler Cheuvreux shall consider the following criteria:

1. Cost
2. Changes in latency
3. The percentage of fails and any changes therein
4. Local market membership
5. Review of operational incidents

The list of Third-Party Brokers selected by Kepler Cheuvreux along with the information on their Execution Policy is available at the Client’s request.

3. Incentives

In general, Kepler Cheuvreux does not receive any , commission or non-monetary benefit from the execution of Client Orders on a particular Trading Platform.

However, should any such event occur, Kepler Cheuvreux would ensure compliance with regulatory requirements governing the prevention of conflicts of interest and incentives.

4. Consent

For any Financial Instrument admitted to trading on a Trading Platform, we are required to obtain prior consent before executing an Order in such an instrument outside any of these Trading Platforms, namely by executing the Order OTC.

VI. BEST EXECUTION BY TYPE OF FINANCIAL INSTRUMENT

1. Equities and similar Instruments

To process Client Orders involving Financial Instruments admitted to trading on a Trading Platform, including in particular equities and similar instruments, Kepler Cheuvreux primarily uses an electronic Order router, the “Smart Order Router”, which routes Orders to the Trading Platform(s) that optimise(s) the likelihood of Best Execution.

1.1 Smart Order Router

Once the decision is taken to submit an Order to the market, it is routed by the Kepler Cheuvreux order router to the Trading Platform(s) offering the best possible results.

A distinction is made between “Routed” Orders and “Non-Routed” Orders:

- ❖ Routed Orders: the Client instructs Kepler Cheuvreux to execute its order on a particular Trading Platform. This Execution Policy does not apply when the Order is Routed.
- ❖ Non-Routed Orders: Kepler Cheuvreux selects the Trading Platform(s) it feels most likely to provide Best Execution for its Client.

When the Client sends an Order that is both “Routed” and “Non-Routed”, Kepler Cheuvreux shall only apply its Execution Policy to the portion of the Order that is “Non-Routed”.

1.2 DEA electronic orders

When the client chooses to transmit and execute his/her/its orders via the DEA (“Direct Electronic Access”) facility, its Orders shall be deemed to be specific instructions by Kepler Cheuvreux.

1.3 Orders aggregation

Kepler Cheuvreux may aggregate Orders submitted by the Client with Orders from other Clients. By combining the Client’s Orders with those of other Clients, Kepler Cheuvreux reasonably expects that it shall be in the Clients’ interests. However, order aggregation may occasionally produce adverse side-effects for a given Client Order.

Management of grouped orders:

- (1) Orders on the same side for a particular Financial Instrument that are to be simultaneously executed are aggregated in a specific account called the “Grouped Orders” account. Transactions are all allocated to this specific account so that each grouped order has the same average execution price, pro rata to:
 - (i) their respective amount in the absence of execution instructions
 - (ii) volume or time instructions indicated for each order
- (2) If one of the Orders has a price limit, the trader is responsible for not allocating the executed transactions at an inappropriate price and for allocating them in the above manner to Orders with instructions matching the executions, creating a second order for Grouped Orders, to which the executions shall be allocated in the manner described in (1).
- (3) When multiple Orders are executed simultaneously using the “Grouped Orders” account, and one of the Orders is suspended or cancelled, the executions in the “Grouped Orders” account must be allocated to each of the Orders at the appropriate pro rata, and a new Order created in the Grouped Orders account with the outstanding amounts to execute for the remaining Orders. Once again, the transactions are all allocated to this account so that each of the grouped Orders has the same average price, pro rata to their respective amount in the absence of execution instructions, or volume or time instructions indicated for each Order.
- (4) When executions are complete in the Grouped Orders account, they must be allocated in the manner described in (1). The Grouped Orders account must not have an open securities position and a P&L of zero (rounded to the nearest).
- (5) The securities and cash balances in the Grouped Orders account are checked daily by the Risk Department.
- (6) The Compliance Department does a quarterly check to ensure that the Grouped Orders account is properly used.

