

# ORDER EXECUTION AND ORDER HANDLING POLICY

CLIENT INFORMATION BNP PARIBAS FORTIS SA/NV

APPLICABLE AS FROM 03.01.2018



**BNP PARIBAS**  

---

**FORTIS**

The bank  
for a changing  
world

# Table of Contents

CLIENT INFORMATION ON THE BNP PARIBAS FORTIS ORDER EXECUTION AND ORDER HANDLING POLICY

<b>1. INTRODUCTION</b>	<b>3</b>
<b>2. EXECUTION SERVICES</b>	<b>3</b>
<b>3. SCOPE OF APPLICATION</b>	<b>3</b>
3.1 PRODUCT SCOPE	3
3.2 CLIENTS SCOPE	3
<b>4. BEST EXECUTION</b>	<b>3</b>
4.1 WHAT IS BEST EXECUTION ?	3
4.2 EXECUTION VENUES	3
4.3 EXECUTION FACTORS	4
4.4 HOW ARE YOUR ORDERS EXECUTED ?	4
4.4.1. ORDER EXECUTION ON BEHALF OF THE CLIENT	6
4.4.2. RECEIVING AND TRANSMITTING OF CLIENT ORDERS	6
4.5 LIMITATIONS AND RESTRICTIONS TO BEST EXECUTION	6
4.6 INDUCEMENTS	7
<b>5. ORDER HANDLING</b>	<b>7</b>
5.1 GENERAL CONSIDERATION	7
5.2 AGGREGATION AND ALLOCATION	7
5.3 TYPE OF ORDERS	7
5.4 EXECUTION OF AN ORDER	8
5.5 REFUSAL OF AN ORDER	8
<b>6. MONITORING AND REPORTING</b>	<b>8</b>
6.1 ONGOING MONITORING	8
6.2 REPORTING	9
<b>7. PRIOR NOTIFICATION AND CONSENT</b>	<b>9</b>
<b>8. UPDATE OF THE POLICY</b>	<b>10</b>

---

# 1. INTRODUCTION

This document gives you information on the Bank's order execution and order handling policy and procedures (the "Policy"). The appendices form part of this Policy and any reference to the latter shall include the appendices.

In this policy we use "we", "the Bank" or "BNP Paribas Fortis" to refer to BNP Paribas Fortis SA/NV and we refer to clients as "you". This policy should be read in conjunction with the Bank's Investment Services General Conditions and Standard Terms and Conditions applicable to the client and any particular investment or ancillary service agreement a client enters into.

By relying on the Bank for order execution services (i.e. from the moment you place an order with or grant a discretionary mandate to the Bank), you agree to the terms of this Policy. We particularly underline the importance of reading it thoroughly prior to your acceptance.

This Order Execution Policy applies as from **January 3rd, 2018**.

## 2. EXECUTION SERVICES

Unless agreed otherwise in writing, when the Bank accepts an order received from you or on your behalf for the purchase or sale of financial instruments, whether initiated by yourself or by the Bank acting within the framework of a discretionary mandate for you, the Bank may, at its discretion either:

- transmit the order to a third party financial intermediary (often referred to in the market as 'Broker') for execution; or
- execute the order on your behalf. This includes dealing as the client's agent or as principal. The Bank will usually execute your order on its own books and acts therefore as your direct counterpart.

The above mentioned manners of order execution are referred herein as "Order Execution Service(s)".

## 3. SCOPE OF APPLICATION

### 3.1 PRODUCT SCOPE

This Policy applies to Order Execution Services you entrust to the Bank with regard to financial instruments as defined by MiFID II and as identified and accepted by the Bank. A list of accepted classes of financial instruments is mentioned in Section 4.4 of this Policy.

The obligation of the Bank to obtain the best possible result shall not apply amongst other to:

- transactions on the primary market (e.g. newly issued financial instruments up to the first trading on a regulated market);
- spot foreign exchange and commodity transactions;
- loans and deposits and
- the exercise and assignment of options.

### 3.2 CLIENTS SCOPE

This Policy concerns all clients of the Bank categorised as "retail clients" or as "professional clients" within the meaning of MiFID II. This policy does not apply to clients categorised as "eligible counterparties" under MiFID II. Categorisation is undertaken on the basis of objective criteria and in accordance with the prevailing regulations. Each client is informed by the Bank of its client categorisation within the framework of the investment or ancillary services provided.

## 4. BEST EXECUTION

### 4.1 WHAT IS BEST EXECUTION ?

In accordance with MiFID II an investment firm is required to take all sufficient steps to obtain for clients the best possible result on a consistent basis when executing their orders ("Best Execution").

Best Execution is however a process and not an outcome. We therefore do not guarantee that the best possible result will be obtained in all circumstances for each individual transaction.

When we accept an order for or from you, we execute or transmit it in accordance with your instructions and with this Policy, taking into account the type of financial instrument concerned. The manner to obtain the best possible result may differ on the basis of the type of financial instruments concerned.

### 4.2 EXECUTION VENUES

Orders can be executed on different execution venues, either on

- trading venues, namely regulated markets, multilateral trading facilities ("MTFs") and organised trading facilities ("OTFs"); or
- execution venues other than trading venues which include systematic internalisers, market makers and other liquidity providers. Such execution venues comprehend

amongst other BNP Paribas Fortis (dealing on own account) and financial intermediaries.

The selection of the execution venue for executing the order will principally depend on the type of financial instrument, the Order Execution Service offered by the Bank in relation thereto and the relevant execution factors.

### 4.3 EXECUTION FACTORS

The execution factors taken into account by the Bank for the execution of client orders are price, costs, speed, likelihood of execution and settlement, size, nature of the order, or any other consideration relevant to the execution of the order.

