



# ORDER EXECUTION POLICY

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## ARTICLE 1. OBJECT

- 1.1 Keytrade Bank Luxembourg SA (hereinafter "the Bank") makes services for the Receipt/Transmission and Execution of Orders on Financial Instruments available to its Clients, under the terms laid down in the General Terms and Conditions.
- 1.2 The purpose of this document is to inform Clients of the policy put in place by the Bank to obtain regularly the best possible outcome for its Clients, when it executes Financial Instrument Orders issued by Clients and with a view to complying with its obligation to act in the best interests of Clients when it receives Financial Instrument Orders and sends them for execution to a third party or when, as part of the portfolio management service, it sends to third parties orders resulting from investment decisions that it carries out on behalf of Clients (hereinafter "the Policy").
- 1.3 The Bank is required to take sufficient measures to obtain regularly the best possible outcome for its Clients. This does not mean that the Bank is obliged, or able to obtain, the best possible outcome for each Financial Instrument Order placed by each of its Clients.
- 1.4 The Bank has a best-efforts obligation. The responsibility of the Bank with regard to this obligation is subject to the provisions of its General Terms and Conditions.

## ARTICLE 2. DEFINITIONS

- 2.1 For the purposes of this Policy, the following definitions apply.

### Order Execution

The service provided by the Bank when it acts as the last link in the chain of execution between the Client and the Place of Execution where the Client Order is executed.

### Factor

All factors specified in Article 4 and taken into account by the Bank as part of its Policy.

### Portfolio Management

The discretionary and individual management of portfolios made up of one or more financial instruments, as part of a mandate given by the Client.

### Financial Instrument

All instruments referred to in Article 1, point 9) of the "loi relative aux marchés d'instruments financiers" of 13 July 2007 (such as transferable securities, money market instrument, units in collective investment undertakings, etc.).

### Specific Instruction

All specific conditions imposed by the Client or instructions given by the Client in relation to his Financial Instrument Order, whether this is relating to the Execution Venue of this Order or type of order.

### Systematic internalizer

An investment company or credit institution that in an organised, frequent and systematic way executes for its own account client orders outside a regulated market or a MTF.

### Execution Venue

Regulated markets, multilateral trading facilities (MTF), organised trading facilities (OTF), systematic internalizers or market makers, or other liquidity providers, or, in general, all entities that undertake tasks of a similar nature in third countries.

### Volume Market

The volume market is the market on which there was the highest volume of orders executed over the six months prior to executing the Order.

### Regulated Market

All markets as defined in Article 1, point 11) of the "loi relative aux marchés d'instruments financiers" of 13 July 2007.

### MTF

A multilateral trading facility governed by the law of a member state of the European Economic Area, which brings together – within its own system and under non-discretionary rules – multiple third-party buying and selling interests for Financial Instruments and applies procedures that result in the conclusion of contracts.

## OTF ("organised trading facility")

An organised trading facility or multilateral facility, other than a regulated market or MTF, where multiple buying and selling interests expressed by third parties for bonds, structured financial products, emissions or derivative instruments may interact in a way that results in the conclusion of contracts.

## Order Receipt/ Transmission of Orders

The service provided by the Bank in transmitting Client's Financial Instrument Orders to another entity for execution.

2.2 All words with capital letters that are not defined in this document are to be interpreted as defined in the Bank's General Terms and Conditions.

## ARTICLE 3. FIELD OF APPLICATION OF THE POLICY

3.1 The Policy is applicable to Financial Instrument Orders issued by the Bank's Clients, including, for the application of the Policy, Financial Instrument transactions, instructed by the Bank on behalf of the Client as part of the Portfolio Management Service.

3.2 The Policy is applicable irrespective of the channel of communication through which the Financial Instrument Orders are sent to the Bank and applies without distinction to all Clients of the Bank.

## ARTICLE 4. FACTORS

4.1 In order to determine the policy to be applied in performing its Order Execution and Receipt/Transmission services and obtain regularly the best possible outcome, the Bank takes the following factors into account.

- Execution price ;
- Costs and charges for execution ;
- Speed of execution ;
- Probability of execution ;
- Speed of settlement ;
- Probability of settlement ;
- Order size ;
- Nature of the order ;
- Impact of the order on the market ;
- All other consideration relating to the order.

4.2 For Financial Instrument Orders placed by a Retail Client, the best possible result is determined on the basis of the total cost to the Client, in other words, the price of the Financial Instrument and all other charges for execution to be borne by the Client, including charges specific to the Execution Venue, clearing and settlement charges and all other charges that may be payable to third parties involved in the execution of the Order;

4.3 Even if, in most cases, the best possible outcome will be determined by the total cost to the Client (see 4.2), there might be cases where other Factors such as the speed of settlement, the probability of execution and settlement, the size and the nature of the Order, the impact on the market comes first against the execution price and costs and expenses related to the settlement, insofar as they affect decisively on obtaining the best possible outcome in terms of total cost for the Retail Client. The Bank may give priority to these other Factors in certain circumstances, for some Client Orders, Financial Instruments or markets, for example when there is insufficient liquidity in the Execution Venue to perform the whole Order or when the Client makes an Order larger than that normally asked by a Retail Client, or when he places an Order on illiquid Financial Instruments or in case of internal or external system failures. In these cases, the Bank may determine an appropriate way that getting the best price immediately available may not be the best possible outcome for the Client.

