

## **ORDER EXECUTION POLICY**

The policy applies to clients of CACIB Singapore notwithstanding anything to the contrary in the document

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## 1) Introduction

Credit Agricole Corporate and Investment Bank (CACIB) has established this Order Execution Policy ("Policy") in accordance with the Markets in Financial Instruments Directive 2014/65/EU (commonly referred to as "MiFID II"). MiFID II requires firms to ensure, when executing orders on behalf of clients [i.e. Where we have an agency obligation], that it takes all sufficient steps to achieve the best possible result for its clients (the "Best Execution" obligation).

This Policy applies for each relevant CACIB group entity (Head office, branches and subsidiaries referred to as "Credit Agricole Corporate and Investment Bank" which are operating from a place of business within the European Economic Area (EEA).

Regardless of whether the specific provisions of MiFID II best execution obligations apply, CACIB is committed to paying due regard to its clients interest and to act fairly, honestly and professionally when conducting business with or for clients.

## 2) Engagement with clients

CACIB acts as a dealer and market maker in relation to financial instruments offered to, entered into with, clients and counterparties. Unless expressly agreed otherwise, and/or contractually provided for, CACIB acts for its own account in a principal capacity. Regardless of the contractual relationship with our clients, when CACIB has accepted an order from a client (i.e. to work an order on its behalf) or where the client is legitimately relying on CACIB, CACIB will be acting on behalf of the client and best execution will apply.

CACIB is under no obligation to provide quotes to our clients, unless required to do so pursuant to regulations, nor is it under any obligation to accept any client instruction to execute orders on behalf of them. Where the nature of the client order permits, CACIB may exercise discretion as to how a client order may be executed. When exercising discretion CACIB will always pay due regard to the client's best interest.

In addition to any existing contractual arrangements, the fact that CACIB accepts an order from a client does not give rise to any obligation or guarantee of execution by CACIB. The execution of all orders is on a best efforts basis in accordance with this Policy and applicable regulations. Consequently, an execution cannot be enforced solely based on the fact that the market has breached, touched or reached the level of an order.

### 3) Scope of Best Execution

#### *a. Client scope*

This Policy applies to Retail clients and/or Professional clients (as defined in MiFID) of CACIB where the relevant regulations apply to these clients and/or their transactions.

##### Retail clients

CACIB will always apply Best Execution to all trades on behalf of Retail clients.

##### Professional Clients

When dealing with Professional clients, CACIB will owe Best Execution when circumstances demonstrate that a client legitimately relies on us to protect its interests in relation to the execution of a transaction. To determine whether there is legitimate reliance on us to protect a client's interests in relation to pricing and other elements of the transaction, we will apply the 'four-fold test'<sup>1</sup>. This test requires us to take into account the following four considerations to help determine whether a Professional client is legitimately relying on us to protect its interests in relation to the transaction:

1. whether we or the client initiate(s) the transaction;
2. market practice e.g. the existence of a convention to 'shop around';
3. the relative levels of transparency within a market;
4. Information provided by us about our services and any agreement reached.

Section 4 provides further explanation on how we apply these considerations in practice.

#### *b. Product scope*

The products that are within scope of Best Execution rules are 'Financial Instruments', as defined by MiFID II (i.e. all "Financial Instruments" as defined by MiFID II in Annex I Section C 'Financial Instrument').

Spot transactions, including those in FX and commodities, are not regarded as 'Financial Instruments'. However, in line with our commitment to our clients to maintain high conduct standards, we will seek to apply equivalent conduct standards to spot transactions in FX and commodities as part of our best practice.

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<sup>1</sup>Described in the European Commission opinion on the scope of Best Execution (Working Document ESC-07-2007)

### c. Geographical scope

This Policy is applicable to all CACIB offices, including its head office, branches and subsidiaries<sup>2</sup> in relation to business carried from within the European Economic Area (EEA), when executing or transmitting orders in financial instruments on behalf of clients.

	EEA Clients	Non EEA clients
EEA Sales	✓	✓
Non EEA sales	✓	✗

## 4) Determination whether Best Execution is owed for Professional clients

When dealing with Professional Clients, we will apply Best Execution when dealing on own account when circumstances demonstrate that the client is legitimately relying on us in relation to the execution of the transaction, in order to protect their interests in relation to pricing and other elements of the transaction. To determine whether a professional client is legitimately relying on CACIB for Best Execution, we will take the following considerations into account:

