

EXECUTION POLICY

CIMD, Sociedad de Valores, SA

(Revised 31 March 2018)

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EXECUTION POLICY MANUAL

I.- PURPOSE

This sets out the principles governing the Execution Policy of CIMD, Sociedad de Valores, SA. (hereinafter CIMD, SV or the Entity) and as such is in line with applicable current regulations. Adherence to these principles is **mandatory**.

II.- LEGISLATION

This manual has been drawn up in accordance with regulations currently governing the activity of Investment Undertakings and Credit Institutions, in particular with the **MiFID II**, regulations, comprising Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 and the Regulation (EU) N° 600/2014 of the European Parliament and of the Council of 15 May 2014.

It is also in accordance with the applicable current provisions of the Spanish Securities Market Act 24/1988 of 28 July and with Royal Decree 217/2008 of 15 February completing the transposition of Directive 2006/73/EC into Spanish law and Royal Decree-law 21/2017, of December 29, for which the Directive 2014/65/UE transposes partially the Spanish regulation.

III.- SCOPE

The scope of application of this manual covers all departments entrusted with the reception, execution and/or transmission of orders given by **Professional Clients**, based on the criteria established by MiFID II.

The scope of application is covers the following financial instruments:

- Negotiable securities issued by persons or entities, public or private, and grouped together in issuances. In any event the following shall be considered negotiable securities:
 - o Shares in companies and rights thereto.
 - o Non-voting shares in savings banks and in the CECA (Spanish Association of Savings Banks)
 - o Bonds and debentures (including convertible and exchangeable)
 - o Mortgage-backed covered notes, bonds and participations
 - o Securitisation bonds
 - o Units and shares in UCITS
 - o Money market instruments: Treasury bills, certificates of deposit and promissory notes
 - o Preferred shares
 - o *Cédulas territoriales* (covered bonds backed by loans to the public sector).
 - o Warrants and other derivatives conferring the right to buy or sell another negotiable security or to a cash settlement determined by reference to negotiable securities, foreign currency, interest rates or returns, commodities, credit risk, or other indices.

- Option, future and swap contracts and forward interest rate agreements relating to:
 - o Securities, foreign currency, interest rates or other financial instruments
 - o Commodities to be paid for in cash.
 - o Commodities that may be paid for in kind, provided they are traded on a regulated market or Multilateral Trading System (hereinafter MTS)
 - o Commodities that can be physically settled, not being for commercial purposes and which have the characteristics of other derivative financial instruments (settlement through clearing houses, regular margin calls).
- Derivative instruments for the transfer of credit risk
- Financial contracts for differences.
- Options, futures, swaps and forward rate agreements relating to:
 - o Climatic variables
 - o Freight rates
 - o Emission allowances

That must or may be settled in cash or which may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).

IV.- CLASSIFICATION OF CLIENTS

The regulations referred to in point II above establish three categories of client: retail, professional and eligible counterparty.

In line with the firm's philosophy, and given the nature of its operations, the Entity's Distribution Department, as regards the retail, professional and eligible counterparty categories established by the MiFID II, will classify all its clients as **eligible counterparties**. CIMD, SV, SA will classify clients as **professional** only when clients classified as eligible counterparties ask, exercising their right to do so, to be classified as professional, and in those cases whereby their nature, clients can not be classified as eligible counterparties.

Nevertheless, the following are the requirements or characteristics that must be met by clients in order to be classified in one category or the other:

A.- Eligible Counterparty

Given the nature and characteristics of the client entities to which CIMD, SV, SA provides its investment services, the Distribution Department will classify clients in this category whenever possible. The following clients may be classified as **eligible counterparties**:

1. Financial institutions and other legal persons that, in order to operate on financial markets, must be authorised or regulated by a State, whether or not a European Union Member State.

These include credit institutions, investment services companies (hereinafter ISC), insurance companies, UCITS, pension funds and securitisation funds and their respective management companies, those dealing on a regular basis in commodities and commodities derivatives, as well as those trading for their own account and other institutional investors.

2. Any other clients that request such classification in advance and expressly renounce their being treated as retail clients.

