

Best execution and best selection policy

1 INTRODUCTION

The best selection or best execution obligation applies when Banque Transatlantique Luxembourg (the “Bank”) is tasked with processing a Client order in a financial instrument, as specified in Section C of the Annex entitled “Financial Instruments” of Directive 2014/65/EU on markets in financial instruments (so-called “MiFID 2” Directive).

This document sets out the Bank’s best selection policy, which applies when the Bank doesn't directly process Client orders but rather selects an entity (“selected dealer”) to execute those orders in a way that ensures best execution for Clients.

Moreover, this document indicates the best execution policy applied when the Bank directly executes a transaction with a chosen counterparty (“execution platform”) to ensure the best result for clients.

These policies include, for each major category of financial instruments traded by the Bank, information on how the Bank transmits Client orders for execution or executes them itself, along with the factors that influence the choice of execution platform or dealer.

This document also details the monitoring processes put in place to ensure the effectiveness of these two policies.

This best execution and best selection policy is available on the Bank’s website.

2 MANAGEMENT OF CLIENT INSTRUCTIONS

The Bank has procedures in place to ensure the fair and expeditious transmission of a Client’s orders vis-à-vis other Client orders. These procedures in particular provide that orders be promptly and accurately recorded in the order in which they are received having regard to market conditions and Client instructions.

In the case of discretionary management, the Bank can consolidate orders where doing so achieves a better result.

3 BEST EXECUTION POLICY

The Bank applies the best execution policy when it processes an order involving structured products or similar financial instruments.

To this end, the Bank has pre-selected and entered into agreements with execution platforms. When processing an order, the Bank ensures that the execution platform offers the best result for the Client.

Selection of execution platforms

The Bank has put in place a mechanism for selecting execution platforms that must offer reduced processing costs, secure processing and transfer of title to the financial instruments acquired and ensure maximal liquidity of the financial products traded.

Processing an order for best execution

For each order, the Bank employs a process to determine the execution platform that offers the greatest assurance of the best result from the ones that have been pre-selected. To do so, the Bank uses criteria such as purchase price of the financial instrument (or execution price), likelihood of execution of orders and settlement by the counterparty, size (bid and offer amounts) or indeed any other factor to be taken into account for its execution. More specifically, when the Bank executes an order on behalf of a non-Professional Client, the best possible result is determined on the basis of the total cost¹.

The transparency of the price formation process (pre-trade) is of critical importance on OTC markets to ensure best execution. That is why the bank systematically asks for prices from multiple selected execution platforms, which are to be the counterparties in the planned transaction and thereby obtain competitive prices.

When an order involves the secondary market (resale of a structured product for example), the Bank also works to obtain the best result. It should be noted that in general the bank requires that all issuers involved in product issuance and structuring commit to making a secondary market.

The Bank nevertheless reserves the right to only consider a single execution platform where particular circumstances so require in order to demonstrate that it obtains the best possible result. Thus, if a structured product is only traded on a single execution platform, the bank will firstly consider the likelihood of execution criterion and then select this execution platform. Nevertheless, the Bank will obtain reasonable assurance that the proposed price is fair.

When the Bank executes an order outside a regulated market or a multilateral trading facility, Clients are exposed to the counterparty risk of the selected execution platform. Clients can obtain further

¹ The total cost is the price of the financial instrument and costs relating to the execution, which include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

information on the consequences of this execution mode upon request.

4 BEST SELECTION POLICY

As indicated above, the best selection process applies for orders involving financial instruments excluding structured and similar products and investment funds not traded on a market.

Dealer selection

The Bank has put in place a process for selecting dealers tasked with executing orders. The selected dealers must offer high quality standards and be highly sound, along with having order execution procedures and mechanisms that are in line with the goals set in the execution policy, in particular regarding the following factors and criteria: Price, Cost, Quality of Execution, Quality of Finalisation.

Transmission for execution by the selected dealer

To transmit the order to a dealer, the bank must analyse each of the aforementioned criteria and have regard to the financial instrument in question as well as the size and nature of the order to determine the dealer that will give the best result.

To this end, the bank uses the services of an external listing service CIC Market Solutions by CIC, which optimises the quality of the selection process for a given order.

The CIC Market Solutions service provider has the tools to do an ex-ante global, objective and weighted assessment of the ultimate execution quality expected of the Bank's chosen dealers. Once the best dealer has been determined, the Bank's instruction will be sent to it for execution.