## ARTICLE 5. TYPES OF ORDER

5.1 The different types of orders, depending on the Execution Venue and impact on execution, are set out in the market transaction rules at [www.keytradebank.lu/fr/aide/regles-transaction](http://www.keytradebank.lu/fr/aide/regles-transaction)

5.2 Orders that are accompanied by a specific instruction regarding the price or volume constitute specific instructions.

## ARTICLE 6. SPECIFIC INSTRUCTION

6.1 The Bank will comply with any specific Instruction given by the Client provided this is compatible with the services it offers to its Clients and with its General Terms and Conditions. The Bank is deemed to have complied with its statutory obligation to take all reasonable measures to obtain the best possible outcome if, in executing a Client's Order, it abides by the specific Instructions given by that Client. Clients are hereby warned that any specific Instructions they give may prevent the Bank from taking the measures laid down in its Policy.

6.2 If the Client's specific Instruction relates to just one aspect or part of the Order, the Bank must apply its Policy to all the other aspects and/or parts of that Order.

## ARTICLE 7. EXECUTION VENUE

- 7.1 This list of Execution Venues on which an Order placed by a Bank Client may be executed is contained in Appendix 1, broken down by category of Financial Instrument.
- 7.2 This list is not exhaustive and the Bank expressly reserves the right to execute its Client Orders on other Execution Venues that are compatible with its Policy. The Bank also expressly reserves the right to execute a Client Order outside a Regulated Market or MTF by itself acting as its Client's counterparty where it feels this is the appropriate means of execution in the interests of the Client. The Client may obtain, on request, additional information on the impact of executing its Financial Instrument Orders outside a Regulated Market or MTF.
- 7.3 This list also contains the executing entity: when this is the Bank itself, please refer to article 7 of this Policy, when the executing entity is a third, please refer to article 8.
- 7.4 Subject to section 7.2, where an Order is placed and there are several potential Execution Venues compatible with the Bank's policy, the Client must specify the Execution Venue when he places his Order. To help the Client make a decision, the Bank shall indicate the volume market, for purchases only. The Client's attention is drawn to the fact that the volume market offers higher liquidity than other Execution Venues but does not guarantee the best possible outcome in terms of the overall return for the Client, insofar as it may involve higher transaction costs than other Execution Venues, or, if applicable, exchange costs. Choosing an Execution Venue (regardless of whether or not it is a volume market) constitutes a specific Instruction by the Client.
- 7.5 Where the Client's Orders may be executed on several Executive Venues compatible with the Policy, the Sell Orders will be executed on the Execution Venue on which the Financial Instrument Purchase Order was executed.
- 7.6 Clients Orders relative to Financial Instruments authorized for trading on a Regulated Market or an MTF may be executed outside a Regulated Market or an MTF.
- 7.7 If the Financial Instrument can be traded on one Execution Venue only, the Bank shall meet its best execution obligation by executing the Order on said Execution Venue.

## ARTICLE 8. ORDER EXECUTION

- 8.1 If the Bank executes itself Financial Instruments Orders for Clients, it must take every reasonable measure to access the Execution Venues that, based on its own analysis and notably the costs of accessing those Execution Venues, allow to obtain regularly the best possible outcome for the execution of the Orders of its Clients, in accordance with the Factors defined in Article 4.
- 8.2 The Client orders on certain Financial Instruments listed on NYSE Euronext will be executed by default on BOERSE Berlin Equiduct Trading in accordance with Article 4.2 of this Policy and subject to Article 4.3 The Client may decide to make its orders executed on NYSE Euronext on these Financial Instruments by first choosing this option on the Transaction Site under Your Preferences > Site Preferences > Equiduct. His Order on NYSE Euronext will be considered a Specific Instruction in accordance with Article 5 of this Policy.

## ARTICLE 9. ORDER RECEPTION/TRANSMISSION

- 9.1 With respect to Financial Instruments for which the Bank does not offer an Execution Service but just an Order Receipt/Transmission service whereby it submits Client Orders to other entities for execution, the Bank shall select entities that take sufficient measures and put in place procedures that make it possible to regularly obtain the best possible outcome in executing the Financial Instrument Orders sent to them by the Bank on behalf of its Clients. Where the entities to which the Bank may send those Orders are not subject to a statutory obligation to take such measures or put such procedures in place, the Bank must, in selecting those entities, give preference, insofar as possible, to those who give a contractual commitment to comply with this obligation or which demonstrate their compliance therewith.
- 9.2 In addition to the Factors set out in Article 4, the aspects that will be taken into account by the Bank in selecting the entities to which it sends its Client Orders include:
- The role of the entity concerned in the execution chain;
  - The quality of the services provided by the entity concerned, based on the overall results it obtains;
  - The information available on the market in relation to the entity concerned;
  - The country or countries in which the entity concerned operates;
  - The policy put in place by the entity concerned to ensure the best possible execution for the Client.
- 9.3 The entities to which the Bank sends Client Orders expressly reserve the right to execute Client Orders on other Execution Venues than those referred to in the list in the Appendix and that are compatible with their own Order Execution policy.

