

## I. Scope

This document provides an informative summary on the Best Execution Policy and procedures that Eurobank Private Bank Luxembourg has in place in accordance with the Markets in Financial Instruments Directive (2014/65/EU), hereafter MiFID II, as well as any related Luxembourgish or European law or regulation.

The purpose of this policy is to ensure that the Bank takes all sufficient steps to obtain the best possible result for its Clients, when carrying out orders in financial instruments on behalf of them.

In accordance with MiFID II, any order placed with us will show acknowledgement and agreement to the content of this policy by you. The Bank will review the content of this document to ensure that it is adapted to market developments and latest regulations and will proceed to all necessary amendments, if need be.

## II. Best execution Obligation

Depending on the type of order and of financial instrument, the Bank either has the role of mere receiver and transmitter of orders ("RTO") or the role of executor. Whatever role the Bank assumes, it must obtain, on a consistent basis, the best possible result for the Client when:

- Selecting an intermediary;
- Selecting the execution venue; or
- Executing an order.

### a. Execution factors

In order to fulfill its best execution obligation the Bank takes into account the following factors:

- price of financial instruments;
- costs related to the execution of the order;
- speed of execution;
- likelihood of execution;
- Speed of settlement;
- Likelihood of settlement;
- size of the order;
- nature of the order;
- any other consideration relating to the execution of the order.

The relative importance of these factors varies between different financial instruments.

Although the Bank takes all sufficient steps to achieve the best possible result for the Client, taking into account the above-mentioned Execution Factors, the Bank cannot guarantee that the price obtained will always be the best price in the market at that point in time.

Especially in certain circumstances of severe market turbulence and/or internal or external system failure, these factors may not apply as our first consideration will be the ability of timely executions.

### b. Execution Criteria

In order to determine the relative importance of the above-mentioned factors and select the appropriate venue (where there is more than one venue), we take into account the following criteria:

- The characteristics of the order, i.e. order type such as stop-loss, market or limit order as well as order size and likely impact of the order,
- The characteristics of each financial instrument to be bought or sold, i.e. asset class and corresponding liquidity, complexity of the instrument,
- The characteristics of the venues (as briefly presented in the following section),
- The categorization of the client, i.e. Professional or Non-Professional,
- Any other circumstances or specific instructions relevant at the time.

Order size will be a key determining factor on how to achieve best execution. Order size and market impact are directly correlated, subject to the relative liquidity of the instrument in question. Orders in larger size and/or less liquid instruments are likely to be worked over a period of time to reduce market impact. In normal circumstances, orders in smaller size and in liquid stocks will be executed as quickly as possible after receipt.

Price will always be important but not necessarily determinative in achieving the best outcome for the client. Price is a sub-set of other considerations such as timeliness, order size and market impact. Price assumes a higher priority for non-professional client orders where the transactions are low in size/value and have minimal market impact. Professional client orders will be executed as quickly as possible with emphasis on market impact. For example, by working the order, our emphasis will be on minimising market impact to achieve the best possible outcome.

### *c. Execution Venues*

Our order execution policy includes venues that will allow us to obtain, on a consistent basis, best execution for each order in a financial instrument that we execute on your behalf.

Those execution venues may include, as appropriate for each financial product, regulated markets, multilateral trading facilities (MTF), Organised Trading Facilities (OTF), systematic internalisers (SI), third party investment firms and /or affiliates acting as a market maker. The choice of execution venues is based on both liquidity and displayed price.

To obtain best execution for you, where we have your consent to do so, on rare occasions we may execute orders on your behalf outside a regulated market, an MTF or an OTF. This will always be done under the rules of this Best Execution Policy, however you should be aware that in this case the transactions will not be subject to the rules of Trading Venues, and may also not benefit from any additional but unpublished liquidity, such as hidden limit orders that may be available on Trading Venues; also, executions will not benefit from pre- and post-trade transparency reporting that is a requirement on Trading Venues.

The list of execution venues as presented in Appendix 2, includes the venues that the Bank greatly uses and trusts but is not exhaustive as we reserve the right to resort to other venues where appropriate in order to achieve the best possible result for the Client. Based on the type of financial instrument, we briefly present below the most common execution venues we use.

#### **Equities/ETFs:**

- On regulated markets by using brokers/intermediaries,
- Direct Market access (only for the Athens Stock Exchange)

#### **Fixed Income securities:**

- On a MTF,

- Over the counter with an appropriate counterparty,
- On a regulated market.

#### **Derivatives:**

- With Eurobank S.A. as counterparty (against its own book),
- With Goldman Sachs Bank Europe SE as counterparty (against its own book).

#### **Funds:**

- With the administrator/transfer agent of the fund,
- With an intermediary where lines with the administrator are not available.

#### **Structured products:**

- With Eurobank S.A. as an intermediary.

### *d. Intermediaries*

The selection of Intermediaries may have an impact on price and cost of the execution, thus on "Total consideration". Therefore, it is an important element in the process of Best Execution. In certain occasions, however, other factors than price and cost may be taken into account to obtain the best result when selecting intermediaries.

The bank selects only intermediaries (third-party brokers) most likely to deliver the best possible result for the clients, by ensuring that the intermediary's execution policy is consistent with both MiFID II and the Bank.

