

BEST EXECUTION POLICY KBC SECURITIES SERVICES

INFORMATION DOCUMENT ON KBC SECURITIES SERVICES (KBC BANK) ORDER EXECUTION POLICY FOR PROFESSIONAL AND NON PROFESSIONAL CLIENTS

Dispositions common to all orders in financial instruments

General

1. Purpose of this document

KBC Securities Services is a business line of KBC Bank that specializes in the domain of order execution and custody services for professional clients. KBC Securities Services has adopted and implemented an order execution policy that enables it to obtain on a consistent basis the best possible result for professional clients. KBC Securities Services as such fulfills its obligations resulting from the European Markets in Financial Instruments Directive (MiFID) as well as the Belgian implementing legislation of these European rules.

In this information document, professional clients will find essential information on KBC Securities Services' order execution policy.

This information document will apply to professional clients of KBC Securities Services and for services and financial instruments within the scope of MiFID.

2. What is "Best Execution"?

Best execution is executing orders on the most favorable terms for clients. However, best execution does not imply that the best possible result has to be obtained for each individual order, but rather that KBC Securities Services has elaborated and applies an execution policy that aims at obtaining the best possible result for the execution of its customers' orders. KBC Securities Services takes sufficient measures to obtain such a result, puts adequate arrangements in place and enforces them.

3. Execution factors

Various factors are relevant for the execution of an order, such as, price, transaction costs, speed of execution, the likelihood of execution and settlement of the order, the size and characteristics 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 market impact, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of the order may be more important in determining the best possible execution result.

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 oblige KBC Securities Services to take into account different factors when assessing its execution policy. For example execution may in itself constitute best execution in markets with low liquidity. For certain financial instruments the choice of venue may be limited to only one platform or market.

4. Distinction between executing orders and transmitting orders for execution

KBC Securities Services will not execute orders itself (except for FX Forwards), but transmits all orders for execution to another broker, in most cases KBC Securities (hereinafter, "the main Broker"), who either executes orders itself or further transmits to other brokers. The 'best execution' obligation is interpreted differently in both cases:

- Where the main Broker, in the cases mentioned in this document, executes orders itself on the markets of which it is a member, the main Broker will select the Execution Venue, taking into account the relevant factors as mentioned sub section 3. However, if the financial instrument is only traded on one single Execution Venue, the main Broker fulfills its duty of best execution by executing the order on that Execution Venue. If the financial instrument can be traded on more than one Execution Venue, the main Broker can nevertheless decide to include only one Execution Venue as Place of execution, to the extent that it reasonably expects this single Execution Venue to generate on a consistent basis a result that is at least as good as would be the case when the main Broker would be offering more than one Execution Venue. The list of Execution Venues can be found on securitiesservices.kbc.be
- Where the main Broker transmits orders for execution to another Broker, the main Broker will not itself select the Execution Venue upon which the Broker will execute the order. The main Broker selects its Brokers with due care taking into account amongst others following factors: quality of the technology used, expertise and knowledge of the markets, quality of the reporting, connection to settlement platforms, reliability, ... Allowing the main Broker to fulfill its obligations in relation to Best Execution, the main Broker monitors and periodically evaluates the adequate performance in that respect. The main Broker verifies to what extent a selected Broker is subject to the MiFID rules (or comparable legislation) and to what extent it can demonstrate that it generates a good quality of execution for the type of orders the main Broker transmits to such Broker. The main Broker may even decide to select one single other Broker, if such Broker can, on a consistent basis, obtain the best possible result. This means that the main Broker can reasonably expect that this single other Broker will perform at least equally good results as the results the main Broker could reasonably expect from multiple Brokers. The list of Brokers used by the main Broker can be found on securitiesservices.kbc.be

5. Specific client instructions

If the client gives a specific instruction, KBC Securities Services will ensure that that order is executed in accordance with the specific elements of the instruction. In this information document, you will find further information regarding specific instructions.

It is possible that a specific instruction may not allow KBC Securities Services to take all measures it has provided for in its execution policy to obtain, on a consistent basis, the best possible result.

Please note that not all connectivity solutions with KBC Securities Services support specific instructions in relation to all markets, and that it may well be that market specific orders should be given by telephone and are limited to the volume market selected by KBC Securities Services (contact your usual KBC Securities Services contact person for more information).

Supervision, review and changes to the execution policy

KBC Securities Services monitors the efficiency of the execution arrangements and the execution policy in order to be able to detect and remedy shortcomings to that respect.