Kepler Cheuvreux can provide Clients with documentation detailing the steps taken to achieve best execution of an Order.

This information can be obtained by emailing: compliance@keplercheuvreux.com).

1.4 OTC transactions

When a client submits an **RFQ**, Kepler Cheuvreux may act as counterparty on a basis. Although the Best Execution obligation may be limited in the context of a request subject to Title II paragraph 2 “Limits to the best execution obligation” of this Policy, Kepler Cheuvreux undertakes to make every effort to have recourse to benchmark prices, external market data and internal valuation models in order to provide the client with a fair price, representative of market prices for similar products.

2. Bonds and other debt securities

2.1. Transactions via a Trading Platform

Kepler Cheuvreux may execute a Client Order on a Trading Platform to which it belongs, in which case the Order shall be processed in the same manner as in 1. “Equities and similar Instruments”.

2.2. OTC transactions

When a client submits an **RFQ**, Kepler Cheuvreux may act as counterparty on a basis. Although the Best Execution obligation may be limited in the context of a request subject to Title II paragraph 2 “Limits to the best execution obligation” of this Policy, Kepler Cheuvreux undertakes to make every effort to have recourse to benchmark prices, external market data and internal valuation models in order to provide the client with a fair price, representative of market prices for similar products.

3. Structured Products

3.1. Reverse Inquiry

At the Client's request ("Reverse Inquiry"), Kepler Cheuvreux shall select an Issuer ("Issuer") in order to issue a new financial product, the characteristics of which shall be defined by the client. The criteria considered when selecting the Issuer notably include the following:

- Fair price
- Ability of Issuer to provide liquidity during the life of the product
- Characteristics of the Issuer and of the product
- Responsiveness of the Issuer

3.2. Distribution

This Policy shall not be applied by Kepler Cheuvreux in the course of its distribution and investment activity.

3.3. Transactions via a Trading Platform

Kepler Cheuvreux may execute a Client Order on a Trading Platform to which it belongs, in which case the Order shall be processed in the same manner as in 1. "Equities and similar Instruments".

4. Listed derivatives

Kepler Cheuvreux, as a member of the EUREX exchange, may execute Client Orders on this Trading Platform. Should the Financial Instrument that is the subject of the Order not be admitted to trading on this Platform, Kepler Cheuvreux may employ a Third-Party Broker in accordance with the provisions of Title V. Paragraph 2. "Execution chain - via another Investment Service Provider" of this Policy.

VII. MONITORING AND CONTROL

Kepler Cheuvreux regularly monitors the effectiveness of its execution chain and of its Policy. The latter is reviewed at least once a year and whenever there is a material change that could affect our ability to provide the best possible result for our Clients.

Clients shall be notified of any material change to our execution process or our Policy by means of an updated Policy, which can be found on the Kepler Cheuvreux website.

Kepler Cheuvreux archives every step of a Client Order for a period of five years. The Clients concerned may, should they so wish, ask for proof of best execution.

The regulatory reports regarding execution quality under MiFID II shall be made available on the website.

VIII. CONTACTS AND SETTLEMENT DETAILS

Settlement agents

Cash Equity: PAREL SA (Société Générale Group)

