

INFORMATION TO CLIENTS ON THE EXECUTION POLICY

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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 II** has been developed (Directive 2014/65/EU of the European Parliament and of the Council, Regulation (EU) 600/2014 of the European Parliament and of the Council) 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 II 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 II 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**.