

Treasury Order Execution Policy within BC Intesa Sanpaolo Romania SA

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I. GENERAL PROVISIONS

1.1. Purpose of policy

This policy sets up the general framework regulating the mode in which orders referring to transactions in derivative financial instruments and government securities are executed. The Bank shall take all necessary measures to ensure the best possible result in view of executing the clients' orders.

1.2. Scope

According to Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and according to Law 126/2018 on organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (hereinafter referred to as the “regulation”), BC Intesa Sanpaolo Romania SA has the obligation to execute its clients’ orders under the conditions which are most favourable to them and to indicate the execution venues which allow the Bank to consistently obtain the best possible result for the performance of the clients’ orders. In drawing up and publishing this Order Execution Policy, the Bank complies with the provisions of the above-mentioned regulatory framework.

For the purposes of this policy, the following definitions shall be considered:

- **Order execution on behalf of the clients** - refers to the conclusion of purchase or sale agreements for one or several financial instruments on behalf of the clients, as well as to the conclusion of agreements for the sale of financial instruments issued by an investment firm or by a credit institution at the time of their issuing;
- **Dealing on own account** - the conclusion of transactions related to one or several financial instruments against proprietary capital.

1.3. Principles and criteria for the assessment of trading venues

In determining the best execution of the order/ of the requests for quotations (RFQ), the Bank evaluates the execution venue to be used in view of the following considerations, prioritizing them in the below order:

- a) price of financial instruments referred to in the order;
- b) costs and profitability of the order for the client;
- c) time needed for the performance of the order and execution speed;
- d) execution and settlement probability;
- e) size/volume of the order;
- f) liquidity of financial instruments at the relevant execution venue;
- g) any other relevant considerations for the performance of the order. Such considerations include any additional criteria which must be taken into consideration in addition to the general information provided concerning the individual order sent by the client.

Concerning letter g), such considerations would include any additional criteria which must be taken into account in addition to the general information to be provided concerning the specific individual order given by the client.

If the Bank executes an order on behalf of a retail client (MiFID classification), the best possible result is determined taking into account the total price, which represents the price of the financial instruments and the costs associated to the execution, which include, in their turn, all the expenses borne by the client directly related to the execution of the order, including the taxes of the trading venue, the compensation and settlement commissions and other expenses paid to third parties involved in the execution of the order.

In view of covering the stages necessary for obtaining the best possible results for the client, the following parameters must be taken into account and prioritized in accordance with the above, as follows:

- costs;
- speed;
- execution probability;
- any other relevant factors.

The Bank assess all above-described parameters and uses this assessment to ensure compliance with the best execution principle.

To determine the importance of the above, the Bank has in view the following list of criteria, ordered according to the importance of individual factors for the determination of the execution venue:

- a) Client's MiFID classification in Retail or Professional;
- b) features of financial instruments referred to in the order;
- c) nature of the order (sale or purchase);
- d) features of: the regulated market, multilateral trading facilities (MTF), organized trading facilities (OTF), independent operators, market makers, other liquidity providers or other persons or bodies having a similar function in a third-party country as compared to the functions of any of the above parties, to which the respective order can be sent.

For the purposes of ensuring the best result, if there are at least two competing trading venues for the performance of an order for a financial instrument and in order to be able to assess and compare the results which could have been attained for the customer after executing the respective order in each of the eligible trading venues indicated in this order execution policy, the execution shall also consider the Bank's commissions and costs charged for the execution of the order in each of the eligible trading venues.

I.4. General rules

The Treasury Order Execution Policy responds to the regulatory requirements stated in the Directive, as well as to the ones included in other regulatory documents related to the Directive.

The Treasury Order Execution Policy applies to the orders sent by the clients classified by the Bank as retail client or professional client upon receiving and processing their order.

The Treasury Order Execution Policy does not apply to Eligible Counterparties.

However, in relation to the eligible counterparties, the Bank acts in an honest, fair and professional manner and communicates in an accurate, clear and non-deceptive manner, taking into account the nature of the eligible counterparty and of the activities it performs.

The Bank trades with its clients, mainly using the Requests for Quotations (RFQ) method.

The Bank may consider the use of execution venues as described above in chapter I.3 for the execution of the client's orders, while observing the best execution principle.

However, the Bank cannot be compelled to use an execution venue where, due to the absence of access rights or of regulations in force, it is impossible to guarantee either the execution under the best conditions for the client, or the participation in the respective execution venue.

If the Bank has access to several execution venues in view of executing the Client's orders, it shall select a main venue, which is the most profitable in terms of orders related to the respective financial instruments, according to this Policy. The execution of the order will be considered to be the best if the Bank uses the main venue indicated in this Policy for the respective financial instrument.

For the purposes of determining the options for the best performance of the Client's orders, the Bank - in addition to other factors, will take into account the costs and the commissions directly related to the trade and borne by the client, using the approach of the global cost borne by the client.

II. DETAILED PROVISIONS

II.1. Scope

The execution policy applies to Retail and Professional Clients, within the meaning defined by the MiFID II legislative package, which benefits from one of the following financial services:

- the execution of orders in the clients' account;
- receiving and sending orders regarding one or several financial instruments;
- receiving Requests for Quotations and quote-driven trading (RFQ);

The financial instruments covered by this ISPRO policy on the execution of orders include:

- government securities;
- derivative financial instruments with currencies as underlying assets;

In accordance with the best execution principle, when executing the client's order referring to the financial instrument, the Bank shall take all necessary actions to ensure the best possible result.

To this end, the Bank takes into account all relevant legal and regulatory aspects related to the execution of clients' orders, as well as all the information on the known trading venues, in accordance with the Bank's internal procedures. However, if specific instructions are received from the client, the best execution principle involves the execution of the order by the Bank in strict compliance with the client's instructions. The Bank's main priority is to act in accordance with the instructions received from its clients.

II.2. Criteria for the selection of execution venues

The execution venues which may be used for the execution of the client's orders/ requests for quotations (RFQ) by the Bank are the following:

- multilateral trading facilities (MTF) and organized trading facilities (OTF);

- other execution venues, including the OTC (over-the-counter) market, from the Bank's own account.

In view of ensuring the best execution, the Bank allows for the execution of clients' orders / requests for quotation (RFQ) outside regulated markets (OTC), outside multilateral trading facilities (MTF) and outside organized trading facilities (OTF), namely outside trading venues.

In case of financial instruments where the Bank is determined as the execution venue, the Bank may perform transactions either on the Bank's own account, or upon the Client's order and on behalf of the latter.

In addition to the factors which need to be assessed in the selection of trading venues and mediators, for the best execution, the Bank shall also take regularly also take the following factors into account:

- public reputation;
- role on the market;
- counterparty risk;
- any guarantees or other conventions concluded in relation to the execution and settlement of accounts;
- the client's requirements;
- all the information made available to the Bank regarding the quality of order execution;

Under this Policy, the Bank maintains its option to execute the Client's over-the-counter orders/ requests for quotations .

In this case, the Bank shall notify any potential risks to the client, particularly the ones related to the occurrence of counterparty risk. Also, at the Clients' request, the Bank shall provide additional information regarding this execution method.

The Bank may execute the over-the-counter order only upon the client's express and prior approval. The client may grant such an approval to the Bank within the Contract for Mediation or by means of a written Consent.

In the identification and selection of trading venues, the Bank may also consider multilateral trading facilities (MTF), organized trading facilities (OTF) where it has trading rights.

Regarding the selection of its execution partners, the Bank assesses the available data and information referring to the following conditions:

- a) price (net price) of financial instruments referred to in the order;
- b) cost execution costs;
- c) time needed for the execution of the order;
- d) probability of execution, settlement, and its speed;
- e) order size/volume;
- f) activities and services of the service provider or of the partner, markets, official licenses and permits.

II.3. Order execution and best-execution related restrictions

To ensure the best-execution principle, during the execution of the order the Bank shall comply with the principles and procedures established in this Treasury Order Execution Policy.

The bank obtains the client's prior consent regarding the order execution policy.

The Bank has the right to execute the orders received from the Client over the counter as well, while complying with the provisions of this policy.

The bank executes identical orders in chronological order of their receipt. The chronological order shall be determined taking into account the time of order receipt from the client and its insertion in the Bank's system. If the orders are executed on own account, the Bank shall take measures to ensure that the transaction does not affect the Client's legitimate interests.

If the Bank launches orders which are identical to those of one of its clients, the Bank shall give priority to the Client's orders. If the Bank aggregates the client's orders in a transaction which must be performed on own account and the transaction is executed in tranches, priority shall be given to the execution of the client(s)' orders during the allocation process. In case several aggregated online orders are executed partially, they shall be allocated proportionally.

The Bank has no obligation to promptly execute the order received from the client if the order cannot be executed under the existing market conditions. The staff within the Treasury & ALM Department shall provide market information to the client if it believes that there is a possibility for the execution of the order to affect their interests. Such information shall be of technical nature, regarding the sale-purchase volumes, the performed transactions, giving the client an overview of the market at the time the order is launched.

In the execution of an order, the Bank may make an exception from the best-execution principle in the following cases:

- a) when it receives specific instructions from the client

If specific instructions are sent, the client acknowledges and accepts the fact that the given instructions take precedence over the Bank's efforts to obtain the best possible results in the execution of orders, according to the steps planned and determined in the Treasury Order Execution Policy, under the condition of potential conflicts between the elements related to these steps and those of the instructions sent by the client. For any instructions received from the client, on the condition that this Policy was presented to them and acknowledged by them, the Bank is entitled to assume that it is in a situation where the client accepted and acknowledged the above when it gave the respective instructions.

If the client gives clear and firm instructions to the Bank regarding the execution of the order, and the instructions may be observed based on the relevant framework agreement and on the established communication channel, the Bank shall comply with the instructions received during the execution of the order. In this case, the instructions sent by the client must also be considered as being the best execution of the order.

In accordance with the legal provisions, the Bank must be able to demonstrate to the clients, at their request, that it executed their orders in accordance with this execution policy.

With regard to the above-mentioned matters, the bank shall receive no remuneration, discount or non-pecuniary benefits to direct the clients' orders to a certain trading venue or execution venue, which would infringe upon the provisions on conflicts of interests or incentives (if the latter apply).

Also, the Bank applies procedures guaranteeing the prompt, fair and speedy execution of such orders in relation to other client orders or with the Bank's trading interests, as applicable, applying the principle according to which the execution of clients' orders is achieved according to the date of receipt by the Bank.

- b) when the trading is based on the request for quotations (RFQ).

When the trading is based on the provided quotes, the Bank shall act in the sense of compliance with the best execution principle. Thus, if:

- at the client's request, the Bank determines a price for a certain financial instrument;

or

- the Bank, regularly or on an ongoing basis, posts quotations for certain financial instruments for its clients.

In determining the quotation, the Bank shall take into account the transactions from the trading venues relevant for the respective financial instrument, as well as any additional information it may have.

The Client shall decide whether the quoted price is the best price and whether the conditions for the transaction are adequate, and shall act accordingly.

- c) the best execution for the client.

The Bank has the right - but not the obligation - to execute the order in an execution venue different from the main execution venue, if this action is considered more favourable for the client or if the client gave a clear and firm instruction to this end, in accordance with letter (a) above or if the execution cannot be carried out in the main venue because of the rules imposed by the respective trading venue, but the execution remains possible in other places, taking into account the requirements established under Chapter II according to the assessment of the Bank and in the absence of any instruction to the contrary from the client.

II.4. Monitoring and review

The Bank shall continue to monitor and to assess the effectiveness of the provisions laid out in this Policy, particularly with regard to the quality of execution and the execution venues, and, based on the results of the respective monitoring and assessment - in the absence of extraordinary circumstances - shall assess this Treasury Order Execution Policy and its order execution mechanisms in terms of compliance with the obligations provided by Law 126/2018 and by UE Directive No. 65/2014 at least once a year or as often as necessary.

In addition to the annual review, a review shall be conducted in case of significant changes which influence the Bank's capacity to execute the clients' orders. Such extraordinary reviews shall be based on the trading venues listed in this Policy, respectively on whether the execution venues allow for the best possible result for the client. The Bank shall conduct an assessment of any significant changes and shall take into account any amendments to the factors needed for compliance with the general requirements for the best execution.

As part of its review process, the Bank shall check whether the principles lying at the basis of the best performance are observed, according to the provisions laid out in this Policy.

As part of the review process, the Bank shall take all relevant factors into account, particularly:

- the conditions set out in Chapter II of this Policy;
- the analysis of all available information on the quality of execution, as well as on the selected execution partners.

To this end, the Compliance & AML Department, the Risk Management Department and the Internal Audit Department shall analyse whether the Order Execution Policy corresponds to the legal requirements and whether it is in the clients' best interests.

This policy may be updated periodically and reviewed on an annual basis or upon any significant change of execution mechanisms, and it shall be published on the bank's website, at the address <https://www.intesasanpaolobank.ro/>.

