

July 2021

ABN AMRO Global Markets Order Execution Policy Professional Clients

ABN AMRO Global Markets Order Execution Policy Professional Clients

- 1. Introduction**
- 2. Scope**
- 3. Relevant factors for our Best Execution Obligation**
- 4. Execution venues**
- 5. Order handling**
- 6. Monitoring and review**
- 7. Amendments**

1. Introduction

- 1.1. The Markets in Financial Instruments Directive 2014/65/EU (MiFID II) requires investment firms to take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. To this end, MiFID II also requires that investment firms establish and implement an order execution policy to allow investment firms to obtain, for their client orders, the best possible result.
- 1.2. This document sets out the order execution policy of ABN AMRO and provides appropriate information on how client orders will be executed. In this document, the obligation to obtain the best possible result for clients is referred to as the 'Best Execution Obligation'. Our Best Execution Obligation should not be interpreted to mean that we must obtain the best possible results for our clients on every single occasion. Rather, it means that we have taken and continue to take all sufficient steps to make sure that our order execution arrangements work well throughout the order execution process.
- 1.3. Capitalised terms used but not defined in this order execution policy shall have the meaning given to them in our Terms of Business.

2. Scope

- 2.1. This order execution policy applies only to clients classified by ABN AMRO as Professional Client and to orders in respect of Financial Instruments.
- 2.2. Our Best Execution Obligation applies where we have accepted your order or where we have otherwise expressly agreed to execute your order in accordance with our Best Execution Obligation.
- 2.3. Certain circumstances, including (without limitation) extreme market conditions or disruptions to systems, may adversely affect our efforts to obtain the best possible result when executing orders on behalf of clients.
- 2.4. In the event you provide us with an order that is subject to specific instructions, either relating to the order as a whole or to specific elements of the order, this may prevent us from taking the steps that we have designed and implemented in this order execution policy in order to obtain the best possible result for the execution of client orders. Consequently, where you give us specific instructions and we agree to execute your order in accordance with your specific instructions, we are deemed to have satisfied our

Best Execution Obligation in respect of the elements covered by your specific instructions.

- 2.5. We assume that our Best Execution Obligation does not apply when we provide you, in your capacity as Professional Client, upon your request with a quote or when we negotiate a price with you (i.e. dealing on a request for quote basis (RFQ)). In this respect, ABN AMRO will consider whether the execution of your order can be seen as truly done on your behalf. This is predominantly a question of fact and whether you place legitimate reliance on us to protect your interests.
- 2.6. The four-fold test is performed on an asset class level and applies to all Transactions within that asset class. ABN AMRO will consider the nature of your order with respect to the four-fold test, published by the European Commission. In the situation that multiple asset classes are traded by you, and the outcome of the four-fold test is negative for any of these asset classes, this negative outcome will apply to all asset classes. Hence, best execution will be applicable to your transactions.
- 2.7. The four-fold test consists of the following considerations:
 - (a) whether you or we initiate a transaction.
 - (b) the existence, if any, of market practices to 'shop around' for quotes.
 - (c) the relative levels of price transparency within a market.
 - (d) the information provided by ABN AMRO and the terms of any agreement.Where we believe that the outcome of these considerations is such that you do not place legitimate reliance on us to protect your interests, our Best Execution Obligation will not apply.

3. Relevant factors for our Best Execution Obligation

Under or pursuant to our Best Execution Obligation, ABN AMRO takes into account a range of factors when executing an order on your behalf, including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The relative importance of these factors shall be determined by taking into consideration the characteristics of the client, the characteristics of the order, the characteristics of the relevant Financial Instruments and the characteristics of the relevant execution venues. We refer to the Schedule for more detailed

information in respect of each class of Financial Instruments.

