

Information on the order execution policy of KBC Securities NV Polish Branch for retail clients

1. Scope of best execution

In accordance with the Markets in Financial Instruments Directive (MiFID) KBC Securities NV Polish Branch (“**KBC Securities**”) has established and implemented arrangements, including an order execution policy, designed to deliver best execution.

The present document provides the clients with information on the order execution policy of KBC Securities.

The order execution policy will apply to clients that have been classified as retail clients of KBC Securities and to financial instruments in scope of MiFID.

When executing an order on behalf of its retail clients in respect of financial instruments covered by MiFID, KBC Securities will, subject to any specific instruction, take all reasonable steps to obtain the best possible execution result in accordance with its order execution policy, taking into account the factors identifies below.

2. Approach to best execution

2.1. Execution factors

Various factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, may affect the order execution.

In order to determine the relative importance of the different factors, KBC Securities takes into account the following criteria:

- the characteristics of the client, i.e. the categorization of the client as a retail client;
- the characteristics and nature of the order, including whether any specific instructions are given;
- the characteristics of the financial instruments that are subject of that order;
- the characteristics of the execution venues to which that order can be directed.

For the purposes of ensuring that KBC Securities obtains the best possible result for the client when executing a retail client order and in the absence of specific client instructions, KBC Securities shall take into consideration all factors that will allow it to deliver the best possible result in terms of total consideration, representing the price of the financial instrument and the costs related to execution, which shall 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, applicable indicative exchange rate and any other fees paid to third parties involved in the execution of the order.

Although in most instances price and costs will merit a high relative importance in obtaining the best possible result, there can be circumstances where other factors such as speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

KBC Securities may prioritise such other factors in certain circumstances, for certain circumstances, for certain client orders, financial instruments or markets for example where there is insufficient immediately available liquidity on the relevant execution venue to execute the order in full, where the client gives an order above retail size or in illiquid instruments. In such case KBC Securities may appropriately determine that obtaining the best immediately available price may not be the best possible result for its client.

2.2. Execution venues and methods

The order execution policy includes, in respect of each class of instruments, information on the different venues where KBC Securities executes its client orders and the factors affecting the choice of execution venue. The policy includes at least those venues that KBC Securities enable to obtain on a consistent basis the best possible result for the execution of the client orders.

In meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of client orders, KBC Securities may use one or more of the following venue types when executing an order on behalf of its client:

- regulated markets;
- multilateral trading facilities (MTF);
- systematic internalisers;
- KBC Securities' own account (including KBC Group, KBC Securities, their branches and affiliates dealing as principal);
- third party investment firms, brokers and/or affiliates acting as market maker or other liquidity providers;
- transfer agents;
- non EU entities performing similar functions.

Although it is its policy to apply the same standards with respect to best execution across the different markets and financial instruments, the diversity of those markets and instruments will however KBC Securities oblige to take into account different factors when assessing its execution policy in the context of those different markets and financial instruments. For example the fact of execution may itself constitute best execution in markets with low liquidity. In order for KBC Securities to provide for prompt execution of its client order, and in the absence of any specific client instruction, the choice of venues shall be limited to those platforms/markets that are open at the moment of receiving such client order. Moreover for certain financial instruments the choice of venue may be limited to only one platform/market and/or to those instruments that have been defined in the internal security database of KBC Securities.

Once the selection of the venue has been made the entire order will be sent to that venue and will remain there until it has been executed in full or until expiry or cancellation.

Please be aware that the price – and market information the client can consult on www.kbcmakler.pl can differ from the information used by KBC Securities in order to select best execution venue.

Subject to any specific instruction that KBC Securities may receive from a client, KBC Securities will execute the order in accordance with its execution policy by using one (or a combination) of the following methods:

- (1) The order can be executed directly on the regulated market or MTF or, where KBC Securities is not a direct member of the relevant market or MTF, KBC Securities can transmit the order to a third party market participant, with whom KBC Securities will have arrangements in place for handling orders for that regulated market or MTF.
- (2) The order can be transmitted to another broker or dealer or another KBC Group', KBC Securities NV's branch or affiliate for execution, in which case KBC Securities will either determine the ultimate execution venue and instruct the order broker or dealer accordingly or satisfy itself that the broker or dealer has arrangements in place that enables KBC Securities to comply with its own execution policy.
- (3) The order execution policy provides for the possibility that a client order may be executed outside a regulated market or an MTF, for example by KBC Securities acting as execution venue itself, where KBC Securities believes to obtain the best possible result for execution of that order. The entity to which the order is transmitted by KBC Securities, may also execute it outside a regulated market or MTF or similar non EU market or venue.
- (4) The order can, in case of units in collective investment undertakings, be transmitted to a transfer agent.

The list of execution venues on which KBC Securities places significant reliance in meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for execution of client orders is available on the website www.kbcmakler.pl.

3. Specific instruction

KBC Securities satisfies its obligation to take all reasonable steps to obtain the best possible result for a client to the extent that it executes an order or a specific aspect of an order following specific instructions from the client relating to the order or the specific aspect of the order.

Where the client gives specific instructions for example via an electronic order routing system, KBC Securities will execute that order in accordance with those specific instructions.

Where the client places a limit order in a specific currency, the order will be considered as a specific order to the extent that the choice of venues will be limited to those platforms/markets where such order in that specific currency can be placed.

Warning:

Any specific instructions from a client may prevent KBC Securities from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

4. Monitoring and Review

KBC Securities will monitor the effectiveness of its order execution arrangements and its execution policy in order to identify and, where appropriate, correct any deficiencies.

In particular, KBC Securities will assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for the client, or whether changes to the execution arrangements need to be made.

KBC Securities will review its order execution arrangements and order execution policy at least annually. KBC Securities shall notify its clients of any material changes to its order execution arrangements or execution policy.