EXECUTION ORDER POLICY

BANQUE DEGROOF PETERCAM LUXEMBOURG

Order Execution Policy
for financial instruments

December 2022

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SCOPE

This document describes the Order Execution Policy of Banque Degroof Petercam Luxembourg S.A. (hereafter the "Bank").

This policy is established in accordance with the European Union Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (hereinafter "MiFID II").

This policy applies where the Bank:

- executes orders on behalf of the client;

- negotiates on own account with clients; and

- transmits an order to another entity (broker) for execution.

The Order Execution Policy applies to all financial instruments (including unlisted financial instruments) as defined in section C of Appendix I of MiFID II, irrespective of whether they are traded on a trading venue or elsewhere ("over-the-counter transactions").

Spot foreign exchange ("FX spot") contracts are not within the scope of the Order Execution Policy.

The Order Execution Policy applies to the "retail" and "professional" client categories defined in Appendix II of MiFID II. The Order Execution Policy does not apply where the Bank deals with "eligible counterparty" clients or receives and transmits orders on behalf of "eligible counterparty" clients.

TYPES OF ORDERS EXECUTED OR TRANSMITTED

The Bank processes the following types of orders:

- Market order: an order to buy or sell without price conditions.

- Limit order: a buy or sell order with a price condition (maximum buy price or minimum sell price).

  Where a limit order for a share admitted to trading on a trading platform is not immediately executed under the conditions prevailing on the market, the Bank shall immediately make it public to facilitate its execution unless the client expressly instructs otherwise.

- Stop order or stop-loss order: a buy or sell order that is triggered as soon as the price of the financial instrument reaches a specified threshold (stop price). A market order is triggered when the threshold is reached. The price threshold for a buy order is above the current price of the financial instrument. The price threshold for a sell order is below the current price of the financial instrument.

- Stop-limit order: a buy or sell order with a limit price that is triggered as soon as the price of the financial instrument reaches a specified threshold (stop price).

- Algorithmic order: an order executed via a computer algorithm (TWAP, VWAP, TARGET PARTICIPATION) that automatically determines certain parameters of the order (e.g. execution frequency). Algorithmic orders are used for large orders to minimise their impact on the markets.

PROCESSING, AGGREGATION AND SPLITTING OF CLIENT ORDERS

The Bank executes clients' orders in the order in which they are received and executes them promptly unless the nature of the order or prevailing market conditions make this impossible or the interests of the client require otherwise.

Orders executed on behalf of clients are recorded and allocated quickly and accurately.

Private clients[1] will be informed of any serious difficulties that may affect the proper execution of orders as soon as the Bank becomes aware of such difficulties.

The Bank may group or split client orders before executing them. Aggregation or splitting of client orders may result in less favourable terms than if the orders had been executed separately or together.

However, client orders will only be aggregated or split if the Bank reasonably believes that aggregation or splitting is unlikely to be to the disadvantage of a client.

Aggregated client orders are allocated to client according to an allocation predetermined by the Bank.

If an aggregated order is fully executed, each client will receive the quantity requested.

If an aggregated order is partially executed, the order will be split between the different clients on a pro-rata basis.

BEST EXECUTION OBLIGATION

When the Bank executes or transmits orders to brokers for execution, it shall take all sufficient measures to obtain the best possible result for its clients by taking into account the following execution criteria:

- the price of the financial instrument;

- the costs related to execution;

- the speed of order execution;

- the likelihood of enforcement and settlement;

- the size of the order;

- the nature of the order; and

- any other considerations relating to the execution of the order, including qualitative factors (e.g. clearing systems, market impacts etc.).

When the Bank executes or transmits an order on behalf of a private client[1], the best possible result is obtained on the basis of the total cost of the transaction, i.e. the price of the financial instrument and the costs associated with execution, including the costs paid to third parties involved in the execution of the order.

Other execution criteria do not take precedence over total cost in the execution of a private client order[2] unless they are critical to achieving the best possible result.

