

Information on the order execution policy

When the bank executes orders related to financial instruments on your behalf, it will take all necessary measures to ensure best execution. In concrete terms, this means that the Bank has adopted a policy and has implemented procedures that aim to obtain the best possible results for the orders of its clients, taking into account any specific instructions, the type of the order, the market and the financial instrument concerned.

The best execution policy implies a best endeavours obligation and not an obligation to achieve a result. This implies that the best execution will be achieved in most cases, but not necessarily in every individual transaction. This best execution must be assessed on the basis of the information available to the Bank when the order is executed.

The obligation to optimise the execution of orders is applicable whenever the Bank executes orders on behalf of its clients. The Bank fulfils its “best execution” obligation by taking into account the standardised criteria listed hereinafter while executing the orders. The choice of the most appropriate platform for executing a specific order will also depend on the platforms on which this financial instrument can be traded. The Bank is convinced that its policy offers the guarantees required to ensure the best execution of orders.

This policy is applicable to all types of orders. The Bank accepts “market” orders and “limited” orders. Limited orders are orders for which the client provides a maximum price at which it wishes to

purchase or a minimum price at which it wishes to sell. For market orders, the client indicates that it wishes to purchase or sell at the market price. A market order offers the greatest certainty of execution, but the price may differ from the last known market price. A limited order offers the certainty of execution at a price that complies with the defined limits, thereby offering protection against sudden price variations. However, a limited order is less certain to be effectively executed.

For execution, unless the client communicates specific instructions to us, the following **criteria** will be taken into consideration:

- the prices and fees
- the speed of execution
- the probability of execution and settlement
- the size of the order
- the type of the order
- possibly, other aspects relevant to the execution of the order.

To determine the relative **weight** of each of these criteria, the Bank takes the following into account:

- the characteristics of the client,
- the characteristics of the order (including the specific instructions)
- the characteristics of the financial instrument

For non-professional clients, the price is the main factor. Apart from the price, liquidity may also play an important role. Special cases may lead the Bank to prioritise other factors.

The **execution venue** of the order is also a criterion to be considered. This venue must systematically guarantee the best execution of orders. For this, the following execution venues are prioritised:

- regulated markets
- multilateral trading facilities
- systematic internalisers
- market makers or other liquidity providers

The Bank may also call upon professional intermediaries to have the orders executed. The Bank does not act as an internaliser. Clients are informed about the execution venue via the execution processing bill.

The following rules are applicable:

- ***Unique execution venue***
For certain financial instruments, there is only a single execution venue. If a transaction in such an instrument is executed at this unique venue, the Bank deems that it has respected its best execution obligation.
- ***Execution outside a regulated market or MTF***
In principle, orders related to financial instruments traded on a regulated market or on a MTF (multilateral trading facility) will be executed on this regulated market or this MTF. This is done directly when the Bank has access to the market, or indirectly via a counterparty if this is not the case. However, it is also possible for the bank to execute transactions on financial instruments, traded on a regulated market or via a MTF, outside of this market (or MTF). For instance, this happens when the

liquidity of the market is low or when the lot to be traded on the market would exert too much of an influence on the price of the instrument concerned. In such a case, the bank seeks a counterparty to execute the order in question.

- ***Execution by a third-party market participant***

An order may be executed directly on the market or it may be transmitted to a third-party market participant with which the Bank has implemented agreements for the processing of these orders. The Bank acts with all reasonable and usual care, skill and forethought when selecting these third parties. It only selects counterparties when it is convinced that they are sufficiently solvent and that they offer sufficient guarantees for the proper and correct execution of orders. In this selection, the execution probability is an important criterion.

When selecting market participants for transmitting orders, the Bank examines the order execution policy of the party in question in order to determine whether this policy is compliant with the Bank's criteria. When the Bank acts via the intermediary of an authorised market participant, it deems that it has respected its best execution obligation for its clients. If the party concerned is not covered under a best execution obligation, the Bank shall endeavour to obtain this obligation via a contract.

- ***Wealth Management***

As regards the management of assets, the Bank executes orders or transmits them to a professional counterparty in the name of and on behalf of the clients that it manages. Some orders concern a client pool. In this case, the size of the order often

forces a staggered execution. For their execution, several factors are taken into account such as the price, costs and probability of execution. The allocation to individual clients is carried out when the entire order is executed. Every client obtains the same execution price because the Bank will apply the average execution price of the order of the client pool concerned.