When the Bank selects a dealer for an order on behalf of a non-Professional Client, the best possible result is determined on the basis of the total cost².

The dealer is free to use the execution platforms of its choice to obtain the best result. It is thus possible that Client orders sent by the Bank to the selected dealers may ultimately be executed outside of a regulated market or a multilateral trading facility.

For orders up to €100,000 (or the equivalent in any other currency) involving a very liquid market-traded financial instrument, the selection prioritises speed of execution and thereby favours dealers that are technically integrated with the CIC-Market Solutions systems.

Above €100,000 (or the equivalent in any other currency) or if the security is deemed not to be sufficiently liquid, the order is dealt with manually by a CIC Market Solutions trader to optimise the best possible result. Speed of execution is not necessarily the top criterion.

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5 MANAGEMENT OF SPECIFIC CLIENT INSTRUCTIONS

The Bank makes every effort to satisfy Client requirements in terms of quality, speed, security and cost. However, with respect to the rules of the specific markets and certain market configurations, the order execution may be delayed, only part-filled or not possible, through no fault of the Bank. That is in particular the case when liquidity isn't deep enough given the size of the order or when trading is suspended.

Similarly, when a Client or his/her/its agent gives a specific instruction regarding an order or a specific aspect of the order (for example the price, execution venue or order type) and provided the Bank agrees to process such an order, it will execute it in line with the Client's specific instructions. As a result, the Bank can be put in a position that it cannot obtain the best possible result, and in this instance is not able to apply the stated execution policy for some or all of the order. However, "best execution" will apply to the aspects of the order that are not covered by the client's specific instructions. Thus, the best selection policy does not apply to orders placed by the client but the Bank will, however, be able to provide information demonstrating the quality of execution of the order.

6 MANAGEMENT OF CONFLICTS OF INTEREST

The Bank does not receive payment or non-monetary benefits from third parties in connection with the execution of its orders that would infringe Article 24(9) of Directive 2014/65/EU.

Moreover, the Bank uses one or more members of the Crédit Mutuel Alliance Fédérale group such as CIC Market Solutions or indeed selected as execution platforms and/or dealers. To prevent conflicts of interest involving the use of these counterparties to the detriment of the best result, the Bank's internal control unit undertakes an independent control of the investment and client management functions to ensure the fair treatment of counterparties having regard to the characteristics of the orders and the specificities of the counterparties (for example, verifying that the Bank can duly justify transmitting a substantial proportion of orders to a Crédit Mutuel Alliance Fédérale entity).

7 INFORMATION ON EXECUTION

Once the order has been executed, the Bank undertakes to send the Client, or his/her/its agent, a timely trade confirmation detailing the terms of the order executed as per regulations, and in particular and time and venue of execution of the Client's order.

8 PROCESS FOR MONITORING THE QUALITY OF THE EXECUTION AND SELECTION POLICIES

The investment department does a monthly monitoring of statistical reports and performance indicators of the best selection processes and tracks the quality of the process.

At least once a year, the execution and selection policies are reviewed by the investment department. If there is a significant change that impacts the Bank's ability to continue to regularly obtain the best possible result when executing Client orders using the selected dealers or execution platforms, the Bank reserves the right to review its selected dealers and execution platforms, to stop working with any that no longer meet its selection criteria and to open the way for new execution platforms and

dealers to be included.

The list of selected dealers and execution platforms can be found in the *List of financial intermediaries* document published on the Bank's website.

The Bank's internal control teams have ongoing monitoring systems in place to ensure these policies are respected. The controls in place are intended to ensure the proper management of client instructions, to verify the performance of the best selection and best execution processes (on the basis of regular quantitative reports), to evidence that fair prices have been obtained in OTC transactions (such as structured products in particular) and confirm the quality of the information sent to clients.

Lastly, the Bank publishes two reports on its website each year: a report detailing the top five execution platforms and a second report indicating the top five selected dealers, in terms of trading volume, by category of financial instrument and client profile. It also includes an annual summary of the analysis and findings of the ongoing monitoring of the quality of execution obtained from the execution platforms and the selected dealers.

9 CLIENT CONSENT TO THE POLICY

The Client represents that he/she/it is aware of the Bank's execution and selection policy and consents to it.