

CUSTOMER INFORMATION ABOUT THE EXECUTION POLICY

EXECUTION POLICY INFORMATION

I.- Introduction

As a result of the increase in the number of financial products and the markets on which they are traded, the European Union invokes that common rules should be established to provide a greater protection to investors in all member states of the European Union.

In order to fulfill this objective, the legislation known as **MIFID II** (Directive 2014/65/EU of the European Parliament and the Council and Regulation (EU) No 600/2014 of the European Parliament and of the Council) has been redacted in order to regulate the actions of financial entities that either provide investment services or are engaged in activities with financial instruments.

This legislation places particular emphasis on the obligation of investment firms to have an established **Execution Policy** aimed at providing their clients with the best possible outcome in order execution.

The present declaration has been redacted to comply with the regulatory requirement of informing customers of the most relevant aspects that constitute the **Execution Policy of CIMD, SV, SA**.

II.- Scope

The Execution Policy applies to clients classified as retail and professional, according to the rules of the MIFID II normative, where an execution service is provided for the receipt or transmission of orders on financial instruments on behalf of the client, for which CIMD, SV, SA has been duly authorised, in consistency with the MIFID II normative.

CIMD, SV, SA does not commit to provide the service of "best execution" in relation to orders from clients classified as Eligible Counterpart.

III.- Execution Policy

CIMD, SV, SA has adopted all of the necessary steps in order to attain the best possible result when executing and/or receiving or transmitting third party orders from clients on the financial instruments provisioned for in MIFID II regulations.

In this regard, CIMD, SV, SA has optimal execution systems at its disposition, including an execution policy that outlays the principles governing the execution, duties and responsibilities of CIMD, SV, SA with respect to its clients within the execution and/or receipt and transmission of orders.

To guarantee the best possible execution for its customers, CIMD, SV, SA will take into account:

1.- Factors including:

- Price.
- Costs.
- Speed.
- Probability of execution.
- Volume and probability of settlement.

- Any other factor whose characteristics may influence the result of execution.

The Customer type and the characteristics of the order shall also be a factor.

2.- Possible execution centres:

CIMD, SV, SA will select the execution centre that in each specific case will permit full compliance with its execution policy.

For this purpose, the following are considered as execution centres:

- Official Secondary markets.
- Multilateral Trading Facilities.
- Systematic Internalizers.

3.- When a specific instruction is given by the client regarding the mode in which an order is to be executed, CIMD, SV, SA will execute the order in strict adherence of these specifications and on the understanding that the Entity complies with its obligations in the interest of the client.

IV.- Relative importance of factors in execution

a) Price.

Of the selection of execution centres that meet the required conditions of accessibility for the execution of an order, CIMD, SV, SA will give priority to price, on the understanding that this factor will reunite the sufficient conditions for liquidity.

b) Execution Costs.

The concept of an optimal execution result shall be determined in terms of total consideration, understood as the price and costs related to execution. These costs may include brokerage, clearing and settlement, execution centre fees, and other third-party costs required for order execution.

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

These factors will be considered depending on the financial instrument on which the transaction is to be executed, since the valuation of these factors will be conditioned by the characteristics of the execution centres on which the instruments may be traded as well as by the characteristics of each product.

V.- Execution of orders

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

1. Direct execution.

Where the nature and characteristics of the financial instrument so permit, CIMD, SV, SA will execute the orders of its clients against its own positions or against positions or orders of other clients without the intervention of an external execution centre.

For direct execution through an external execution centre CIMD, SV, SA will use one of the execution centres by type of financial instrument as detailed in "Annex I".

2. Transmission of orders to third parties

CIMD, SV, SA will transmit client orders to other intermediaries for execution, only when it does not have direct access to the appropriate execution centre to attain the best possible execution.

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

- It shall verify that the selected intermediaries have, in turn, established execution policies that allow CIMD, SV, SA to fully comply with its own optimal execution policy.
- CIMD, SV, SA shall select an intermediary on the basis it can demonstrate that it is in a position to attain results equal to, or better than, other alternative intermediaries with respect to optimal execution.
- CIMD, SV, SA shall establish execution agreements with one or more brokers.

VI.- Acceptance of the Execution Policy

MIFID regulations require CIMD, SV, SA to obtain the prior consent to its Execution Policy from its client before proceeding with the execution of any order.

For this purpose, CIMD, SV, SA shall be deemed to have obtained the aforementioned prior consent from its customers, either through specific contractual documentation, or, if once the information on the Execution Policy has been received by the customer, the customer transmits an order for its execution without expressing any objection to such information.

VII.- Review of the Execution Policy

CIMD, SV, SA will regularly review, at least once a quarter, the effectiveness of its Execution Policy in order to detect and amend possible deficiencies, where appropriate, in the implementation of the Execution Policy.

It will also periodically monitor and verify that execution centres and Intermediaries meet the criteria that systematically allow for the best possible results, for its clients.

Clients shall be duly informed of any significant changes in the order Execution Policy described herein, without the necessary requirement as such, for the inclusion or exclusion of any named execution centre, Intermediary or financial instrument.

Annex

EXECUTION CENTRES BY PRODUCT TYPE

EXECUTION CENTRES AND INTERMEDIARIES

Execution Centres SOVEREIGN DEBT

CIMD OTF Manager

SENAF Member

(Electronic Financial Asset Trading System)

Execution Centres OPTIONS AND FUTURES

EUREX	Direct and intermediary
MEFF	Direct and intermediary
LIFFE	intermediary
NYSE EURONEXT	intermediary
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 - International Petroleum Exchange	
NYBOT (FINEX) - NY Board of Trade	Intermediary

Execution Centres Interest Rate Derivative AND FX Forwards

CIMD OTF Manager

Execution Centres Energy Derivatives

CIMD OTF Manager
 OMIP (Iberian Electricity Market) Direct
 EEX Power Derivatives Direct

NOTE: The broker used by CIMD, SV to access all listed markets is **NEWEDGE**, except for MEFF where **INTERMONEY VALUES, SV, SA** is designated.