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[1] Non-professional (retail) clients within the meaning of MiFID II.

When the Bank executes or transmits an order on behalf of a professional client[2], the best possible result is obtained by considering all the execution criteria set out in this policy and not just the total cost. The choice of execution criteria depends on the category of financial instruments and the market circumstances.

The Bank determines the relative importance of each implementation criterion by considering the following factors:

- the characteristics of the client, including whether they are categorised as a retail or professional client

- the characteristics of the client order (market order, limit order, stop order, etc.)

- the characteristics of the financial instrument that is the subject of an order

- the characteristics of the execution platforms to which this order can be routed

When the Bank executes a client order or takes a decision to trade a financial instrument that is not admitted to trading on execution platforms, including bespoke products, it verifies the appropriateness of the price offered to the client by collecting market data used in the estimation of the product price.

SPECIFIC INSTRUCTIONS FROM CLIENTS

When a client gives specific instructions for an order (e.g. order with a limited price, choice of execution venue or broker etc.), the Bank executes or transmits the order in accordance with these specific instructions.

The Bank is not able to guarantee the best execution obligation described in this policy for the part of the order relating to the client's specific instructions.

The best execution obligation will only apply to those parts of the order that are not covered by these instructions.

EXECUTION PLATFORMS, BROKERS & COUNTERPARTIES

The Bank selects the execution platforms and brokers that it considers most likely to obtain the best execution of its clients' orders. The execution platforms and brokers used by the Bank are listed in the appendix to the Order Execution Policy in a non-exhaustive manner for each class of financial instrument.

The Bank may select a single execution platform or a single broker (e.g. for a class of financial instruments). In this case, the Bank shall ensure that the execution platform or broker selected will enable it to obtain results for its clients that are at least as good as the results it could reasonably expect if it used other execution venues or brokers.

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[2] Professional clients within the meaning of MiFID II.

Orders are executed:

- On trading platforms located in the European Union:
    - a regulated market (RM)
    - a multilateral trading facility (MTF) is a multilateral system that brings together multiple third-party buying and selling interests in financial instruments according to non-discretionary rules
    - an organised trading facility (OTF) is a multilateral system that brings together multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives

- On trading platforms located outside the European Union

- With the following counterparties outside trading platforms (OTC transactions[3]):
    - a systematic internaliser (SI) is an investment firm that, on an organised, frequent, systematic and substantial basis, executes client orders on its own account outside a regulated market, MTF or OTF without operating a multilateral system
    - a market maker or other liquidity provider
    - an investment firm that is neither a systematic internaliser nor a market maker

When a trade is executed outside trading platforms, counterparty risk may arise in the event of settlement failure or insolvency of the counterparty. Therefore, the Bank will only execute a client's order outside the trading platforms if it obtains the client's prior express consent.

The Bank may provide additional information on the consequences of trading outside trading platforms at the request of clients.

Orders are transmitted to brokers selected by the Bank according to the execution criteria defined in the Order Execution Policy.

INFORMATION FOR CLIENTS

The Bank's Order Execution Policy is available on the Bank's website.

For order execution, the Bank publishes each year, for each category of financial instrument, the top five execution platforms in terms of transaction volumes on which it executed client orders in the previous year and summary information on the quality of execution obtained.

For the receipt and transmission of orders, the Bank publishes each year, for each category of financial instruments, the top five brokers in terms of transaction volumes to which it transmitted client orders in the previous year and summary information on the quality of execution obtained.

The Bank publishes this information on its website no later than 30 April following the end of the period to which the report relates.

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[3] Over-the-counter transactions

Upon reasonable request, a client may obtain further information on the Order Execution Policy from the Bank.

Clients give their consent to the Bank's Order Execution Policy by accepting the Bank's general conditions.

