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*BEST EXECUTION POLICY*

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## 1. INTRODUCTION

In the context of the execution of clients' orders on investment services, the Bank has set and follows the Best Execution Policy (hereinafter Policy), in accordance with the relevant provisions of Law 4514/2018, in particular articles 16, 24, 27 and 28, which incorporated into Greek law Directive 2014/65/EU – MiFID II, of 15 May 2014 on financial instrument markets and the amendment of Directive 2002/92/EC and Directive 2011/61/EU (hereinafter "MiFID II"), as well as the provisions of Delegated Regulation 2017/565 (in particular Articles 64 -70) and Delegated Regulation (EU) 2017/576.

The Policy sets out the basic principles that should be followed in order to ensure that the Bank achieves the best possible result when executing orders on behalf of its clients. The Bank monitors the implementation of the policy and evaluates its effectiveness on a systematic basis.

The Policy applies to the orders of Individual and Professional Customers when the Bank executes orders on behalf of customers and/or receives and transmits customer orders for execution to a third party.

## 2. DEFINITIONS

For the purposes of this Policy, the following terms have the following meanings:

1. "**Execution of client orders**" means the intermediation in the conclusion of agreements for the purchase or sale of one or more financial instruments on behalf of clients and includes the conclusion of agreements for the sale of financial instruments issued by the Bank at the time of their issue.
2. "**Professional client**" means a client meeting the criteria laid down in MiFID II and L.4514/2018, Annex II.
3. "**Investment services and activities**" means any of the services and activities listed in MiFID II and L.4514/2018, Section A of Annex I relating to any of the instruments listed in Section C of Annex I of L4514/2018.
4. "**Retail client**" means a client who is not a professional client or eligible counterparty
5. "**Relevant services**" means any of the services included in Section B of Annex I of Law 4514/2018.
6. "**Client**" means any natural or legal person to whom the Bank provides investment or ancillary services.
7. "**Durable Medium**" means any instrument which:
  - (a) enables the client to store information which is personally addressed to that customer, so that he may refer to it in the future, for the period of time required; and
  - (b) allows the unaltered reproduction of the stored information:
8. "**Execution venue**" means a regulated market, a Multilateral Trading Facility (MTF), an Organized Trading Facility (OTF), a systematic internalizer or a market maker or other liquidity provider or an entity performing in a third country a function similar to the functions of any of the foregoing.
9. "**Financial instrument**" means those instruments specified in Annex I Section C of L.4514/2018.



### 3. GENERAL PRINCIPLES of ORDERS EXECUTION

The Policy applies to retail and professional clients in relation to the service of transmission and execution of client orders in Financial Instruments.

#### 3.1 Orders' Best Execution

In accordance with articles 24 par. 1, 27 par. 1 of MiFID II and law 2514/2018 as well as article 54 of the Regulation (EU) 565/2017, the Bank has established the following criteria that should be taken into account for the determination of best execution:

- the characteristics of the client, including its categorization as Retail or Professional
- the characteristics of the client order, including the case where the order concerns securities financing transaction (SFT)
- the characteristics of the financial instruments that are the subject of the mandate and
- the characteristics of the execution venues (execution quality as well as ability to provide better results on a consistent basis) to which the order can be routed.

Based on the above criteria, when the Bank executes an order on behalf of a client, it takes all sufficient measures to achieve the best possible result for the client, taking into account the following factors:

- the price of the financial instrument
- costs associated with execution, including all costs incurred by the client and directly related to the execution of the order, including fees received by the execution venue, clearing and settlement fees and all other fees paid to third parties involved in the execution of the order.
- the execution speed,
- the possibility of execution and settlement of the order,
- the volume and nature of the order, as well as any other factor related to the execution of the order.

Execution quality, which includes aspects such as speed and execution rate (fill rate), as well as the availability and frequency of best prices, is an important factor in achieving best execution. The availability, comparability and consolidation of performance quality data relevant to the quality of execution provided by the various execution venues are crucial factors that enable the Bank to identify the venues that provide the best execution quality for its customers. In order to achieve the best execution result for a customer, the Bank compares and analyzes the relevant data including those that are made public. The Bank's customer orders for the purchase / sale of financial instruments are characterized as:

- 1) Order or
- 2) Market

In both cases the client knows the execution price for the best execution.



However, in the case of execution of Retail client orders, without specific instructions, the best result is determined based on the total cost of execution of the orders, taking into account the price of the financial instrument and the cost associated with the execution. The price of the financial instrument of the transaction is the variable that can theoretically take any price and affects to the greatest extent the total price of the transaction. This price changes over time. Therefore, in the case of execution of Retail client orders, the speed and probability of execution and settlement, the size and nature of the order, the impact on the market and any other indirect transaction cost prevail over the direct price and execution costs only to the extent that contribute decisively to the achievement of the best possible result in terms of the total price paid by the Retail Client.