Additionally, we monitor and review the execution quality delivered and correct any deficiencies.

The bank may use intermediaries for the following asset classes:

- Equities
- Bonds
- Funds

For bonds and Funds, the bank occasionally chooses an Intermediary if access to an appropriate Execution Venue is not given or if a more favorable Total Consideration can be obtained.

The bank's main Intermediaries are listed in Appendix 2.

### *e. Specific Instructions*

Whenever the Client gives a specific instruction on the handling of the order, be it with regard to the execution venue, selection of specific broker, specific

timeframe or specific price, the Bank will carry out the order in accordance with that specific instruction.

The Bank informs the Client that an instruction to that effect is likely to prevent the Bank from obtaining the best possible result in line with the Bank's Best Execution Policy with respect to those aspects of the order to which such specific instruction relates.

In the absence of any specific Client instruction, the Bank shall carry out the order according to its Best Execution Policy.

#### *f. Aggregation and allocation of orders*

In general, the Bank will execute orders from Clients promptly, and will carry out otherwise comparable Client orders sequentially unless the characteristics of the order or prevailing market conditions make this impracticable. The Bank never executes a Client order in aggregation with a transaction for own account. The Bank does not execute a Client order in aggregation with another Client order unless the following conditions are met:

- (1) The aggregation of orders and transactions is unlikely to work overall to the disadvantage of any Client whose order is to be aggregated;
- (2) The Bank has established and effectively applies a policy providing for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determine allocation and the treatment of partial executions.

The allocation of aggregated orders is done on a pro-rata basis between Clients, after taking into account any minimum amounts and denominations applied to the specific instrument. Client orders are given priority over transactions for the bank's account.

#### *g. Client categorization*

Best execution applies if you have been categorized as a Professional or Retail Client in the financial sector, but not if you have been categorized as an Eligible Counterparty. Your categorization has been previously communicated to you.

#### *h. Monitoring of implementation of the BEP*

The Bank monitors the effectiveness of its Best Execution Policy (BEP) in order to identify and, where appropriate, correct any deficiencies. In particular, it assesses, on a regular basis, whether it carries out orders in line with this Policy and whether the execution venues included in this document provide

the best possible result for the Client or whether it needs to make changes to its execution arrangements. It also makes an assessment of all the Counterparties.

### **III. Appendix 1: Circumstances concerned**

The list of financial instruments under the scope of MiFID II is the following:

- (1) Transferable securities;
- (2) Money-market instruments;
- (3) Units in collective investment undertakings;
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- (5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, *inter alia*, they are traded on a regulated market, OTF, or an MTF;
- (11) Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

#### IV. Appendix 2: List of principal venues, counterparties & intermediaries

##### Principal venues

For Equities/ETFs:

- Athens Stock Exchange
- Australian Stock exchange
- Borsa Italiana
- Budapest Stock Exchange
- Bulgaria Stock Exchange
- Copenhagen Stock exchange
- Euronext Amsterdam
- Euronext Brussels
- Euronext Lisbon
- Euronext Paris
- Helsinki Stock Exchange
- Hong Kong Stock Exchange
- Irish Stock Exchange / LSE
- London Stock Exchange (LSE)
- Luxembourg Stock Exchange
- Madrid Stock Exchange / Spanish Regional Exchanges
- NASDAQ / NYSE
- Oslo Stock Exchange
- Prague Stock Exchange
- SGX
- Stockholm Stock Exchange
- Tokyo Stock Exchange
- Virt-x / SWX
- Warsaw Stock Exchange
- Wiener Borse
- Xetra/Deutsche Borse / German regional exchanges
- XTSX (Canadian Venture)

For Bonds: Bloomberg MTF

For Funds: Transfer Agents

For FX Options: Bloomberg MTF

##### Counterparties

For Bonds:

- AFS Execution Services B.V.
- Arctic Securities
- Banco Finantia SA
- Bank of Montreal
- Banque de Luxembourg
- Barclays Bank Ireland PLC
- BBVA
- BNP Fortis SA
- BNP Paribas SA
- Citigroup Global Markets Limited Europe AG
- Commerzbank FFT

- Deutsche Bank AG
- DZ Bank AG
- Eurobank S.A.
- Goldman Sachs Bank Europe SE
- Guy Butler Ltd.
- HSBC Bank PLC
- ING Bank NV, Amsterdam
- Intesa San Paolo
- J.P. Morgan AG
- Jefferies GmbH
- KBC Bank NV
- Millennium Europe LTD
- Morgan Stanley & Co. International PLC
- Natwest Markets NV
- Nomura Financial Products Europe GmbH
- Rabobank International Utrecht
- Scotiabank Ireland
- UBS Europe SE
- Zurcher Kantonalbank

For FX Derivatives:

- Eurobank S.A.
- Goldman Sachs Bank Europe SE

For Precious Metals:

- UBS A.G.

##### Intermediaries

For Equities/ETFs:

- AFS Execution Services B.V.
- Banque de Luxembourg
- Eurobank Equities SA
- UBS Europe SE
- Virtu Financial Ireland Limited

For Funds:

- Banque de Luxembourg

For Structured Products:

- Eurobank S.A.
- Kepler Cheuvreux

*Execution Venues and Counterparties apply for both retail and professional clients: there is no differentiation in Execution Venue or Counterparty according to client type*