Acceptance and renunciation is subject to the Administration Department's assessing such clients' knowledge and experience as adequate. At least two of the following conditions must be met:

- that the client has carried out a substantial number of transactions on the stock market with an average frequency of more than ten transactions per quarter during the four previous quarters.
- that the cash and stocks deposited have a value greater than €500,000.
- that the client holds, or has held for at least one year, a professional position in the finance sector requiring knowledge of the transactions or services specified.

Whenever CIMD, SV, SA carries out transactions with eligible counterparties, it shall be exempted from complying with the duties of providing information and of obtaining the “best result possible”.

Eligible counterparties may ask to be treated as professional clients, either generally or for a particular transaction.

B.- Professional clients

Professional clients are those who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur.

This particularly includes:

- a) Financial institutions and other legal persons that, in order to operate on financial markets, must be authorised or regulated by a State, whether or not a European Union Member State.

These include credit institutions, investment services companies (hereinafter ISC), insurance companies, UCITS, pension funds and securitisation funds and their respective management companies, those dealing on a regular basis in commodities and commodities derivatives, as well as those trading for their own account and other institutional investors.

- b) National and regional governments, public bodies that manage public debt, central banks and international and supranational institutions.
- c) Firms which individually satisfy at least two of the following criteria:
 - Total assets of \geq €20 million.
 - Annual turnover \geq €40 million.
 - Equity \geq €2 million.

- d) Any institutional investors not included in a) whose main activity is investment in securities; and other institutional investors, particularly private equity funds and their management firms.

Such firms may ask us to treat them as non-professional and to agree to afford them a broader degree of protection.

- e) Any other clients that request such classification in advance and expressly renounce their being treated as retail clients.

Acceptance and renunciation is subject to CIMD, SV, SA's assessing such clients' knowledge and experience as adequate. At least two of the following conditions must be met:

- the client has carried out transactions, in significant size, on the relevant market at an average frequency of ten per quarter over the previous four quarters.
- the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds €500,000.
- the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

C.- Retail clients

All clients who are not professionals **will be considered as** retail clients. However, as indicated above, this category will not be taken into account.

V.- CLIENT FILES

The Administration Department, in collaboration with the operating departments, will create a computerised file, which it will keep updated at all times, showing the particulars of each client by category such as to allow unequivocal identification of each client, and which shall contain, as a minimum, the information specified under "Client file" in **Appendix I**.

VI.- EXECUTION VENUES

CIMD, SV, SA may operate in any of the following ways:

- A. by arranging an agreement between two of its clients, without the involvement of any other party.
- B. directly at the **Execution Venues** of which it is a member
- C. through intermediaries, if it is not a direct member of an execution venue.

CIMD, SV, SA will endeavour to give priority to method A above, except whereby express mandate of the client and in accordance with client's instructions, execution must take place at an Execution Venue.

Execution Venue means both official secondary markets and multilateral trading systems.

It is the responsibility of the Entity's management to assess the characteristics of each of the possible **Execution Venues** and to select those that it considers most likely to achieve the “best possible result” based on the number and frequency of transactions it executes with the investment product traded at each venue, and providing it considers that the provision of that service to clients is fundamental. Assessments of **new venues** will be contained in a report giving the reasons for their being selected.

It will be the responsibility of the Board of Directors, based on the reports mentioned in the previous paragraph, to authorise membership of a new **Execution Venue**.

Similarly, the Distribution Department will carry out an annual monitoring and review of the characteristics of each Execution Venue selected to ensure that they continue to meet the necessary conditions for achieving the "best possible result", producing a written report if there are any significant changes.

VII.- CRITERIA FOR SELECTING EXECUTION VENUES

The criteria for selecting an execution venue as a member will be based on an analysis and evaluation of the following parameters:

- 1.- **Price**: The execution venue must offer the most competitive prices on a regular and continuous basis, so as to allow conditions to be obtained that are equal to or better than those of the other execution venues at which the same financial product is traded.
- 2.- **Costs**: Since execution costs are considered as part of the price, the execution venues selected must have the lowest possible costs. However this must not be the determining factor in selecting the venue, since selecting a venue with lower execution costs but which does not meet other basic requirements such as liquidity or ease of settlement, could hinder the obtainment of the “best possible result”.
- 3.- **Speed**: The selected execution venue must be capable of executing orders with sufficient speed so as to maximise its probability of achieving the “best possible result”.
- 4.- **Settlement**: We will select execution venues that offer a greater degree of assurance and facilities for settling transactions executed.
- 5.- **Volume**: The greater the volume offered at each price, the easier it will be for us to achieve the “best possible result”. We will also take into account the fact that the volume will be crucial only for certain types of transactions and clients, so this parameter will be subject to the assessment of those mentioned previously.
- 5.- **Likelihood of execution**: This refers to the available liquidity of the securities to be traded. Obviously the better the execution venue performs in terms of the abovementioned parameters, the more assurance it provides for our coverage.

