

This document sets out the Best Execution Policy and approach to providing best execution, as required by the Markets in Financial Instruments Directive (EU) 2014/65 (MiFID)) for Credit Europe Bank N.V. (CEB).

Best execution is a core component in the regulation of financial services. It aims are threefold: (i) to ensure protection for investors; (ii) to sustain the integrity of the price formation process, which itself underpins all trading activity; and (iii) to promote competition among trading venues in increasingly fragmented markets.

MiFID requires CEB to take all sufficient steps to obtain the best possible result for you taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any relevant order execution consideration, whether CEB is executing orders on your behalf or placing orders with, or passing orders to, others for execution. This overarching obligation to obtain the best possible result for you is referred to, in the Policy, as CEB's obligation of best execution.

### Scope of the Policy

The policy applies to clients classified by CEB as Non-Professional Investors and Professional Investors and only to dealings in financial instruments (each as defined in MiFID).

The key concept in quote-driven markets is whether CEB is acting 'on behalf of you' when executing its order. This focuses on the economic reality of the relationship between CEB and you and, specifically, whether you 'legitimately rely' on CEB to protect your interests in relation to pricing and other important elements of the transaction. 'Legitimate reliance' is driven by reference to your classification and to other characteristics of the transaction.

Eligible Counterparties do not rely on CEB to receive best execution.

### Four Fold Test

The European Commission Opinion has set out a list of four-fold cumulative test to help determine whether you are legitimately relying on CEB. These four considerations – which are taken together by CEB – are set out below.

#### *Which party initiates the transaction?*

Best execution does in principle not apply to Professional Investors who initiate the transaction while dealing on quotes with CEB. This will be assessed together with the other three considerations.

#### *Questions of market practice and the existence of a convention to 'shop around'*

Where the market practice suggests that you take 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 you will be placing reliance on CEB. The existence of a market practice or a convention to 'shop around' is weighted together with the circumstances that may prevent you from doing so.

#### *The relative levels of price transparency within the market*

The impact of the relative price transparency to your legitimate reliance is considered during CEB's selection process of execution venues.

#### *The information provided by CEB and any agreement reached*

CEB presumes that any Non-Professional Investor would be legitimately relying on CEB to deliver best execution for all transactions, regardless of how they arise.

In addition to this four-fold cumulative test CEB also periodically assesses other non-exhaustive considerations that help to determine whether or not you are legitimately relying on CEB to protect your interest in relation to the transaction and thus, whether or not it is acting on your behalf.

### Approach to Best Execution

The information below sets out general information with respect to CEB's approach to best execution. It is supplemented appendices with detailed information with respect to the following products:

- CEB Fixed Income Execution Arrangements – Appendix 2
- CEB OTC Derivatives Execution Arrangements – Appendix 3

Additional appendices may be added from time to time.

### Best Execution Obligation and Relevant Factors

As set out above when executing orders on your behalf in relation to financial instruments, CEB will take all sufficient steps to achieve best execution. CEB has in place a policy and processes which are designed to obtain the best possible execution result on a consistent basis, subject to

and taking into account the financial instrument subject to the nature of your orders, the execution venues available (on reasonable commercial terms) for such financial instruments and the priorities clients place upon CEB executing those orders. The policy and processes provide, in CEB's view, the best balance across a range of different factors.

CEB will take into consideration a range of different factors when determining how to obtain the best possible result for orders executed on your behalf, including price, the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order, the nature of the financial transaction (including whether or not such transactions are executable on a trading venue, over-the-counter, or via either route) and the quality and cost effectiveness of any related clearing and settlement facilities.

### Execution Venues

The Best Execution Policy includes, for each financial instrument in which CEB execute orders on your behalf, those venues that CEB considers enabling to obtain on a consistent basis best execution. These venues are listed in the following document: List of Execution Venues – Appendix 1.

Those possible execution venues include, as appropriate for each product: regulated markets, multilateral trading facilities, organized trading facilities, systematic internalisers, market makers and other liquidity providers (including CEB acting as principal).

Selection of additional venues includes consideration of factors such as liquidity and price offered, credit and settlement risk, realized performance (latency, liquidity, price improvement, fill rates, pricing analysis), commercial positioning, market mechanism, resilience and reliability. CEB will, on request, provide further details to you of the execution venues included in its Best Execution Policy.

CEB will also take steps to not structure or charge CEB's commissions in such a way as to discriminate unfairly between execution venues.

### Specific Instructions

Where you give CEB specific instructions, including specifying the characteristics of a bespoke financial instrument, either relating to an order or a particular aspect of an order, CEB will execute so far as is reasonably possible in accordance with those instructions. However specifics of the instruction may prevent CEB from taking the steps that it has put in place to obtain the best possible result for the execution of your orders with respect to the elements impacted by such specific instructions. Notwithstanding this, where you give CEB a specific instruction which covers one part or aspect of the order, this will not release CEB from its best execution obligations in respect of any other part or aspect of an order that is not covered by such instructions.

In the absence of your express instructions CEB will exercise its own discretion, having regard for the terms of your order in determining the factors that it needs to take into account for the purpose of providing you with best execution.

### Monitoring and Review

CEB will monitor the effectiveness of its execution arrangements and the Best Execution Policy and assess on a regular basis whether the execution venues it has selected provide for the best possible result for orders it executes on your behalf.

CEB will review the Best Execution Policy, including its appendices, and its order execution arrangements at least annually. CEB will also notify you of any material changes to its order execution arrangements or the Best Execution Policy; such notification may be made via CEB's corporate website ([www.crediteuropebank.com](http://www.crediteuropebank.com)).

If you wish to discuss the application of best execution to your trades with CEB you can contact your usual Sales representative.

### Credit Europe Bank N.V.

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Credit Europe Bank N.V. has been entered in the Trade Register of the Amsterdam Chamber of Commerce under no 33256675. Credit Europe is subject to the supervision of and is registered with the Dutch Central Bank (De Nederlandsche Bank N.V.) and the Authority for the Financial Markets (Autoriteit Financiële Markten).

Amsterdam, 1 December 2017