In order to determine the relative importance of the factors mentioned above, the Bank reserves the right to take into account the following criteria:

- Client segment: the characteristics of the client including the classification of the client as retail or professional client under MiFID;
- Client order: the characteristics of the client order, including where the order involves a Securities Financing Transaction (SFT);
- Financial instruments: the characteristics of the financial instrument that are the subject of that order;
- Execution venues: the characteristics of the execution venues to which that order can be directed.

For retail clients under MiFID, the best possible result shall be determined in terms of "total consideration", representing the price paid for the financial instrument and all associated transaction costs incurred by the client. Such costs may include amongst other execution fees, clearing and settlement fees, any other fees paid to third parties involved in the execution of the order, as well as foreign exchange fees charged for transactions in financial instruments which are traded in a currency other than euro.

There might be circumstances where the priority and/or weight of the relevant factors may be altered when the Bank judges that it is not likely that the execution of the orders will lead to the best possible result for the client, e.g. at a time of severe market turbulence, and/or internal or external order system failure. In those circumstances the ability to execute orders on a timely basis, or to execute them as such, will become the prevailing factor. In the event of order system failure we may not be able to access all of our selected execution venues or financial intermediaries either.

Appendix 2 sets forth the relevant factors, criteria and their relative importance for a best execution consideration for

the relevant financial instrument class and the related Order Execution Service.

### 4.4 HOW ARE YOUR ORDERS EXECUTED ?

The following overview describes the related type of Order Execution Service provided by the Bank per class of financial instruments (see page 5)

THE FOLLOWING OVERVIEW DESCRIBES THE RELATED TYPE OF ORDER EXECUTION SERVICE PROVIDED BY THE BANK PER CLASS OF FINANCIAL INSTRUMENTS:

CLASS OF FINANCIAL INSTRUMENTS	TYPE OF ORDER EXECUTION SERVICES	
	ORDER EXECUTION ON BEHALF OF CLIENT	RECEIVING AND TRANSMITTING ORDERS
<b>BONDS</b>	•	
<b>MONEY MARKET INSTRUMENTS</b>	•	
<b>FORWARD, SWAPS AND OTHER OTC DERIVATIVES</b> (interest rate, currency and equity)	•	
<b>SECURITIES FINANCING TRANSACTIONS</b> (incl. repurchase agreements, securities lending transaction)	•	
<b>STRUCTURED PRODUCTS</b>	•	
<b>EXCHANGE TRADED EQUITIES</b> – (incl. shares, warrants and depository receipts)		•
<b>EXCHANGE TRADED PRODUCTS</b> (incl. exchange traded funds, exchange traded notes, exchange traded commodities)		•
<b>DERIVATIVES TRADED ON A TRADING VENUE</b> (interest rate, currency and equity options and futures)		•
<b>WARRANTS, TURBO, CERTIFICATES</b>		•
<b>FINANCIAL INSTRUMENTS TRADED VIA EURONEXT EXPERT MARKET (public auction)</b>	•	
<b>UNITS OF COLLECTIVE INVESTMENT SCHEMES</b>		•

#### 4.4.1. ORDER EXECUTION ON BEHALF OF THE CLIENT

Where the Bank is executing the order on your behalf it takes into account the execution factors and criteria (see 4.3) in order to obtain the best possible result on a consistent basis.

#### 4.4.2. RECEIVING AND TRANSMITTING OF CLIENT ORDERS

Where the Bank relies, for the execution of the order, on a third party financial intermediary, whether or not an entity of BNP Paribas Group, it shall select such entity which most likely delivers the best possible result for you on a consistent basis. The Bank shall ensure that the execution arrangements and policy of such third party financial intermediary remain compatible with its execution arrangements and shall monitor their consistency with this Policy. The selection of third party financial intermediaries on which BNP Paribas Fortis usually relies is based, amongst others, on the following criteria:

- Their financial stability and their reliability in executing their duties with care and consistency.
- Their trading capacity (product coverage, market access, order types handling, rapidity of execution, communication protocols used, number of transactions that can be handled, etc.).
- The quality of their execution and related reporting and our ability to monitor their best execution.
- The quality of their post trade processing and related reporting.
- Their flexibility to adapt to or address the Bank's order handling and execution preferences.
- The costs related to their execution.
- Their compliance with Best Execution obligations and their likelihood to deliver the best results for our clients.
- Where the entity selected is not an investment firm subject to Best Execution, the Bank shall have formal arrangements in place with this entity to achieve MiFID II Best Execution standards.

A main overview of these third party financial intermediaries is given in Appendix 1 of this Policy.

## 4.5 LIMITATIONS AND RESTRICTIONS TO BEST EXECUTION

The Bank may be confronted with circumstances that make it difficult or impossible to obtain the best possible result for the client order and/or that entail a risk of poor outcomes and/or that may influence or limit execution factors, criteria or arrangements for a given order, or where Best Execution is as such not owed to the client. This is more likely to occur in the following, non-exhaustive situations:

**(a) Specific instructions:** Where the Bank accepts a specific instruction from you on how to execute your order or a specific aspect thereof (e.g. selection of a particular execution venue

accepted by the Bank, selection of a specific price limit), the Bank may be prevented from applying its policy and the necessary arrangements to achieve the best possible result for you. In such case we will not be obliged to provide you Best Execution to the extent of the specific instructions. We still owe Best Execution on other relevant parts or aspects of the order not covered by such a specific instruction. Additional costs may be charged to the client to cover specific costs associated with the chosen execution venue or order specifications.

**(b) Legitimate reliance:** The application of best execution will be limited to circumstances where there is legitimate reliance on the Bank. Where a client requests the Bank to provide a quote to trade on a bilateral basis (a "Request for Quote" – "RFQ"), the application of best execution will depend on the nature and circumstances of the request and whether the client is placing legitimate reliance on BNP Paribas Fortis at the time of the RFQ :

#### ■ retail clients

For retail clients, it is always assumed that reliance is being placed on BNP Paribas Fortis. Therefore when we deal on behalf of a retail client or respond to an RFQ from him, we will owe a duty of Best Execution.