VIII.- INTERMEDIARIES

When CIMD, SV, SA has to execute a transaction at an execution venue, **of which it is not a member**, it will execute its clients' orders through an **intermediary that is a member of said venue**.

For the appointment of **new intermediaries**, it will fall to the Distribution Department to assess whether they meet the parameters indicated in "Criteria for selecting Execution Venues", as well as a solvency criterion, such as to allow CIMD, SV, SA to achieve the objective of obtaining the "best possible result" and safeguarding its clients' interests. The assessment for this selection will be contained in a report, which will give details of the criteria applied.

Based on the reports described in the previous point, it shall be the responsibility of the Board of Directors to approve the appointment of the selected intermediaries.

Similarly, the Distribution Department will carry out an annual assessment of the characteristics of each intermediary selected to ensure that they continue to meet the necessary conditions for achieving the "best possible result", producing a written report if there are any significant changes.

IX.- REGISTER OF EXECUTION VENUES AND INTERMEDIARIES

It is the responsibility of the Administration Department, in collaboration with the operational departments, to construct and keep duly updated a computerised file showing the Execution Venues of which CIMD, SV, SA is a member and the intermediaries through whom it executes orders either for its own account or on behalf of clients. This file must enable each of them to be identified unequivocally and, as a minimum, shall contain the information set out under the heading "Register of Execution Venues" in Appendix I.

Appendix III gives a list of approved Execution Venues and Intermediaries.

X.- EXECUTION OF ORDERS

For the correct execution, reception and/or transmission of orders, CIMD, SV shall maintain a computerised register or file system which allows all client orders to be recorded, regardless of how they are received, and arranged in strict chronological order. This file shall also reflect the transmission of the various orders to the relevant execution venues for execution. It shall also contain two separate registers, one for orders received and transmitted (Register of Orders Received), and another for orders executed (Register of Orders Executed). Both registers shall contain, as a minimum, the information appearing under the various headings in Appendix I. There must also be a system for correlating the two files so that the entries in the register of orders executed can be matched with the corresponding orders.

Transactions carried out by CIMD, SV can be summarised as:

- The execution, reception and/or transmission of orders for its own account and on behalf of clients.
- The execution of transactions for its own account, confined to the financial instruments listed in the programme of activities.

When executing client orders and/or transmitting them to intermediaries, CIMD, SV, in its aim of obtaining the “best possible result”, will adhere to the following guidelines.

1.- When orders from clients classified as eligible counterparties are executed against positions of CIMD, SV's own portfolio, the Entity shall be exempted from the duty to obtain the “best possible result”.

2.- When the nature and characteristics of the financial instrument so permit, CIMD, SV, SA shall execute its clients' orders against its own positions or orders of another client without the involvement of an external execution venue.

3.- When because of its nature and characteristics the financial instrument has to be traded at an execution venue, CIMD, SV shall execute the order in accordance with the following preferential criterion:

1st At an execution venue of which it is a member.

2nd If it cannot be carried out at any of the execution centres of which CIMD, SV is a member, the order shall be executed through approved intermediaries.

If such orders are executed other than on regulated markets and MTSs, professional clients must give their prior express consent for their execution.

4.- If a client gives a specific instruction for the execution of an order, CIMD, SV shall follow such instructions on the understanding that it is exempt from the duty of obtaining the “best possible result”.

5.- CIMD SV, SA will not combine orders from its clients with orders given by other clients or with its own orders.

6.- CIMD, SV shall execute orders sequentially.

7.- “Registers of orders” will be used to prove effective handling of orders in the event of any complaints by clients based on the possible existence of a conflict of interest.