## ARTICLE 10. REPORT ON THE FIVE MOST IMPORTANT EXECUTION VENUES/EXECUTING ENTITIES IN TERMS OF VOLUME

Every year, the Bank will publish on its website the five most important Execution Venues/Executing Entities in terms of volume for each category of Financial Instruments. It will also provide information on the quality of execution for the five Execution Venues.

## ARTICLE 11. CHANGES OF THE POLICY

11.1 The Bank reviews this Policy and the relating procedures once a year and every time that an important change occurs in the execution of orders, in order to determine whether the best outcome is achieved consistently for our Clients.

11.2 The Bank reserves the right to change its Policy as and when it deems it to be appropriate and in particular following the review referred to in Article 11.1.

11.3 All major changes to the Policy shall be notified to the Client.

## ARTICLE 12. CLIENT CONSENT

By placing a Financial Instrument Order with the Bank, the Client expressly and unreservedly agrees to the Policy of the Bank prevailing at the time when the Order is placed.

## ARTICLE 13. REQUESTS FOR INFORMATION

Clients may request addition information (in particular with respect to the Policy for a determined Order) on this Policy by sending an e-mail to [info@keytradebank.lu](mailto:info@keytradebank.lu)

## APPENDIX 1: EXECUTION VENUES AND EXECUTING ENTITIES

FINANCIAL INSTRUMENTS	EXECUTION VENUE	COUNTRY	EXECUTING ENTITY
Shares (including share certificates, real estate certificates, closed-end funds), Trackers/ETFs	Euronext Paris, Brussels, Amsterdam	Belgium, France, Netherlands, Germany	KEYTRADE BANK (*)
	BOERSE BERLIN EQUIDUCT TRADING		
	XETRA	Germany	KEYTRADE BANK
	London Stock Exchange	United Kingdom	KEYTRADE BANK
	Bolsa Madrid	Spain	KEYTRADE BANK
	Borsa Italiana	Italy	
	SIX Swiss Exchange	Switzerland	KEYTRADE BANK
	Oslo Børse	Norway	
	Nasdaq OMX Copenhagen	Denmark	
	Nasdaq OMX Stockholm	Sweden	
	Nasdaq OMX Helsinki	Finland	PERSHING
	New York Stock Exchange (AMEX, NYSE, ARCA) NASDAQ OMX OTC Bulletin Board/Pink Sheets	United States	
	Toronto Stock Exchange Canadian Venture Exchange	Canada	
			KEYTRADE BANK
Listed funds	Euronext Paris, Brussels, Amsterdam	Belgium, France, Netherlands	KEYTRADE BANK
Unlisted funds	Fund Manager		KEYTRADE BANK
Bonds	Euronext Paris, Brussels, Amsterdam	Belgium, France, Netherlands	KEYTRADE BANK
	Bourse de Luxembourg	Luxembourg	
Warrants	Euronext	Belgium, France, Netherlands	KEYTRADE BANK
Turbos, Sprinters, Speeders, Discounters	Euronext Paris, Brussels, Amsterdam		
Options	LIFFE		KEYTRADE BANK
	Eurex Deutschland	Germany	
	American Stock Exchange BATS Exchange Boston Stock Exchange C2 Options Exchange Chicago Board Options Exchange International Securities Exchange (Equities and Options) NASDAQ Exchange Philadelphia Stock Exchange	United States	PERSHING
Structured Product	Euronext Paris, Brussels, Amsterdam	Belgium, France, Netherlands	KEYTRADE BANK
Forex spots – Forex Outright	OTC		SAXO BANK

Futures	Chicago Mercantile Exchange, Electronic Chicago Board of Trade, Euronext Equity & Index Derivatives, Euronext Commodities Derivatives, Euronext Equity & Index Derivatives, Euronext Interest Rate Derivatives, Euronext Commodities Derivatives, Euronext Equity & Index Derivatives, EUREX Exchange, Hong Kong Stock Exchange, Intercontinental Exchange, Borsa Italiana SpA/Italian Exchange, Spanish Official Exchange, Bourse de Montreal Inc., New York Board of Trade, Osaka Securities Exchange, Sydney Futures Exchange Corp. Ltd., Singapore Exchange Derivatives Trading Ltd., Tokyo Stock Exchange		SAXO BANK
CFDs	OTC		SAXO BANK

(\*) Keytrade Bank, the Belgian branch of Arkéa Direct Bank SA (France) (hereinafter the 'Bank' or 'Keytrade Bank')



62, rue Charles Martel  
Tel. (+352) 45 04 39  
[www.keytradebank.lu](http://www.keytradebank.lu)  
[info@keytradebank.lu](mailto:info@keytradebank.lu)

L-2134 Luxembourg  
Fax (+352) 45 04 49

Keytrade Bank Luxembourg - Société Anonyme

Siège Social : 62, rue Charles Martel, L-2134  
Luxembourg - R.C.S Luxembourg : B69935