



NIBC Best Execution Policy

October 2024

1. Purpose of this Policy

This best execution policy ("Policy") provides clients with a summary of the order execution arrangements implemented by NIBC Bank N.V. ("NIBC") to comply with the obligations under the revised Markets in Financial Instruments Directive 2014/65/EU and implementing measures as transposed into national laws and regulations ("MiFID II").

Best execution is the overarching obligation to take all sufficient steps to obtain the best possible result for clients when executing client orders or receiving and transmitting orders on their behalf, taking into account factors such as price, speed, likelihood of execution and settlement, size, nature or any other considerations relevant to the execution of the order.

This Policy explains when the obligation to provide best execution applies, how (when applicable) the best possible result for clients is achieved and provides clients with information on the execution criteria and factors that NIBC will consider when trying to obtain the best possible result when executing orders for clients.

Where not immediately defined in the text hereof, defined terms have the meanings set out in [Appendix B](#).

2. Scope of the Policy

This Policy will apply when NIBC is executing orders on behalf of clients, whereby NIBC is dealing as principal. The financial instruments covered by this Policy include bespoke OTC derivatives. Please note that NIBC executes only

bespoke OTC derivatives with clients. This policy does not apply to the investment services provided by NIBC Bank N.V. Frankfurt branch.

This Policy applies to Professional clients only. Please note NIBC does not provide (OTC) derivatives to Non-professional clients. Clients have received a notification from NIBC informing them of their client categorisation.

Please note that, in accordance with MiFID II, this Policy does not apply to clients categorised as Eligible Counterparty (including clients that have opted up to Eligible Counterparty). These clients are deemed to be sophisticated enough to protect their own interests. Accordingly, NIBC does not owe any best execution obligation to Eligible Counterparties.

3. How do we determine whether best execution is owed

The rules on the application of best execution apply when NIBC is acting on behalf of the client. For OTC derivatives NIBC is acting as principal to the client.

3.1 Acting as principal

The best execution obligation is applicable when NIBC is acting in a principal capacity and the client is placing a legitimate reliance on NIBC to protect its interest in relation to the execution of a client order or a RFQ.

In order to determine this, as recommended by the European Commission, NIBC applies a four-fold cumulative test to its trading activity by considering:

- whether the client or NIBC initiates the transaction. In those cases where NIBC approaches the client

and suggests to enter into a specific transaction, the client is more likely to place legitimate reliance on NIBC;

- applicable market practice. For instance, if it is the convention for a client to 'shop around' by approaching several dealers for a quote for a particular transaction, it is less likely that this client is placing legitimate reliance on NIBC (as the (counter)party selected by the client for that transaction);
- relative levels of transparency within a market. If the client does not have access to market prices while NIBC does, this is an indication that the client is placing legitimate reliance on NIBC in relation to the pricing of the transaction;
- the information provided by NIBC about its services and the terms of any agreement between NIBC and the client, including any contractual arrangement with regard to whether best execution obligations apply.

Please see for further detail Appendix A.

3.2 Example

A circumstance in which the client may be considered to be placing a legitimate reliance on NIBC (acting as principal) may include, but are not limited to where the client, as a result of the nature of the transaction, may reasonably be considered to be unable to 'shop around' by approaching several dealers for a quote.

4. How does NIBC provide best execution for bespoke OTC derivative transactions

4.1 Example bespoke OTC derivative

An example of a bespoke OTC derivatives transaction is when NIBC provides its client with an OTC derivative that is tailored to the needs of the client in specific circumstances, for which no comparable alternative exists. In relation to bespoke OTC derivatives transactions, due to the unique contractual structure entered into between the client and NIBC, it may not be possible to verify best execution by comparing execution factors as applicable to other orders or instruments.

4.2 Fairness of price check for OTC products

Where the duty to provide best execution applies in accordance with this Policy, NIBC is required to check the fairness of the price proposed to the client. For the execution of bespoke OTC derivatives, we will check the fairness of the price proposed by gathering market data used in the estimation of the price of such financial instrument and, where possible, by comparing with similar or comparable products. We have procedures in place as well as appropriate valuation systems in order to consistently check the fairness of the prices.

5. Execution Venues

When carrying out a bespoke OTC derivatives order on the client's behalf, NIBC is acting in principal capacity outside of any trading venue.

6. Monitoring and review

Internal procedures will enable NIBC to monitor the effectiveness of its order execution arrangements, including the Execution Venues used, to seek to ensure that best execution is provided on a consistent basis where applicable. This Policy and the order execution arrangements of NIBC will be reviewed at least annually or when a material change occurs that affects the ability of NIBC to continue to obtain the best possible result when executing orders for its clients. The latest version of this Policy is available on the website of NIBC (www.nibc.com).

7. Reporting

NIBC is subject to best execution reporting obligations under MiFID II. This includes the publication of information on the quality of execution for each class of financial instrument as listed in Appendix A. The content and format of the information to be made public is specified and will include, but is not limited to, details on price, cost, speed and likelihood of execution. NIBC is further required to publish on an annual basis a list of the top five Execution Venues for each class of financial instruments traded. The latest execution quality information published is available on the website of NIBC (www.nibc.com).

Upon reasonable and proportionate request NIBC will, within a reasonable timeframe, provide clients with information regarding this Policy and the performance of NIBC in handling of its orders and RFQs.

8. Consent

This Policy shall apply to the investment services provided by NIBC. By giving NIBC orders for execution, the client is deemed as giving its consent to this Policy unless NIBC is expressly notified in writing otherwise.

If you have any questions with regard to this Policy, please do not hesitate to contact your account manager.

Appendix A - Order handling for bespoke OTC Derivatives

Bespoke OTC Derivatives

NIBC may trade with clients in a range of bespoke OTC Derivatives such as:

- Interest rate swaps
- Interest rate cap
- Interest rate collar
- Interest rate floor
- FX forward
- FX options
- Swaption

These are bilateral derivatives contracts negotiated on a case by case base according to an order or request for quote from the client. In all cases, subject to this Policy and if permitted by applicable law, these transactions are executed outside of a Trading Venue ("OTC") whereby NIBC trades as principal with clients deciding whether or not to accept the price quoted.

In those cases, it will depend on the criteria set out in paragraph 3 of this Policy, whether and to what extent a duty of best execution is owed to the client.

Generally speaking, clients which are categorized as Professional clients engaging in OTC Derivatives transactions are deemed not to be able to "shop around" and are consequently deemed to be owed a duty of best execution.

Where this duty applies and the client order is executed on an OTC basis, NIBC shall ensure that it shall check the fairness of the price proposed to the client in accordance with paragraph 4.2.

Professional clients:

a client categorised as such in accordance with MiFID II.

Eligible Counterparty:

a client categorised as such in accordance with Article 30 of MiFID II, and subject to the lowest level of investor protection.

Non-professional clients:

A client that is not categorized as Professional client or Eligible Counterparty under MiFID II.