KBC Securities Services reviews its execution arrangements and execution policy at least yearly, as well as at any time material changes occur that affect KBC Securities Services ability to obtain the best possible result on a consistent basis. This includes the supervision and monitoring of the execution arrangements of the main Broker with his own Brokers.

KBC Securities Services will adjust this information document if material changes occur in the order execution arrangements or the order execution policy. The most recent version of this information document shall be made available on the website securitiesservices.kbc.be

Consent

1. Consent with the order execution policy

By becoming or remaining a client of KBC Securities Services, the client consents with the order execution policy, as described in this information document.

2. Consent to execute outside of a Trading Venue

KBC Securities Services' order execution policy provides for the possibility to execute orders outside of a Trading Venue, to the extent allowed under applicable legislation. By becoming or remaining a client of KBC Securities Services, the client expressly consents with the execution of orders outside of a Trading Venue. A counterparty risk may arise as a consequence of the absence of a central clearing and settlement platform.

INFORMATION ON BEST EXECUTION FOR CLASSES OF FINANCIAL INSTRUMENTS OFFERED BY KBC SECURITIES SERVICES

KBC Securities Services provides information about the execution of orders for its clients allowing KBC Securities Services to meet its obligation to take all sufficient steps to obtain on a consistent basis the best possible result when executing orders.

GENERAL PROVISIONS

The principles and methods (including for specific orders) set out in the order execution policy do not preclude KBC Securities Services from acting differently where the order could disturb the market or requires particular care.

In the event of force majeure or in emergencies (for instance, if the order execution system is down due to circumstances beyond the reasonable control of KBC Securities Services), it is possible an order cannot be executed in accordance with the terms of its order execution policy. In such exceptional circumstances, however KBC Securities Services will endeavor to execute the order, taking into account the prevailing circumstances, on a best effort basis.

ORDERS IN SHARES AND FINANCIAL INSTRUMENTS ASSOCIATED WITH SHARES

1. Application

For the financial instruments under this section, in relation to its clients' orders, KBC Securities Services relies on the main Broker and its order execution policy in order to obtain the best possible result on a consistent basis. This implies that the main Broker determines whether to execute the order itself or to transmit it to another Broker for execution. If the main Broker executes the order itself, it will determine the Place of execution. Insofar as permitted by applicable legislation, the main Broker may execute certain orders outside of a Trading venue. Because the order is not executed through a central counterparty, this may result in a counterparty risk. To the extent that the size of an order may disrupt the market, the main Broker shall take appropriate measures.

In this section, professional clients will also find essential information on the execution of orders in shares and other financial instruments that are treated in the same manner as shares for the purposes of KBC Securities Services' order execution policy. Such financial instruments that are treated in the same manner as shares are amongst others listed structured products, including certificates of shares with a leverage (like turbos and sprinters), ETN (exchange traded notes), ETF (exchange traded funds), units in real estate investment funds, REITS (real estate investment Trusts), certificates of shares (such as ADR or GDR).

Each use in this information document of the term "shares" will also refer to and make applicable to them, financial instruments associated with shares as mentioned above.

Section 2 of this part of the information document contains information on the approach for retail sized orders. For larger orders or certain specific types or orders, another approach will be followed, as explained further.

2. KBC Securities Services' approach

KBC Securities Services has based its execution approach for the financial instruments covered by this section (shares and financial instruments associated with shares) on the transmission to one single carefully selected Broker, the main Broker. Indeed, KBC Securities Services has reviewed the execution policy of the main Broker, and based upon that analysis, reasonably expects that the transmission of orders for the financial instruments concerned by this section to this single Broker, allows on a consistent basis, to obtain at least equally good results as the results KBC Securities Services could reasonably expect from the transmission of orders towards multiple Brokers.

Orders entailing a specific instruction will be executed in line with the specific instruction of the client, as KBC Securities Services is unable to follow the steps mentioned in this information document. Agreements made between KBC Securities Services and clients may restrict or expand the options available to them (for further information please contact your usual KBC Securities Services contact person).

Volume market

For every share, the main Broker will determine the volume market.

To this end, the main Broker identifies in first instance which regulated market represents the highest volume of orders in that share. The higher the volume, the better the liquidity in that share. Liquidity leads to a higher likelihood of order execution and can contribute to the correct price formation of the financial instrument.

If the main Broker sees that several regulated markets show an equivalent degree of liquidity, the main Broker will additionally take into account following elements:

- the currency in which the shares is being traded on the relevant markets, and the corresponding foreign exchange risk.
- the costs of transactions on the corresponding markets.

Orders transmitted to the main Broker for execution by the main Broker

The main Broker executes orders both on its own membership and via carefully selected third party brokers.

