

Order execution Policy

1. GENERAL PRINCIPLES AND APPLICATION SCOPE

Since 1st November 2007, Directive 2004/39/EC on Markets in Financial Instruments (MiFID) and its implementation in the Monetary and Financial Code and in the General Regulations of the *Autorité des marchés financiers* (AMF) provides that, where an investment firm executes an order in relation to a financial instrument on behalf of a client, it must take all reasonable steps to achieve best execution of that client's order, including the implementation of an order execution policy.

Crédit Agricole CIB has established this order execution policy ("Policy"), as further described below, which applies where Crédit Agricole CIB provides the investment services of execution of orders on behalf of clients, and reception and transmission of orders .

In the situations described below, Crédit Agricole CIB executes client orders in financial instruments that may or may not be admitted to trading on a Regulated Market or on a Multilateral Trading Facility, either directly on an Execution Venue, or dealing on its own account.

Consequently, Crédit Agricole CIB's will or will not apply this Policy according to the circumstances set out hereafter.

Even in cases where the Policy does not apply, Crédit Agricole CIB has a duty to act honestly, fairly and professionally in accordance with the best interests of its clients and applies this principle to all its clients.

1. Credit Agricole CIB's approach to best execution

1.1.1. No fiduciary responsibility. Crédit Agricole CIB will take all reasonable steps in order to ensure that best execution of each client order is achieved. In doing so Crédit Agricole CIB however does not act as a fiduciary nor assume any fiduciary duties in relation to any client.

1.1.2. Best execution criteria. In compliance with relevant regulatory requirements, Crédit Agricole

CIB applies the following factors: price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other consideration relevant to the execution of the order.

The relative importance of the factors described above depend on the following criteria:

- Characteristics of the client, including his categorisation;
- Characteristics of the order concerned;
- Characteristics of financial instruments to which the order is related ; and/or
- Characteristics of Execution Venues where the orders can be transmitted.

1.1.3. Financial instruments. This Policy applies to all financial instruments whether admitted or not on Regulated Markets or Multilateral Trading Facilities in which Crédit Agricole CIB is likely to trade on behalf of its clients.

1.1.4. Clients. This Policy applies to Retail and/or Professional Clients of Crédit Agricole CIB, if the relevant regulations apply to these clients and/or their transactions. This Policy does not apply to eligible counterparties (as defined in MiFID), to which Crédit Agricole CIB has therefore no obligation in terms of best execution.

1.1.5. Specific instructions from the client. A client can give specific instructions as to how that client wishes his order to be executed. If a client gives specific instructions, Crédit Agricole CIB meets its obligation of obtaining the best execution result as long as the order or a specific aspect of the order is executed by following the specific instructions given by the client.

1.2. Situations in which Crédit Agricole CIB executes client orders

Crédit Agricole CIB is likely to execute client orders in the following situations:

1. Execution of a client order by dealing as Agent to place the order with the Execution Venue considered as the most relevant Execution Venue for the execution of the client order,
2. If the conditions defined below are met, execution of a client orders dealing on Crédit Agricole CIB's own account.

2. BEST EXECUTION RULES WHERE CREDIT AGRICOLE CIB ACTS AS AGENT TO PLACE CLIENT ORDERS

2.1. Execution Venue

When Crédit Agricole CIB undertakes order execution activity on behalf of a client, Crédit Agricole CIB executes the client's order on the most relevant Execution Venue.

2.2. Execution criteria

When Crédit Agricole CIB undertakes order execution activity on behalf of a client, Crédit Agricole CIB applies all the execution criteria as described in paragraph 1.1.2.

Insofar as Crédit Agricole CIB executes an order on behalf of a Retail Client, the best possible result is defined on a global cost basis.

The global cost is the quote of the financial instrument added to the costs regarding the execution, which include all the expenses incurred by the client directly linked to the order execution, including fees especially linked to the Execution Venue, clearing and settlement fees and all the other possible fees paid by Credit Agricole CIB to any third party who took part in the order execution.

3. BEST EXECUTION RULES WHERE CREDIT AGRICOLE CIB EXECUTES ORDERS DEALING ON OWN ACCOUNT

3.1. Identification of situations where best execution applies

For the execution of Retail clients' orders where Crédit Agricole CIB is dealing on its own account, Crédit Agricole CIB applies the Policy in compliance with paragraph 2.2.

For the execution of Professional client orders where Crédit Agricole CIB is dealing on its own account,, the application of the Policy depends on several factors:

- The party initiating the transaction;
- Market practices, such as the existence 'shop around' convention;
- The relative levels of price transparency in the market; and
- The terms of the contracts and agreements signed by Crédit Agricole CIB with the Client.

These criteria have been set out in regulators' positions¹ and Crédit Agricole CIB takes them into account to determine whether the Policy applies.

