

ABN AMRO - ODDO BHF

**Best Selection policy
Professional Clients
February 2021**





For Professional Clients

In accordance with Directive 2014/65/EU on markets in financial instruments, dated 15 May 2014 ("**MIFID II**"), ABN AMRO – ODDO BHF B.V. (hereafter "**JV**") is required to establish and implement a best selection policy applicable to the transmission of orders for the purchase/sale of financial instruments (the "**Orders**") on behalf of its professional clients (the "**Clients**").

This document provides Clients with general information on the JV's best selection policy for the financial instruments traded (namely shares, the "**Financial Instruments**¹"), depending on the applicable processing terms and conditions, and applies whenever the JV provides the investment service of reception and transmission of orders to its Clients. This best selection policy complements and further defines the JV's Terms of Business.

Note that, in accordance with MIFID II, the best selection obligation, as referred to in this best selection policy, does not apply to Clients classified as eligible counterparties.

I – General terms and conditions for the transmission of Orders

I.1 The principle of best selection

When providing the investment service of reception and transmission of orders, the JV is required to act in the best interests of its Clients when transmitting client Orders to ODDO BHF SCA Corporates & Markets (hereafter "**ODDO BHF**") for execution.

The JV must have taken all sufficient steps to obtain the best possible result for its Clients taking into account the following factors (the "**Factors**"):

- the price of the Financial Instrument at which the Order is executed;
- the Order's overall execution cost;
- the speed of execution;
- the likelihood of execution and settlement of the Order;
- the size of the Order;
- the nature of the Order; and
- any other considerations related to the execution of the Order.

Orders executed by ODDO BHF on behalf of Clients will be promptly and accurately recorded and allocated. They will be transmitted and executed in the order in which they are received, unless the characteristics of the Order or prevailing market conditions make this impossible.

I.2 Situations affecting the best selection obligations

I.2.1 Specific instructions

In accordance with MIFID II, when the JV receives an Order that includes specific Client instructions in relation to the handling and execution of the entire Order or a particular aspect or aspects of the Order, it will transfer the Order to be executed in accordance with the Client specific instruction. If specific instructions are given by a Client, the JV may be prevented from taking the applicable steps provided for in its best selection policy and will not be under any best selection obligations for the Factors directly or indirectly affected by such specific instructions.

I.2.2 Force majeure

Similarly, it is hereby clearly established that cases of force majeure and/or any actual failure of any third parties whose participation falls within the scope of the services necessary for processing and executing Orders must be taken into account when assessing the regulatory provisions relating to best selection obligations.

¹ Article 4(1)(44) sub (a) I, MiFID II



II – Procedure for the selection of an intermediary and the execution of Orders on Financial Instruments admitted to trading

II.1 Selected Intermediary

The JV uses ODDO BHF as sole intermediary for the execution of Client Orders for the Financial Instruments.

Note that ODDO BHF owns 50% of the share capital of the JV, hence there is a clear close link between the JV and ODDO BHF. However measures have been implemented to mitigate any conflict of interest.

ODDO BHF is authorised as an investment firm by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) i.e. the French Prudential and Supervisory Authority and regulated by the Autorité des Marchés Financiers (AMF) i.e. the French Financial Market authority.

As an authorized investment firm providing investment services in the European Union, ODDO BHF is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("**MiFID II**") and the Markets in Financial Instruments Regulation (600/2014) ("**MIFIR**"). ODDO BHF is obligated to comply with the best execution obligations as set out in MiFID II. With its MIFID II European passport, ODDO BHF is also authorized to provide cross border services in the Netherlands.

The JV's selection is based on the following factors:

- The high order execution standards maintained by ODDO BHF, which is consistent with our own policies;
- The financial solidity and excellent market connectivity of ODDO BHF. ODDO BHF execution platform is connected to 60 venue all over the world and integrates different trading activities: High Touch, Market Making, Arbitrage, Electronic for Institutional & Retail / Corporate Broking;
- The synergies between the JV electronic systems and those used by ODDO BHF, which ensure the rationalisation of flows and offer secured procedures and operational efficiency;
- The stable and competitive costs applied by ODDO BHF for executing client orders;
- The quality of the clearing and settlement of the Financial Instruments and the management of securities transactions by ODDO BHF; and
- ODDO BHF has a large & dedicated team for Execution Services.

In light of the above, we believe the execution of Orders by ODDO BHF will enable the JV to obtain the best possible result for its Clients on a consistent basis.

ODDO BHF will execute the Orders in accordance with its order execution policy. A copy of its order execution policy and its list of execution venues are available on their website: <http://www.oddo-bhf.com/fr/pd/1179/mfid>

II.2 Process for determining the relative importance of Factors for Orders on shares admitted to trading

In most cases, and if there are no specific Client instructions, the JV will transmit Orders to ODDO BHF for execution on the basis of four decisive factors, namely: the price, the size, the likelihood of execution and the reliability of clearing and settlement.

The JV will ensure that trades in shares will be executed on a regulated market, an MTF, an OTF, a systematic internaliser or a third-country trading platform deemed to be equivalent. However, if such trades are non-systematic, ad hoc, occasional and infrequent, or if they are concluded between eligible counterparties and/or professional clients and do not contribute to the price setting process, the Order may be executed on an OTC basis.

III – Review of the best selection policy and of the quality of execution

When reviewing this policy, the JV will assess the quality of execution provided to its Clients. This will include, in particular, ensuring that ODDO BHF complies with its order execution policy. Pursuant to this review and if necessary, the JV will work closely with ODDO BHF to improve the services provided to you and make any changes when necessary.

Any significant changes to the JV's Best Selection policy, made solely on the JV's initiative, will be published on the JV's website: www.aa-ob.com (active on the 1st February 2021).