4. Execution venues

- 4.1. This order execution policy includes, in respect of each class of relevant financial instruments, information on the different execution venues where ABN AMRO may execute orders and the factors affecting the choice of execution venue. We refer to the Schedule attached to this Best Execution Policy.
- 4.2. For the purpose of this order execution policy, execution venue shall include regulated markets, multilateral trading facilities, organized trading facilities, systematic internalisers, market makers or other liquidity providers and other entities that perform similar functions in a third country. In some instances, ABN AMRO will be the execution venue.
- 4.3. As set out in our Terms, ABN AMRO may execute your orders outside a Trading Venue (e.g. 'over-the-counter' or 'OTC'). Orders executed outside a Trading Venue are subject to (without limitation) counterparty risk and may differ in price transparency or the ability to close positions when compared to orders that are executed on a Trading Venue.
- 4.4. In the selection of execution venues, we consider several factors which we believe are important in order to obtain on a consistent basis the best possible result of the execution of your orders. These factors include (without limitation) available liquidity, price, costs, speed, and quality of execution and settlement.
- 4.5. Where we transmit an order for execution to another broker or dealer, we shall comply with our obligation to act in accordance with the best interests of our client. We shall, in particular, satisfy ourselves that the other broker or dealer has execution arrangements in place that enable us to comply with our Best Execution Obligation.
- 4.6. ABN AMRO will not structure or charge its commissions in such a way as to discriminate unfairly between execution venues.
- 4.7. For the avoidance of doubt, our order execution arrangements shall take into account the obligation to ensure that relevant transactions in derivatives pertaining to a class of derivatives that has been declared subject to the trading obligation in accordance with the Applicable Rules, are only concluded on a regulated market, a multilateral trading facility, an organized trading facility or an eligible third-country trading venue as provided by the Applicable Rules.

5. Order handling

- 5.1. ABN AMRO will handle each order prompt, fair and expeditious, relative to orders of other clients or to our own trading interests.
- 5.2. ABN AMRO will carry out otherwise comparable orders sequentially and promptly, unless the characteristics of an order or the prevailing market conditions make this impracticable or the client requires otherwise.
- 5.3. ABN AMRO does not carry out a client order in aggregation with another client order or transactions for own account. Consequently, ABN AMRO has not implemented an order allocation policy.

6. Monitoring and review

- 6.1. ABN AMRO monitors the effectiveness of this order execution policy and our order execution arrangements in order to identify and, where appropriate, correct any deficiencies. We shall review, at least on an annual basis, whether the execution venues included in our order execution policy provide for the best possible result for our clients or whether we need to make changes. Our monitoring and review will take place on the basis of both exception-based samples and regular samples. In addition, monitoring and review will be performed following a material change that may affect our ability to continue to obtain the best possible result for the execution of orders.
- 6.2. Our monitoring and review will, in particular, determine whether our order execution policy and our order execution arrangements continue to include all sufficient steps to obtain the best possible result for the execution of orders. Specifically, we will review: a) whether to exclude or to include additional or different execution venues. b) the relative importance of each best execution factor in our Best Execution Obligation.
- 6.3. ABN AMRO shall summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where we have executed client orders in the preceding year and information on the quality of execution obtained.

7. Amendments

ABN AMRO may amend this order execution policy, including its schedule(s), and its order execution arrangements. You will be notified of any amendments through our website: <https://www.abnamro.nl/en/Order-Execution>). Amendments may take effect immediately.

Schedule

Order execution information in respect of each class of Financial Instruments

1. Debt instruments

Certain debt instruments are often traded on a request for quote basis. Subject to the four-fold test that will be performed on an asset class level and applies to all Transactions within that asset class, as set out in our Order Execution Policy, our Best Execution Obligation may not apply.

1.1. Execution factors

When executing orders on your behalf in respect of debt instruments, the execution factors price, speed, limiting market impact and likelihood of execution and settlement share equal relative importance. Where we do not directly execute the order in the market, we will meet this obligation by using market data in order to provide you with a fair price. For Fixed Income, we will use information such as the current swap curve, the government curve and current quotes of other market participants in order to establish a fair price.

1.2. Execution venues

ABN AMRO will act as an execution venue for orders in debt instruments. Additionally, we are present on several regulated platforms. If a transaction is concluded under the rules of the Trading Venue (regulated market, MTF or OTF), between you and us as participants of the venue, the Trading Venue is the execution venue. In this case we are not executing orders on your behalf and the best execution obligation does not apply.

