

# SERVICE AGREEMENT FOR FINANCIAL INSTRUMENTS

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## GENERAL CONDITIONS

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## PREAMBLE

This agreement (hereinafter, the "Agreement") is entered into in accordance with the legislative and regulatory provisions applicable in France, in particular the general regulations of the French financial markets authority (hereinafter, "AMF" for *Autorité des Marchés Financiers*) and subsequent texts.

This Agreement supersedes all other Agreements for financial instruments accounts and services that may previously have been signed with the CLIENT in connection with the same subject matter.

The Agreement comprises the General Conditions and their Appendices, the Specific Conditions and the Pricing Conditions. In the event of conflict between a provision of the General Conditions and a provision of the Specific Conditions, that of the Specific Conditions shall prevail.

The opening, operation and maintenance of the financial instruments account shall comply with, and shall be subject to, fiscal and monetary legislation and other legislation pertaining to financial relations with other countries, embargoes, and the fight against corruption, money laundering and terrorist financing applicable in France and in any other countries involved in the execution of all or part of the instructions given to BRED by the CLIENT. Any legal or regulatory changes affecting the execution of this Agreement shall apply, without the need to establish a rider to the Agreement.

The Parties to the Agreement are:

- the owner(s) of the account(s) named in the account opening application, whether a natural person or legal entity, hereinafter referred to as the "CLIENT", and
- BRED.

The purpose of this Agreement is to set out the conditions under which the CLIENT is provided with the following services in connection with any financial instrument within the meaning of Article L. 211-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*):

- reception and transmission of orders (including via the internet) for execution,
- maintenance of the financial instrument custody account,
- proprietary trading,
- other services associated with this Agreement.

To enable BRED to perform its duties in accordance with applicable legislation and regulations, the CLIENT declares that it shall provide the information concerning its situation set out in the Specific Conditions. The CLIENT's attention is nevertheless drawn to the risks associated with the speculative nature of certain markets in financial instruments.

## I - MARKETING - ACCOUNT OPENING, OPERATION AND MAINTENANCE

### I.1 - Terms and conditions for the marketing and conclusion of the Agreement

The Agreement may be offered and concluded mainly:

- in a branch, whether or not prior solicitation by prospecting has been carried out by BRED (mainly by letter or telephone). In this case, the Agreement shall be concluded and signed in the branch;
- within a distance selling framework relying exclusively on one or more distance communication techniques used until and including conclusion of this Agreement. In this case, the CLIENT shall download or receive the Agreement at their own premises and return it, completed, dated and signed, to BRED.

The Agreement is deemed to have been concluded once it has been signed by the CLIENT.

### I.2 - Commencement of execution

- In the event of an Agreement signed at a branch in the absence of prior solicitation by prospecting, execution of said Agreement shall commence when the Agreement is signed by the CLIENT.
- In the event of an Agreement signed at a branch subsequent to prior solicitation by prospecting or within a distance selling framework, the CLIENT may request BRED to commence execution during the cooling-off period, without forfeiting his cancellation right, to which the CLIENT remains entitled. Unless otherwise agreed by the CLIENT, execution shall not commence until expiry of the 14-day cooling-off period.

### I.3 - Account opening

BRED shall open for the CLIENT a specific financial instruments account (hereinafter, the "Account"), which shall be governed by the present Agreement.

Attached to the Account shall be a cash account, to which shall be debited or credited the cash considerations for transactions in the financial instruments recorded in the CLIENT Account. The Account shall function in conjunction with the cash account and shall be governed by the same legal regulations, subject to the provisions of this Agreement. If the cash account is a joint account, the financial instruments Account shall necessarily be a joint account.

When registered financial instruments appear in the joint financial instruments Account or have been acquired by debiting said Account, they shall be registered according to the following rules:

- if the joint account has been opened in the names of spouses, registration in the issuer's books shall be a joint registration,
- if the joint account holders are not spouses - or if the issuer does not accept joint registration for spouses - the financial instruments appearing in the joint account shall be registered, in the issuer's books, in the name of the first-named account holder, unless otherwise instructed by the joint account holders,

- the pecuniary rights (dividends, allocation of bonus shares, exercise of options or rights, the right to sell or otherwise dispose of financial instruments, etc.) attached to the financial instruments may be exercised equally by either of the account holders.

Given that certain issuers do not permit registered financial instruments to be recorded in a joint account, in particular with respect to the exercise of non-pecuniary rights attached to the financial instruments (the right to attend meetings, voting rights, etc.), the CLIENT gives their full consent for the first-named account holder on the joint financial instruments account to exercise the non-pecuniary rights attached to the registered securities acquired in connection with said joint account. If the CLIENT would like a different designation, he shall submit a request to BRED.

If the financial instruments are registered in a joint and several account (compte d'indivision) under a joint and several ownership agreement (indivision conventionnelle), the CLIENT shall disclose the joint and several ownership agreement to BRED. BRED can provide the CLIENT with a standard joint and several ownership agreement that can be adapted.

In the event that the financial instruments account holder is a protected adult or a non-emancipated minor, all the account holder's financial instruments shall be managed in accordance with the specific provisions of the account holder's protection regime, as stipulated in the applicable legislation. When the financial instruments account holder's competent regime, which is recognised as applicable in France, is governed by foreign law, it is expressly agreed that BRED shall be provided beforehand with all useful documentary evidence that defines and specifies the scope of the powers concerned and the identity and precise situation of the minor or protected adult (or their legal and authorised representatives), in respect of the applicable legislation. For this purpose, the legal provisions set out in the Deposit Account Agreement shall also apply to the financial instruments account.

BRED has the right, at any time, to accept or refuse to open an Account, without being required to explain its decision.

The nature of the Account is stated in the Specific Conditions. The identification information for the Account and the associated cash account appear on the Account opening form.

All Account opening applications must be accompanied by the following documents:

For clients who are natural persons:

- a legible photocopy of both sides of a valid identity document,
- a photocopy of proof of address that is less than three months old,
- a signed "Know your CLIENT" document,
- where applicable, any additional documentation that may be required or deemed necessary by BRED, notably in the event of securities being transferred from another investment services provider.

For clients who are legal entities:

- a business registration document ("KBIS" extract in France) that is less than three months old;
- a copy of the articles of incorporation certified by the company's legal representative;
- a certified extract of the resolution to appoint a legal representative;
- a legible photocopy of both sides of a valid identity document of the legal representative;
- a signed "Know your CLIENT" document,
- where applicable, any additional documentation that may be required or deemed necessary by BRED, notably in the event of securities being transferred from another investment services provider.

The Account shall become operational once BRED is in possession of all the documentation listed above.

### I.4 - Operation of the Account

BRED shall hold the financial instruments and cash owned by the CLIENT and record transactions executed upon orders given by the CLIENT in such a way as to safeguard the CLIENT's property.

The Account is operated under instruction from the CLIENT or their authorised representative(s). BRED shall not interfere in the management of the securities.

All transactions likely to be executed in connection with the operation of a financial instruments account can be recorded in the Account. When the Account's operation is subject to special conditions, such conditions shall be stated in the Specific Conditions. BRED will perform day-to-day administrative tasks on behalf of the CLIENT or his representative, particularly the collection of income.

### I.5 - Securities registered or deposited

In accordance with applicable regulations, BRED has taken all reasonable measures to safeguard the CLIENT's rights over the financial instruments owned.

Financial instruments held abroad shall be deposited with foreign custodians under BRED's responsibility.

The CLIENT is informed that their financial instruments:

- may be held by a third party in the name of BRED, which shall thus be liable to the CLIENT for any act, omission or insolvency of that third party,
- may be held in a global account by a third party, which could permit that third party to use the CLIENT's financial instruments in the event of a failure to deliver financial instruments involving another of the third party's clients.