XI.- POLICY ON CONFLICTS OF INTEREST

With a view to avoiding harm to its clients' interests, CIMD, SV shall follow the guidelines set out in the CIMD Group's “Policy on Conflicts of Interest” as described below in order to identify and where appropriate eliminate any conflicts of interest.

1.- A register must be created, containing at least the details indicated under “Conflicts of Interest” in Appendix II, of all firms or persons directly or indirectly related to CIMD, SV.

2.- If an actual or potential conflict of interest is detected, CIMD, SV shall not execute the orders received for investment or ancillary services unless the client has prior knowledge of the circumstances and expressly consents to execution.

3. The exchange of information between persons (see Appendix II) participating in activities which may involve the risk of a conflict of interest is prohibited if such exchange may be prejudicial to the interests of one or more clients.

- 4.- Any associated person of CIMD, SV in possession of privileged information regarding one or more securities or financial instruments shall refrain from directly or indirectly executing, for own account or on behalf of others, any type of transaction involving said security or financial instrument.
- 5.- No associated person of CIMD, SV may carry out or prepare transactions involving:
- a) False or deceptive figures in regard to the offer, bid or price of a security or financial instrument.
 - b) The use of fictitious arrangements or any other form of deceit or scheming
 - c) The dissemination of information that provides or may provide false or deceptive figures
6. All associates whose main functions involve the performance of activities or the provision of services on behalf of clients with conflicting interests, or which represent different interests that may come into conflict, are to be supervised separately.
- 7.- The remuneration and incentives policy followed by CIMD, SV is designed to avoid conflicts of interest.
- 8.- No associated person of CIMD, SV may provide investment or ancillary services or carry on investment or ancillary activities when inappropriately influenced by any other person.
- 9.- No associated person of CIMD, SV may participate simultaneously or consecutively in different investment or ancillary services or activities if this might be prejudicial to clients' interests.
- 10.- Under the supervision of the Regulatory Compliance Control Department, CIMD, SV will establish and keep updated a register of the services provided by CIMD, SV. in which a conflict of interest has arisen resulting in damage to the interests of one or more clients. This register will contain, as a minimum, the information indicated under "Conflicts of interest" in Appendix II.
11. The Group's Internal Code of Conduct must include all these principles so as to ensure that it is in line with applicable current regulations.

XII.- INFORMATION

CIMD, SV's obligations as regards information are in two fields: information to clients and information to the CNMV (*Comisión Nacional del Mercado de Valores, Spanish Securities and Markets Authority*).

1. Information to clients regarding MiFID II

The Administration Department of CIMD, SV will send out a communication to all of its clients, indicating the following:

- a) Category in which CIMD, SV has classified the client.
- b) Communications to professional clients shall be accompanied by a memo summarising the criteria of CIMD, SV's Execution Policy in the provision of investment services and activities (form included in Appendix V).

2. Information to clients regarding the execution of orders

When CIMD, SV provides a service to a client, it must inform the client of the type of service and the status of its execution. The information must contain at least the following:

- Date of reception
- Time of reception
- Type of order: indicating whether it is a purchase or sale, or otherwise indicating the nature of the order.
- Identification of the instrument: this must include the code assigned to the instrument by the competent authority or, in its absence, a description of the instrument.
- Unit price this refers to the price of the security or instrument, not including any commissions or accrued interest.
- Currency: currency in which the price is expressed If the price is given as a percentage, as in the case of bonds and securitised debt, this percentage will be included.
- Quantity: the number of securities or units of the financial instrument.
- Time of execution In the case of an order executed at a venue through an intermediary, the time of execution will be the time at which the intermediary gives notification that the transaction has been carried out.
- Time of notification to the client

3. Information to supervisors

1.- CIMD, SV shall report the transactions that it carries out both for its own and clients' account to the supervisors as soon as possible, and in any case not later than the end of the following business day. These reports will contain the fields established in Table 2 of Annex I of Delegated Regulation (EU) Nº. 2017/590 (RTS 22) and at least the following:

- Date of execution
- Time of execution
- Identification of the client
- Means by which the order was received: recording whether it was by telephone, electronically or otherwise.
- Type of order: indicating whether it is a purchase or sale, or otherwise indicating the nature of the order.
- Identification of the instrument: this must include the code assigned to the instrument by the competent authority or, in its absence, a description of the instrument.
- Unit price
- Currency: currency in which the price is expressed
- Quantity: the number of securities or units of the financial instrument.
- Notation of quantity: unit in which the total quantity is expressed.
- Counterparty
- Identification of trading system
- Time of transmission: the time at which the order is sent to the execution venue (direct execution) or to the intermediary (execution at a non-member venue).
- The natural person responsible for the reception and execution of the transaction.

