ODDO BHF

Order execution policy

Professional Clients

June 2019

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In accordance with article L. 533-18 II of the French Monetary and Financial Code, ODDO BHF SCA (Corporates & Markets department) (**"ODDO BHF"**) is required to establish and implement an execution policy applicable to Orders for the purchase/sale of financial instruments (the **"Orders"**) on behalf of its professional clients (the **"Clients"**).

This document provides Clients with general information on ODDO BHF's execution policy for the various financial instruments traded (namely shares, debt securities and forward financial instruments (the **"Financial Instruments"**), depending on the applicable processing terms and conditions, and applies to Orders executed by ODDO BHF on behalf of its Clients. This execution policy complements and further defines ODDO BHF's general terms and conditions.

Note that, in accordance with article L. 533-20 of the French Monetary and Financial Code, the best execution obligation, as referred to in this execution policy, does not apply to Clients classified as eligible counterparties.

I -General terms and conditions for the execution of Orders

I.1 The principle of best execution

For the execution of Orders, ODDO BHF takes all the necessary steps to obtain the best possible outcome taking account of the following factors (the **"Factors"**):

- the price of the Financial Instrument at which the Order is executed;
- the Order's overall execution cost;
- the speed of execution;
- the likelihood of execution and settlement of the Order;
- the size of the Order;
- the nature of the Order; and
- any other considerations related to the execution of the Order.

When executing Orders on the various Financial Instruments on behalf of Clients, and when determining the relative importance of the abovementioned Factors, ODDO BHF takes account of the following criteria in particular (the **"Criteria"**):

- the Client's characteristics and particularly the Client's categorisation as a professional within the meaning of articles L. 533-16 and D. 533-11 of the French Monetary and Financial Code;
- the characteristics of the Order in question;
- the characteristics of the Financial Instruments that are the object of said Order; and
- the characteristics of the execution venues to which the Order in question is directed.

ODDO BHF favours the price, the access to liquidity and the likelihood of execution and settlement of the Order.

Lastly, Orders executed on behalf of Clients will be promptly and accurately recorded and allocated. They will be executed in the order in which they are received, unless the characteristics of the Order or prevailing market conditions make this impossible.

I.2 Situations affecting the best execution obligation

I.2.1 Specific instructions

In accordance with article L. 533-18 I of the French Monetary and Financial Code, when ODDO BHF accepts an Order that includes specific Client instructions for execution, it will execute the Order in accordance with said instructions.

If specific instructions are given by a Client, ODDO BHF may be prevented from taking the applicable steps provided for in its execution policy and will not be under any best execution obligations for the Factors directly or indirectly affected by such specific instructions.

I.2.2 Direct Market Access ("DMA"), Direct Strategy Access ("DSA") and algorithms

If a Client uses ODDO BHF's DMA and/or DSA and/or has chosen the algorithms proposed by ODDO BHF, the Orders will be deemed to be based on the Client's specific instructions since the latter has independently chosen their trading parameters/strategies. If the Client gives specific instructions, ODDO BHF will therefore not be under any best execution obligations for the Factors directly or indirectly affected by such specific instructions.

I.2.3 Force majeure

Similarly, it is hereby clearly established that cases of force majeure and/or any actual failure of any third parties whose participation falls within the scope of the services necessary for processing and executing Orders must be taken into account when assessing the regulatory provisions relating to best execution obligations.

II - Procedure for the execution of Orders on Financial Instruments admitted to trading

The execution procedure described in this paragraph only concerns Orders executed by ODDO BHF when acting on behalf of its Clients, and relating to Financial Instruments and financial contracts admitted to trading on a regulated market or a multilateral trading facility.

II.1 Execution venues and third-party brokers' selection

Execution venues

The list of execution venues for Financial Instruments admitted to trading includes:

- the main regulated markets;
- multilateral trading facilities (MTF)
- organised trading facilities (OTF);
- systematic internalisers; and
- a market maker or any other liquidity provider or an entity that performs similar functions to those referred to above in a third country.