When applicable legislation does not permit the CLIENT's financial instruments held by a third party to be separately identified from the third party's own financial instruments or those of BRED, the CLIENT is informed that there is a risk that the CLIENT's financial instruments could be used in the event of failure to deliver

financial instruments in connection with a transaction executed for the third party's own account or that of BRED.

BRED shall inform the CLIENT of the extent to which the CLIENT's rights relating to their financial instruments would be affected if all or part of the CLIENT portfolio were subject to legislation other than that of a State that is party to the European Economic Area Agreement.

BRED reserves the right to refuse, at its sole discretion, to register or trade financial instruments issued and held abroad, in particular US securities for a "US Person" CLIENT who has failed to provide the tax declaration and/or information facilitating identification of the CLIENT by the United States tax authorities.

#### **1.6 - Procedures for recording securities**

Securities are generally in bearer form. They can also be registered.

When securities are in registered form (as required by the issuer's articles of incorporation, by law, etc.), they shall be entered in the issuer's books as follows :

- in an individual securities account, or
- in a joint and several securities account (compte de titres indivis), or
- when permitted by the issuer, in a joint securities account, or
- in a bare ownership and usufruct account.

A mandate may be granted to BRED for the administration of registered securities entered in its books.

BRED will undertake all administrative tasks (collection of income, etc.). However, it will not exercise the rights attached to the securities (rights related to capital increases, etc.) unless expressly instructed to do so by the security holder(s): the tacit consent of the holder(s) may apply for certain transactions, in accordance with established practice.

#### **1.7 - Securities registered in a joint account**

When the account operates as a joint account, the pecuniary rights (dividends, allocation of shares, right to dispose of the securities, etc.) attached to the securities recorded in the joint account, whether or not they are registered securities, can be exercised by either of the joint account holders.

The joint account holders are held jointly and severally liable to BRED for all related obligations and charges.

#### **1.8 - Securities registered in a joint and several account**

The account shall be operated on the joint signature of all the holders of the joint and several account or that of their authorised representative, appointed jointly for this purpose.

The holders of the joint and several account are held jointly and severally liable to BRED for all their contractual commitments in connection with this Agreement.

#### **1.9 - Bare ownership/usufruct account**

The owners of a bare ownership/usufruct account undertake to register or have registered in said account only financial instruments whose ownership rights have been divided under a legal, judicial or other agreement. BRED shall not be held liable for any consequences of the registering of financial instruments in this type of account. The bare owner and the usufructuary shall handle any disputes that may arise between them as a result of the bare ownership/usufruct agreement. Unless otherwise agreed, all portfolio management transactions carried out on the bare ownership/usufruct account shall be executed on the sole signature of the usufructuary.

The usufructuary shall open a cash account with BRED, which will be credited with any interest and dividends arising on the securities and, where applicable, the proceeds from liquidation bonuses, redemptions or amortisation of the financial instruments, and debited with any account operation fees, unless stated otherwise in the Specific Conditions.

The bare owner authorises the usufructuary, acting alone, to exercise the subscription rights and rights to bonus share allocations attached to the financial instruments registered in the account, it being specified that the financial instruments obtained by exercising said rights will be credited to the bare ownership/usufruct account, the financial instruments obtained in this way belonging to the bare owner for bare ownership and to the usufructuary for usufruct.

If a dividend is to be paid in shares, and if the bare owner, as shareholder, wishes to obtain shares instead of cash, the bare owner must open a securities account in his own name, which will give him full ownership of the shares delivered as payment of the dividend. In exchange, the bare owner authorises BRED to debit his personal cash account with an amount equal to the shares' issuance price so that this amount may be credited to the usufructuary's personal cash account.

Information relating to the bare ownership/usufruct account shall be forwarded, as appropriate, to the bare owner or usufructuary. Closure of the bare ownership/usufruct account will result in the closure of the financial instruments account. The bare owner and the usufructuary shall personally see that any amounts due are repaid to the bare owner at the end of the usufruct.

#### **1.10 - Persons authorised to operate the account - Power of attorney**

The CLIENT may expressly authorise one or more representatives, who shall file their signature(s) with BRED, using the procedure in place for that purpose, prior to their first transaction.

Power of attorney granted by a legal entity must be accompanied by documentary evidence establishing the authority to delegate powers, as deemed necessary by BRED.

Operation and management of the account shall remain the responsibility of the CLIENT, who cannot in any event hold BRED liable for the actions of the authorised representative(s).

All powers of attorney may be revoked at any time by any appropriate means at the convenience of the principal, who shall confirm the revocation in a registered letter to BRED. The revocation shall take effect only when the registered letter has been received by BRED.

#### **1.11 - Availability of securities**

It is BRED's duty, as holder of the custody account, to conserve or return the securities deposited on the account at the CLIENT's request, subject to any unavailability resulting from being pledged (contractual or statutory pledges, freezing of assets, etc.) or rights that could be legally asserted by third parties.

The securities deposited on the account shall not be used by BRED, unless the CLIENT has agreed to such use within the framework of this Agreement or in a specific agreement.

#### **1.12 - Foreign currency transactions**

For transactions resulting in settlements in a foreign currency, the cash account attached to the CLIENT's financial instruments account will be debited or credited with the euro amount corresponding to the transaction amount, calculated by applying the exchange rate used by BRED for the currency concerned, plus any related fees and commissions.

BRED shall in no case be held liable for any losses or damages resulting from any event likely to affect the transferability, convertibility or availability of any currency and BRED shall in no event be under any obligation to substitute another currency for the currency whose transferability, convertibility or availability has been affected by legislation, regulations or said event.

### **2 - CLIENT classification**

In accordance with applicable legislation and regulations, the CLIENT will be classified and informed of his classification in a specific document. The CLIENT is informed of his right to request a different classification from that originally assigned and of the associated implications.

### **3 - ORDER TRANSMISSION**

#### **3.1 - CLIENT instructions**

It is agreed that, for the application of this Agreement, the CLIENT's instructions or orders concern transactions entered into by the CLIENT involving financial instruments. It also applies to transactions in shares or units of UCITS (SICAVs and FCP mutual funds) or other financial investments.

The CLIENT, under his sole responsibility, shall transmit orders to BRED using any channel authorised by BRED, which may at any time require written confirmation.

The CLIENT is informed, notably when he chooses to place an order by telephone, that his conversations or those of his representative may be recorded. The CLIENT expressly authorises such telephone recordings. In the event of a conflict between a subsequent written confirmation and a telephone recording, the telephone recording shall prevail.

BRED reserves the right to suspend, prohibit or authorise, at any time and without prior notice, any means of transmitting orders.

In the event of a prolonged interruption of order placing services, BRED shall inform the CLIENT of alternative ways to place orders, as soon as possible and using every reasonable means.

#### **3.2 - Non independent investment advisory service**

In the case where the Bank provides an investment advisory service, it will be non-independently executed and will be relied on an analysis. This, in order to guarantee the adequacy and suitability of the financial instruments that would be proposed. Within this framework, the investment advisory service will lead to a periodical assessment of the adequacy of the financial instruments that will be recommended to customers.

#### **3.3 - Execution only and Specific Instructions**

##### **3.3.1 - Execution only (initiated by the CLIENT)**

The CLIENT can, on his own initiative, submit orders for execution only. BRED thus informs the CLIENT that in the event of such orders, it is under no obligation to assess the appropriateness of the service or financial instrument concerned with respect to the CLIENT's objectives. Consequently, in compliance with the AMF's general regulations (Article L. 533-13.III), the CLIENT shall not benefit in these cases from the protection provided by the code of good conduct.

A service shall be considered to be provided at the initiative of the CLIENT, including if the CLIENT requests it on the basis of any communication containing a promotion or offer for financial instruments, made by any means, which by its very nature, is general and addressed to the public or a larger group or category of clients.

