



Order Execution Policy

Policy of Joh. Berenberg, Gossler & Co. KG for the execution of orders in financial instruments and crypto assets

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1. General

This policy sets out how Joh. Berenberg, Gossler & Co. KG ("Berenberg", "the Bank", "we" or "us") ensures the execution of client orders in a consistent manner to achieve the best possible results for the client in accordance with Directive 2014/65/EU (MiFID II)¹ in respect of financial instruments and Regulation (EU) 2023/1114 (Markets in Crypto Assets Regulation, MiCAR) in respect of crypto assets.

Both MiFID II and MiCAR require the Bank to take all reasonable steps to achieve the best possible result for its clients when executing orders. The Bank must ensure that the desired result can be achieved consistently.

2. Scope of application

Clients

This policy is intended for retail clients and non-institutional professional clients (elective professional clients), both of which are referred to in the following as the »client«. It does not apply to institutional professional clients (per se professional clients) or eligible counterparties.

Financial instruments and crypto assets

This policy applies to the execution of orders that the client issues to Berenberg for the purchase or sale of financial instruments within the meaning of MiFID II and for crypto assets according to MiCAR.

Spot FX trades and transactions in goods and commodities subject to physical delivery (e.g. precious metals) do not constitute transactions in either financial instruments or crypto assets. This policy therefore does not apply to such transactions.

Asset management

This policy also applies where Berenberg purchases or sells financial instruments for the client's account in fulfilment of its duties under an asset management agreement.

Type of execution when trading financial instruments

- Acting as agent
Execution in this context means that Berenberg, based on the client's order, will conclude an execution transaction with another party at a suitable execution venue or with a suitable liquidity provider in its own name but for the client's account. This may include execution outside a trading venue (i.e. outside a regulated market, multilateral trading platform or organised trading facility), provided that this is in the client's interest and the client has expressly consented to it.
- Acting as principal (fixed-price transactions)
Berenberg and the client may also enter into a purchase contract for financial instruments with each other at a firm or determinable price (a fixed-price transaction). In such cases, execution in the sense described above will not take place. Instead, Berenberg and the client will be directly obligated under the agreed contract to deliver the financial instruments and pay the purchase price.

This policy has only limited application to fixed-price transactions. In such cases, the obligations of the Bank and the client will be governed directly by the relevant contractual terms. In this type of transaction, the Bank will fulfil its obligation to provide best execution by offering a fair price.

The same will apply accordingly where Berenberg offers financial instruments for subscription under a public or private offering or if Berenberg and the client enter into contracts for financial instruments (e.g. option trades) with each other that cannot be traded at a trading venue.

¹ References to MiFID II should be understood as also referring to the national regulations that serve to implement the MiFID II rules.



Type of execution when trading crypto assets

- Acting as Principal (exchange of crypto assets for funds or other crypto assets)

Unless otherwise agreed, Berenberg executes the client's business enquiries regarding crypto-asset trading as a principal trader. (i.e. Berenberg provides the crypto-asset service 'exchange of crypto assets for funds or other crypto assets') In this scenario, the Bank always acts in its own name and on its own account with its clients and acts as the legal counterparty to each trade.

Upon request, the Bank provides its clients with (price) indications, which, however, do not constitute binding offers to conclude a transaction.

The client submits the specific transaction request to Berenberg as a binding offer at a fixed or determinable price, possibly after a prior non-binding enquiry and (price) indication by Berenberg. Berenberg then regularly concludes a corresponding (back-to-back) transaction with a liquidity provider. Upon successful conclusion of the corresponding trading transaction, Berenberg accepts the client's offer.

At its own discretion, Berenberg may alternatively also fulfil a client's transaction request (as a fixed-price transaction) from its own holdings without an immediate back-to-back trading transaction.

This policy has only limited application to fixed-price transactions. In such cases, the obligations of the Bank and the client will be governed directly by the relevant contractual terms. In this type of transaction, the Bank will fulfil its obligation to provide best execution by offering a fair price.