For the purposes of delivering best possible result in accordance with the first subparagraph where there is more than one competing venue to execute an order for a financial instrument, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed in the Bank's order execution policy that is capable of executing that order, the Bank's own commissions and the costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.

The Bank does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue.

The above obligations for the best execution apply to all financial instruments, regardless of whether they are traded at trading venues or over-the-counter. The Bank makes every effort to collect the relevant market data, in order to check whether the price offered over-the-counter for a customer is fair and meets the obligation of best execution.

When the Bank executes an order following specific client instructions, it is deemed to have fulfilled its best execution obligations only for the part or the aspect of the order covered by the client's instructions. The fact that the client has given specific instructions covering a part of the order does not exempt the Bank from its best execution obligations in relation to other parts or aspects of the client's order that are not covered by his instructions. The Bank in no way encourages a client to give instructions to execute an order in a particular way, ie by expressly or indirectly indicating the content of these instructions to the client when the Bank is aware that such instruction would prevent it from achieving the best possible result for this customer. However, this should not prevent the Bank from requesting the client to choose between two or more specific execution venues, provided that such venues are consistent with the Bank's execution policy.

Special client instructions may prevent the Bank from taking the measures designed and included in this Policy in order to achieve the best possible result in the execution of these orders in respect of the items covered by these instructions.



### 3.2 Clients order handling

The Bank applies procedures and mechanisms that guarantee the timely, fair and fast execution of client orders in relation to the orders of other clients or the Bank's orders status.

These procedures or mechanisms allow for the execution of otherwise comparable client orders based on their time of receipt by the Bank. Taking the above into account, this Policy requires strict adherence to the First In First Out (FIFO) methodology of client orders during their execution or receipt and transmission processes.

In addition, the Bank complies with the following conditions when executing customer orders:

- ensures that all orders executed on behalf of clients are registered and allocated immediately
- executes otherwise comparable client orders in the order they are received immediately, unless the characteristics of the order or the market conditions do not allow it, or if the client's interests require different handling;
- informs the retail client about any substantial difficulty that may affect the prompt execution of orders as soon as he becomes aware of the difficulty.

The Bank may not use pending client order information in order to negotiate on its own account with the financial instruments covered by the client's order or related financial instruments as it is considered abusive of such information by the Bank.

In the case of a client's "limit order" on shares traded on a regulated market or traded on a trading venue that is not immediately executed under current market conditions, the Bank, unless the client explicitly gives other instructions, takes steps to facilitate the earliest possible execution of the order by immediately announcing in public the client's "limit order" in a way that is easily accessible to other market participants.

Furthermore, the Bank follows strictly the practice of trading all financial instruments at a given value date (T + 1, T + 2, T + 3). Further, in terms of bond delivery, the Bank avoids trading with counterparties, who have lagged in the delivery of bonds. However, if there is any delay, the bond is delivered to the client without any financial loss (capital, expense, accrued interest).

The Bank takes all reasonable steps to ensure that the financial instruments or client funds received to settle the executed order are promptly and correctly delivered to the account of the appropriate client.



### 3.3 Aggregation and allocation of orders

The Bank does not execute a client order or a transaction for own account by grouping it with an order from another client or its own orders.

### 3.4 Execution venues

When executing its clients' orders, the Bank selects the execution venues that allow it to achieve the best possible results on a consistent basis. The list of execution places to which the Bank has access is provided in the section 8 "APPENDICES" and on the Bank's website.

For the purpose of achieving best execution and due to the possible existence of more than one place of execution of an order in a financial instrument,

- The Bank's first choice is to execute the order on the market it is a member of
- Second choice is the execution of the order on the market where it is a remote member.
- If the highest transmission speed is achieved through a third party, the Bank sends the order to the third party (see relevant table in the section 8 "APPENDICES").

When the Bank applies the best execution criteria for Professional Clients does not use by default the same execution venues for securities financing transactions (hereinafter "SFT") and other transactions.

Orders on financial instruments traded on regulated markets or MTFs or OTFs to which the Bank is a member or a remote member are executed through the Bank. Orders in financial instruments traded on regulated markets or MTFs or OTFs in which the Bank is not a member or a remote member, they are executed through third parties. Where the relevant financial instrument is listed on a regulated market or MTF or MOD, the Bank does not execute orders outside regulated markets or MTF or MOD unless it has secured the written consent of the customer in advance.

In addition, in particular regarding the execution venues of clients' orders in bonds, the following apply:

- Orders for transactions in bonds, on the primary market are transmitted for execution to the underwriters
- Orders for transactions in bonds, on the secondary market, listed or not, are sent for execution to third parties and a price is requested from third parties (Interbank or Brokers) for the transaction.