This service is limited exclusively to the receipt and transmission of orders or the cash execution of orders involving non-complex financial instruments.

As defined in the AMF's general regulations (Article 314-57), non-complex products are :

1. Shares admitted to trading on a regulated market in a State party to the European Economic Area Agreement or an equivalent market in a third country;
2. Money market instruments;
3. Bonds and other debt securities, excluding bonds and other debt securities with embedded derivatives;
4. Shares or units in UCITS, pursuant to directive 2009/65/EC of 13 July 2009.

A financial instrument is also considered to be non-complex if it meets the following criteria:

1. It is not:

- a) a financial instrument referred to in Article L. 211-1 of the French Monetary and Financial Code that gives entitlement to acquire or sell another financial instrument or results in a cash settlement, determined on the basis of a financial instrument, currency, interest rate or yield, commodities or any other indices or measures;
  - b) a financial contract within the meaning of section III of Article L. 211-1 of the French Monetary and Financial Code;
2. There are frequent opportunities to dispose of, redeem or otherwise realise the instrument, at publicly available prices that are either market prices or prices made available or validated by valuation systems independent of the issuer;
  3. It does not involve any actual or potential liability for the CLIENT that exceeds the cost of acquiring the instrument;
  4. Its characteristics are the subject of sufficient public information that can be easily understood, such that the average non-professional client may make an informed decision about the opportunity represented by entering into a transaction in the instrument concerned.

### 3.3.2 - Specific instructions

The CLIENT can submit an order to BRED including one or more instructions that are deemed to be specific. In accordance with the AMF general regulations (Article 314-70), a specific instruction shall mean any aspect or characteristic of an order, whereby the CLIENT imposes execution terms that prevent compliance with the provisions stated and applied within the framework of the execution policy established by BRED.

In any event, BRED can refuse to accept an order including a specific instruction.

### 3.4 - Orders placed via the Internet

In order to place an order via the internet, the CLIENT may need to subscribe to an on-line access service offered by BRED. The prices and quantities relating to this service posted on BRED's website when the order is placed are indicative only and cannot be used as a reference for best execution purposes.

In the event of a prolonged interruption of the on-line order placing service or unavailability of the website, the CLIENT, after being identified, may place orders by telephone using a phone number provided by BRED.

In order to provide evidence of the time of receipt and the terms of the order placed by the CLIENT, telephone conversations will be recorded and the recordings retained in accordance with applicable regulations.

The CLIENT's user name and password constitute his access codes and serve to authenticate and prove the CLIENT's identity. The CLIENT undertakes to keep his access codes confidential and to change his password regularly. BRED advises the CLIENT to choose a sufficiently complex and non-personal password.

The CLIENT assumes full responsibility for the conservation and use of his access codes, as well as for their possible disclosure. BRED shall not be held liable for any fraudulent use of the CLIENT's access codes. Any order placed via the website using the CLIENT's access codes shall be deemed to have been entered by the CLIENT.

The CLIENT acknowledges that his access codes have the same validity as his handwritten signature.

Should the CLIENT become aware of any fraudulent use of his access codes, he shall change his password immediately.

In the event that the CLIENT loses or forgets his access codes, he is requested to contact BRED immediately.

Orders that have been properly entered and validated by the CLIENT and by the website (checks to ensure that there are sufficient funds/securities in the account, checks on coverage for orders with deferred settlement, consistency of the order, etc.) will be recapped for the CLIENT to review and confirm. After confirmation of the order by the CLIENT, the order will be accepted by BRED and transmitted to the market for execution. At this stage, BRED is liable for the proper execution of the order, although transmission of an order for execution shall not guarantee its execution, which the CLIENT shall be responsible for checking.

### 3.5 - Nature of orders

All orders must include the information required to enable their proper execution (the order's nature, direction and type, the security concerned, the number of securities and their price, and the date and place of execution). Failing this, the order will not be executed. If no date is indicated, the order is deemed to be valid for the day on which it is placed for all markets, subject to the rules of the market concerned.

Orders are executed in compliance with the rules applicable in the markets concerned. The CLIENT is expressly informed that BRED shall under no circumstances be held liable for any changes imposed by the market concerned, particularly concerning the order's prioritisation, or for the need to renew an order.

### 3.6 - Coverage of orders

In the event of a purchase or subscription, the CLIENT shall deposit cash in his account in the amount of the purchase or subscription. In the event of a sale or redemption, the CLIENT shall sell securities that he owns and that are available in his financial instruments account.

Short selling is not permitted. BRED is entitled to perform the partial or total automatic liquidation of the CLIENT's commitments or positions should the

CLIENT breach his obligations pertaining to transaction settlements or coverage of commitments or positions.

BRED can require that, before placing an order, all order originators provide and maintain sufficient cover in cash and/or financial instruments.

If the CLIENT fails to establish sufficient cover prior to placing the order, the order shall automatically be refused.

For any specific transactions, particularly in foreign markets, BRED may also require the prior provision of sufficient cover.

BRED shall be the sole judge of whether securities can be accepted as cover and may, where applicable, require cover to be provided purely in cash.

The CLIENT authorises BRED to transfer the amounts for each transaction from any cash account with a positive balance opened at the bank in his name, to a special account – unavailable and non-interest bearing – titled "Cover for transactions in financial instruments entered into by the CLIENT(s)".

All cover provided, whether in financial instruments or cash, must be considered to represent the anticipated payment of amounts that could be payable by the CLIENT to BRED in connection with the CLIENT's transactions.

For cover provided in financial instruments, it is understood that in the event of the sale or redemption of financial instruments, BRED can use the sale price or redemption amount to offset any amounts due to the bank.

For cover provided in cash, the payment will be made by offsetting the amount due to BRED in connection with the transactions against the amounts set aside as cover. It is expressly agreed that if the CLIENT holds several financial instruments accounts and linked cash accounts with BRED, all the cash and financial instruments credited to these CLIENT accounts are allocated to guarantee the CLIENT's commitments relating to transactions in financial instruments.

The cash and financial instruments constituting the cover credited to the CLIENT account(s) shall be transferred under full ownership to BRED to pay off, on the one hand, the negative balance showing in the account upon the automatic liquidation of the CLIENT's positions and, on the other hand, any amounts due to BRED in connection with orders transmitted by the CLIENT.

### 3.7 - Order screening

The regulations require that a mechanism be used to screen orders, whereby alerts and confirmations are generated on the basis of risk levels configured in the system and determined together with the Broker Member responsible for executing the orders.

When an order is entered on the NYSE Euronext Trading Platform or any other trading system, the screening mechanism requires confirmation of the order input if the cash amount represented by the quantity of securities multiplied by the price limit is above a given threshold that varies from EUR 50,000 to EUR 150,000, depending on the product traded (information available on request).

Any orders blocked by the filters put in place by the Broker Member are processed manually by the dealer. Depending on the type of filter and the Broker Member's assessment, the CLIENT may be requested to provide confirmation. Should it not be possible to obtain this confirmation, the orders submitted will not be processed by the Broker Member. The orders will be suspended until the CLIENT's response is received.

Irrespective of the order transmission channel used (telephone, internet or other) all orders are subject to screening. The CLIENT is informed and accepts that, within this regulatory framework, orders submitted for validation according to the principles set out above may be subject to processing delays that could defer their transmission to the market. BRED shall not be held liable for any impact relating to the performance of these regulatory controls or any consequences thereof.

### 3.8 - Orders with Deferred Settlement and Delivery ("OSRD" for *Ordre avec Service de Règlement et Livraison Différé*)

By default, if no specific instructions are received from the CLIENT, orders for financial instruments will be executed in the cash market. However, having obtained BRED's approval, the CLIENT may submit "OSRD" orders, in accordance with the applicable regulations.

BRED may require the order originator to provide higher cover than that required by the regulations. Similarly, the AMF may, at any time, increase the coverage rate that it requires.