Fixed Income: DEUTSCHE BANK Amsterdam

Derivatives: SOCIETE GENERALE NEWEDGE UK LIMITED

Contact details

Kepler Cheuvreux: compliance@keplercheuvreux.com

Kepler Cheuvreux website: www.keplercheuvreux.com

Appendix I: List of Execution Venues

Name of execution venue	Trading platform	Market access
American Stock Exchange (NYSE)	Regulated Market	Via a third-party broker
AQUIS EXCHANGE (UK)	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
Athens Stock Exchange	Regulated Market	Via a third-party broker
Australian Stock Exchange	Regulated Market	Via a third-party broker
BATS Dark	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
BATS Europe Trading	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
Brazilian Stock Exchange	Regulated Market	Via a third-party broker
Bucharest Stock Exchange	Regulated Market	Via a third-party broker
Budapest Stock Exchange	Regulated Market	Via a third-party broker
Canadian Stock Exchange	Regulated Market	Via a third-party broker
CHI-X Delta	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
CHI-X Europe	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
Copenhagen Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Equiduct	Regulated Market	Via Kepler Cheuvreux directly as a market member
Euronext (Amsterdam)	Regulated Market	Via Kepler Cheuvreux directly as a market member
Euronext (Brussels)	Regulated Market	Via Kepler Cheuvreux directly as a market member
Euronext (Lisbon)	Regulated Market	Via Kepler Cheuvreux directly as a market member
Euronext (London)	Regulated Market	Via Kepler Cheuvreux directly as a market member
Euronext (Paris)	Regulated Market	Via Kepler Cheuvreux directly as a market member
Euro TLX	Multilateral Trading Facility	Via a third-party broker
Frankfurt Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
SIGMA X MTF	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
Helsinki Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Hong Kong Stock Exchange	Regulated Market	Via a third-party broker
Indian Stock Exchange (NSE)	Regulated Market	Via a third-party broker
Indonesia Stock Exchange (Jakarta SE)	Regulated Market	Via a third-party broker
Irish Stock Exchange	Regulated Market	Via a third-party broker
Istanbul Stock Exchange	Regulated Market	Via a third-party broker
ITG Posit	Multilateral Trading Facility	Via a third-party broker
Johannesburg Stock Exchange	Regulated Market	Via a third-party broker
Korea Stock Exchange	Regulated Market	Via a third-party broker
London Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a

		market member
Luxembourg Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Madrid Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Malaysia Stock Exchange (Bursa Malaysia)	Regulated Market	Via a third-party broker
Mexican Stock Exchange	Regulated Market	Via a third-party broker
Milan Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Nasdaq OMX Nordic	Regulated Market	Via Kepler Cheuvreux directly as a market member
New Zealand Exchange	Regulated Market	Via a third-party broker
NYSE Bond Match	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
OTFLink	Organised Trading Facility	Facility operated by Kepler Cheuvreux
Osaka Stock Exchange	Regulated Market	Via a third-party broker
Oslo Stock Exchange	Regulated Market	Via a third-party broker
The Philippine Stock Exchange	Regulated Market	Via a third-party broker
Prague Stock Exchange	Regulated Market	Via a third-party broker
Shanghai Stock Exchange	Regulated Market	Via a third-party broker
Shenzhen Stock Exchange	Regulated Market	Via a third-party broker
Singapore Stock Exchange	Regulated Market	Via a third-party broker
Six Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
SLS Six	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
Sofia Stock Exchange	Regulated Market	Via a third-party broker
Sri Lanka Stock Exchange (Colombo SE)	Regulated Market	Via a third-party broker
Stockholm Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Taiwan Stock Exchange	Regulated Market	Via a third-party broker
Thailand Stock Exchange	Regulated Market	Via a third-party broker
Tel-Aviv Stock Exchange	Regulated Market	Via a third-party broker
Tokyo Stock Exchange	Regulated Market	Via a third-party broker
Turquoise	Multilateral Trading Facility	Kepler Cheuvreux
Turquoise Mid-Point	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
UBS MTF	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member
Vienna Stock Exchange	Regulated Market	Via Kepler Cheuvreux directly as a market member
Vietnam Stock Exchange (Hanoi SE)	Regulated Market	Via a third-party broker
Warsaw Stock Exchange	Regulated Market	Via a third-party broker
Xetra Mid-Point	Multilateral Trading Facility	Via Kepler Cheuvreux directly as a market member

IMPORTANT:

- Access to multi-market execution capabilities for Spanish securities requires implementation of a specific settlement procedure and may be restricted for certain clients. Eligibility conditions are available on request from Kepler Cheuvreux.