#### ■ professional clients

For professional clients, BNP Paribas Fortis will determine whether a client is placing reliance upon it by considering the complexity of the product, the transparency of the market and the sophistication of the client by taking into account the "Four-Fold Test" guidelines issued by the European Commission:

**(i) Which party initiates the transaction** – where a client initiates a transaction, this may indicate that the client is placing less reliance on the Bank. For example, where we provide an advice or a recommendation on a particular transaction it may indicate that a client is placing reliance on the Bank. Where a client places an order with the Bank on an unsolicited basis it may be an indicator that the client is not placing reliance upon the Bank. From time to time we may communicate to clients trade ideas, indicative prices as part of general business and general marketing materials but we do not consider this to be initiating transactions;

**(ii) Questions of market practice and the existence of a convention to 'shop around'** – where there is an established market practice for clients to obtain multiple quotes and they have the ability to or indeed do "shop around" it may be less likely that they are placing legitimate reliance upon the Bank;

**(iii) The relative levels of price transparency within a market** – where clients have a similar level of transparency to us on market price and liquidity it may be an indicator that they are not placing reliance upon the Bank. Where we have an enhanced level of market transparency it may be more likely that they are placing reliance upon the Bank; and

**(iv) The information provided by the Bank and any agreement reached** – the extent to which any arrangements or agreements between the Bank and the client indicate that the client is placing reliance upon the Bank will inform whether we decide the client is indeed placing legitimate reliance on the Bank.

The factors referenced above are considered holistically on a case by case basis when assessing legitimate reliance. Reliance does not only occur where all four conditions are met.

**(c) Market conditions:** the execution of orders may also be impacted by prevalent market conditions (including fluctuations in liquidity, volatility or currency), circumstances involving the issuer (including its board of directors, managers, agents or employees), or the financial instruments and their underlying, interruption or suspension of trading, market regulations or rulebook(s) of execution venues, local legislation, market access, market practices, normal trading hours, trading halts and circuit breakers.

**(d) Regulatory reasons and the Bank's policies:** the Bank may be prevented from achieving the best possible result as a consequence of an existing law or regulation (e.g. trading obligations under MiFIR) or the entry into force of any new law or regulation or of any change in law or any other provision of mandatory effect or change in the application or official interpretation thereof. The Bank's policies may also affect or restrict the manners in which we can execute your order.

**(e) Force majeure and hardship:** an extraordinary event or circumstance beyond the Bank's reasonable control, such as acts of war, terrorist activities, labour disputes, catastrophes, interruption or failure of electricity or communications systems, or unlawful/illegal activity of third parties (e.g. IT virus or hacking, market manipulation, insider dealing, riot) affecting the order handling or execution arrangements with temporary or permanent effect, and/or any other unforeseen circumstances making it difficult or impossible for the Bank to obtain the best possible result for the client order.

**(f) Unwinding a client position:** Where the Bank is obliged or entitled to unilaterally unwind a position of a client, for example, where he is in default under a contractual obligation with the Bank or otherwise (e.g. our Investment Services General Conditions), we will not owe best execution.

## 4.6 INDUCEMENTS

When executing client orders, the Bank shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular execution venue which would infringe any conflicts of interest or inducement requirements under MiFID II.

# 5. ORDER HANDLING

The section below provides further information on how orders will be handled, with the overriding objective being to ensure that orders are executed promptly, fairly and sequentially.

## 5.1 GENERAL CONSIDERATION

Where the Bank receives an order from a client it will verify that the order can be accepted and ensure that it is promptly executed and is accurately recorded and allocated.

Orders received and accepted by the Bank are handled promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. Where the Bank or its Custodian has the responsibility for arranging the clearing and settlement of an executed order, it will take reasonable steps to ensure that any client financial instruments or client funds received are promptly and correctly delivered to the account of the appropriate client.

Information in respect of executed or pending client orders will be treated as confidential and all reasonable steps will be taken to ensure that knowledge of any pending orders will not be misused.

The Bank informs retail clients if it becomes aware of any material issues that would prevent it from carrying out their order. The Bank will endeavour to similarly inform professional clients.

## 5.2 AGGREGATION AND ALLOCATION

Aggregation of orders may occur if the following conditions are met:

- It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- Upon execution any aggregated orders are fairly allocated taking into account the size of the order and price of the fills received;
- Clients whose orders are aggregated shall be treated in a non-discriminatory manner;
- For client orders aggregated with own account orders that have only been partially executed, priority in allocation will be given to the client and will be done in a manner that is not detrimental to the client. However, to the extent that the Bank can demonstrate on reasonable grounds that without aggregating the order with an own account order, the transaction could not have been executed or executed on such favourable terms, then allocation may be made on a basis proportional to the relative size of the client and the Bank's own account order.

Each client should take into account that when its order is aggregated, the effect of such aggregation may work to its disadvantage in relation to a particular order

## 5.3 TYPE OF ORDERS

The following order types can be accepted by the Bank:

- **Market order:** is an order to buy or sell a financial instrument at the best available price in the market at that moment. However, the price at which a market order will be executed is not guaranteed. The last-traded or published price is not necessarily the price at which a

market order will be executed. The Bank shall endeavour to execute the order as soon as reasonably practicable after the order is accepted.

■ **Limit order:** is an order whereby the client gives a price limit to buy or sell a financial instrument at a specified price or better. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher. A limit order can only be executed if the market price reaches the price limit. As such the execution of a limit order is not guaranteed.

Limit orders are valid until December 31st of each year at the latest. They automatically expire if the limit is not met by then. Clients will need to introduce a new order if necessary.

Limit orders in respect of shares admitted to trading on a trading venue which are not immediately executed under prevailing market conditions will be published by means of placing the order on the relevant trading venue, provided that the trading venue accepts the order or unless the client instructs otherwise.