3.2. Request for quote (RFQ) from Clients

When dealing with Professional Clients, Credit Agricole CIB takes into account the factors identified in paragraph 3.1.

In particular, when a Professional Client, in compliance with market practice, can compare market prices and contacts several dealers for a quote, the Client does not, legitimately, rely on Credit Agricole CIB to obtain best execution. As a result, the Policy will not apply.

Where the Policy applies because the above mentioned criteria are not met, the quote proposed by Crédit Agricole CIB for a particular trade takes into account the costs linked to its business model, including the costs for the implementation of selling and follow-up processes or the costs of Crédit Agricole CIB hedging its own position in relation to the transaction and any cost linked to the use of Crédit Agricole CIB's capital for the transaction including credit risk. In addition, Crédit Agricole CIB takes into account any specific instructions from the Client.

3.3. Publication of Prices by Crédit Agricole CIB

In the case of a quote published by Crédit Agricole CIB for a transaction related to a financial instrument and if the client agrees on this published quote, Crédit Agricole CIB will not apply this Policy to the client.

3.4. Matched Principal transactions

In this case, Crédit Agricole CIB intervenes on certain parameters of the execution, and the Policy applies. Execution criteria take into account the factors mentioned in paragraph 1.1.2.

3.5. Structured and "bespoke" products

Where Crédit Agricole CIB designs a customized product structure, on behalf of a specific client, the product is the result of a single contract structure, between the bank and the Client. In addition, when the product is structured at the request of a client, Crédit Agricole CIB executes a specific instruction from its client.

The product is designed for a single Client, and is also often structured in the context of investment advice services. In such situations, Crédit Agricole

¹ European Commission letter to ESMA, endorsed by several regulators (including FCA and AMF).

CIB can, upon request, explain to the Client how the product is priced, thereby fulfilling its best execution obligation.

4. CLIENT CONSENT

When Crédit Agricole CIB undertakes order execution activity on behalf of a client, that client must give his consent to this Policy, prior to the execution of any order. The consent of a client is a general agreement to the provisions of this Policy and applies to all transactions undertaken with Crédit Agricole CIB.

5. SUPERVISION REVIEW AND UPDATING OF THIS POLICY

Crédit Agricole CIB reviews this Policy at least annually. The client will be notified of any material changes to this Policy, via Crédit Agricole CIB's website.

6. ADDITIONAL INFORMATION

Clients can request from Crédit Agricole CIB, details to confirm that their orders have been executed by Crédit Agricole CIB in compliance with this Policy, by contacting their usual Crédit Agricole CIB contact.

As a multi-capacity investment service firm Crédit Agricole CIB may encounter situations where certain client interests could be in conflict with those of other clients, or those of Crédit Agricole CIB and its employees.

Crédit Agricole CIB must try to avoid conflicts of interests and, where they cannot be avoided, ensure that clients are treated fairly. In order to deal with these types of situations, Crédit Agricole CIB has rules and procedures to identify, prevent and manage conflicts of interest.

Definition

EXECUTION VENUE means a Regulated Market, a Multilateral Trading Facility, a systematic internaliser, a market maker, another liquidity provider, or an entity which performs a similar function to any of the above in a country outside the European Economic Area.

INVESTMENT SERVICES mean the following services that Crédit Agricole CIB may be providing to its Clients:

- Execution of orders on behalf of clients, which means acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients;
- Reception and transmission of orders, which means receiving orders from clients and transmitting orders on financial instruments on behalf of a Client to an EU investment firms or a Third-Country entity with an equivalent status;
- Dealing on own account, which means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments;

MULTILATERAL TRADING FACILITY means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the applicable rules. For example: the organized market of Alternext.

POLICY means Crédit Agricole CIB's order execution policy as set out in this document and as modified from time to time.

PROFESSIONAL CLIENT means any person, entity, authority or other organisation categorised as such by Crédit Agricole CIB in accordance with the applicable law or any other person who requested from the Bank to be categorised as such.

REGULATED MARKET means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments -in the system and in accordance with non-discretionary rules -,in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly in accordance with the applicable rules. For example: the regulated market of Euronext.

RETAIL CLIENT means a client who is not a Professional Client.

STRUCTURED PRODUCT means a financial instrument that takes the form of a securities or a contract and which is adapted to the specific needs of a client. These products are usually identifiable by one or more of the following characteristics:

- Their performance is linked to an underlying instrument, a combination of underlying instruments (interest rate, equities, index) or by a formula,
- A leveraged effect,
- Some terms related to the product, agreed between the parties and in particular the redemption clauses and the existence of a guarantee,
- A product that corresponds to the specific needs of the client and which does not allow a preliminary request for quote by the client with other financial institutions,
- And a secondary market for the product that either does not exist or is illiquid.