For certain activities, ODDO BHF selects directly execution venues and favours those that give access to a large perimeter of instruments and that meet Clients' needs.

These execution venues are selected according to various factors

including qualitative factors such as:
- clearing schemes ;
- circuit breakers.

ODDO BHF reserves the right to use execution venues other than those provided for in this execution policy if it believes that, given the circumstances, this might result in a better outcome. ODDO BHF may also transmit Orders to a third-party broker, selected in accordance with this execution policy and with which ODDO BHF has concluded an agreement. In such a case, ODDO BHF will act in the best interests of its Clients.

When ODDO BHF executes through a third-party broker, the execution venues are selected by the third-party broker and ODDO BHF refers to the execution policy of this third-party broker.

Third-party brokers
Third-party brokers are selected based on criteria including the following:

- Access to liquidity;
- The counterparty's quality and reliability;
- The quality of the proposed trading algorithms;
- The quality of the clearing and settlement of the Financial Instruments and the management of securities transactions;
- Execution costs;
- Feedbacks from Clients, Front, Middle and Back offices of ODDO BHF;
- The quality of documents related to their execution policy and best selection obligations provided to ODDO BHF;
- The quality of the Client relationships and services.

The list of execution venues and third-party brokers and any changes to this list is available online at
http://www.oddo-bhf.com/#!DocumentationMIFID/fr

This list is not exhaustive but contains the list of the execution venues that enable ODDO BHF to obtain the best possible execution outcome for Client Orders in most cases.

II.2 Process for determining the relative importance of Factors

II.2.1 For Orders on shares admitted to trading
In most cases, and if there are no specific Client instructions, ODDO BHF will execute Orders on the basis of four decisive factors, namely: the price, the size, the likelihood of execution and the reliability of clearing and settlement

ODDO BHF will ensure that trades in shares will be executed on a regulated market, an MTF, a systematic internaliser or a third-country trading platform deemed to be equivalent. It may execute transactions on an OTC basis if such trades are non-systematic, ad hoc, occasional and infrequent, or if they are concluded between eligible counterparties and/or professional clients and do not contribute to the price setting process.

II.2.2 For Orders on financial contracts admitted to trading
In the absence of specific instructions, Orders will be executed on the most relevant market in terms of liquidity, while following any specific Client instructions.

In its capacity as broker, ODDO BHF may accept a Client's buy or sell order which it executes as agent, either directly or indirectly on the market in question, or indirectly via a third-party broker. Unless there are specific Client instructions, ODDO BHF's traders are free to determine when and how to place Orders on the market, with the aim of obtaining the best execution outcome.

When ODDO BHF executes Orders on behalf of a retail bank and that these Orders come from the final clients of the retail bank, these Orders are redirected towards regulated markets or MTFs operated by a regulated market operator, in accordance with the specific instruction of the retail bank.

II.2.3 For debt security Orders
If there are no specific Client instructions or requests for quotes, Orders will be executed using the most appropriate execution venue in terms of price and liquidity. The Order may be executed on an OTC basis, in accordance with the provisions of article III of this execution policy, if the most relevant execution venue does not offer sufficient liquidity, or if ODDO BHF deems this to be necessary, or at the Client's request.

Orders are executed either on regulated markets and/or execution platforms as an intermediary or as a counterparty (particularly via our Systematic Internaliser). Order execution venues are selected according to their liquidity. Orders are executed according to price and liquidity. ODDO BHF ensures that the execution price is consistent with the prices offered by the various platforms and by the various counterparties contacted.

II.2.4 For ETF and warrant Orders
In the case of ETFs, we are able to source market makers for the securities concerned for Clients that request a price quote. The Client will then choose the best price offered. Lastly, warrants are only traded on the market of the Financial Instrument's initial listing.

II.3 Grouped Orders

ODDO BHF does not execute Client orders or proprietary transactions by grouping them together, unless the conditions specified in articles 68 and 69 of the Delegate Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive have been met. In such a case, the Client is informed that the grouping of Orders may produce a less positive outcome for them than the execution of an individual Order (even if this is unlikely) and that ODDO BHF has established an order allocation policy.