■ **Stop order:** also referred to as a Stop-loss order, is an order to buy or sell a financial instrument once the price of the financial instrument reaches a specified price, known as the stop price. When the stop price is reached, a stop order becomes a market order. A buy stop order is entered at a stop price above the current market price. A sell stop order is entered at a stop price below 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 during volatile market conditions, the execution may be at a significantly different price from the stop price if the market is moving rapidly.

■ **Stop-limit order:** is an order to buy or sell a financial instrument that combines the features of a Stop order and a Limit order. Once the stop price is reached, a stop-limit order becomes a limit order that will be executed at the limit price (or better).

Stop-limit orders have a price limit, but the trade may not be executed as long as the price limit is not reached. Once the stop price is reached the order becomes a limit order. As such the execution of a limit order is not guaranteed.

Some US market platforms (e.g. NYSE) no longer accept the execution of stop-loss and stop-limit orders. Yet, the Bank still accepts such orders and transmits them to a Financial intermediary who will manage their execution on

a best effort basis and most likely through a Systematic Internaliser.

## 5.4 EXECUTION OF AN ORDER

The execution of a single order can fully or partially take place on one or more execution venues and/or over several timeslots during the same trading day.

More specifically for Care Orders, the Bank may discretionally decide to execute transactions in several tranches and/or over several days. These include amongst others such orders that may have market disturbance effect on a given financial instrument (e.g. due to the order size or the lack of liquidity of the security, etc.)

If the order needs to be executed over several days, the Bank may decide to book the order on a later date that week subject to its financial intermediary's approval ("Warehousing").

When orders (other than Care Orders) are executed in different tranches within the same day or week, the Bank reports ad minima the average price of the total order(s) and their respective execution venues per executed tranche. For Care Orders, details regarding the different execution tranches may be provided upon request.

## 5.5 REFUSAL OF AN ORDER

The Bank reserves the right to refuse a client order and/or its execution, in particular in case of internal trading restrictions or the cases as described in the section "Order handling" of the Investment Services General Conditions.

# 6. MONITORING AND REPORTING

## 6.1 ONGOING MONITORING

The Bank will monitor the continued effectiveness of this Policy, its order execution arrangements and the quality of the execution obtained in order to identify, and where appropriate correct, any deficiencies thereto:

- For orders in financial instruments, executed or transmitted on behalf of clients, post trade analysis will be conducted to evidence the effectiveness of BNP Paribas Fortis' execution arrangements. This analysis will consider the result achieved for clients in accordance with various benchmarking tools that assess trade execution for the client against the liquidity and pricing levels available on relevant execution venues at the time of the order and throughout the duration of the order.

■ In order to check the fairness of price of transactions executed on an RFQ basis, the Bank will benchmark the proposed price against external or internal reference prices. Wherever possible, the Bank will use external prices, from execution venues, Brokers etc., to compare the Banks' price against market prices. Where external data are unavailable or limited in scope or quality, internal reference price data may be used.

Where such internal reference price data are used, additional controls are required to ensure the integrity of these data. Over time the Bank expects the scope and quality of available external reference data to improve and will continuously monitor developments and migrate from internal to external reference prices when appropriate.

For activities where no transaction cost is charged, typically RFQ transactions, BNP Paribas Fortis will apply a margin in the price quoted to cover the costs and risk associated with the transaction. The level of margins added are subject to internal processes and controls designed to ensure that such margins are reasonable and proportionate to the risk taken.

This Policy will be subject to an annual review including an assessment of the execution venues and financial intermediaries used by the Bank.

In addition to the annual review, should any material change to the Bank's execution arrangements be identified that affects the Bank's ability to continue to obtain the best possible result for its clients, this will be subject to a separate review process and communicated to clients through an update of the Policy.

## 6.2 REPORTING

Upon reasonable and proportionate request the Bank will, clearly and within a reasonable timeframe, provide clients with information about this Policy, its order execution arrangements and how the latter are reviewed.

In terms of reporting obligations under MiFID II, the Bank shall publish on an annual basis (by April 30th at the latest) information about its top five execution venues and the top five financial intermediaries it relies on together with execution quality data obtained, per financial instrument class and per client category, as follows :

- The reporting obligation relating to the top five execution venues and the top five financial intermediaries will give an overview of the volume and number of orders executed, expressed respectively as a percentage of total volume and as a total number of orders.
- The reporting obligation on execution quality data will provide a summary of the analysis and conclusions the Bank draws from its detailed monitoring of execution quality in relation to each class of financial instrument.

This will enable clients to evaluate the Bank's execution practices and compliance with its Policy.

This information is freely accessible for the public on the Bank's website, in electronic format and for a minimum period of 2 years.

## 7. PRIOR NOTIFICATION AND CONSENT

The client acknowledges having received, read and understood this Policy, which includes, amongst others, information on the execution venues on which client orders are executed by the Bank, the Order Execution Services provided for each type of financial instrument, the impact of its client categorisation on the Bank's execution factors assessment, circumstances in which a client can provide specific instructions, aggregation of orders by the Bank, the monitoring and review process of Order Execution Services and a warning that the Bank may not achieve the best possible result on an individual basis.

Unless agreed otherwise in writing, client orders will be executed by the Bank in accordance with this Policy. A client who transmits an order is considered to accept the Policy.

Unless the client specifically instructs that an order is executed on a trading venue accepted by the Bank, the client explicitly consents that its orders may be executed, in accordance with the Bank's Policy, outside a regulated market, a multilateral trading facility or an organised trading facility (e.g. when the Bank acts as principal or relies on a Systematic Internaliser). In such cases, you should be aware of the following:

- Transactions will not be subject to the rules of Trading Venues, which are designed to provide for a fair and orderly treatment of orders.
- Transactions will not benefit from any additional but unpublished liquidity, such as hidden limit orders that may be available on Trading Venues.
- Executions will not benefit from additional pre and post trade transparency with regard to the development of prices and liquidity, that has to be published by Trading Venues.
- For transactions executed away from a Trading Venue a settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of the Trading Venue and relevant Central Counterparty Clearing House.