The main Broker will execute client order on its own membership in the following cases:

- The volume market is one of the following: Euronext Brussels or Euronext Amsterdam or Bourse de Luxembourg , and the share is not listed on an MTF.

In such case, the main Broker will execute the order via its own membership on the relevant exchange (Euronext Brussels, Euronext Amsterdam or Bourse du Luxembourg).

- The share is only listed on Alternext or the Expert Market.

In such case, the main Broker will execute the order via its own membership on Alternext or the Expert Market.

Orders further transmitted by the main Broker to its own Brokers

In all other cases, the main Broker will transmit the clients order for execution to another Broker. The markets offered by the main Broker and the Brokers to which the main Broker transmits orders can be found on www.securitiesservices.kbc.be

These Brokers will, based upon their own execution policy – which the main Broker has duly examined – determine itself the place where the order will be executed. This place can be the volume market, a regulated market, a MTF, a Systematic Internaliser (SI) or these Brokers could even execute the order OTC.

Orders including a specific instruction with regard to the Execution Venue.

The client may give a specific instruction to KBC Securities Services with regard to the Execution Venue. Depending on the client's arrangements made with KBC Securities Services options will either be restricted to orders on the volume market (which has been determined for every offered share) or on all markets offered (for further information contact your usual KBC Securities Services contact person).

If a specific instruction is given with regard to the Execution Venue or other aspects, KBC Securities Services might be unable to offer best execution and execution of the order might differ from the description given in this information document.

For certain securities (e.g. US shares) it is not possible to give an instruction to execute on a specific execution venue

Type of orders

These order types are only offered to the extent that the Broker and/or trading platform accepts such order types. Specific instructions might in some cases limit the type of orders that are available. For further information, please contact your usual KBC Securities Services contact person.

Market orders

Market orders are orders which are executed against the best price available in the market or have partial executions against different prices, irrespective of the height of each price.

The price at which a market order is executed, can materially deviate from the last price known at the time the client gives the market order. Market orders therefore do not provide any certainty as to the price at which the order is executed. The execution of the order is however more likely than if the client would give a specific instruction regarding the price.

Orders with a specific instruction regarding the price

For this type of specific instructions, KBC Securities Services may not be able to take all measures it has laid down in its execution policy in view of obtaining the best possible result on a consistent basis. The Broker determines the Place of Execution.

Limit orders

The client has the possibility to give a limit order, i.e. the client determines the maximal price for a buy transaction or the minimal price for a sell transactions. Limit orders are being executed at such price or at a price which is better for the client.

Limit orders offer the client more certainty on the price at which the order is to be executed, but this price must be reached and the order must be within the priority range in the order book in order to get executed. For this reason, the execution of a limit order is less likely than the execution of a market order.

The main Broker or the Broker, in case transmitted by KBC Securities itself, will normally make a limit order, that cannot be immediately executed (this is called a "passive limit order") public. If the limit price is reached, the order can be executed on the volume market, on an MTF or an S.I. The order may even be executed OTC.

Stop loss orders

A client can give a stop loss order. Such order implies that the client determines the stop price. The order is only transmitted to the market after the stop price is reached. As soon as the stop price is reached or exceeded, a stop loss order is included in the order book as a market order.

Stop limit orders

The client can give a stop limit order. For such order the client determines the stop price and the maximal buy price or minimal sell price. The order is only transmitted to the market upon the stop price being reached. As soon as the stop price is reached, a stop limit order is being sent to the market as a limit order, whereby the order is executed at the limit price or at a price which is better for the client.

Validity of orders in time

Orders holding a specific instruction regarding the time validity

Giving a specific instruction regarding the time validity of an order does not affect the steps that are taken to achieve the best possible result for the client.[1]

1. Day orders

A client can give a day order. This implies that the order only remains valid for the trading day on which it was given. When the order has not been executed by close of business of the relevant trading platform, the order automatically expires.

2. Good till date-orders

An order "good till date" remains valid till the date determined by the client.[2]

3. Fill and Kill-orders

The client can give "fill and kill" orders for certain markets. As soon as the order is entered into the

market, the portion of the order that is immediately executable is being executed (Fill). The part of the order that remained unexecuted, is canceled (Kill).

Large and/ or complex orders

A large order is an order the size of which could disrupt the market. In such a case, KBC Securities Services takes appropriate measures to avoid that the order would disturb the market. KBC Securities Services could for instance decide not to transmit the order in its entirety to the market and to split it into several partial orders, or only makes a part of the order visible in the Trading Venue.