- **Whether we or the client initiate(s) transactions**  
Where the client initiates the transaction, we consider that it is less likely that the client will be placing reliance on us. Transactions which follow the communication of trade ideas, trading axes, relevant market opportunities, commentaries or indicative prices to the client as part of our general relationship and where these constitute minor non-material benefits will not be regarded as the initiation of a transaction CACIB.
- **Market practice and the existence of a convention to ‘shop around’**  
Where market practice suggests that the client takes responsibility for the pricing and other elements of the transaction and the market practice is to obtain quotes from various sources, it is less likely that the client will be placing reliance on CACIB.
- **The relative levels of transparency within a market**  
Where there are information asymmetries that favor CACIB e.g. if CACIB has better access to prices than our client in the market in which we operate it is more likely that the client will be placing reliance on CACIB. Reciprocally, if a client’s access to pricing transparency is broadly equivalent to that of CACIB, it is less likely that the client will be placing reliance on us.
- **The information provided by CACIB and any agreement reached**

<sup>2</sup> Exclusions: Indosuez Wealth Management and Union des Banques Arabes et Françaises, even though CACIB subsidiaries, are considered as outside of the scope of this Policy.

Any arrangements and agreements with a client (such as CACIB Terms of Business or this Policy) may be relevant to the question whether or not clients would be legitimately relying on CACIB to provide Best Execution.

Where the consideration of the above factors concludes that there is no legitimate reliance on CACIB, then Best Execution will not apply.

## 5) Application of Best Execution

### *a. Dealing on own account or acting as principal when responding to a Request For Quote (“RFQ”)*

The scope of the Best Execution obligation is limited to circumstances where CACIB is acting on behalf of clients; and is thereby in a position to make decisions that may affect the interests of the client.

When CACIB provides a quote on request (e.g. dealing on a RFQ basis) to professional clients, CACIB will not be acting on behalf of the client in relation to a transaction that may follow, except where agreed by CACIB in writing or where the four-fold test applies (see above). The obligation to provide Best Execution will not apply to such transactions.

### *b. Execution of client orders when not dealing on an RFQ basis*

Where CACIB accepts an order from a client outside an RFQ, Best Execution will always apply.

### *c. Quotes published by CACIB*

Where quotes are published by or on behalf of CACIB on any execution venue or otherwise published at our discretion, and a client chooses to trade at the price published by CACIB on any trading venue, or otherwise by placing the order directly on the execution venue or through another firm or broker, then CACIB will not owe Best Execution with regard to such client order.

### *d. Structured and/or “bespoke” products*

CACIB may design a customized product structure, on behalf of a specific client. In that case, the product is the result of a joint effort between the bank and the client. In addition, such structures may have been at the specific request of the client in accordance with the client’s requirements.

Accordingly, the obligation to provide Best Execution will not apply to such transactions. Notwithstanding, CACIB will always arrange and execute such transactions paying due regard to the client’s interests.

### *e. Securities Financing Transactions*

When clients approach CACIB for the purposes of entering into Securities Financing Transactions (e.g. repo or reverse repo transactions), each request is bespoke and tailored to the specific requirements of the client. CACIB will consider the prevailing market conditions, the credit quality of the client or other relevant factors as deemed necessary prior to providing the client with a quote. CACIB Best Execution will not apply.

The client is free to accept this quote or not. In relation to the circumstances described above, in each case CACIB acts only as principal and not as agent. On the basis of the four-

fold test set out in this Policy, CACIB will not owe Professional Clients a duty of Best Execution.

#### *f. Receipt and transmission of orders*

In circumstances where CACIB transmits a client's order for execution to third parties, CACIB itself will not be considered to be executing the order on behalf of the client. However, CACIB has an obligation to ensure that it is satisfied that any firm it selects to execute the order has in place similar arrangements relating to Best Execution as if the order had been executed by CACIB.

#### *g. Acting following a specific instruction*

Where a client provides CACIB with a specific instruction in relation to the execution of an order, CACIB will make all reasonable steps to comply with that instruction.

In circumstances where clients give a specific instruction which applies only to one or more parts or aspects of an order, CACIB will make all reasonable steps to comply with that instruction. Examples of such instructions may include where clients instruct CACIB to execute a transaction at a certain time of day or at a certain price. By following the specific instruction of the client, CACIB will have satisfied the obligation to provide clients with best execution in relation to the relevant part or aspects of the order to which a client's specific instruction applied. The remaining portion of that order not covered by such instructions may still be applicable for Best Execution in accordance with the criteria laid out in this Policy.

In doing so, however, CACIB may be prevented from taking the steps that we have designed and implemented to obtain the best possible result for execution of those orders in respect of the elements covered by the client's specific instructions.

## **6) Execution factors (general principles and exceptions)**

As described above Best Execution is the process by which CACIB will take all sufficient steps to obtain the best possible result when executing client orders.

This section explains the determination of the relevant importance of the execution factors and how we will determine best execution. The Best Execution factors below that we will take into consideration include:

- **Price**  
The price at which the order is executed. As this is usually one of the most important Execution Factors, CACIB does often assign a higher relative importance. This relates to the bid / offer price that is quoted for the value of the transaction the client wishes to execute.
- **Costs**  
This represents the cost covering the risks incurred by CACIB by entering into a transaction, such as: i) Capital requirements, ii) Liquidity costs, iii) Cost of hedging our risks resulting from those transactions.