2. Fixed Income

Certain interest rate derivatives are often traded on a request for quote basis. Subject to the four-fold test that will be performed on an asset class level and applies to all Transactions within that asset class, our Best Execution Obligation may not apply.

2.1. Execution factors

When executing orders on your behalf in respect of interest rate derivatives, the execution factors price and likelihood of execution and settlement are given the highest relative importance. In accordance with the

Applicable Rules, we shall check the fairness of the price proposed to you by gathering market data used in the estimation or calculation of the price and, where possible, by comparing with similar or comparable products.

2.2. Execution venue

ABN AMRO will act as an execution venue for orders in interest rate derivatives. Additionally, we are present on several regulated platforms. If a transaction is concluded under the rules of the Trading Venue (regulated market, MTF or OTF), between you and us as participants of the venue, the Trading Venue is the execution venue. In this case we are not executing orders on your behalf and the best execution obligation does not apply.

3. Interest Rate derivatives

Certain interest rate derivatives are often traded on a request for quote basis. Subject to the four-fold test that will be performed on an asset class level and applies to all Transactions within that asset class, our Best Execution Obligation may not apply.

3.1. Execution factors

When executing orders on your behalf in respect of interest rate derivatives, the execution factors price and likelihood of execution and settlement are given the highest relative importance. In accordance with the Applicable Rules, we shall check the fairness of the price proposed to you by gathering market data used in the estimation or calculation of the price and, where possible, by comparing with similar or comparable products.

3.2. Execution venues

ABN AMRO will act as an execution venue for orders in interest rate derivatives.

4. Commodity derivatives

Certain commodity derivatives are often traded on a request for quote basis. Subject to the four-fold test that will be performed on an asset class level and applies to all Transactions within that asset class, our Best Execution Obligation may not apply.

5. Execution factors

When executing orders on your behalf in respect of commodity derivatives, the execution factors price and likelihood of execution and settlement are given the highest relative importance. In accordance with the applicable rules, we shall check the fairness of the price proposed to you by gathering market data used in the estimation or calculation of the price and, where possible, by comparing with similar or comparable products.

5.1. Execution venues

ABN AMRO will act as an execution venue for orders in commodity derivatives.

6. Foreign Exchange – currency derivatives

Certain currency derivatives are often traded on a request for quote basis. Subject to the four-fold test that will be performed on an asset class level and applies to all Transactions within that asset class, our Best Execution Obligation may not apply.

6.1. Execution factors

When executing orders on your behalf in respect of currency derivatives, the execution factors price and likelihood of execution and settlement are given the highest relative importance. In accordance with the applicable rules, we shall check the fairness of the price proposed to you by gathering market data used in the estimation or calculation of the price and, where possible, by comparing with similar or comparable products.

6.2. Execution venues

ABN AMRO will act as an execution venue for orders in currency derivatives. Additionally, we are present on several regulated platforms. If a transaction is concluded under the rules of the Trading Venue (regulated market, MTF or OTF), between you and us as participants of the venue, the Trading Venue is the execution venue. In this case we are not executing orders on your behalf and the best execution obligation does not apply.

7. Securities Finance – (reverse) repo's and SBL on bonds, equity and equity-like securities

Certain securities finance orders are often traded on a request for quote basis. Subject to the four-fold test that will be performed on an asset class level and applies to all Transactions within that asset class, our Best Execution Obligation may not apply.

When executing orders on your behalf in respect of securities finance orders, the execution factor price is given the highest relative importance. In certain cases, however, we may prioritize likelihood of execution and settlement over price. We will meet this obligation by ensuring that when constructing a price, we will take into account market data on the interdealer market such as the repo rate or stock loan fee.

7.2. Execution venues

ABN AMRO will act as an execution venue for securities finance orders.

ABN AMRO Bank N.V., gevestigd te Amsterdam.
Handelsregister K.v.K. Amsterdam, nr 34334259.



0900 - 0024

(For this call you will be charged your usual call fee. Your telephone provider determines these costs).

abnamro.nl