KBC Securities Services or its chosen broker has the possibility to execute an order outside of a Trading platform (OTC). KBC Securities Services or its selected broker can use the additional liquidity that may potentially be available outside of a Trading platform, or may execute on multiple Trading platforms.

For some orders KBC Securities Services may use internal or external (via dedicated providers of algo's) algorithms, taking into account the size of the order, the price evolution, the optimal timing for placing the order, possible market impact, This may especially be the case for complex orders, large size orders, percentage of volume orders, orders to split execution on multiple venues, orders in securities for which liquidity must be sought, VWAP orders (Volume Weighted Average Price) ... The use of such algorithms may lead to multi-venue execution and/or OTC.

Execution of orders in relation to other financial instruments

ORDERS IN BONDS AND OTHER MONEY MARKET INSTRUMENTS

The total consideration charged to the client is the decisive factor in determining where and how the order is to be executed.

KBC Securities executes orders in bonds on a multilateral trading facility (MTF) exploited by Bloomberg (the BB venue). KBC Securities has chosen the BB venue as venue of execution, because this platform features multiple parties offering bid and offer prices, in most cases on a continuous basis. In addition thereto, Bloomberg offers a service to professional parties, named ALL QUOTES (ALLQ), that enables such parties to display indicative bid and offer price quotes and to deal upon such quotes. KBC Bank NV may be amongst such counterparties. As multiple prices are available on ALLQ, the BB venue offers on a consistent basis the highest liquidity. This has a beneficial impact on the price and the speed at which an order may be executed. However, this does not guarantee that for every bond at any given time the highest liquidity or even any liquidity at all will be available on the BB venue.

Orders that are compatible with straight through processing (electronic market orders) however will be executed via KBC Bank's connection to the BB Venue, where the same methodology described in the previous paragraph will apply.

The lead broker may, at its discretion, decide to compare available prices in ALLQ compare. Depending on the number of pricing parties and the depth of the market, the lead broker either determine the price himself based on the available information, or first make a price request from several counterparties. In the second case counterparties then make the request by setting a price and the lead broker selects the counterparty that offers the best price at that time. The order is usually executed on the BMTF. The order can also be executed OTC.

The main broker may do this in special circumstances, for example in the event of a lack of liquidity, in case of volatility due to political, economic or social events or due to the publication of economic figures or in case of negative reports on the creditworthiness of an issuer of debt instruments.

an issuer of debt instruments. Indeed, in such a case, there is a risk that the general modus operandi results in the execution of orders at a bad price. In such a case, manual intervention of the principal broker is appropriate.

ORDERS IN LISTED DERIVATIVES

In Europe, listed derivatives (mainly options and futures) are specific financial instruments that can only be traded on one single trading platform, even though they may be based on exactly the same underlying value and have the same characteristics and contract conditions as others. Execution will be assured on the available trading platform. KBC Securities Services transmits such orders to the main Broker for execution. In the US, however, such derivatives are traded on different trading platforms, which implies that we guarantee Best Execution for the orders in those products'. platforms, which implies that we guarantee Best Execution for the orders in those products.

ORDERS IN UNLISTED INVESTMENT FUNDS

KBC Securities Services will in general transmit orders relating to Investment Funds to the transfer agent of the relevant Investment Fund. In doing so, the price of the Investment Fund should reflect the economic value of the investment, and in general, the lowest costs are being charged. As no multiple markets are available where an adequate price formation takes place, this represents the best execution.

For each Investment fund, a cut-off time is determined based upon the official cut-off time mentioned in the prospectus of the Investment Fund and the technical possibilities to transmit the order to the transfer agent or correspondent prior to the official cut-off time.

Orders received after the cut-off time are deemed received the next day on which the relevant Investment Fund can be traded.

ORDERS IN SAVINGS CERTIFICATES / CERTIFICATES / SUBORDINATED CERTIFICATES

KBC Securities Services presents Savings Certificates and Certificates that the client wishes to sell for redemption to the issuer.

Savings Certificates and Certificates that are being presented for redemption prior to the due date for redemption may be partially or entirely redeemed. The holder however has no right to such early redemption.

Subordinated certificates cannot be redeemed early by the issuer. They can only be sold via Euronext's Expert Market.

FX FORWARDS

KBC Securities Services' clients can perform transactions Foreign Exchange Forwards via the "Go & Deal" platform .

An FX Forward will be priced out of an FX Spot price and an FX Swap price.

The FX Spot price is obtained from different external systems. These systems extract on a real-time basis the best price for available currency pairs from at least 5 monobank platforms and 2 multibank platforms. The selection of a best aggregated price ensures market conformity.