### 3.5 Bank fees / Commissions - Execution costs

The method of calculating commission - fees is known to the client prior to the transaction through the Bank's Price List of Commissions and Charges, on its website (Invoice of Banking Operations), in the request forms for participation / purchase of products, in the applications for liquidation / redemption of products and in the contract signed the customer with the Bank.

The Bank does not structure or charge its commissions in such a way as to introduce unfair discrimination between execution venues. In case the Bank applies different pricing depending on the execution venue,



the Bank explains these differences in sufficient detail in order for the client to be able to understand the advantages and disadvantages of choosing a single execution venue.

The Bank receives payments from third parties only when they:

- are designed to improve the quality of service provided to the customer,
- do not impede the Bank's compliance with its obligation to act in an honest, impartial and professional manner, in accordance with its clients' interests; and
- has made known to the client the existence, nature and amount of payment he may receive prior to the provision of the investment or relevant service.

The information identifies the fees charged by the Bank to all counterparties involved in the transaction, and where the fees vary according to the client, the information indicates the maximum fees or range of fees that may be required.

In the event that the Bank charges more than one participant in a transaction pursuant to Article 24 of MiFID II and Law 4514/2018, the Bank shall inform its clients of the value of any cash or non-cash benefits received from the Bank.

For the determination of the best execution when executing retail customer orders, the execution cost includes the Bank's commission or the fees charged to the customer for certain purposes. In such cases, the Bank's commission and the cost of executing the order in each of the eligible execution venues are taken into account in order to evaluate and compare the results that would be obtained for the client if the order was executed in each of these venues. However, the Bank does not compare the results that would be obtained for its client (based on its execution policy and its own commissions and fees), with the results that could be achieved for the same client by any other investment firm with a different execution policy or a different structure of commissions or fees. Neither compares those differences in its own commissions which can be attributed to differences in the nature of the services the Bank provides to clients.

### **3.6 Regular Monitoring of Best Execution Policy**

The Bank monitors the effectiveness of Policy arrangements and its execution policy in order to identify and - where appropriate - remedy any shortcomings. In particular, the Bank examines on a regular basis whether the execution venues included in this Policy achieve the best possible result for its clients or whether it needs to change the order execution arrangements that follow, taking into account, inter alia, the information published.

The Bank assesses whether there has been any substantial change and considers the possibility of changing the execution venues on which it relies to a large extent to meet the primary requirement of best execution.





The Bank ensures that Policy design and review are appropriate and take into account new products and services provided by the Bank. In addition, Bank checks the correct execution of the Policy, and if client orders and preferences are effectively channeled throughout the entire execution chain.

### **3.7 Clients Requests**

The Bank is in a position to document to its clients, if they so request, that Bank has executed their orders in accordance with the Policy and to document to the Competent Authority, if it so requests, Bank's compliance.

When a client submits reasonable and proportionate requests for information about the policies or arrangements and the way they are reviewed by the Bank, the Bank responds clearly and within 30 minutes (30 ') to the client's request for pricing, unless there is a problem with the Bloomberg system.



#### 4. CLIENT INFORMATION RELATED TO ORDER EXECUTION

##### ***Information related to the orders execution prior to the provision of service***

The Bank provides its customers with relevant information regarding the Order Execution Policy with Durable Medium, through its website [www.aegeanbalticbank.com](http://www.aegeanbalticbank.com). This information clearly explains, in sufficient detail and in a way that is easily understood by the customers, the way in which the Bank will execute the orders on behalf of the customer. The Bank obtains the consent of its customers in advance regarding this order execution policy.

When the order execution policy followed provides the possibility of executing customers' orders outside the trading venue, the Bank informs its customers about this possibility. The Bank secures the express consent of its customers in advance before executing customer orders outside the trading venue. The Bank secures this consent in the form of a general agreement or for specific transactions.

##### ***Information after Orders' Execution***

By executing an order on behalf of a client (apart from non-portfolio management orders, not currently provided by the Bank), the Bank takes the following actions in relation to this order:

- (a) provide immediately to the client and on a durable medium the basic information concerning the execution of the order;
- (b) notify the client in a durable medium confirming the execution of the order as soon as possible and at the latest on the first working day after execution or, if the Bank receives confirmation from a third party, no later than the first working day after receive the confirmation sent by the third party.

Subparagraph (b) does not apply if the confirmation contains the same information as the confirmation sent directly to the client by another person.

Points (a) and (b) do not apply when orders executed on behalf of clients concern bonds to finance mortgage credit agreements with these clients. In this case, the transaction is disclosed at the same time as the notification of the terms of the mortgage loan, but not later than one month after the execution of the relevant order.