- Acting as Agent (execution of orders for crypto assets on behalf of clients)

If individually agreed, Berenberg executes a client's business enquiry as an order for the purchase or sale of crypto assets with a suitable liquidity provider or another party (i.e. in this case, Berenberg provides the crypto-asset service 'execution of orders for crypto assets on behalf of clients').

Berenberg then concludes an execution transaction in its own name but on behalf of the client. This includes execution outside regulated trading platforms for crypto assets, provided this is in the client's interest and the client has expressly consented.

Execution outside a trading venue

Where the client has consented to the execution of orders outside a trading venue, Berenberg may execute orders against its own trading book, with a systematic internaliser or with another liquidity provider. In some cases, execution outside a trading venue may be disadvantageous for the client, for instance because of the resulting counterparty risk.



3. Asset classes

Berenberg offers execution for the following asset classes:

Equities and equity-like financial instruments

This class includes the following financial instruments:

- **Equities** (including American depositary receipts (ADRs) and global depositary receipts (GDRs))
- **Exchange-traded products (ETPs)**: exchange-traded funds (ETFs), notes (ETNs) and commodities (ETCs).

When acting as agent, Berenberg may directly place orders for equities with one or more execution venues or with another investment services firm (e.g. a broker) via a smart order router (SOR) in order to obtain the best price for the client. Using a SOR serves to obtain the best price for the client for each order across all of the order books of the execution venues used. Execution of an order may be split between several venues. SORs are not used to execute orders for equities that are exclusively listed on German open-outcry exchanges to which Berenberg has access.

In some exceptional cases, Berenberg offers equities and equity-like instruments for subscription or sale (potentially also for redemption) at a fixed or determinable price agreed with the client (a fixed price transaction). It does so as a systematic internaliser for some equities.

Berenberg may execute certain UK-stocks via a Retail Service Provider Network at a fixed or determinable price (fixed-price transaction). The Bank acts itself as Market Maker (Retail Service Provider) in the network.

Bonds and debt-like financial instruments

This class includes the following financial instruments:

- **Bonds**: e.g. government bonds, convertible bonds, covered bonds (*Pfandbriefe*) and corporate bonds.
- **Money market instruments**.

Berenberg executes orders for bonds and debt-like instruments on an agency basis.

In some exceptional cases, Berenberg will offer clients the option to purchase bonds or debt-like instruments from, or sell them back to, Berenberg directly (a fixed price transaction). Berenberg may also act as a systematic internaliser for some bonds.

Financial derivatives

Financial derivatives are subdivided as follows:

- **Standardised derivatives** – i.e. exchange-traded derivatives and derivatives traded at other trading venues; and
- **Non-standardised derivatives** – i.e. derivatives that are not traded at trading venues.

Berenberg offers execution in relation to, among other things, interest-rate, currency, equity and index derivatives as well as certificates and options. Berenberg executes orders for standardised financial derivatives on a brokerage basis.

Berenberg also offers clients the option of entering into a transaction in financial derivatives – particularly non-standardised derivatives – with Berenberg on individual terms, governing law and existing contracts (a fixed-price transaction).

Funds

The legal rules on the best execution of orders for financial instruments do not apply to the issue of units in investment funds at the entry price or to the redemption of such units at the exit price in accordance with the German Capital Investment Act (*Kapitalanlagegesetzbuch, KAGB*). Berenberg generally executes orders for the purchase or sale of units in investment funds in accordance with the KAGB.



EU allowances (EUAs)

Berenberg offers EU allowances (EUAs) for subscription or purchase (and, where applicable, repurchase) at fixed or determinable prices agreed with the client. In this case, Berenberg and the client may conclude a purchase agreement for financial instruments (a fixed-price transaction).

In some exceptional cases, Berenberg offers clients the option to execute EUAs on an agency basis.