MONITORING AND REVIEW OF ORDER EXECUTION POLICY

The Bank regularly monitors the effectiveness of its Order Execution Policy and, where necessary, corrects any deficiencies. In particular, the Bank assesses the execution platforms and brokers included in the Order Execution Policy, taking into account data relating to the quality of execution of transactions by the execution platforms and brokers.

The Bank reviews its Order Execution Policy on an annual basis and when a material change affects the Bank's ability to obtain the best possible result for its clients.

The Bank considers a change to be material when it corresponds to a significant event that could have an impact on execution factors (price, cost, time, etc.) and lead to a change in the list of execution platforms and brokers used by the Bank to comply with the best execution obligation.

Any significant changes to the Order Execution Policy will be published on the Bank's website.

DETAILS BY CATEGORY OF FINANCIAL INSTRUMENT

Equities and listed investment funds

The Bank transmits its clients' orders for shares to Banque Degroof Petercam (Belgium) for execution.

Banque Degroof Petercam (Belgium) may:

- execute these orders directly as a market member on the following execution platforms
    - Euronext Brussels
    - Euronext Paris
    - Euronext Amsterdam
    - Luxembourg Stock Exchange (LuxSE)

- or transmit the orders to brokers for execution

Banque Degroof Petercam (Belgium) may also use the Direct Market Access (DMA) service or the Smart Order Routers (SORs) service of its brokers.

Bonds and money market instruments

The Bank executes its clients' orders for bonds:

- with counterparties through the following MTFs:

    - Bloomberg Multilateral Trading Facilities

    - MarketAxess Europe

    - Tradeweb EU

- or against the Bank's bond portfolio ('Trading Book') as principal counterparty

The Bank requests a quote ("Request For Quote" or RFQ) for the same bond from several counterparties in order to offer the best price to the client.

The Bank transmits client orders for money market instruments to intermediary banks responsible for placing these products.

Listed derivatives

Listed derivatives are derivatives (futures, options etc.) that are admitted to trading on trading platforms.

The Bank processes client orders for listed derivatives:

- by using the direct market access (DMA) service of its clearing brokers to access a network of counterparties directly; or

- by transmitting client orders to its brokers for execution.

Depending on the liquidity of the derivatives traded, the Bank may approach several brokers or counterparties to obtain a better price.

Unlisted derivatives (OTC derivatives)

Unlisted derivatives are derivatives (futures, options etc.) that are traded over-the-counter between counterparties.

The Bank executes client orders for unlisted derivatives as principal counterparty (internalisation of the order) and will hedge the risk of the transaction with other counterparties (MTFs, systematic internalisers, market makers and other liquidity providers).

When the Bank executes client orders in an unlisted derivative, it ensures that the price offered to the client is fair:

- by comparing it to similar or comparable products; or

- by collecting market data to assess its fair price via valuation models.

Investment funds

For investment funds administered by the Degroof Petercam Group, the Bank transmits subscription and redemption orders directly to the fund's transfer agent.

For investment funds administered by third parties, the Bank transmits subscription and redemption orders to an order processing platform (Vestima - Clearstream).

The Bank sends its clients' subscription and redemption orders to the transfer agent or order processing platform as soon as it receives them.

The cut-off time for an investment fund is the time by which subscription and redemption orders must be transmitted to the transfer agent to be executed at the next net asset value (NAV) of the fund.

If the transfer agent receives the order after the cut-off time, the execution price is not the next net asset value but the one following thereafter.

Structured products

A structured product is a debt security issued by a bank whose income is determined on the basis of the performance of underlying assets.

The Bank executes an order only in a structured product previously selected by the client (not by the Bank).

This means that the Bank executes client orders in structured products issued by third parties only on specific instructions from a client.

The Bank contacts the issuer of the structured product to execute the order.

APPENDICES

Appendix A - List of execution platforms selected by the Bank

The execution platforms used by the Bank are indicated for each category of financial instruments concerned in the section "Details by category of financial instruments".