- ***Specific instructions***

When a client gives specific instructions to execute an order, simply following these instructions is considered to be the best possible execution. This is applicable even when a specific instruction prevents the Bank from following its own "best execution" policy. The client is always personally responsible for the specific instructions that it gives.

Differentiation according to the type of financial instrument:

- ***Shares / share certificates / rights / exchange traded funds***

When the bank has access to the market, the order will, in principle, be executed directly on this market. When the bank is not a member of the market, it will be done via a counterparty who is a member. In this case, the execution is carried out in accordance with the execution policy of this counterparty.

Shares that are not traded on a regulated market are traded on Euronext Expert Market (previously known as the "Public Sales Market").

- ***Bonds, money market instruments (commercial paper, treasury bill, etc.)***

Bonds are generally traded via counterparties. This is also often the case for bonds listed in a stock exchange, given that the liquidity of these financial instruments on these markets is often rather low. The Bank will request for a price from different counterparties. Apart from the price, the execution probability will also be taken into consideration while choosing the counterparty.

- ***Derivatives***

The Bank carries out all its transactions related to derivative products with predefined counterparties. For all market or OTC transactions, the Bank deems that it has fulfilled its best execution obligations when the transaction is executed.

- ***UCITS units***

For funds of significant promoters, fund units are deposited by the Bank directly with the transfer agents of the fund. Orders concerning these funds will always be transmitted to this transfer agent. For other funds, the Bank works with a single counterparty: Banque de Luxembourg. Orders related to these other funds will be transmitted to Banque de Luxembourg for execution. Best execution is obtained when the price applied for the client corresponds to the NAV/unit price published by the administrative agent of the fund, plus any entry or exit fees charged by the fund.

Processing of orders:

The Bank immediately executes the orders that it receives from its clients and executes similar orders according to the order in which they are received, unless the market conditions make this procedure impossible or unless it is necessary to act differently in the interest of the client. Orders sent to the Bank by different channels are considered as non-similar orders. The Bank ensures that the orders that it receives are processed objectively and fairly.

In case of force majeure, it may not be possible to follow the rules defined in this policy. In all cases, the Bank shall endeavour to find the best solution for the client.

For processing orders, the Bank and its intermediary Delen Private Bank NV choose counterparties or independent brokers that enable compliance with this “best execution” policy. For this, the following criteria are evaluated in particular:

- Quality of the order execution systems,
- Cost of transactions,
- Quality of the relationship and the offered service.

These criteria are evaluated before establishing a contractual relationship with a counterparty, and also during the relationship in order to regularly confirm the results of the initial analysis. For this, the Bank uses a third-party analysis tool that enables identifying the discrepancy between the obtained execution and the best execution of the market at the time of the execution.

Our intermediary, Delen Private Bank NV, transmits the received orders to independent brokers. These brokers are also bound by the “Best Execution” obligation towards Delen Private Bank NV.

Instruments covered by this policy	Best execution	Best selection
Shares / share certificates / rights / exchange traded funds	×	✓
Bonds, money market instruments	×	✓
Derivatives	×	✓
UCITS units	✓	×

In pursuance of the MiFID II directive, the Bank is required to publish every year, a list of the five main execution platforms for each category of traded financial instruments.

The following table transparently details the primary order processing venues for each category of financial instruments, on the basis of the volumes traded in the previous year.

Category of financial asset	Order processing venue
Shares and Exchange traded funds	Citigroup Goldman Sachs Kepler Exane Paris JP Morgan Securities London
Bonds	JP Morgan Securities London Barclays Mizuho Toronto Dominion Bank London Deutsche Bank
Derivatives	KBC Securities JP Morgan Securities London NIBC Markets
Investment funds	JP Morgan Luxembourg Schroder Luxembourg Fidelity Luxembourg Bank Degroof Luxembourg Franklin Templeton Luxembourg Banque de Luxembourg

- substantial change in the applied prices,
- significant deterioration of the execution mechanism,
- discontinued access to a market,
- change in the processing conditions that might result in significant operational risks

The latest version of this document may be viewed at any time at www.delen.lu and is also available in the Bank's offices. For any reasonable and proportionate request addressed to compliance@delen.lu, the Bank shall communicate the reports and information concerning this policy, the manner in which it is reviewed and the Bank's performances in terms of order processing.

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Through the simple fact of having an order executed by the Bank, you give your consent to this policy.

This policy shall be re-examined every year and also in case of any significant event impacting the Bank's ability to continue obtaining the best possible result for executing the transmitted orders, especially in the following cases: