

## **Calyon Financial Best Execution Disclosure Statement**

### **Introduction**

As part of the implementation of the EU Markets in Financial Instruments Directive (hereinafter “MiFID”) in November 2007, Calyon Financial SNC (hereinafter “Calyon Financial”) is required to put in place a policy and procedures to ensure that we take all reasonable steps to obtain the best possible result for clients (that are not classified as eligible counterparties) taking into account relevant execution factors. This requirement is defined under MiFID as the Best Execution Obligation.

This Statement (“Statement”) is the means by which we, Calyon Financial, provide you with appropriate information about our Best Execution Policy. This Statement is also available on Calyon Financial’s website.

### **Scope**

The Best Execution Obligation will apply to orders we execute for you if the following criteria are satisfied:

- you have not been categorised as “eligible counterparty” for the related service / transaction
- you are dealing in financial instruments as defined under MiFID
- we are either executing your orders or receiving or transmitting orders for execution on your behalf; and
- specific instructions given by you do not prevent Calyon Financial from giving you best execution.

### **Best Execution Policy**

When executing orders on your behalf in relation to financial instruments, we will execute the orders in accordance with the firm’s Best Execution Policy and we will only be bound by the best effort undertaking. We will take all reasonable steps to obtain the best possible result (“best execution”), subject to and taking into account:

- the nature and the specificities of the orders received,
- the time of the reception of the orders and the priorities placed upon us in filling those orders; and
- the characteristics of the market in question and which provides, in our view, the best balance across a range of sometimes conflicting factors.

To execute your order, Calyon Financial complies with trading rules in force to execute your order.

Where the Best Execution Obligation does apply, you should be aware that this does not mean that we must always obtain the best price when executing each order.

### **Best Execution Factors**

In order to achieve best execution, we will take into consideration a range of different factors as required by MiFID and relevant local regulations. The Best Execution Factors (hereinafter “Execution Factors”) that we will take into account when executing orders will include:

- price of the product;
- transaction cost;
- speed of execution;

- likelihood of execution and settlement;
- market liquidity and impact of the order on a volatile market;
- the size of the order;
- the nature of the order; and
- any other relevant factors.

The relative importance given by Calyon Financial to each of these factors will depend upon the criteria detailed thereafter. For professional clients, Calyon Financial will consider the price of the product and the liquidity of the market to be the most important factors. As far as the retail clients are concerned, the best possible result is based on the total cost of the transaction.

We may, under some circumstances and in our own discretion, keep the right to consider other factors to be more important.

### **Best execution criteria**

In addition to the Execution Factors, we will also take into account the following information when executing an order (hereafter the “Execution Criteria”):

- the characteristics of the client that gave the order including its classification as professional or non-professional;
- the characteristics of the order;
- the characteristics of the financial instrument that is the subject of the order; and
- the characteristics of the execution venue(s) to which the order can be directed.

In the absence of specific instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with best execution.

Our commitment to provide you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

### **Specific Instructions**

When you give us instructions to execute an order the following should be specified:

- the product you wish to trade;
- whether you wish to buy or sell;
- quantity;
- any instructions re exchange venue, timing, pricing or duration of the order; and
- any other relevant and specific instructions allowing Calyon Financial to execute the order in compliance with the client wishes.

Where you give us specific instructions either relating to an order or a series of orders, we will execute your order in accordance with those specific instructions. Where specific instructions only relate to part of an order the best execution obligation will apply to the part of the order not covered by the specific instructions.

Calyon Financial provides direct access to certain execution venues, within the limits and conditions provided for in the contract agreed with the concerned clients.

In these cases, you should manage yourself your order by choosing, among others:

- the market;
- the time of the execution;
- the executing methods and terms;

With respect to the agreement signed with the client, Calyon Financial can, in particular for credit, regulatory, error restraint purposes, restrict the client access to some functionalities, markets, products, order types or order sizes.

With respect to clients accessing markets using Calyon Financial's systems or infrastructure the best execution obligation will not apply where you as client choose to execute your orders via any such system.

### **Execution Venues**

Execution venues are defined as a regulated market, a Multilateral Trading Facility, a systematic internaliser, a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions being performed by any of the foregoing.

Where we have obtained your express prior consent to execute your orders outside a regulated market or Multilateral Trading Facility we may execute your orders off exchange.

The list of execution venues which we access to execute your orders is set out on the commission schedule.

A list of the execution venues which we access to execute client orders is set out on the firm's website at the following address:

<https://www.calyonfinancial.com/execution/coverage.html>

We reserve the right to amend and update this list as and when necessary in order to ensure that we are able to access execution venues to obtain the best possible result for our clients.

We may also execute your order on an exchange not included on this list where we determine in our discretion that it is appropriate to do so.

We undertake ongoing reviews of the execution venues and may change or update our list of execution venues at any time as a result of those reviews. So that you can access this information at your convenience we maintain an up to date list of execution venues on our website. We will not separately notify you of changes to the list and therefore we recommend that you access our website periodically if you need to review the latest execution venue list.

### **Execution Venue Selection**

Calyon Financial is a derivatives broker providing execution on all leading derivative exchanges and certain OTC products.

The nature of the exchange traded derivatives market is such that there are limited cases where multiple execution venues exist to execute client orders in relation to a specific derivative contract. The vast majority of exchange traded derivatives are traded on a single execution venue, which should be specified by you as part of your order (see section - Specific Instructions).

If the financial instrument referred to in your order is listed on more than one execution venue, we will assess, on a regular basis, the quality of execution provided by the different execution venues on which we execute your orders (and that includes the quality of execution provided by us when you are dealing

directly with us on a principal-to-principal basis). On the basis of those reviews we will assess whether we need to change our execution arrangements in order to continue to provide you with Best Execution.

As set out above, when selecting and reviewing execution venues, we will take into full account:

- the Execution Factors; and
- Execution Criteria relevant to your order, such as speed of execution, quality of the clearing service, and settlement/delivery specifications.

### **Reception and transmission of Orders**

As part of the service we provide and subject to any specific instructions that you may give us, we may transmit any order that we receive from you to another entity within the Calyon Financial group or to a third party for execution. When doing so, we will ensure that we reasonably believe that this will be in your best interest and we will take all reasonable steps to obtain the best possible result for you taking into account the Execution Factors and the Execution Criteria.

### **Review and Monitoring**

Calyon Financial monitors the effectiveness of our order execution arrangements and order execution policy on an ongoing basis. We assess on a regular basis and at least annually undertake a formal review of the execution venues included in our order execution policy, and the brokers and dealers to whom we transmit orders.

The purpose of this review is to allow us to achieve best execution on a consistent basis or to determine whether we need to make changes to our execution arrangements.

We also review our order execution arrangements and order execution policy whenever a material change occurs either in respect of one of our chosen execution venues that may affect our ability to continue to achieve best execution.

We will notify you of any material changes or amendments to our order execution arrangements or Best Execution Policy by posting an updated version of this Statement on our website. Notification may also be issued through operation statements.

### **Consent**

Any order sent to us after reception of this policy results in your acceptance of the policy.