Margins and charges will be commensurate with the nature of the market, the characteristics of the transaction and the client.

Costs shall also include any additional charges that may be incurred in executing the order in a particular way.

- **Speed of execution**

In volatile or fast moving markets the timeliness of execution is often a priority, whereas, in other markets that have low liquidity and high latency it may be necessary to execute your order over a longer period of time.

- **Likelihood of execution and settlement**

The likelihood that CACIB can source adequate liquidity with sufficient depth of market, having necessary credit facilities in place to guarantee settlement, especially for some OTC products where there is no formalized market or settlement infrastructure.

- **Size and Nature of the transaction**

Ensuring that orders are executed in a proportionate manner which is suitable to its size and nature and does not result in an adverse effect on the market.

The way CACIB executes an unusual order (for example, one that is larger than the normal market size or has unusual features such as an extended or shortened settlement period) may differ from the way we execute a standard order.

On any given order, circumstances may indicate that any particular Execution Factor may have greater or lesser influence on achieving Best Execution. Set out below are the different Execution Factors priorities CACIB applies in normal market conditions with normal liquidity. These factors may vary in the case of a stressed market, depending on our available liquidity. In extreme volume and volatility situations, exchange system constraints may require automated trading systems to be switched off and/or electronic order routing to be suspended in favour of manual execution. Such events may lead to further execution delays and increased market volatility.

In some markets, price volatility may mean that the timeliness of execution is a priority, whereas in other markets that have low liquidity, the act of execution may itself constitute Best Execution.

**i. Professional clients**

For professional clients, CACIB will normally consider price as the most relevant factor, unless the client expressly provides specific instructions. However, CACIB may prioritize other Execution Factors if by doing so, CACIB believes it will result in a better overall result for the client.

**ii. Retail clients**

When determining whether Best Execution has been achieved, on an overall basis, CACIB will normally give precedence to price and cost ("Total Consideration"). Total Consideration is the price of the financial instrument plus the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the client's order.

CACIB may consider speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs and give them precedence over the immediate price and cost factors if they are instrumental in delivering the best possible result in terms of the total consideration to the client.

## **7) Client's consent on the Policy**

CACIB is required to obtain its Client prior consent to the Policy. The client will be deemed to provide such consent when client places an order with us following receipt of this document.

In addition, CACIB is required to obtain our client prior express consent before we may execute an order in such instruments outside of a trading venue. If CACIB does not obtain such a prior express consent, CACIB will not be able to execute client orders. Clients will be provided with a request to provide their prior express consent in this respect, or clients can contact their usual CACIB contact to provide such consent.

## **8) Monitoring and review**

CACIB will assess on at least an annual basis, the effectiveness of its order execution arrangements including this Policy in order to identify and implement any appropriate improvements.

CACIB has implemented an internal governance and control framework in order to review and monitor our Best Execution arrangements on a regular basis and upon material change. CACIB will deploy all appropriate means that are available to fully justify Best Execution of client's order when requested.

Any material changes to this Policy will be notified by posting an update on CACIB's website <https://www.ca-cib.com/>

## **9) Additional information**

### *a. Request to demonstrate Best Execution*

Upon request from a client, and provided that the order was subject to the requirements of the Policy, CACIB will make all reasonable steps to demonstrate to the client that it has executed its order in accordance with this Policy.

In the absence of evidence to the contrary, the records of CACIB will constitute conclusive evidence of the actions taken by CACIB to obtain Best Execution on behalf of its clients. CACIB keeps records relating to best execution obligations, including records of its trading activities and versions of this Policy, for a minimum period of 5 years in accordance with MiFID II and/or other local regulatory requirements.

CACIB is not acting as a fiduciary or adviser to the client as a result of the matters set out in this Policy, except to the extent required by applicable law or regulation, or otherwise as expressly agreed between CACIB and the client in writing.

### *b. Publication of quality of execution (RTS 27)*

CACIB is required to publish on a quarterly basis certain data relating to the client orders that CACIB has executed in its capacity as an execution venue. The publication aims to provide clients information on the quality of execution where CACIB itself acts as the execution venue of client orders. These quarterly publications are provided for on CACIB's website: <https://www.ca-cib.com/about-us/compliance/compliance-customer-protection/MIFID-II/rts27-28>

CACIB will not generally provide further information in relation to these publications, unless required by law.

*c. Publication of the top five execution venues (RTS 28)*

CACIB is required to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where CACIB has executed client orders in the preceding year and information on the quality of execution obtained on this venues. Such details are provided for on CACIB's website: <https://www.ca-cib.com/about-us/compliance/compliance-customer-protection/MIFID-II/rts27-28>