For all orders, the CLIENT undertakes to establish and/or constantly maintain overall cover that is sufficient to comply with the applicable regulations and BRED's requirements. Should the CLIENT fail to establish, supplement or replace its cover within a period of one trading day from receiving a request made by BRED using any appropriate channel, BRED shall liquidate the CLIENT's positions, in accordance with, where applicable, the conditions stated in the rules of the market(s) concerned, before carrying out, if necessary, the sale or redemption of the CLIENT's financial instruments under the terms and conditions set out below.

Within 48 hours after notifying the CLIENT by registered letter with acknowledgement of receipt, and without further prior notification, BRED may sell or redeem a sufficient quantity of the financial instruments allocated as cover so as to offset the amounts due by the CLIENT in connection with his transactions and in particular OSRDs. BRED shall determine the financial instruments to be sold or redeemed at its sole discretion.

If, following such an adjustment to the CLIENT's positions, the cover on the account again becomes insufficient during the same trading session, BRED will further reduce the CLIENT's position, without providing further notification.

The fees and expenses resulting from the abovementioned transactions shall be borne by the CLIENT.

The CLIENT's attention is drawn to the risk inherent in OSRD transactions, which can result in losses exceeding the amounts invested.

### 3.9 - Liability

In the event of an order transmitted using any appropriate channel (fax, telex, telephone, internet, etc.), the CLIENT shall not hold BRED liable for any consequences arising from the use of this or these communication channels, in particular in connection with technical failures, errors, insufficient or unclear instructions, or any misuse or fraudulent use of such channels.

### 3.10 - Order cancellation and modification

Provided that an order has not been executed, a request to cancel or modify the order can be made. However, new instructions can only be taken into account by BRED if they are received within a timeframe that is compatible with the conditions for order execution, and subject to the order not having been executed on the market, even if BRED is not yet aware of said execution. The CLIENT shall bear all the costs, expenses, losses and penalties that could be incurred by BRED as a consequence of said cancellation.

## 4 - PROPRIETARY TRADING

For forward financial instruments (currency or interest rate options and swaps, securities lending, etc.) and repurchase agreements or any other transactions for which BRED provides proprietary trading services, it is understood that such transactions shall be concluded over the counter between the Parties concerned in accordance with the regulations applicable to each transaction.

## 5 - ORDER EXECUTION

### 5.1 - Execution conditions

BRED shall select intermediaries with a view to obtaining the best possible execution for the CLIENT of orders received, and this is expressly accepted by the CLIENT. The CLIENT is hereby informed that transmission of his order for execution does not guarantee that it will be executed. Under no circumstances can BRED guarantee that the order will be executed. The execution will take place if market conditions so permit and if the order fulfils all the applicable legal, regulatory and contractual conditions.

### 5.2 - Transactions in mutual funds

Orders for the subscription or redemption of shares or units in UCITS shall be placed in accordance with the applicable legislation and regulations. Orders must be transmitted to BRED in accordance with the terms and conditions set out in the mutual fund's prospectus or, where applicable, any other legal or regulatory document.

### 5.3 - Best selection and best execution policy

The best selection and best execution policy is presented in Appendix I of this Agreement.

## 6 - INFORMATION PROVIDED TO THE CLIENT

### 6.1 - Execution confirmation

BRED shall send the CLIENT an execution confirmation for each transaction, one business day after the bank has itself received confirmation of the order's execution on the market or from the mutual fund concerned, to enable the CLIENT to identify the transaction executed and the terms and conditions of said execution. The information contained in the confirmation shall be in accordance with the AMF's regulations.

Should the order's transmission fail, BRED shall duly inform the CLIENT by any reasonable means that permit it to reach the CLIENT rapidly.

At the CLIENT's request, BRED will inform him of the execution status of his order. Taking into account delivery times, the CLIENT is requested to notify BRED if he does not receive an execution confirmation within a period of 72 (seventy-two) hours. BRED will then send him a duplicate of the confirmation.

Upon receipt of this execution confirmation or its duplicate, the CLIENT or his authorised representative shall have a period of 2 (two) days to contest the confirmation. Should no objection be expressed within this period, the transaction thus recorded is considered to be accepted by the CLIENT. In any case, all claims shall become time-barred 6 (six) months after conclusion of the transaction contested. All claims must be submitted in writing and state the reasons for the objection.

In the event of a claim, without prejudice to its merits, BRED, on its sole initiative, is entitled to liquidate the CLIENT's position by executing an order in the opposite direction from the order being contested. If the claim is found to be unsubstantiated, the fees and expenses resulting from said liquidation shall be borne by the CLIENT.

### 6.2 - Corporate action notification

BRED shall inform the CLIENT of any corporate actions affecting the financial instruments registered in his account by issuing a corporate action notification including :

- the effective date and/or exercise period of the transaction,
- a description of the transaction,
- the number of financial instruments that the CLIENT holds and the corresponding rights,
- the reply/instruction form to be returned to BRED for transactions that require a response from the CLIENT.

This notification is drafted on the basis of information published by the issuer companies concerned. BRED shall not be held liable in the event of any delay, error, omission or any other reason relating to said information.

Given that BRED does not necessarily possess all the information to allow it to determine the CLIENT's best option at any given time, it is the CLIENT's responsibility to systematically send BRED instructions by returning the form provided within the required timeframe. Should BRED not receive any instructions from the CLIENT, it shall apply the default option stated on the corporate action notification or the prevailing market rules and practices.

### 6.3 - Account statements

Each year, the CLIENT will receive a portfolio statement and an annual statement of coupons and dividends received and taxable income from transactions in financial instruments. The estimated value of the financial instruments appearing on the statement is calculated based on the latest known prices on the statement date.

The cash consideration for transactions registered in the financial instruments account (excluding "PEA" share-based investment schemes) will appear on the linked cash account statements.

The CLIENT shall have a period of one month from the date on which the statement is received to submit any comments. After that period, the CLIENT is considered to have approved the statement.

### 6.4 - Management of coupons and redemptions

Subject to cancellation of credits if the funds are not received by BRED, the bank shall :

- pay coupons to Clients after receiving the credit notice from the custodian,
- pay redemptions on the scheduled maturity date.

BRED shall not be held liable in the event of payment cancellation and/or default by any issuer, even if the cancellation or default is recognised and takes place a posteriori as a result of automated processing and the time taken for the information to be transmitted to BRED or for BRED to recognise the information.

In the event of payment cancellation and/or default by an issuer, the time taken to transmit the information to BRED may vary depending on whether the central depository is domiciled in France or abroad, in accordance with the origin of the securities concerned. BRED shall not be held liable for any resulting delay in making the necessary adjustments.

### 6.5 - Tax returns

The CLIENT shall be responsible for fulfilling his legal and regulatory obligations in connection with the Account's operation, in particular for tax purposes.

Each year, the CLIENT will receive a French single tax declaration form ("IFU" for Imprimé Fiscal Unique) established on the basis of the information provided by the CLIENT and including a summary statement of the transactions and income received and subject to declaration, so that the CLIENT can fulfil his obligation to file a tax return with the French tax authorities. In the event that the CLIENT does not receive an account statement or an IFU, he is requested to inform BRED as soon as possible. If the CLIENT is subject to income tax, earnings from fixed- and variable-income securities will be taxed by applying the progressive scale for income tax.

Unless the CLIENT requests an exemption by presenting BRED with the sworn declaration required by law, in accordance with applicable regulations, this income will be subject to a deduction at source by BRED for the pre-payment of income tax. This deduction, calculated by applying the progressive scale applicable in the year in which the income was paid, is reimbursed by the French tax authorities in the event of an overpayment.

Pursuant to applicable regulations, BANQUE POPULAIRE shall report all proceeds from investment income and securities transactions to the French tax authorities.

For financial instruments accounts held in the joint names of spouses, these returns are filed in the name of the husband or the first-named account holder. For other joint-owned financial instruments accounts, the amounts will be split equally and declared in the name of each joint account holder, unless instructions to the contrary are submitted to BRED.

## 7 - CLIENT DEFAULT

In the event that the CLIENT defaults and is replaced by BRED in accordance with applicable legislation, BRED shall be considered to have full ownership of the financial instruments acquired on behalf of the CLIENT.

If the Account has a negative balance, the CLIENT shall irrevocably authorise BRED to sell without prior notice all or some of the CLIENT's financial instruments in order to redress said position. Similarly, should any CLIENT account open or due to be opened in the bank's books show a negative balance, the CLIENT authorises BRED to offset any negative balances against any positive balances in said account(s). Finally, BRED and the broker are entitled to exercise a right of retention over the cash and financial instruments until all amounts payable by the CLIENT for any reason whatsoever have been settled.

## 8 - PRICING CONDITIONS

The CLIENT acknowledges having received from BRED a brochure setting out the fees and rates that apply to the services governed by this Agreement.

The conditions and rates stated may be subject to change; BRED undertakes to inform the CLIENT of any such changes three months before they come into effect, using any reasonable means available.

By express agreement, if the CLIENT does not submit an objection within two months of receiving this information, he will be considered to have accepted the new pricing schedule indicated.

Should the CLIENT object, BRED is entitled to close the account, provided that it gives one month's notice thereof from the date of notification of the closure request, in accordance with the terms and conditions set out in Article 14 of this Agreement (Termination).

Besides the abovementioned fees and rates, the CLIENT is liable to pay all charges, fees, taxes and duties resulting from the opening, operation and closure of the account or from subscription to a product or service. All amounts due to BRED shall be paid, including all the aforementioned taxes and duties borne by BRED.

## 9 - LIABILITY

### 9.1 - BRED's liability

BRED shall not be liable for any errors in the CLIENT's assessment or judgement or for any financial losses that result in or could have resulted in a change, including a material change, in the CLIENT's assets.

BRED shall not be held liable for any adverse consequences of any delay, inaccuracy or omission in the dissemination of information relating to Corporate Actions by issuer companies.

BRED shall not be liable for any loss of opportunity that results from, or could result from, opportunities not taken by the CLIENT in connection with his account. BRED is subject only to a "best efforts" obligation and shall be held liable only in the event of gross negligence or fraud.

### 9.2 - CLIENT liability

The CLIENT shall take all measures required to implement this Agreement and comply with the legal and regulatory provisions applicable to transactions governed by the Agreement.

The CLIENT shall provide BRED with all the documents required to enable BRED to fulfil its contractual, legal and regulatory obligations.

The CLIENT declares that :

- the information that he has provided concerning his situation, and
- in particular the information concerning his knowledge of the financial markets provided in the "Know your CLIENT" document, is correct, exhaustive and not misleading.

The CLIENT shall inform BRED, by letter, including documentary evidence if necessary, of any changes in his situation (family circumstances, tax residency, address for service, etc.) or his ability to assess the characteristics of transactions and the risks that they may entail.

If the CLIENT is a legal entity, the CLIENT also undertakes to only enter into transactions that are consistent with its company purpose and status.

In addition to the CLIENT's other obligations of information under this Agreement, the CLIENT shall inform BRED of :

- any event that affects its capacity to act,
- any changes in its legal form,
- the termination of service of any of its legal representatives,
- any events that could materially affect its financial capacity.

The CLIENT shall forward to BRED all information likely to reflect its financial position and, in particular, its financial statements.

The CLIENT shall not contest any transaction entered into at the initiative of any of its legal representatives whose termination of service has not been duly notified to BRED.

## 10 - POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

The policy for the prevention and management of conflicts of interest is presented in Appendix 2 of this Agreement. BRED specifies that it takes all reasonable measures to prevent conflicts of interest from adversely affecting its CLIENTS' interests.

## 11 - COMPLAINTS

Should the CLIENT require any information or wish to file a complaint, he may contact :

- his regular adviser at BRED, whose contact details appear on account statements;
- in the event of dissatisfaction, BRED's Quality Department, whose contact details appear on account statements. A reply will be provided within 15 working days, unless additional time is required, in which case the CLIENT will be informed accordingly;
- if the disagreement persists, CLIENTS who are natural persons not acting for professional purposes may also send claims to BRED's mediator, whose contact details are as follows :  
"BRED Banque Populaire, A l'attention de Monsieur le Médiateur,  
18, quai de la Rapée 75012 Paris"  
and can also be found on BRED's website.

The CLIENT may also contact the AMF, if the procedures above are unsuccessful, at the following address: 17, place de la Bourse, 75082 Paris CEDEX 02. The AMF website can be found at : [www.amf-france.org](http://www.amf-france.org).

## 12 - AMENDMENT OF THE AGREEMENT

Any legal or regulatory measures that require all or part of the Agreement to be amended shall be applicable as from the date on which they come into force. In addition, in the event of changes in the services provided under this Agreement, the bank may make amendments to this Agreement, including material amendments, if necessary. CLIENTS shall be notified of such amendments by way of a circular or any other information document, possibly using electronic distribution.

If they are not contested, such amendments shall become binding upon the CLIENT one month after notification has been given. In the event that the CLIENT rejects the amendments and informs the bank accordingly by registered letter with acknowledgement of receipt, the bank may close the account at no cost to the CLIENT.

## 13 - COOLING-OFF PERIOD

When this Agreement is concluded subsequent to solicitation by prospecting within the meaning of Article L. 341-I of the French Monetary and Financial Code, the CLIENT has a period of fourteen calendar days from the signing of the Agreement to cancel the Agreement without penalty and without being required to explain his decision. When the Agreement (whether or not prior prospecting has taken place) has been concluded exclusively by means of distance selling (Article L. 343-I of the French Monetary and Financial Code), the fourteen-day period shall begin on the date of signing of the Agreement or the date on which the contractual terms and prior information is received, if that date is later. Commencement of execution does not deprive the CLIENT of his cancellation right. Until expiry of these deadlines, BRED cannot receive any orders for financial instruments. In the event that the CLIENT exercises his cancellation right, the payment made upon subscription will be fully reimbursed. The CLIENT will not be requested to pay any commission or charges of any nature. Exercising the cancellation right automatically terminates the Agreement, without any further formalities.

The CLIENT shall not benefit from a cooling-off period if the Agreement has been signed in a branch and was not preceded by solicitation in the form of prospecting.

The CLIENT shall be entitled to cancel the Agreement within a period of fourteen calendar days from the date of signing of the Agreement, without giving any reason or incurring penalties if :

- the Agreement was signed in a branch following solicitation by prospecting,
- the Agreement was signed in connection with a distance selling method.

To exercise this cancellation right, the CLIENT shall forward to BRED, by registered post with acknowledgement of receipt, the cancellation form appended to this Agreement, completed, signed and dated.

The cancellation right permits the CLIENT to cancel the Agreement, but does not apply to the financial instruments in the account, if applicable, in accordance with Articles L. 341-16 of the French Monetary and Financial Code and L. 121-20-12 of the French Consumer Code (Code de la Consommation).

If the Agreement has been signed within a distance selling framework and execution thereof began during the cooling-off period at the CLIENT's request, this cancellation results in the closure of the financial instruments account, without being extended to the financial instruments acquired in connection with the Account. When the CLIENT exercises his cancellation right, if any financial instruments are recorded in the Account, the CLIENT shall expressly indicate to BRED whether said financial instruments should be sold or transferred to another financial instruments account in his name, in which case the CLIENT shall specify that account's IBAN.