Any failure to consent with the Bank's Policy or to explicitly consent to execution of orders outside a trading venue may either result in the refusal of client orders or a limitation

of Best Execution obligations for Order Execution Services provided by the Bank. The client assumes proper responsibility for all consequences of any such lack of consent.

## 8. UPDATE OF THE POLICY

The Bank may be required to update or modify its execution factors and/or arrangements and to adapt this Policy accordingly. Unless otherwise provided for, changes shall have immediate effect.

The Bank shall, as a general rule, make the Policy available on its website [www.bnpparibasfortis.be/policies](http://www.bnpparibasfortis.be/policies), in BNP Paribas Fortis offices and via your relationship manager. The Bank shall keep its existing clients informed by means of a notification of the main changes to the Policy in accordance with applicable communication means.

Clients need to keep track diligently of the modified policies. A client is considered to accept the latest version of the Policy at the time it transmits any order(s).

# APPENDIX 1

## LIST OF MAIN EXECUTION VENUES AND FINANCIAL INTERMEDIARIES ON WHICH THE BANK CAN RELY FOR EXECUTION

- List of main third party Financial Intermediaries

### **EQUITIES, EXCHANGE TRADED PRODUCTS & DERIVATIVES TRADED ON A TRADING VENUE**

The third party Financial Intermediaries where the Bank can rely on for the execution of the client orders are :

---

BNP Paribas SA

---

BNP Paribas SA, UK Ltd

---

BNP Paribas Securities Corp.

---

BNP Paribas Securities Services SCA, Luxembourg Branch

---

Bank Degroof Petercam SA

---

Deutsche Bank AG

---

Exane SA

---

ING Bank NV

---

KBC Securities NV

---

Kepler Cheuvreux SA

---

Kyte Broking Ltd

- List of main Execution venues

### **EQUITIES, EXCHANGE TRADED PRODUCTS & DERIVATIVES TRADED ON A TRADING VENUE**

<b>Asset class</b>	<b>Country</b>	<b>Execution venues</b>	<b>Venues types*</b>
<b>Equities, Exchange traded products and closed end Funds</b>	<b>Belgium</b>	Euronext - Euronext Brussels	Regulated Market (RM)
		Euronext - Growth Brussels	Multilateral Trading Facility (MTF)
		Euronext - Access Brussels	Multilateral Trading Facility (MTF)
		Euronext - Expert Market Brussels	Multilateral Trading Facility (MTF)
		Equiduct	Multilateral Trading Facility (MTF)
		Bats	Multilateral Trading Facility (MTF)
		CHI-X Europe	Multilateral Trading Facility (MTF)
		Turquoise	Multilateral Trading Facility (MTF)
		Virtu SI	Systematic Internaliser (SI)
	<b>France</b>	Euronext - Euronext Paris	Regulated Market (RM)
		Euronext - Growth Paris	Multilateral Trading Facility (MTF)
		Euronext - Access Paris	Multilateral Trading Facility (MTF)
		Equiduct	Multilateral Trading Facility (MTF)
		Bats	Multilateral Trading Facility (MTF)
		CHI-X Europe	Multilateral Trading Facility (MTF)
		Turquoise	Multilateral Trading Facility (MTF)
		Virtu SI	Systematic Internaliser (SI)
	<b>Netherlands</b>	Euronext - Euronext Amsterdam	Regulated Market (RM)
		Equiduct	Multilateral Trading Facility (MTF)
		Bats	Multilateral Trading Facility (MTF)
		CHI-X Europe	Multilateral Trading Facility (MTF)
		Turquoise	Multilateral Trading Facility (MTF)
		Virtu SI	Systematic Internaliser (SI)
	<b>Portugal</b>	Euronext - Euronext Lisbon	Regulated Market (RM)
		Euronext - Growth Lisbon	Regulated Market (RM)
		Bats	Multilateral Trading Facility (MTF)
		CHI-X Europe	Multilateral Trading Facility (MTF)
		Turquoise	Multilateral Trading Facility (MTF)
		Virtu SI	Systematic Internaliser (SI)
	<b>United Kingdom</b>	London Stock Exchange SEAQ (Alternative Investment Market) International Order Book	Regulated Markets (RM)
Bats		Multilateral Trading Facility (MTF)	
CHI-X Europe		Multilateral Trading Facility (MTF)	
Turquoise		Multilateral Trading Facility (MTF)	
Virtu SI		Systematic Internaliser (SI)	
<b>Germany</b>	Xetra	Regulated Market (RM)	
	Bats (Xetra)	Multilateral Trading Facility (MTF)	