The information shall include the following:

- the Bank's identification code number
- the name or other attribute of the client's identification
- the day of negotiation
- the negotiation time
- the type of order
- the identification number of the trading venue
- the identification of the instrument
- the buy / sell indication
- the nature of the order if it is not a purchase or sale
- the quantity
- the unit price
- the total price
- the total amount of commissions and expenses charged and, in case of client's request, the detailed inventory including, where applicable, the amount of any mark-up or impairment imposed



when the transaction was executed by an investment firm for its own account, and the investment firm has an obligation of best execution vis-à-vis the client

- the exchange rate used when the transaction involves currency conversion
- client's responsibilities pertinent to the settlement of the transaction, including the payment or delivery time, as well as the appropriate account details if such information and liabilities were not previously disclosed to the client
- the fact that this happened if the client's counterpart was the Bank itself or another Bank customer, unless the order was executed via a trading system that facilitates anonymous trading.

If the order is executed partially, the Bank may choose to provide the client with information either on the price applied to each individual installment or on the average price. When providing the average price, the Bank provides the client, upon request, with information on the price applied to each part.

It is noted that the Bank does not offer its clients trading on financial instruments. If the Bank's customer decides to buy (or sell after having bought or transferred financial instruments to his account) he fills in and signs the corresponding order form. The form is scanned and sent electronically to the Dealing Room. Respective execution form (deal slip) and confirmation is returned electronically (through the Branch - and specifically the Relationship Manager) to the customer. This correspondence is kept-archived in both physical and electronic file.



## 5. INFORMATION ON EXECUTION VENUES AND EXECUTION QUALITY

In accordance with the requirements of the Regulation 2017/576, the Bank discloses annually, for each class of financial instruments, the first five execution venues to which client orders have been executed in the previous year, in terms of trading Volume, separately for Retail Clients and Professional Clients in the form specified in the tables of the Annexes to the aforementioned Regulation. Publication is made by 30 April of the following year.

In addition, the Bank summarizes and publishes the first five execution venues, in terms of volume of transactions, to which it has executed the SFT in a separate report, per category of financial instruments in accordance with the requirements of the Regulation 2017/576.

Finally, if the Bank directs orders to be executed to third parties (eg brokers), it is required to publish a separate list of the first five brokers through whom these orders have been executed.

The Bank publishes the first five execution venues in terms of volume of transactions for all executed client orders in the SFT by category of financial instruments in accordance with MiFID II Annex I.

The Bank publishes for each category of financial instruments a summary of the analysis and conclusions it draws from the analytical monitoring of the execution quality achieved at the execution venues where it executed all client orders in the previous year. The information includes the following:

- an explanation of the relative importance given by the Bank to the following execution factors: price, cost, speed, probability of execution or any other factor, including qualitative factors when evaluating the quality of execution
- description of any close links, conflicts of interest and common ownership in relation to execution venues used to execute orders
- a description of any specific arrangements with each execution venue regarding payments made or received, discounts, rebates or non-monetary benefits received
- an explanation of the factors that led to an amendment of the list of execution venues mentioned in the Bank's execution policy, if such a change occurred
- an explanation of how the execution of a client order differs according to client categorization if the Bank treats different client categories differently and whether this may affect the order execution
- an explanation of whether priority was given to other criteria against the direct cost and cost of executing client orders and how these other criteria were critical to achieving the best possible results in terms of total customer consideration;
- an explanation of how the Bank used data or tools regarding the quality of execution, including any data published under the delegated Regulation (EU) 2017/575;
- an explanation, where applicable, of how the Bank has used the results of a consolidated datasheet prepared on the basis of Article 65 of MiFID II and Law 4514/2018.

The above information disclosure is made separately for each class of financial instrument. However, it is possible to disclose the information on a consolidated basis if the information is common to many or all categories of financial instruments.

The Bank publishes the above information on its website for a period of two years.



## 6. RECORD KEEPING

The Bank keeps records through which it can demonstrate that it manages its client orders in line with the order of priority and achieves the best possible execution price for those orders that are finally executed. The records kept vary depending on the type of financial instrument being traded and the place of execution of the transaction

The Bank keeps records regarding telephone conversations or electronic communications in accordance with the provisions of the Policy for the recording of telephone conversations and electronic communications and the Bank's relevant record keeping policy.

Records provided to the client concerned on request and kept for at least five years and, at the request of the competent authority, for a maximum period of seven years.



## 7. CONSENT

Where the Bank executes orders on behalf of clients, ensures the prior consent of the customers to this Policy. Clients will be deemed to have given such consent when give a trade order at any time after receiving information from the Bank about this Policy.