## 14 - TERMINATION

The Agreement is entered into for an indefinite period, from the date of signing until termination of the Agreement by either of the parties. Termination of the Agreement results in the closure of the CLIENT's financial instruments account(s) (including "PEA" share-based investment accounts). Closure of the financial instruments account shall have no impact on the operation of the cash account. Closure of the cash account shall result in the closure of the financial instruments account(s) (including "PEA" share-based investment accounts). This closure shall result in the revocation of the bank's mandate to manage registered securities. BRED shall close out any outstanding transactions.

### 14.1 - Termination by BRED

The Agreement may be terminated at any time by BRED, subject to one month's prior notice, by sending a registered letter with acknowledgement of receipt.

Within this one-month notice period, the CLIENT shall give instructions to BRED concerning the treatment of the financial instruments and cash deposited in his account, and shall provide details of the establishment to which the financial instruments are to be transferred, if applicable. BRED will charge the CLIENT the associated management fees for each account as set out in the Pricing Conditions.

Securities can be transferred only if the CLIENT does not owe BRED any amounts or financial instruments.

If, after this one-month notice period, the CLIENT has failed to respond, BRED shall freeze the securities in a special account until the matter is resolved. If no instructions have been received from the CLIENT by the end of this one-month period, BRED shall charge the CLIENT a flat fee, as specified in the Pricing Conditions, for maintaining his account in its books. This amount shall be charged to the cash account. If this account has insufficient funds, the provisions set out in Article 7 of this Agreement shall apply.

BRED shall exercise the rights attached to these securities in accordance with the terms and conditions set out in this Agreement.

### 14.2 - Termination by the CLIENT

The financial instruments account may be closed at the CLIENT's request, without prior notice and without incurring any penalties. The CLIENT shall indicate to BRED where to transfer the securities held in the account. In accordance with the provisions of Article 14.1, BRED may charge a commission for transferring securities to another establishment, as set out in the Pricing Conditions.

BRED may retain all or some of the securities registered in the account or deposited until any outstanding transactions have been closed out, in order to provide cover for such transactions.

In the case of joint accounts, the Agreement may be terminated by either of the joint account holders sending BRED a registered letter with acknowledgement of receipt. Said joint account holder shall notify the other joint account holder of the termination immediately, and in the same manner, BRED being under no obligation of information in this event.

This termination shall lead to the account being frozen and immediately converted into a joint and several account, (compte indivis) which henceforth can be operated only with the joint signatures of the co-holders. The subsequent use and destination of the financial instruments deposited shall be decided upon jointly by the joint account holders and BRED shall be notified accordingly.

The death of the sole owner of a financial instruments account shall lead to the account being frozen until the estate liquidation has been completed.

#### **15 - FRENCH FREEDOM OF INFORMATION ACT (“LOI INFORMATIQUE ET LIBERTE”) - PROFESSIONAL SECRECY**

Pursuant to the French Act of 6 January 1978 concerning data processing, files and freedom of information, information obtained from the CLIENT may be used for management of the CLIENT account or commercial prospecting. However, said information shall not be made available externally, except when this is required for management of the financial instruments account or to comply with legal and regulatory obligations. The CLIENT may exercise his rights of access, rectification and objection in accordance with applicable legislation, by contacting the bank's Quality Department.

Pursuant to Article L. 511-33 of the French Monetary and Financial Code, BRED is bound to professional secrecy.

However, the duty of professional secrecy may be waived in situations provided for by law, notably at the request of the regulatory authorities, the tax or customs authorities, or the criminal courts.

In addition, the CLIENT shall authorise BRED, under the present Agreement, to disclose relevant information concerning him to any intermediary whose involvement is necessary for the performance of this Agreement.

The CLIENT has the right to release BRED from this obligation of secrecy by notifying the bank in writing of the third parties to whom he authorises disclosure of specifically mentioned information concerning him.

#### **16 - DUTY OF VIGILANCE - MONEY LAUNDERING AND TERRORIST FINANCING - REPORTING OF SUSPICIOUS FINANCIAL TRANSACTIONS**

It is BRED's duty, under criminal law provisions which punish the laundering of money from drug trafficking or the proceeds of any felony or misdemeanour, to seek information from the CLIENT for transactions which may appear to the bank to be unusual, namely owing to their terms, amount or exceptional nature compared with transactions previously processed for the CLIENT.

BRED is also bound by an obligation to the competent authorities with respect to the fight against terrorist financing.

Subject to criminal penalties, BRED is bound to a duty of vigilance as set out in Articles L. 561-1 et seq. of the French Monetary and Financial Code.

In accordance with Articles L. 621-17-2 et seq. of the French Monetary and Financial Code, BRED shall notify the AMF of any transaction that could be deemed to constitute insider dealing or price manipulation.

#### **17 - CLIENTS RECEIVING INCOME FROM UNITED STATES SOURCES**

Pursuant to the US “Qualified Intermediary” (QI) regulations, BRED has entered into an agreement with the US Internal Revenue Service (IRS) under which the Bank becomes a qualified intermediary (QI) of the IRS. Under this agreement, the application of lower withholding tax rates on investment income from US sources, as provided for by US law or tax treaties between the United States and the beneficiary's country of residence, is conditional upon identification of the beneficial owner of income from US securities held by the beneficiary in the account-keeping establishment's books.

In the event that the CLIENT is likely to receive US source investment income, he acknowledges having been informed of BRED's Qualified Intermediary status and accepts the consequences thereof.

The CLIENT shall provide the necessary information and documentary evidence in relation to his identity and tax residency to enable BRED to fulfil its obligations, thus permitting the CLIENT to benefit from reduced withholding tax rates on US source investment income, in accordance with the tax treaties between the United States and the CLIENT's country of residence. The CLIENT declares that all the information provided is accurate.

US non-exempt recipients may retain their US securities only if they agree to their identity being disclosed to the US tax authorities by submitting a W9 form to BRED. Failing this, a backup withholding tax rate of 28 % shall be applied to dividends, interest and the proceeds from the sale or redemption of US securities.

#### **Definition of “US PERSON”**

“US Person” shall mean any CLIENT who :

- is a US citizen (including persons who have dual nationality or were born in the United States); or
- holds a green card (even if the person no longer resides in the United States); or
- is deemed to be a resident of the United States for tax purposes, as defined by the United States Internal Revenue Code.

This condition is normally fulfilled if the CLIENT is physically present in the United States for at least 31 days in the current year and 183 days in the last three years, taking into account :

- all the days present during the current year;
- 1/3 of the days present during the previous year;
- 1/6 of the days present during the year prior to that.

Certain periods of presence are not taken into account for this calculation.

When the income is received by legal entities (or equivalent entities), such entities shall be considered as the beneficial owners of the US source income that they receive (companies subject to income tax), while other entities may not be considered to be the beneficial owners (e.g. the case of a Partnership, Foreign Financial Intermediary, Foreign trust, etc.). In this case, the beneficial owners of said income are the partners, shareholders or unitholders of said entities.

#### **18 - APPLICABLE LAW - LANGUAGE OF COMMUNICATION - COMPETENT COURTS**

The terms and conditions of this Agreement are subject to French Law. The language used is the French language.

In the event of a dispute for any reason whatsoever, BRED and the CLIENT confer jurisdiction on the French courts.

In the event of a dispute concerning the terms of this Agreement, only the French version shall be legally binding.

#### **APPENDIX I: BEST SELECTION AND BEST EXECUTION POLICY**

##### **Information on the best selection and best execution policy**

BRED has established and implemented a policy for the execution of orders on financial instruments that ensures that, for CLIENT orders received, it achieves the best possible outcome, in compliance with applicable legal and regulatory requirements.

This policy, specified for each selected intermediary, applies to all CLIENTS, whether they are categorised as non-professional or professional. The intermediary selected has the option to transmit the order to another intermediary for execution.