Appendix B - List of brokers selected by the Bank

Equities

ABG SUNDAL CORDIER
AUREL
BERENBERG
BMO (Bank of Montreal)
BOFA MERRILL LYNCH
BANCO BPI

CARNEGIE
CREDIT SUISSE
DANSKE BANK
DAVY SECURITIES
DEUTSCHE BANK
EXANE BNP

GOLDMAN SACHS
ING BELGIUM
INSTINET
INVEST SECURITIES
JP MORGAN
KBC SECURITIES
KEMPEN & CO
KEPLER CHEUVREUX
LIBERUM
MEDIOBANCA
MORGAN STANLEY
NOMURA

NUMIS SECURITIES
ODDO & CIE
OPTIVER
RAYMOND JAMES
REDBURN PARTNERS
SANFORD BERNSTEIN
SOCIETE GENERALE
TOURMALINE
UBS
VIRTU
WINTERFLOOD SECURITIES

Bonds

ABN Amro
ANZ BANK
Banca IMI
BANCA ZARATTINI
Banco Sabadell
Banco Santander
Bank of Montreal
Bank of Tokyo Mitsubishi
Bankia
Barclays
Bayerische Landesbank
BBVA
BCEE Luxembourg
BCP Securities
Belfius Bank
BIL SA
BNP Paribas Paris
BNP Paribas Fortis Brussels
BofA Merrill Lynch
BONDPARTNERS S.A.
Bradesco
Bridport et Cie Genève
Carax
CIBC
CICC
Citigroup
Commerzbank
Commonwealth Bank
Credit Agricole CIB
Credit Suisse
Daiwa
Danske Bank
DBS Bank
DekaBank

Den Norske Bank
Deutsche Bank
DZ Bank
Erste Bank
Goldman Sachs
Guy Butler
Helaba
HSBC
ICBC Standard Bank
ING
Jefferies
JP Morgan
KBC Kredietbank Luxembourg
LBBW
Leonteq Securities
Market Axxess Holding
Mediobanca
Meliorbanca
Mizuho Int'l (UK)
Morgan Stanley
MUFG Securities
National Bank Financial
NatWest Markets
Nomura
Nord/LB
Nordea Markets
Octo Asset Management
Oddo Securities
OP CORPORATE BANK PLC
Oppenheimer Europe Ltd
Rabobank
Raiffeisen Bank
RBC
RZB Wien

ScotiaBank
SEB
SMBC Nikko
SNS Securities
Société Générale
Standard Chartered
Stifel Nicolaus
Svenska Handelsbanken
Swedbank

TD Securities
UBS
UniCredit Bank AG
Valcourt Geneve
Westpac
WGZ-BANK, Duesseldorf
Ycap Asset Management Europe
ZKB, Zurich

Listed derivatives

Exane Derivatives
GFI Securities Limited
Goldman Sachs International
JPMorgan

RBC Europe Limited
Société Générale S.A.
Susquehanna International Securities Limited
UBS

OTC derivatives

ABN
AMRO AMSTERDAM
BBVA MADRID
BCEE Luxembourg
BIL Luxembourg
BNP PARIBAS FORTIS BRUSSELS
BNP PARIBAS PARIS
BOA PARIS
CITI LONDRES
COMMERZBANK FRANCFORT
CREDIT AGRICOLE PARIS
CREDIT SUISSE ZURICH
DANSKE COPENHAGUE
DEUTSCHE BANK FRANCFORT
GOLDMAN SACHS LONDRES
HSBC PARIS
ICBC LONDRES

ING AMSTERDAM
JPM CHASE FRANCFORT
KBC BRUXELLES
LBBW STUTTGART
NATIXIS PARIS
RABO UTRECHT
RBC LONDRES
RBS LONDRES
SANTANDER MADRID
SOCIETE GENERALE PARIS
STANDARD CHARTERED LONDRES
STATE STREET MUNICH
UBS ZURICH
UNICREDIT MUNICH
ZUERCHER KANTONAL BANK ZURICH