<b>Asset class</b>	<b>Country</b>	<b>Execution venues</b>	<b>Venues types*</b>	
<b>Equities, Exchange traded products and closed end Funds</b>	<b>Germany</b>	CHI-X Europe (Xetra)	Multilateral Trading Facility (MTF)	
		Turquoise (Xetra)	Multilateral Trading Facility (MTF)	
		Virtu SI	Systematic Internaliser (SI)	
		Frankfurt Stock Exchange Munich Stock Exchange Dusseldorf Stock Exchange Stuttgart Stock Exchange Berlin Stock Exchange	Regulated Market (RM)	
		<b>Switzerland</b>	Virt-X	Market similar to Regulated Market (RM)
			Bats	Market similar to Multilateral Trading Facility (MTF)
			CHI-X Europe	Market similar to Multilateral Trading Facility (MTF)
	Turquoise		Market similar to Multilateral Trading Facility (MTF)	
	Virtu SI		Systematic Internaliser (SI)	
	<b>Spain</b>	Bolsa de Madrid	Regulated Market (RM)	
		Bats	Multilateral Trading Facility (MTF)	
		CHI-X Europe	Multilateral Trading Facility (MTF)	
		Turquoise	Multilateral Trading Facility (MTF)	
	<b>Italy</b>	Borsa Italiana	Regulated Market (RM)	
		Bats	Multilateral Trading Facility (MTF)	
		CHI-X Europe	Multilateral Trading Facility (MTF)	
		Turquoise	Multilateral Trading Facility (MTF)	
	<b>Ireland</b>	Irish Stock Exchange	Regulated Market (RM)	
	<b>Greece</b>	Athens Stock Exchange	Regulated Market (RM)	
	<b>Luxembourg</b>	Luxembourg Stock Exchange	Regulated Market (RM)	
	<b>Denmark</b>	Nasdaq Copenhagen	Regulated Market (RM)	
		Bats	Multilateral Trading Facility (MTF)	
		CHI-X Europe	Multilateral Trading Facility (MTF)	
		Turquoise	Multilateral Trading Facility (MTF)	
	<b>Finland</b>	Nasdaq Helsinki	Regulated Market (RM)	
		Bats	Multilateral Trading Facility (MTF)	
		CHI-X Europe	Multilateral Trading Facility (MTF)	
		Turquoise	Multilateral Trading Facility (MTF)	
	<b>Norway</b>	Oslo Stock Exchange	Regulated Market (RM)	
		Bats	Multilateral Trading Facility (MTF)	
		CHI-X Europe	Multilateral Trading Facility (MTF)	
		Turquoise	Multilateral Trading Facility (MTF)	

<b>Asset class</b>	<b>Country</b>	<b>Execution venues</b>	<b>Venues types*</b>
<b>Equities, Exchange traded products and closed end Funds</b>	<b>Sweden</b>	Nasdaq Stockholm	Regulated Market (RM)
		Bats	Multilateral Trading Facility (MTF)
		CHI-X Europe	Multilateral Trading Facility (MTF)
		Turquoise	Multilateral Trading Facility (MTF)
	<b>Austria</b>	Vienna Stock Exchange	Regulated Market (RM)
		Bats	Multilateral Trading Facility (MTF)
		CHI-X Europe	Multilateral Trading Facility (MTF)
		Turquoise	Multilateral Trading Facility (MTF)
	<b>South-Africa</b>	Johannesburg Stock Exchange	Third country market similar to RM
	<b>Canada</b>	Toronto Stock Exchange	Third country market similar to RM
		Canadian National Stock exchange	Third country market similar to RM
		TSX Venture Exchange	Third country market similar to RM
		Nasdaq CXD	Third country market similar to RM
		Aequitas NEO Exchange	Third country market similar to Multilateral Trading Facility (MTF)
		Pure Trading Exchange	Third country market similar to Multilateral Trading Facility (MTF)
		Lynx ATS	Third country market similar to Multilateral Trading Facility (MTF)
		CHI-X Canada ATS	Third country market similar to Multilateral Trading Facility (MTF)
		CHI-X Canada CX2	Third country market similar to Multilateral Trading Facility (MTF)
	<b>United States</b>	NYSE (New York Stock Exchange)	Third country market equivalent to RM
		NYSE ARCA	Third country market equivalent to RM
		NYSE MKT (American Stock Exchange)	Third country market equivalent to RM
		NASDAQ Stock Market	Third country market equivalent to RM
		IEX (The Investors Exchange)	Third country market equivalent to RM
		OTC Bulletin Board	OTC
		OTC Markets Group	OTC
		Virtu Financial (SI)	Systematic Internaliser (SI)
		Bats - EDGA - EDGX (Bats entities)	Third country market equivalent to RM
	<b>Australia</b>	Australian Securities Exchange	Third country market equivalent to RM
	<b>Hong Kong</b>	Hong Kong Stock Exchange	Third country market equivalent to RM
	<b>Japan</b>	Tokyo Stock Exchange	Third country market similar to RM
	<b>Singapore</b>	Singapore Exchange	Third country market similar to RM
	<b>New-Zealand</b>	New Zealand Stock Exchange	Third country market similar to RM

<b>Asset class</b>	<b>Country</b>	<b>Execution venues</b>	<b>Venues types*</b>
<b>WARRANTS, CERTIFICATS, TURBOS</b>	<b>Belgium</b>	Euronext - Euronext Brussels	Regulated Market (RM)
	<b>France</b>	Euronext - Euronext Paris	Regulated Market (RM)
	<b>Netherlands</b>	Euronext - Euronext Amsterdam	Regulated Market (RM)
	<b>Europe</b> (Germany, UK, Italy, Sweden, Norway, Switzerland)	Xetra, London Stock Exchange, Borsa Italiana, Nasdaq Stockholm, Oslo Stock Exchange, Virt-X,	Regulated Markets (RM)
	<b>US</b>	NYSE ARCA	Third country market equivalent to RM

<b>Asset class</b>	<b>Country</b>	<b>Execution venues</b>	<b>Venues types*</b>
<b>DERIVATIVES TRADED ON A TRADING VENUE</b> (e.g. Options & Futures)	<b>Belgium</b>	NYSE Euronext Liffe - Brussels	Regulated Market (RM)
	<b>France</b>	NYSE Euronext Liffe - Paris	Regulated Market (RM)
	<b>Netherlands</b>	NYSE Euronext Liffe - Amsterdam	Regulated Market (RM)
	<b>UK</b>	NYSE Euronext Liffe - London	Regulated Market (RM)
	<b>Germany</b>	EUREX - Switzerland (FS)	Regulated Market (RM)
	<b>Spain</b>	MEFF Rente Variable Madrid	Regulated Market (RM)
	<b>Denmark, Norway &amp; Sweden</b>	NASDAQ OMX	Regulated Market (RM)
	<b>Italy</b>	IDEM (Italian Derivatives Market)	Regulated Market (RM)
	<b>United States</b>	CME Globex	Third country market similar to RM
	CBOE	Third country market equivalent to RM	

\* Venue type subject to decisions from the European Commission on the equivalence of third country markets.