BRED and its selected financial intermediaries will take all reasonable measures to fulfil their best execution obligation. This execution policy provides for the selection, for each category of financial instrument (equities, bonds, etc.), of the entities to which said CLIENT orders are transmitted for execution.

This commitment to take all reasonable measures to achieve the best possible execution does not place BRED BP under any obligation in terms of results. Its obligations relate to the means employed and cannot under any circumstances go beyond the legal and regulatory obligations in force.

##### **I - “Best execution” principle**

The service provider selected by BRED, or BRED itself where applicable, takes all reasonable measures to achieve the best execution of the CLIENT's orders by taking into account all the factors that will enable it to achieve the best possible outcome in terms of total price, which is the price of the order plus the costs associated with its execution, including costs relating to the place of execution, clearing and settlement/delivery costs, and fees due to any third-party brokers having taken part in the execution. In addition to this total execution cost, which, as a rule, will be the key factor taken into account, other criteria may be considered, relating to the speed of execution, the likelihood of execution and delivery/settlement, order size, the nature of the order and any other consideration that might affect the execution of the order.

The relative importance of each of these criteria may vary depending on the characteristics of the order, the type of financial instrument concerned by the order, and the place of execution to which the order may be transmitted.

The places of execution chosen are essentially existing regulated markets, which are presumed to offer liquidity and best results. The CLIENT's express consent will be requested for the execution of orders on other markets, such as those falling within the definition of multilateral trading systems.

The list of regulated markets is available on the website BRED.fr.

##### **II- Exemptions from the best execution obligation**

The best execution obligation does not apply when :

- BRED receives and accepts specific instructions from the CLIENT. In such cases, BRED or the selected intermediary will execute the CLIENT's order according to these instructions;
- BRED, or, where applicable, the selected service provider, does not execute an order on a CLIENT's behalf, but enters into transactions with its CLIENTS based on prices offered by BRED BP to its CLIENT, either in the form of published quoted prices or in response to a request for a price.

##### **III- Annual review - Changes to the execution policy**

BRED, together with its selected intermediaries, performs an annual review of the terms and conditions of application of the execution policy. Whenever a change is made that could affect BRED's ability to achieve the best possible outcome, BRED will inform its CLIENT immediately. This execution policy may also be viewed on the website BRED.fr.

#### **Glossary**

Appendix to the information on the best selection and best execution policy, in compliance with the MiFID.

## Main Financial Instruments

- Transferable securities
  - Money market instruments
  - Units in collective investment undertakings
  - Options, futures, swaps, forward rate agreements and any other derivative contracts relating to transferable securities, currencies, interest rates or yields, other derivative instruments, financial indices, financial measures, and commodities
  - Derivative instruments for the transfer of credit risk.
- Financial instruments do not include spot foreign exchange transactions and temporary transfers of securities (securities lending and borrowing, repurchase agreements).

### Execution venues

- Regulated markets
- Other markets that are not regulated markets
- Multilateral trading facilities (MTF)
- Systematic internalisers
- BRED acting as the counterparty

### Regulated market

A multilateral system which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the applicable provisions.

### Multilateral Trading Facilities (MTF)

A multilateral facility, which, without being a regulated market, brings together multiple third-party buying and selling interests in financial instruments - in the facility and in accordance with non-discretionary rules - in a way that results in a transaction involving these instruments.

It may be managed by an investment service provider authorised to provide the service of operating such a facility or by a market operator authorised for this purpose by a regulatory authority.

the European Commission's answer to CESR regarding Best Execution in the context of MiFID (ESC-07-2007) and endorsed by several regulators' positions including FCA and AMF:

1) Which party initiates the transaction – Does BRED approach the Professional Client or is the Professional Client the initiator of the transaction? Where BRED approaches the Professional Client and proposes to enter into a specific transaction, it is more likely that the Professional Client will rely on BRED to protect its interests. On the opposite, where the client initiates the transaction, or agrees on a quote published by BRED for a financial instrument, it is less likely that the client is legitimately placing reliance on BRED.

2) Questions of market practice and the existence of a convention to 'shop around' – Where market practice suggests that the Professional Client compares quotes by soliciting various service providers for the same transaction in order to generate competition between them, it is less likely that the Professional Client is legitimately placing reliance on BRED to protect its interests.

BRED Banque Populaire, société anonyme coopérative de banque populaire au capital de 839 838 568,09 euros. 18, quai de la Rapée – 75604 Paris Cedex 12 – Tél :33+1 4898 6000 LEI NICH5Q04ADUV9SN3Q390 Identifiant TVA : FR 09 552 091 795

3) The relative levels of transparency within a market – If a Professional Client does not have ready access to prices in a market in which BRED operates, it is more likely that the Professional Client is placing reliance on BRED. On the opposite, if a Professional Client's access to pricing transparency is broadly equivalent to that of BRED, it is less likely that the Professional Client is placing reliance on BRED to protect its interests.

4) The information (such as this Execution Policy) provided by BRED on its services and on the circumstances in which it will be assumed that the Professional Client is placing reliance on BRED to protect its interests. When an assessment conducted on the basis of these four criteria determines that the Professional Client does not rely on BRED to protect its interests, BRED fulfills its Best Execution obligation by selecting the most suitable Execution Venue(s) (whether a Regulated Market, a Multilateral Trading Facility, a Systematic Internaliser, an Issuer, a market maker, a Broker, another liquidity provider, or an entity which performs a similar function) where it can deal on its own account for procuring the instrument, taking into account the following factors: price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other consideration relevant to the execution of the order. In such cases, when acting as the client's counterparty, BRED does not take the place of its client regarding the assessment of the most appropriate way to conduct the transaction.

### IV - Other situations

For non-professionals clients BRED takes into account the total execution price all fees and costs included.

If any client gives specific instructions as to how that client wishes his order to be executed, BRED meets its obligation of obtaining the best execution result as long as the order or a specific aspect of the order is executed by following the specific instructions given by the client. In addition, where BRED executes a specific instruction from its client or designs a customized product structure on behalf of a specific client, the product is the result of a single contract structure between the bank and the Client. The product is also often structured in the context of investment advice services. In such situations, BRED can, upon request, explain to the Client how the product is priced, thereby fulfilling its best execution obligation.

### V - Conflicting interests

As a multi-capacity investment service firm BRED may encounter situations where certain client interests could be in conflict with those of other clients, or those of BRED and its employees. BRED is not required to disclose to a counterparty when the counterparty attempts to leave an order, that BRED is handling other counterparties' orders or BRED orders ahead of, or at the same time as, or on an aggregated basis with, the counterparty's order. BRED, acting as principal, may execute transactions for itself or facilitate executions with other counterparties, manage its risk or source liquidity prior to or alongside a counterparty's transaction, and it retains discretion with respect to how to satisfy its counterparties, including with respect to order execution, aggregation, and pricing.

But BRED must try to avoid conflicts of interests and, where they cannot be avoided, ensure that clients are treated fairly. In order to deal with these types of situations, BRED has rules and procedures to identify, prevent and manage conflicts of interest

### VI - No recommendation or advice

Sales and Trading departments can produce and disseminate credit strategy pieces, sales notes, trading and market commentary which can be regarded as investment recommendations under the European Market Abuse Regulation N° 596/2014 of 16 April 2014. Such Sales and Trading Commentaries do not originate from an independent credit research team located outside BRED's sales and trading organisation. They do not contain a personal recommendation and do not take into account the individual financial circumstances, needs or objectives of the recipients. They should not be construed as recommendations or investment advice. A counterparty is expected to evaluate the appropriateness of any transaction based on its own assessment of the transaction's merits and all facts and circumstances in connection therewith.

## APPENDIX 2 : BEST EXECUTION AND BEST SELECTION POLICY

### Addendum for capital market operations

#### I- The Policy

Directive MiFID 2004/39/EC, implemented for France in the Monetary and Financial Code and in the General Regulations of the Autorité des Marchés Financiers, provides that, where an investment firm executes an order in relation to a financial instrument on behalf of a client, it must take all reasonable steps to achieve best execution of that client's order.

