

SUMMARY OF THE ORDER EXECUTION AND ORDER HANDLING POLICY

("THE POLICY")

APPLICABLE AS FROM 01.05.2019



BNP PARIBAS

FORTIS

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world**

Table of Contents

What is Best Execution ?	3
How will your orders be executed ?	3
Where do we execute your orders ?	3
How do we apply Best Execution ?	5
How do your specific instructions impact Best Execution ?	5
Under which circumstances Best Execution can be restricted or limited ?	6
How do we monitor and report on the quality of execution ?	6
Why do we need your consent ?	6
What about amendments of the policy ?	6
How do we process your personal data ?	7

INTRODUCTION

The Summary of BNP Paribas Fortis' Policy is intended for our Retail clients under MiFID in accordance with our information duties under MiFID II.

The purpose of this document is to summarise the Policy. This Summary is therefore not exhaustive and should be read in conjunction with our Policy.

1. WHAT IS BEST EXECUTION ?

MiFID II is a European Directive that aims to reinforce the common standards for investor protection and market integrity in the European Union that were introduced by the Markets in Financial Instruments Directive (MiFID).

An important aspect of this Directive is the ' **Best Execution**' obligation. This means that BNP Paribas Fortis is required to take all sufficient steps in order to obtain for its clients the best possible result on a consistent basis when executing or transmitting their orders. We are obliged to take into account relevant execution factors such as price, costs, speed, likelihood of execution and settlement, size and nature of the order or any other relevant consideration.

For Retail Client's orders, Best Execution is assessed on the basis of the "**total consideration**", which represents the sum of the price paid for the financial instrument and all associated transaction costs incurred by the client.

Such costs may include, amongst others, execution fees, clearing and settlement fees, taxes and 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.

It is important to understand that Best Execution is a process and not an outcome. In other words, when we execute or transmit orders from our Retail Clients under MiFID, we will act in accordance with our Policy. **This does not necessarily mean that we will achieve the best possible result in all circumstances and for each individual order.**

2. HOW WILL YOUR ORDERS BE EXECUTED ?

BNP Paribas Fortis offers two types of order execution services :

- We execute your order ourselves (order execution on behalf of the client).
- We transmit your order to a financial intermediary, who will take care of the execution (receiving and transmitting of client orders);

The overview below describes the type of order execution service per financial instrument class: page 4.

3. WHERE DO WE EXECUTE YOUR ORDERS ?

Different types of execution venues exist for the execution of your orders:

- Trading venues: Regulated Markets, Multilateral Trading Facilities (MTF) and Organised Trading Facilities (OTF);
- Execution venues other than trading venues, which include systematic internalisers, market makers or other liquidity providers. BNP Paribas Fortis is a systematic internaliser and may act as your counterparty when executing orders on your behalf (e.g. Bonds).

The selection of the execution venue will primarily depend on the type of financial instrument, the order execution service offered by the Bank and the relevant execution factors.

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.

(1) MiFID identifies three different categories of clients, notably retail clients, professional clients, and eligible counterparties (mentioned here in decreasing order of client protection). Each client involved in investment or ancillary services shall be categorised by the Bank under one of those categories prior to the commencement of the (se) service(s).

THE OVERVIEW BELOW DESCRIBES THE TYPE OF ORDER EXECUTION SERVICE PER FINANCIAL INSTRUMENT CLASS:

CLASS OF FINANCIAL INSTRUMENTS	TYPE OF ORDER EXECUTION SERVICES	
	ORDER EXECUTION ON BEHALF OF CLIENT	RECEIVING AND TRANSMITTING ORDERS
BONDS	•	
MONEY MARKET INSTRUMENTS	•	
FORWARD, SWAPS, AND OTHER OTC DERIVATIVES (INTEREST RATE, CURRENCY AND EQUITY)	•	
SECURITIES FINANCING TRANSACTIONS (INCL. REPURCHASE AGREEMENTS, SECURITIES LENDING TRANSACTIONS)	•	
STRUCTURED PRODUCTS	•	
EXCHANGE TRADED EQUITIES (INCL. SHARES AND DEPOSITORY RECEIPTS)		•
EXCHANGE TRADED PRODUCTS (INCL. EXCHANGE TRADED FUNDS, EXCHANGE TRADED NOTES, EXCHANGE TRADED COMMODITIES)		•
DERIVATIVES TRADED ON A TRADING VENUE (INTEREST RATE, CURRENCY AND EQUITY OPTIONS AND FUTURES)		•
WARRANTS, TURBOS, CERTIFICATE DERIVATIVES		•
FINANCIAL INSTRUMENTS TRADED ON EURONEXT EXPERT MARKET (PUBLIC AUCTION)	•	
UNITS OF COLLECTIVE INVESTMENT UNDERTAKINGS:		
IN-HOUSE FUNDS	•	
THIRD PARTY FUNDS		•

4. HOW DO WE APPLY BEST EXECUTION ?

In order to obtain the best possible result on a consistent basis, the Bank shall take into account certain execution factors and criteria. As mentioned above, the prevailing execution factors for retail client orders are price and costs (total consideration).

4.1 When executing orders on behalf of the client

For financial instruments for which the Bank executes orders itself (mainly Over-The-Counter (OTC), i.e. traded bilaterally outside a Trading Venue), we verify external market prices of similar or related products to estimate the "fair value" of a financial instrument. When available, external market prices are combined with model parameters, used by our proprietary models to price the financial instrument. Throughout the trading day we continuously recalibrate these model parameters tracking available market data and ensuring that its prices remain accurate and up to date.