2.- If transactions are communicated by the Governing Body of the official secondary market or MTS through which the transaction is executed, CIMD, SV shall be exempt from the aforementioned obligation.

3.- CIMD, SV must keep all transaction data for at least five years, in case they may be required by the CNMV.

XIII.- CONTROL AND SUPERVISION

The CIMD Group Control Department shall carry out an annual control and supervision of compliance with the Execution Procedures and Policies, and of the degree to which the Execution Policy is in line with currently applicable legislation and regulations. A report shall be submitted to the Board of Directors showing the results of the control and supervision of the Execution Policy.

XIV.- REGISTERS AND RETENTION OF REGISTERS

All registers and reports referred to in the Execution Policy shall be created in computerised form and kept for five years.

APPENDIX I

REGISTERS

1. CLIENT FILES

The client file shall contain the history of each client relationship, in computerised form, and must contain, as a minimum, the following fields:

- Spanish National Identity Document (D.N.I.) or Tax Identification Number (N.I.F.)
- Name or business name
- Address
- Category
- Whether or not the client asked to be classified in this category.

2. REGISTER OF EXECUTION VENUES

The register of execution venues shall be in computerised form and shall contain, as a minimum, the following fields:

- Execution venue: this should indicate the name by which the venue is most commonly known in the investment markets.
- Description: a brief description of the venue.
- Product: details of the product or instrument traded at the execution venue.
- Type of access: indicating whether CIMD, SV, SA's access is as a member or through an intermediary.
- Date of last review

3. REGISTER OF ORDERS RECEIVED

The register of orders received shall be kept in a system or file in computerised form which allows all orders to be recorded automatically, regardless of how they are received, and in strict chronological order. This will also include the distribution of orders to the corresponding execution venue on a "first in, first out" basis.

This register will contain as many fields as necessary in order to comply with paragraph 1 of article 33 of the RD 217/2008, 15th of February.

4.- REGISTER OF ORDERS EXECUTED

The register of orders executed shall be kept in a system or file in computerised form which brings together all orders executed at Execution Venues either directly or through intermediaries.

This register will contain as many fields as necessary in order to comply with paragraph 1 of article 33 of the RD 217/2008, 15th of February.

APPENDIX II

CONFLICTS OF INTEREST

With a view to avoiding as far as possible the provision of services or the carrying on of investment activities leading or likely to lead to situations of conflict of interest, a register shall be kept showing all firms and persons directly or indirectly related to CIMD, SV, SA; based on this register, a list entitled “**List of related and associated persons**”, will be produced, with the following fields:

- Identification: Name or Business Name, D.N.I. or N.I.F. of the natural or legal person related to CIMD, SV, SA.
- Nature of relationship: indicating whether it involves a related party (exercising control of CIMD, SV, SA through an equity holding) or an associated person (partners, administrators, employees or any other person whose services are at the disposal and under the control of CIMD, SV, SA).
- Degree: in the case of a connection through shareholding, the percentage held or represented must be shown.

The “**Register of Conflicts of Interest**” shall be in computerised form and will indicate any investment or ancillary services provided or investment activities carried on by CIMD, SV, SA or on its behalf in which a conflict of interest has arisen posing a substantial risk of harming the interests of one or more clients.

This register shall contain at least the following fields:

- Date and time
- Orders subject to conflict: the order or orders subject to conflict must be specified.
- Identification of the conflict
- Notification to the client of the existence of a conflict if detected prior to the execution of the order(s)
- Consent to execution: if the client has been informed of a possible conflict, it must be specified whether or not the client’s express consent has been given for the transaction to be executed.