BRED has established the following order execution policy («Policy») which applies where BRED executes orders in financial instruments of Retail and/or Professional Clients (as defined in MiFID) but does not apply to Eligible Counterparties, to which BRED has therefore no obligation in terms of best execution.

BRED must obtain its Clients' prior consent regarding its Policy, which is available on BRED's website and brought to every new client's attention. Clients will be deemed to have given such consent as soon as they give an order to BRED for a transaction. BRED reviews this Policy at least annually. The client will be notified of any material changes to this Policy, via BRED's website.

Clients can request from BRED, details to confirm that their orders have been executed by BRED in compliance with this Policy, by contacting their usual BRED contact.

Even in cases where the Policy does not apply, BRED has a duty to act honestly, fairly and professionally in accordance with the best interests of its clients and applies this principle to all its clients.

#### II - All-in price

Unless otherwise explicitly agreed, BRED acts as Principal and does not trade in an agency capacity nor does it act as fiduciary, financial advisor, or in any similar capacity on behalf of a counterparty. BRED's sales and trading personnel do not serve as brokers or agents to a client.

As a Principal, BRED will generally provide you with a single "all-in" price which will include the price (including any bid/offer spread) of the financial instrument(s) involved, on which additional amounts may apply, including: the costs linked to its business model, the costs for the implementation of selling and follow-up processes, the hedging of position in relation to the transaction and any cost linked to the use of BRED's capital for the transaction, including credit risk..

#### III - Reliance on BRED

When providing a price as part of a transaction in a financial instrument between BRED and a Professional Client, the application of the Best Execution principle will depend on whether the Professional Client legitimately relies on BRED to protect its interests regarding pricing and other aspects of the contemplated transaction.

To this end, in order to evaluate if a Professional Client is relying on BRED to protect its interests, BRED takes into account the following four considerations, described in



## APPENDIX 3 : POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

### Information on the policy for the prevention and management of conflicts of interest

#### I- Principles

Protecting CLIENT interests is a fundamental concept underpinning BRED's business ethics. It constitutes one of the Bank's guiding business principles and is reflected, in particular, in its policy for the prevention and management of conflicts of interest that are liable to arise during transactions entered into with CLIENTS. A conflict of interest arises when the interests of the Bank (including its personnel) conflict with those of a CLIENT or when the interests of a CLIENT conflict with those of another CLIENT.

The following situations could constitute a potential conflict of interests:

- The Bank putting the interests of one or several CLIENTS before the interests of another CLIENT for financial or other reasons;
- The receiving or giving of gifts with the aim of influencing the Bank's behaviour in such a way that it conflicts with CLIENT interests;
- The Bank entering into commercial or trading activities for its own account or on behalf of its CLIENTS, even though other CLIENTS are operating in the markets concerned at the same time;
- The Bank providing an investment advisory service to its CLIENTS and at the same time recommending or selling products issued by the Bank itself or the Group to which it belongs;
- The Bank implementing a remuneration policy that would create incentives that could encourage its personnel to put their own interests or the interests of their institution first.

The system for the prevention and management of conflicts of interest, established by BRED in compliance with applicable regulations, comprises organisational measures and administrative procedures for the processing and monitoring of transactions, with the aim of :

- preventing conflicts of interest;
- establishing an appropriate policy for the management of conflicts of interest and keeping this policy operational;
- detecting situations that result in, or are liable to result in, a conflict of interest;
- maintaining and updating a register of activities for which conflicts of interest have arisen or could arise;
- notifying CLIENTS when, for a specific transaction, the measures taken are insufficient to reasonably guarantee that the risk of adversely affecting a CLIENT's interests will be avoided.

This policy takes into account the fact that BRED belongs to the Banques Populaires network with regard to any potential conflicts of interest between CLIENTS of the various entities in the Banques Populaires network.

#### II - Preventive measures

BRED ensures that the personnel of all its establishments comply with the professional obligations that apply to them in the performance of their duties, together with the applicable regulatory provisions. BRED Compliance, an independent function, is responsible for overseeing this compliance.

In this context, organisational measures and governing procedures have been implemented to prevent conflicts of interest. These include :

- a code of ethics which includes an obligation to treat all information gathered in connection with CLIENT transactions with discretion and confidentiality and aims to ensure that the necessary fairness and loyalty are built into CLIENT relationships;
- a hierarchic and physical separation between activities that may lead to a conflict of interest (for example, between an activity performed on behalf of CLIENTS and one carried out for BRED's own account), with the aim of preventing any unnecessary transmission of confidential or insider information;
- the identification and monitoring of remuneration received or paid by BRED in connection with transactions entered into with CLIENTS;
- transparency in terms of staff remuneration, in order to prevent any remuneration directly related to transactions entered into with CLIENTS;
- transparency with respect to gifts or benefits received in connection with professional activities;
- transparency with regard to the corporate offices held by BRED's senior managers or their staff as part of their professional duties or in a private capacity;
- the monitoring and control of the quality and compliance of commitments and services provided by external companies.

#### III - Controls

BRED has set up a control system to ensure compliance with the procedures in place to prevent conflicts of interest and to detect any conflicts of interest that may arise, despite the preventive measures, with a view to resolving them fairly. With this objective in mind, the departments in charge of controls are required to :

- conduct regular reviews of situations liable to generate conflicts of interest, including conflicts of interest between BRED and another entity in the Banques Populaires network;
- verify that sensitive or potentially conflictual activities have been effectively separated, and that customer-facing departments are separated from departments in charge of recording and processing transactions;
- check that operational departments acting on behalf of CLIENTS or third parties are separated from departments that act for BRED's own account;
- monitor the restrictions in place on the circulation of confidential or insider information.

#### IV - Dealing with conflict of interest situations and notifying CLIENTS

In the event that, despite the preventive measures in place, conflicts of interest that could adversely affect CLIENT interests could not be avoided, BRED's procedures stipulate that measures appropriate for each situation should be sought by the Bank's management, with the assistance of the Compliance function.

If the measures implemented by BRED appeared insufficient to guarantee, with reasonable certainty, that the risk of adversely affecting the interests of the CLIENT(S) concerned could be avoided, then the Bank would notify its CLIENTS in writing of the nature or source of the conflict of interest to enable them to make an informed decision.

Any additional information on this policy for the prevention and management of conflicts of interest can be obtained by sending a written request to BRED. This policy for the prevention and management of conflicts of interest is also available on the website BRED.fr.

## APPENDIX 4 : INCOME FROM US SOURCES

### Income from US Securities

I (We) am (are) the beneficial owner(s) of income that will be received in the Account and I (we) am (are) not a "US person" taxpayer(s)<sup>(1)</sup>.

I (We) belong to the following category:

#### Natural person - Company - Partnership - Estate - Tax-exempt organisation - Private foundation

I (We) certify that:

- The beneficial owner(s) is (are) a resident(s) of :
  - within the meaning of the income tax treaty between the United States and that country.
- The beneficial owner(s) is (are) not an individual(s). It (They) receives (receive) the income for which the treaty benefits are claimed, and, where applicable, meets (meet) the requirements of the treaty provision dealing with limitation on benefits.
- Before signing this Agreement, I (we) have read the information concerning United States taxation, which contains important guidance.

<sup>(1)</sup> US taxpayer shall mean a permanent US resident or US citizen (born in the United States, having United States nationality, having parents with United States nationality, or a naturalised United States citizen), or the holder of a Green Card (US residency permit), or a person having been physically present in the United States for at least 31 days during the current year (n), and 183 days during the last three years, taking into account all days present in year n + 1/3 of the days present in year n-1 + 1/6 of the days present during year n-2.