Once the fair value has been determined, we add an execution spread (brokerage fee); this is an explicit internal cost representing our own remuneration for the liquidity provided. We continuously assess market conditions and adjust the execution spread in line with internal guidelines. Finally transaction costs may be added.

For some Financial Instruments, we will directly execute your orders on a trading venue (e.g. Euronext Expert Market) instead of over-the counter.

4.2 When receiving and transmitting orders

Where we rely, for the execution of the order, on a third party financial intermediary, whether or not an entity of the Group BNP Paribas, we select such entity which most likely delivers the best possible result for you on a consistent basis, taking into account price and costs.

We define internally a market of reference which is a Regulated Market that offers an acceptable level of liquidity and that generally achieves, on a consistent basis, the best results in terms of total consideration for our Retail Clients under MiFID, as such :

- For a listed equity, the Bank relies on the equity "Home Market" as its Market of Reference provided it offers an acceptable level of liquidity. The Home Market is the trading venue where the issuer has requested the first primary listing or admittance to trading for the Equity.

- For an Exchange traded product, the Bank primarily considers a market of reference where the financial instrument is traded in EURO. If such market is not available, the Bank will, where possible and by order of priority, consider to execute client orders in USD and then in GBP except for an Exchange traded product that tracks a GBP denominated index (e.g. FTSE UK) in which case the Bank will prevail GBP over USD.

Where possible, the bank shall offer clients with alternative market to enable specific instructions.

We communicate this market of reference to the selected financial intermediary when transmitting your order. The financial intermediary will then compare the executable (or tradable) prices on this market of reference to the prices available on alternative execution venues (Multilateral Trading Facilities (MTF) or Systematic Internalisers (SI)). The order will be executed on the venue where the best price can be obtained.

If within our offer, an instrument can only be executed on one Regulated Market, this market will systematically be deemed to be the Market of Reference.

For care orders, we will 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 only insofar as they are instrumental in delivering the best possible result in terms of the total consideration for our Clients.

For orders in share classes of an in-house open end fund, that is managed by BNP Paribas Asset Management Bank, the orders are executed by the Bank upon direct transmission to the transfer agent appointed by the fund manager.

For orders in share classes of other open end funds (e.g. a third party funds), the Bank receives and transmits them to a global Financial Intermediary, selected by the Bank, who will address the orders to the transfer agent of the fund.

5. HOW DO YOUR SPECIFIC INSTRUCTIONS IMPACT BEST EXECUTION ?

If you give us a specific instruction on how to execute your order (e.g. you specify a limit price in your buy or sell order, or you request us to execute the order on a specific venue), we will endeavour to execute the order according to your instruction.

Please be aware that a specific instruction given to us for the execution of an order can prevent us from taking all the sufficient steps in order to obtain the best possible result and may potentially lead to additional costs.

6. UNDER WHICH CIRCUMSTANCES BEST EXECUTION CAN BE RESTRICTED OR LIMITED ?

We may be confronted with particular circumstances that make it difficult or even impossible to obtain the best possible result for the client order. This includes situations like (but not limited to) prevailing market conditions, regulatory reasons or the Bank's policies, force majeure and hardship situations.

More details of such circumstances can be found in our Policy.

7. HOW DO WE MONITOR AND REPORT ON THE QUALITY OF EXECUTION ?

7.1 Monitoring

We have the obligation to monitor the continued effectiveness of our Policy, our order execution arrangements and the quality of execution obtained, in order to identify and, if appropriate, correct any deficiencies.

For that purpose we will use benchmarking tools, both for orders we execute ourselves (including fairness of price) and for orders we transmit to financial intermediaries (including transaction cost analysis).

7.2 Reporting

We have the obligation to publish on our website and on a yearly basis (by April 30th at the latest), for each class of financial instrument, our top five execution venues (for orders executed by ourselves) and our top five financial intermediaries (for orders received and transmitted), in terms of trading volumes where our clients orders were executed in the preceding year.

This report will also include a summary of the analysis, conclusions and where appropriate remedial actions we derive from our monitoring process described above.

The report is available for two years, through the following link : www.bnpparibasfortis.be/policies.

8. WHY DO WE NEED YOUR CONSENT ?

If you transmit an order to the Bank, we consider that you accept our Policy.

However, we are required to solicit your explicit consent for orders that may be executed outside a Regulated Market, a Multilateral Trading Facility or an Organised Trading Facility. An example would be the case where we execute your order Over-The-Counter (OTC).

9. WHAT ABOUT AMENDMENTS OF THE POLICY ?

Our Policy will be assessed and reviewed at least once a year. Additionally, the outcome of our monitoring and control process could require intermediate changes to our Policy.

We will, as a general rule, make the Policy available on our website www.bnpparibasfortis.be/policies, in a BNP Paribas Fortis agency, Private or Wealth Management center. and via your relationship manager.

If the Bank makes an amendment to the Policy, it shall keep its existing clients informed by means of a notification of the main changes to the Policy in accordance with applicable communication means.

This summary is further detailed in our Policy. We underline the importance of reading it thoroughly prior to submitting any order .

This policy should be read in conjunction with the Investment Services General Conditions (particularly article "Client orders"), the general terms and conditions of BNP Paribas Fortis applicable to the client and any particular investment or ancillary service agreement a client enters into.

10. HOW DO WE PROCESS YOUR PERSONAL DATA ?

The Bank processes your personal data in accordance with the terms of the Privacy Notice of BNP Paribas Fortis SA/NV available on www.bnpparibasfortis.be/privacy and also at your disposal in all branches.

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