The review of this Policy shall be subject to the approval of the management bodies, according to the specific procedures of BC Intesa Sanpaolo Romania SA.

II.5. Further provisions

The Bank informs the clients, particularly those classified in the *Retail Clients* and *Professional Clients* categories, concerning the following aspects:

- a) The execution venues used by the Bank for the client's orders;
- b) the requirements of the Bank in selecting the execution venues used for an order and the procedures applied by the Bank to determine the relative importance of the considered factors;
- c) the situation where the client sends an instruction on the execution and/or any condition or circumstance of the order execution is different from the one provided for the best execution in this

Policy, and such a firm instruction may prevent the Bank from obtaining the best possible result for the client, by executing the order.

At the client's written request, the Bank shall check whether the Client's order was executed in accordance with the provisions of this document and shall submit the conclusions of the verification to the client.

The client is entitled to request additional information regarding the Treasury Order Execution Policy and the mode in which it is reviewed. The Bank shall respond to such requests within a reasonable time, which shall not exceed 30 calendar days from the date on which the request is received.

The Bank shall also inform the clients if their orders are sent for execution to third parties - execution partners/mediators/ brokers.

If the bank executes client orders, it centralizes and publishes on an annual basis, for each category of financial instruments, the 5 most important execution venues in terms of trading volumes, where it executed client orders over the course of the preceding year, as well as information on the quality of the obtained execution.

III. COSTS AND COMMISSIONS RELATED TO THE FINANCIAL INSTRUMENTS AND SERVICES PROVIDED BY THE BANK

In accordance with the regulatory requirements provided in article 24 (para. 4) of Directive 2014/65/EU (MiFID II) and in article 50 of Delegated Regulation 2017/565, the Bank has the obligation to inform its clients on the costs and expenses related to their transactions in financial instruments with the Bank.

Please find below information on the maximum costs and commissions charged by the Bank based on the above-mentioned obligations, which information is provided to you before (ex-ante) concluding the transactions or accessing the services, as detailed at product level.

We hereby inform you that such costs and commissions may vary according to the circumstances specific for every transaction/service. However, regardless of any circumstances, the charged costs and commissions shall be aligned with the ISPRO policy on the good execution of clients' orders.

The Bank shall review, whenever this is necessary, such maximum costs and commissions.

The below tables detail the maximum costs and commissions charged when the Bank is your provider for the accessed product or service. In calculating these maximum costs and commissions, we took into account the historical costs registered for such transactions/services, as well as the regular market conditions. They do not represent a recommendation or an offer to sell or to purchase a certain product or service.

Annexes:

an integral part of this policy

Annex 1 - List of execution venues for specific financial instruments

Annex 2 - Information on the costs and commissions associated to the financial instruments

Annex 1

List of execution venues for specific financial instruments

The list of execution venues is not exhaustive, it shall be reviewed and updated in accordance with the Bank's execution practices.

BC Intesa Sanpaolo Romania SA reserves its right to use other execution venues, in addition to the ones listed below, if it finds it necessary, in accordance with the execution practices.

Trading venue	Access to the trading venue	Execution venues	Financial instrument
BC INTESA SANPAOLO ROMANIA SA	Treasury	Multilateral trading facilities (MTF): <ul style="list-style-type: none">• Bloomberg MTF• Thomson Reuters FXALL MTF• 360T Bridge MTF	FX Derivatives <ul style="list-style-type: none">• FX Forward• FX swap
BC INTESA SANPAOLO ROMANIA SA	Treasury	Multilateral trading facilities (MTF): <ul style="list-style-type: none">• Bloomberg MTF	Bonds and other debt securities <ul style="list-style-type: none">• Government securities (sovereign debt)

Annex No. 2

Information on the costs and commissions associated to the financial instruments

For each provided service, the Bank shall charge from the Client the costs and the commissions they owe in accordance with the List of costs and commissions used by the Bank and applicable to each transaction or service, for the market on which the respective financial instrument or assets is traded, as mentioned in the contractual documentation concluded between the Bank and the Client.

The total price to be paid by the Client and, if applicable, the applicable exchange rate, as well as the payment modalities, shall be established in the Specific Contract for the performance of activities and financial services which will be concluded between the Bank and the Client.

According to the applicable regulations, the Bank shall inform the Client in due time on the costs and commissions associated to the provided service and shall comply with the requirements on ex-ante and ex-post disclosure, whether and inasmuch as applicable.