Crypto assets

Berenberg offers the exchange of crypto assets for funds. In this scenario, the Bank always deals with its clients in its own name and for its own account and acts as the legal counterparty to each exchange order (fixed-price transactions). All orders received by the Bank are treated as requests for quotes to enter into trades as fixed-price transactions.

In each case, the Bank shows the client a fixed or determinable price (which constitutes publication in accordance with Article 77(2) MiCAR) at which the client can conclude the transaction in the crypto-asset bilaterally.

In exceptional cases and following individual consultation, Berenberg also offer clients the option of executing buy or sell orders in crypto assets on an agency basis (execution of orders for crypto assets on behalf of client).

4. Execution factors

When executing client orders for the purchase or sale of financial instruments or crypto assets on an agency basis, Berenberg focuses primarily on the total remuneration, which it determines from the best possible price and all costs related to execution of each order. Such costs include the fees and charges of the execution venue, clearing and settlement costs and all other costs, charges and fees paid to third parties in connection with the execution of the order.

When executing client orders to buy and sell financial instruments and crypto assets on an agency basis, and in the case of principal trading when selecting execution channels for back-to-back trading transactions for crypto assets, Berenberg primarily focuses on the total remuneration resulting from the best possible price and all costs associated with the execution of the order. These costs include, in particular, the fees and charges of the execution venue where the transaction is executed, clearing and settlement costs, and all other costs, fees and charges paid to third parties in connection with the execution of the order.

Since the prices of financial instruments are generally subject to fluctuation and may move to the client's disadvantage during the period after it has issued the order, Berenberg also considers whether it is likely that sufficient liquidity exists for full execution to be achieved on a timely basis. Berenberg takes other criteria into account if they will contribute to achieving the best possible result in terms of low total remuneration for full execution. These criteria include:

- Speed of execution: the time period until execution of the order is complete
- Likelihood of execution: the degree of certainty that an order will actually be executed. This depends on supply and demand and is highest at execution venues or trading partners with high liquidity
- The likelihood/certainty of settlement: the likelihood/certainty that a trade will be (fully) settled
- The size and type of the order, which affect the execution price
- Other factors, such as the effect of the order on the market and liquidity at the execution venue.

When executing client orders to buy and sell financial instruments and crypto assets by way of fixed-price transactions, Berenberg checks the fairness of the prices offered to the clients by taking account of the market prices of the financial instruments or crypto assets observed at the time of the transactions. If no reliable prices are available, the Bank must determine the reference prices based on the market prices of other similar, comparable or underlying financial instruments or crypto assets. It will do so using an internal pricing model based on reliable and accurate data that reflect market conditions.



5. Execution channels and factors affecting the choice of channels

Client orders may regularly be executed via a variety of execution channels, as follows:

- Regulated markets in Germany and abroad (EU and non-EU countries)
- Multilateral trading facilities (MTFs)
- Systematic internalisers (SIs)
- Organised trading facilities (OTFs)
- Liquidity pools
- Via other investment services firms (brokers, market makers, other liquidity providers or entities performing similar functions in a third country)
- Liquidity providers or counterparts trading outside trading platforms (“trading partners”)

An up-to-date list of execution channels can be found on Berenberg’s website at www.berenberg.de.

When choosing the specific channels for the execution of client orders for the purchase and sale of financial instruments or crypto assets, Berenberg again focuses primarily on the total remuneration, which it determines from the best possible price and all costs related to execution of each order.