#### **UNITS OF COLLECTIVE INVESTMENT UNDERTAKINGS – OPEN END FUND**

Execution venue : **The Fund administrator**

#### **BONDS, MONEY MARKET INSTRUMENTS, STRUCTURED PRODUCTS, SECURITIES FINANCING TRANSACTIONS, FORWARD, SWAPS AND OTHER OTC DERIVATIVES**

Execution venue : **BNP Paribas Fortis SA/NV** acting on own account (over-the-counter/Systematic Internaliser)

# APPENDIX 2

## EXECUTION FACTORS AND CRITERIA

Per financial instrument class and type of Order Execution Service assigned by the Bank thereto in Section 4.3, it has set forth in below subsections the relevant factors, criteria and their relative importance for a best execution consideration.

## A. RECEIVING AND TRANSMITTING OF CLIENT ORDERS

### A.1. EQUITIES, EXCHANGE TRADED PRODUCTS AND DERIVATIVES TRADED ON A TRADING VENUE

This part covers the following financial instruments :

- Shares and Depository receipts
- Exchange traded products (incl. ETF, ETC and ETN)
- Warrants, Turbos and Certificates
- Derivatives traded on a trading venue (Interest rate, currency and equity options and futures)

For the reception and transmission of client orders, the bank relies on internal arrangements for the selection of the third party financial intermediaries to which the orders are transmitted (see section 4.4.2) and the execution factors that are taken into account (see section 4.3) to achieve the best possible result for its clients on a consistent basis, regardless of the client classification.

The Bank first identifies a Market of Reference and subsequently a third party intermediary that is required to achieve the best possible price for the transmitted client orders.

#### I. Regular Client Orders

##### 1. Market of Reference selection

For each financial instrument, the Bank selects a Regulated Market where, under normal market circumstances, the best possible result can be achieved on a consistent basis for the Bank's clients. This Regulated Market is identified internally by the Bank as 'the Market of Reference' for the concerned financial instrument.

From the list of Regulated Markets, accepted by the Bank as identified in Appendix 1, the Bank withholds one specific Regulated Market and thereby excludes execution on the other Regulated Markets. This decision takes into account a combination of the further mentioned execution factors 'Price' and 'Costs' for the execution of the client order, regardless of the Client Classification.

##### (i) Price

In efficient markets, the best overall prices will generally be driven by the market liquidity. The Bank aims to obtain on a consistent basis the best possible price by selecting a Market of Reference that offers an acceptable level of market liquidity or where Liquidity Providers are committed to guarantee a minimum liquidity.

##### (ii) Costs

Costs are all expenses and fees related to the execution of the order which are directly passed onto the client. They include:

- Transaction costs (execution fees, clearing and settlement fees and any other fees paid to financial intermediaries involved in the execution of the order)
- Foreign exchange fees that are charged for order execution in a currency other than in EURO.

If an instrument can only be executed on one Regulated Market offered by the Bank, this market will automatically be deemed to be the Market of Reference.

For multi-listed financial instruments, if more than one Regulated Market offers an acceptable level of liquidity in terms of trading volumes, the Bank selects the one with the lowest costs for its clients as Market of Reference.

The identified Market of Reference will determine the cost structure of the transaction applicable to the client.

##### 2. Comparison with alternative execution venues

Once the Market of Reference is selected, it is communicated by the Bank when transmitting the order to the Financial Intermediary on which the Bank relies. The selected Financial Intermediary compares the price of the communicated Market of Reference with the prices available on MTF, OTF or SI.

##### 3. Execution where best price is offered

Finally, the selected Financial Intermediary shall execute the order on the execution venue(s) where the best price(s) is/are available.

#### II. Care Orders

For Care Orders, the Bank may also consider the impact of the size and the nature of the order, the speed of execution

and the market expertise of the Financial Intermediary , but only insofar as they are instrumental in delivering the best possible result in terms of the total consideration for the Client.

When transmitting the order to the Financial Intermediary, the order will be executed according to an execution strategy that aims to meet the best balance between the market price impact and the speed and likelihood of execution. Based on the execution strategy, the Care Order is generally split into several tranches which are executed by the Financial Intermediary according to its best execution obligation.

## **A.2. UNITS OR SHARES IN COLLECTIVE INVESTMENT UNDERTAKINGS**

This part covers the following financial instruments :

### ■ **Open end Funds**

Orders in shares or units of an Open end Fund are subscriptions and/or redemptions into the fund that are executed at the Net Asset Value of the Fund determined in accordance with the prospectus and applicable laws, regardless of the client classification.

- Orders in shares or units of an Open end Fund are transmitted to the transfer agent of the fund as mentioned in the prospectus :

For an **in-house fund** the orders are transmitted by the Bank directly to the transfer agent appointed by the fund manager.

For a **third party fund**, orders are transmitted to a financial intermediary, selected by the Bank, who will address the order to the transfer agent of the fund.

Execution Venue: The Fund administrator

In case shares or units of Open End funds are directed to a trading venue, the bank shall act in accordance with the processes applicable to Equities, Exchange traded products and derivatives traded on a trading venue.

### ■ **Closed-end Funds**

For orders in closed-end funds we act in accordance with the processes described for Equities, Exchange traded products and derivatives traded on a trading venue.

# **B. ORDER EXECUTION ON BEHALF OF THE CLIENT**

## **B.1 Execution Factors**

For orders executed on the instruments listed in this section, the Bank will execute your order in such financial

instrument itself (Over-The-Counter i.e. traded bilaterally outside a Trading Venue).

When executing an order on behalf of a client or responding to a request for quote, the following factors may be relevant for the execution:

### ■ **Size of the order**

An order will be executed or a quotation will be provided such that the full size requested by the client can be filled. If, due to market conditions, this is not possible the Bank will communicate this to the client with a view to changing the execution criteria to facilitate partial fills.