APPENDIX III

CURRENT EXECUTION VENUES AND INTERMEDIARIES

Execution venues for GOVERNMENT DEBT

CIMD OTF	Manager
SENAF (Electronic Trading System for Financial Assets)	Member

Execution Venues for OPTIONS AND FUTURES

EUREX	Direct
MEFF	Direct
LIFFE	Direct
NYSE EURONEXT	Direct
Paris	
Amsterdam	
CME - Chicago Mercantile Exchange	Intermediary
CBOT - Chicago Board of Trade	
NYMEX - NY Mercantile Exchange	
COMEX – Commodity Exchange	
MFE - Montreal Exchange	Intermediary
ICE - International Commodities Exchange	Intermediary
IPE - Internacional Petroleum Exchange	
NYBOT (FINEX) – NY Board of Trade	
NYBOT (FINEX) – NY Board of Trade	Intermediary

Execution Venues for interest rate and exchange rate derivatives

CIMD OTF	Manager
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Execution Venues for commodity derivatives

CIMD OTF	Manager
OMIP (Iberian power derivatives)	Direct

NOTE: The intermediary used by CIMD, SV to access all the indicated markets is **NEWEDGE**, except for MEFF using **INTERMONEY VALORES, SV, SA**.

APPENDIX IV

ACCEPTANCE OF THE EXECUTION POLICY

(The document "Information on Execution Policy" is attached – see Appendix VII)

1. Consent to Order Execution Policy

We hereby give our consent to the CIMD SV, SA Order Execution Policy.

Yes No

2. Agreement on transactions carried out outside an Organised Market or Multilateral Trading System

We agree to allow CIMD SV, SA to carry out transactions in our name, outside an Organised Market or Multilateral Trading System, provided that the market is considered a reference market.

Yes No

3. Agreement on the publication of Limited Orders

We agree to allow CIMD SV, SA to publicise Limited Orders in regard to shares or other instruments traded on a Regulated Market whenever orders cannot be executed immediately.

Yes No

4. Agreement re communication through electronic channels

We agree that information provided to us by CIMD, SV, SA may be sent by electronic mail or other electronic means chosen by CIMD, SV, SA (subject to prior notification), without limitation, in relation to:

- Changes to the Order Execution Policy
- Nature and risk of investments
- Any other investment-related information.

Yes No

Date:

Full name of client: _____

APPENDIX V

INFORMATION TO CLIENTS ON THE EXECUTION POLICY

INFORMATION ON THE EXECUTION POLICY

1. Introduction

As a result of the increase in financial products and the markets on which they are traded, the European Union considers it necessary to establish common standards that provide greater protection for investors in all Member States of the European Union.

In order to achieve this objective, a set of rules known as **MiFID** has been developed (Directive 2004/39/EC of the European Parliament and of the Council, Directive 2004/73/EC of the European Commission and Regulation (EC) 1287/2006 of the European Commission) which regulates the activity of entities which provide investment services or carry on activities involving financial instruments.

These regulations place particular stress on the obligation of investment undertakings to implement an **Execution Policy** aimed at providing their clients with the best possible result in terms of order execution.

The aim of this declaration is to satisfy the regulatory requirement that clients be informed of the most important points included in **CIMD, SV, SA's Execution Policy**.

2. Scope of application

The Execution Policy applies to clients classified as Retail and Professional in accordance with the MiFID regulations, when providing a service involving execution and/or reception and transmission of client orders involving financial instruments for which CIMD, SV, SA is duly authorised, recognised as such by the MiFID.

CIMD, SV, SA does not undertake to achieve "best execution" for orders from clients classified as Eligible Counterparties.

3. Execution Policy

CIMD, SV, SA has taken all reasonable measures to obtain the best possible result in executing and/or receiving or transmitting to and from third parties client orders involving the financial instruments covered by the MiFID regulations.

In this regard, CIMD, SV, SA has effective best execution systems, including an execution policy which describes the principles governing execution, the duties and responsibilities of CIMD, SV, SA towards its clients in executing and/or receiving and transmitting orders.

In order to achieve the best possible execution for its clients, CIMD, SV, SA shall take into account:

1.- factors such as:

- Price
- Costs
- Speed
- Probability of execution
- Volume and reliability of settlement
- Any other factor which, due to its nature, may affect the result of execution

It will also take into account the type of client and the nature of the order.

2. Possible execution venues:

CIMD, SV, SA shall select an execution venue that allows it to comply with its execution policy in each specific case.