A spread can be added to this FX Spot price. This spread will mainly take into account the following aspects:

- The nature and the characteristics of the transaction;
- The size/volume of the transaction;
- The time of receipt of the transaction.

The FX Swap price, also called the swap pips, is the price for the interest rate difference for a currency pair for the given tenor.

An FX Swap will be priced as a result of a weighted average of prices ("blended price") collected from a selection of at least 5 independent price feeds from leading internationally recognized providers.

This blended price is the result of selected feeds which have been considered by KBC as providing the best market prices at any given time. The selection of those feeds is subject to a continuous internal analysis to provide prices reflecting the prevailing market conditions.

The quoted price towards the client is composed of the blended price and a sales margin.

Together, the FX Spot price and the FX Swap price form the FX forward price.

The quoted price for the client consists of of the FX Forward price and a sales margin.

More information and contact

More information concerning: financial products, the execution of orders, the order execution

policy, order types, etc., can be obtained from KBC Securities Services, every exchange business day between 8am and 5pm CET.

[1] To the extent that the Broker and/or the Trading platform allow this. For more information, please contact KBC Securities Services.

For the validity of orders when no time period is specified contact, please contact KBC Securities Services.

[2] Within the maximal time horizon offered by the Trading platforms, the Broker or the systems of KBC Securities. For more information, please contact KBC Securities Services.

ANNEXES

- Annex Definitions
- Annex technical features for giving orders
- Annex Execution venues – Professional clients

ANNEX - DEFINITIONS

- Broker:** an investment company or financial institution to which KBC Securities, in accordance with its execution policy, transmits orders, in view of their execution by such investment company or financial institution. The list with the Brokers which the main Broker transmits orders can be found on www.securitiesservices.kbc.be
- Regulated market:** means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly.
- Trading Venue:** a Regulated market, MTF, and an OTF.
- KBC Securities:** The investment company (beursvennootschap/société de bourse) KBC Securities N.V.
- MiFID:** abbreviation for "Markets in Financial Instruments Directive".
- MTF:** abbreviation for "multilateral trade facility": means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules.
- OTF:** abbreviation for "organized trading facility": means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract.
- Execution venue:** any place where, within the scope of the services offered by KBC Securities Services, an order in a financial instrument can be executed: Regulated markets, MTFs, systematic internalisers, market makers or other liquidity providers or entities that perform a similar function in third countries to the function performed by any of the foregoing.
- SI:** Abbreviation for "systematic internaliser" means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system.
- ETN:** Exchange Traded Notes
- ETF:** Exchange Traded Funds
- REITS:** Real Estate Investment Trust
- ADR:** American Depository Receipt
- GDR:** Global Depository Receipt

ANNEX TO THE INFORMATION DOCUMENT ON KBC SECURITIES SERVICES' ORDER EXECUTION POLICY FOR PROFESSIONAL CLIENTS – TECHNICAL FEATURES FOR GIVING ORDERS

Whereas the Client may have a number of systemic restrictions limiting its ability to give the orders in the adequate format, in which case additional arrangements are required between the Client and KBC Securities Services for the translation of the orders into the adequate format upon its receipt by KBC Securities Services' systems.

By default arrangements, orders that are systemically transmitted to KBC Securities Services as "Best execution" orders will be executed as best execution orders in accordance with KBC Securities Services' execution policy based upon the concept of the volume market, and the client does not need to check any of the options mentioned below.

It is however possible for the Client to give standing instructions to KBC Securities Services to interpret and executed orders differently than as they are being systemically transmitted, more specifically in accordance with one of the options the Client can select below (selecting more than one option will not have any effect, as KBC Securities Services will then continue to apply the default) if the client wishes to have his orders executed differently, it hereby instructs KBC Securities Services to translate its orders as follows:

- The Client will transmit all orders systemically with specification of a market but hereby instructs KBC Securities Services to interpret and execute such orders as a Best execution order in accordance with the concept of best execution based on the volume market.
- The Client will transmit all orders systemically mentioning a market but hereby instructs KBC Securities Services to interpret and execute such orders on such market or on the additional execution venues within the venue range offered by KBC Securities Services in order to benefit from a price improvement (specific instruction deviating from the Best execution model based upon the volume market).
- The Client will transmit all orders systemically to KBC Securities Services mentioning a market and requires KBC Securities Services to execute those orders on that specific execution venue. The above mentioned option shall be considered as a standing instruction. Such instruction will remain valid until a reasonable implementation delay after notification in writing of its revocation or its replacement with new standing instructions by the Client.