### ■ **Speed**

When a client submits a "Request For Quote" we will prioritise speed of execution over price. Should the client wish to prioritise price over speed an alternate order type may be more appropriate and the client should communicate this to the Bank when placing the order.

### ■ **Price and costs (total consideration)**

The Bank seeks to provide a highly competitive service to clients and will respond with a price it considers competitive and fair. The Bank makes extensive use – when available – of the external market prices of similar or related products to estimate the "fair value" of the instrument. These external market prices are then, together with model parameters, used by the Bank's proprietary models to price a range of products. Throughout the trading day the Bank continuously recalibrates these model parameters tracking available markets and ensuring that its prices remain accurate and up to date.

Once the fair value has been determined, the Bank adds an execution spread (brokerage fee); this is an explicit internal cost representing the Banks own remuneration for the liquidity provided. We continuously assess market conditions and adjust the execution spread in line with internal guidelines.

Finally transaction costs if applicable, are added to determine the final (gross) execution price proposed to the client.

These costs and charges are subject to disclosure to the client pursuant to MiFID II.

### ■ **Likelihood of execution**

The Bank will endeavour to provide a quotation which is valid for a sufficient time window to allow the client to accept if they so desire, notwithstanding a large market move rendering the quote invalid.

### ■ **Likelihood of settlement**

Before responding with a price, if relevant the Bank will check the availability of credit line(s), central counterparty

limits and/or settlement limit and will only respond with a firm price where sufficient limits are available.

■ **Ability of execution venue to manage the order or quotation request**

The Bank is authorised to trade a number of financial instruments within predetermined risk limits; any RFQ on an instrument outside this scope or beyond the risk limit, typically for larger size transactions, may be declined and the client notified accordingly.

■ **The capability to service**

Certain illiquid instruments have insufficient demand and/or supply which might impact substantially the ability of the Bank to execute the order.

**B.2 Total consideration for clients classified as Retail under MiFID**

Orders from clients classified as Retail under MiFID are typically on sizes and types of financial instruments that are not constraining the execution so that the prevailing factor is always 'Price and costs' (total consideration).

This rule covers all classes of financial instruments available for Retail clients under MiFID (Bonds, Structured Products and certain OTC Derivatives and Money Market instruments).

**B.3 Bonds & Money Market Instruments**

This part covers:

- Government bonds
- Mortgage bonds
- Credit bonds
- Structured notes
- Certificates of deposits, commercial paper and treasury bills

For professional clients under MiFID, the following factors may be relevant for the execution. Depending on whether the instrument is liquid or illiquid, the mentioned execution factors will be ranked differently in terms of priority :

Liquid instruments:	Illiquid instruments:
1) Size of the order	1) Capability to Service
2) Price and costs (total consideration)	2) Size of the Order
	3) Price and costs (total consideration)

**B.4 OTC Derivatives and Structured products (interest rates, inflation, foreign exchange and equity)**

**B.4.1 OTC Derivatives on Interest Rates, Inflation and Equity**

This annex covers:

- Interest rate swaps
- Interest rate options
- Cross currency swaps
- Inflation swaps
- Forward rate agreements
- Swaptions
- Bond options and forwards
- Interest-rate linked structured products
- Equity linked structured products

For professional clients under MiFID, when executing an order on behalf of a client or responding to a request for quote, the factors relevant for the execution are ranked in terms of priority as follows :

1) Size of the order
2) Speed
3) Price and costs (total consideration)
4) Likelihood of execution
5) Likelihood of settlement
6) Ability of the execution venue to manage the quotation request

#### **B.4.2 OTC Derivatives on Foreign Exchange (FX)**

This annex covers:

- FX forwards
- FX swaps
- FX non deliverable forwards (NDF)
- FX options
- FX linked structured products (e.g. Dual Currency Option Deposit)

For professional clients under MiFID, when executing an order on behalf of a client or responding to a request for quote, the factors relevant for the execution are ranked in terms of priority as follows:

<b>1) Size of the order</b>
<b>2) Speed &amp; Price and costs (total consideration)</b>
<b>3) Likelihood of execution</b>
<b>4) Likelihood of settlement</b>
<b>5) Ability of the execution venue to manage the quotation request</b>

#### **B.5. SECURITIES FINANCING TRANSACTIONS**

This annex covers:

- Repo / Reverse repo transactions
- Securities lending / borrowing transactions
- Buy-sell back / sell-buy back transactions

Execution/ brokerage fees apply. Execution is on a best effort basis, customized to the client's specific requirements (combinations of underlying/dates/currency/venue). Different balance sheet and regulatory costs apply depending on own positions, venue, trade direction, timing, trade duration, underlying and counterparty.

When executing an order on behalf of a client or responding to a request for quote, the factors relevant for the execution are ranked in terms of priority as follows:

<b>1) Size of the order</b>
<b>2) Speed</b>
<b>3) Price and costs (total consideration)</b>
<b>4) Likelihood of execution</b>
<b>5) Likelihood of settlement</b>
<b>6) Ability of the execution venue to manage the quotation request</b>

#### **B.6. Financial Instruments traded on Euronext Expert Market**

Euronext Expert Market is a single trading venue where the price formation is determined by public auction. We will directly execute your order(s) on this MT.

**BNP PARIBAS FORTIS SA/NV**

Montagne du Parc 3, B-1000 Brussels

RPM/RPR Brussels - VAT BE 0403.199.702

Intermediary authorised under number 25.879A by the FSMA

BNP Paribas Fortis SA/NV is authorised as a credit institution by the National Bank of Belgium,  
Boulevard de Berlaimont 14, 1000 Brussels, Belgium.

R.E.: Emilie Jaqueroux

12-2017 | 037735965602 | F 05461 E



**BNP PARIBAS**  

---

**FORTIS**

The bank  
for a changing  
world