Additional factors are also considered when choosing execution venues or trading partners. These criteria include:

- **Liquidity:** This factor enables Berenberg to select and execute at liquid, cost-effective execution venues or trading partners. Other execution venues or trading partners may offer prices which improve on those offered by our existing execution venues or trading partners. They can also offer trading in significantly larger volumes at similar prices compared to these. We assume that liquidity and price are closely (though not exclusively) linked to the market share of the execution venue or trading partner.
- **Credit and settlement risk:** Berenberg will generally not select an execution venue or trading partner if it is unable to determine the obligations (of Berenberg and the counterparty) to settle a transaction and to resolve a failed settlement.
- **Market microstructure/operating model:** It is important that the technical infrastructure of the execution venue or trading partner is resilient and reliable in order to provide stability for smooth trading. The execution venue or trading partner should also work in a way that benefits, rather than hinders, our ability to achieve best execution. The same applies for the rules of the execution venue or trading partner and its fee structure.
- **Performance/speed of access/likelihood of execution:** these include low latency for speed and order controls, liquidity, fill rates, price improvements, etc. and likelihood of execution/completion of the transaction.
- **Other qualitative factors** (e.g. clearing systems, emergency safeguards).

If it appears that the size of an order calls for non-standard execution, Berenberg will execute the order in the best interests of the client. Where a sale is not executed in Germany, the existing depository and associated execution venue from the initial purchase are always used.

6. Forwarding of orders

Where Berenberg has insufficient access to an execution venue or trading partner, it will not execute the order itself but will forward it (subject to compliance with this policy) to a suitable broker or trading partner for execution. The broker or trading partner will then execute the order in accordance with its own execution policy and the relevant national regulations. Berenberg will, at the client’s request, provide more details as to which broker or trading partner is being (or has been) used to execute the order.

7. Aggregation of client orders

Berenberg may aggregate client orders with orders from other clients and execute them as aggregated orders (so called block orders) if the order volume, type of financial instrument or crypto-asset, market segment, current market liquidity and price sensitivity of the financial instrument or crypto-asset to be traded make this appear advisable in the interests of the clients concerned and it is unlikely that the combination of orders will be disadvantageous overall. Aggregation may be disadvantageous for an individual order, e.g. due to a decrease in the likelihood or speed of execution. Berenberg



will only aggregate orders if it is unlikely that individual clients will be disadvantaged. The allocation of aggregated orders will be carried out properly and in accordance with the principles of order allocation.

8. Specific client instructions

The client may give Berenberg specific instructions for execution that deviate from this best execution policy. Specific client instructions take precedence over this policy. In such cases, Berenberg will not be obliged to execute the order so as to obtain the best possible result in accordance with this policy or may be prevented from doing so. Where the client issues a specific instruction that deviates from this policy and specifies a particular execution venue or trading partner, local technical or legal circumstances of the execution venue or trading partner may mean in some cases that an order is nevertheless executed at a different execution venue or trading partner to the one specified by the client.

9. Alternative execution in individual cases

If Berenberg is unable to execute an order in accordance with this policy due to exceptional market conditions, market disruption or system disruption, it may execute the order in an alternative way in the interests of the client. In such cases, however, Berenberg must still comply with any specific client instructions.

10. Review of the best execution policy

Berenberg will review this policy and its effectiveness at least annually. A review will also take place outside the annual cycle if Berenberg becomes aware of a significant change that could affect its ability to execute orders at the intended execution venues or with trading partners consistently in the best interests of the client. A significant change in this sense means an important event with a potential impact on the factors that affect best execution – such as the cost, speed or likelihood of execution and settlement, the size or type of transaction, or any other aspect that is relevant to the execution of an order.

Berenberg will also monitor the extent to which the execution venues and trading partners to which client orders are forwarded for execution deliver the best possible results.

The current version of this policy is published on Berenberg's website at www.berenberg.de.



11. Summary

Berenberg takes suitable precautions to enable client orders to be executed in the best interests of the client.

When executing client orders and selecting execution venues or trading partners, Berenberg primarily bases its brokerage transactions on the total remuneration. It also takes account of additional subsidiary factors that contribute to obtaining the best possible result. When executing client orders by way of fixed-price transactions, Berenberg checks the fairness of the prices offered to the client by taking account of the market prices observed at the time of the transaction.

The client may give Berenberg specific execution instructions that deviate from this policy.

Berenberg will review this policy at least annually. A review will also be conducted whenever a significant change occurs.