To this effect, the following locations are to be considered as execution venues:

- Official secondary markets
- Multilateral trading systems
- Systematic internalisers

3.- In the event that it receives a specific instruction from a client regarding the execution of an order, CIMD, SV, SA shall execute the order following the specific instruction, it being understood in such a case that the entity is complying with its duty to act in its clients interests.

4. Relative importance of the factors in execution

a) Price

Among the possible execution venues which satisfy the reasonable conditions of access for executing an order, CIMD SV SA, shall give priority to the price factor, subject to conditions of sufficient liquidity being met.

b) Execution costs

The concept of best execution result will be understood as being determined by the overall result, meaning the price and the costs associated with execution. These costs may include: intermediaries' fees, clearing and settlement charges, fees charged by the execution venue and other third party expenses necessary for the execution of the order.

c) Speed, probability of execution, volume and reliability of settlement

These factors shall be taken into account depending on the financial instrument on which the transaction is to be executed, given that the evaluation of these factors is conditioned by the nature of the execution venues at which the instruments are traded and by the characteristics of each product.

5. Execution of orders

CIMD, SV, SA, in pursuit of the best possible execution result, may proceed to execute client orders either directly or by transmitting them to other intermediaries.

1. Direct execution

When the nature and characteristics of the financial instrument so permit, CIMD, SV, SA shall execute its clients' orders against its own positions or orders of another client without the involvement of an external execution venue.

For direct execution through an external execution venue CIMD, SV, SA shall use one of the Execution Venues listed by type of financial instrument in Appendix I.

2. Transmission of orders to third parties

CIMD, SV, SA shall transmit client orders to other intermediaries for execution only when it does not have direct access to the appropriate execution venues for achieving the best possible result.

In such cases, CIMD SV SA, shall adopt the following measures:

- It shall verify that the chosen intermediaries have in turn established execution policies that allow CIMD SV SA, to comply with its own best execution policy.
- CIMD, SV, SA shall select as intermediary an entity that can prove itself capable of achieving results equal to or better than another intermediary with regard to best execution.
- The firm shall establish execution agreements with one or more intermediaries

6. Acceptance of the execution policy

The MiFID regulations require that CIMD SV SA, obtain prior consent from each of its clients in regard to its Execution Policy before executing any order given by that client.

In this regard, it is to be understood that CIMD, SV, SA will obtain its clients' prior consent either in the form of specific contractual documentation, or, when a client, having received the information on the Execution Policy, sends an order to be executed without raising any objection to said information.

7. Review of the Execution Policy

CIMD, SV, SA shall review the efficacy of its Execution Policy on a regular basis, at least once per year, in order to detect and, if appropriate, rectify any deficiencies in its application.

Moreover, the firm shall periodically check that all Execution Venues and intermediaries meet the criteria that systematically produce the best possible results for its clients.

Clients shall be duly informed of any significant changes made to the order Execution Policy described in this document. This does not necessarily include or exclude any particular execution venue, intermediary or instrument.

APPENDIX

EXECUTION VENUES BY PRODUCT TYPE

CURRENT EXECUTION VENUES AND INTERMEDIARIES

Execution venues for GOVERNMENT DEBT

CIMD OTF	Manager
SENAF (Electronic Trading System for Financial Assets)	Member

Execution Venues for OPTIONS AND FUTURES

EUREX	Direct
MEFF	Direct
LIFFE	Direct
NYSE EURONEXT	Direct
Paris	
Amsterdam	
CME - Chicago Mercantile Exchange	Intermediary
CBOT - Chicago Board of Trade	
NYMEX - NY Mercantile Exchange	
COMEX – Commodity Exchange	
MFE - Montreal Exchange	Intermediary
ICE - International Commodities Exchange	Intermediary
IPE - Internacional Petroleum Exchange	
NYBOT (FINEX) – NY Board of Trade	
NYBOT (FINEX) – NY Board of Trade	Intermediary

Execution Venues for interest rate and exchange rate derivatives

CIMD OTF	Manager
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Execution Venues for commodity derivatives

CIMD OTF	Manager
OMIP (Iberian power derivatives)	Direct

NOTE: The intermediary used by CIMD, SV to access all the indicated markets is **NEWEDGE**, except for MEFF using **INTERMONEY VALORES, SV, SA**.