III - Procedure for executing OTC transactions on financial instruments

III.1 Types of transactions

ODDO BHF may act as counterparty on a proprietary basis or find a third-party counterparty for transactions in Financial Instruments (**"OTC transactions"**).
ODDO BHF may act as counterparty in transactions in shares and debt securities, sometimes acting as a Systematic Internaliser.

III. 2 Execution procedure

For volume and liquidity reasons, ODDO BHF may contact several counterparties where appropriate, and trade with the counterparty or counterparties that offer the best execution outcome.

III. 3 The Client's prior consent

Client shall particularly note that when ODDO BHF executes Orders outside of a trading venue, there is a counterparty risk.

For this reason, if ODDO BHF executes an Order "on behalf of" a Client outside of a trading venue (regulated market, multilateral trading facility or organised trading facility), ODDO BHF must obtain the Client's express consent by any appropriate means. This consent can take the form of a general agreement given by the Client by any means.
Clients should be aware that, if such express consent is not given, ODDO BHF will not be able to guarantee the implementation of this Order execution policy's provisions that permit the execution, where appropriate, of such Orders outside of a trading venue. Upon Client request, ODDO BHF can provide additional information about the consequences of this means of execution.

III.4 Specific risks

Clients should note that the counterparty risk is greater in the case of OTC Transactions.

IV – Quality of execution

IV.1 Execution monitoring method

The Execution Committee monitors the quality of order execution. Checks are carried out to ensure that the execution processes followed comply with this policy.

Execution Reports may be produced at the Client's request.

IV.2 Annual information on the top five execution venues, the top five third-party brokers selected and the quality of execution (RTS 28)

Ranking of the top five execution venues

For each category of financial instruments, ODDO BHF establishes and publishes, once a year, on its website, a ranking of the top five execution venues on which it has executed Client Orders during the preceding year. This ranking is established on the basis of the volume and number of Orders executed on each trading venue, expressed as a percentage of the total volume and of the total number of Orders executed for each category of financial instruments. ODDO BHF also publishes, once a year, for each category of financial instrument, an overview of the quality of execution on the trading venues on which it executed all Client Orders in the previous year.

Ranking of the top five third-party brokers

When ODDO BHF provides an order reception and transmission service, it establishes and publishes once a year, for each category of financial instruments, a ranking of the top five third-party brokers in terms of trading volumes where it transmitted or placed client Orders for execution during the previous year and summary information on the quality of Order execution obtained. Upon Client's request, ODDO BHF provides information about entities where Orders are transmitted or placed for execution.

IV.3 Quality of execution of the systematic internaliser on bonds (RTS 27)

ODDO BHF publishes, on a quarterly basis, data on the quality of the execution of its systematic internaliser on bonds. The periodic reports are available on ODDO BHF's website.

V – Acceptance of the execution policy

Any Orders on Financial Instruments issued by a Client and sent to ODDO BHF will constitute acceptance by the Client of the terms and conditions of this execution policy.

VI – Reviewing of the execution policy

This execution policy can be consulted online at
http://www.oddo-bhf.com/#!DocumentationMIFID/en

ODDO BHF reviews its execution policy and Order execution procedures annually.

ODDO BHF also assesses any adjustments to be made to its execution policy and Order execution procedures.
ODDO BHF will do so whenever a change occurs in the structure of the execution venue offering conditions that it considers to be substantial and lasting and that is likely to have a lasting impact on ODDO BHF's ability to regularly obtain the best execution outcome for Clients using the execution venues included in its policy.
ODDO BHF also regularly reviews the effectiveness of its execution policy and its Order execution procedures in order to detect any shortcomings and remedy them.

Any significant changes to ODDO BHF's Order execution procedures or its execution policy, made solely on ODDO BHF's initiative, will be published on ODDO BHF's website.



ODDO BHF

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