



## Order execution policy

# Berenberg's policy for executing orders in financial instruments and crypto assets for institutional professional clients

## Table of contents

1. General	2
2. Scope of application	2
3. Execution factors	3
4. Execution channels and factors affecting the choice of channels	3
5. Forwarding of orders	4
6. Aggregation of orders	4
7. Alternative execution in individual cases	4
8. Specific client instructions	4
9. Monitoring and review	4
<b>Annex A: Equities and equity-like financial instruments</b> .....	<b>5</b>
<b>Annex B: Bonds</b> .....	<b>7</b>
<b>Annex C: Derivatives (exchange-traded and OTC)</b> .....	<b>9</b>
<b>Annex D: Funds</b> .....	<b>10</b>
<b>Annex E: EU allowances (EUAs)</b> .....	<b>10</b>
<b>Annex F: Crypto assets</b> .....	<b>12</b>



## 1. General

This document sets out the policy according to which Joh. Berenberg, Gossler & Co. KG ("Berenberg", "the Bank", "we" or "us") acts in order to ensure the best possible results for its clients in accordance with Directive 2014/65/EU (MiFID II) in respect of financial instruments and Regulation (EU) 2023/1114 (Markets in Crypto Assets Regulation, MiCAR) in respect of crypto assets when executing client orders for institutional professional clients.

Both MiFID II and MiCAR require the Bank to take all sufficient steps to obtain the best possible result for its clients when executing orders. It must ensure that the intended result can be achieved consistently.

The general principles for order execution are set out in sections 2 to 9 below. The asset-class specific provisions can be found in the annexes.

## 2. Scope of application

### Clients

This policy applies to business conducted with institutional professional clients only. Berenberg does not owe best execution in accordance with MiFID II to clients that it has classified as eligible counterparties. This policy nevertheless contains information that is relevant to eligible counterparties, including how the Bank executes transactions and processes requests (MiCAR does not contain any exceptions for ensuring best execution for eligible counterparties). It does not apply to retail clients (small investors) or non-institutional professional clients, for whom a separate order execution policy applies.

### Financial instruments and crypto assets

This policy applies to transactions conducted in financial instruments that fall within the scope of MiFID II. These include the following asset classes:

- Equities and equity-like financial instruments: shares, depositary receipts, exchange traded products (ETPs)
- Bonds
- Derivatives (exchange-traded & OTC): interest rate derivatives, currency derivatives, equity and index derivatives, securitised derivatives
- Funds
- EU allowances (EUAs).

This policy also applies to transactions conducted in crypto assets that fall within the scope of MiCAR. Spot FX and physically delivered goods and commodities do not fall under the definitions of financial instruments or crypto assets and are therefore not covered by this policy.

### Order execution

- Princial trading (including fixed-price transactions)

The Bank will offer financial instruments and crypto assets at a fixed or determinable prices agreed with the client in its capacity as a systematic internaliser (SI) or over-the-counter (OTC). In such cases, the Bank and the client may directly conclude a purchase agreement for financial instruments or crypto assets.

This policy will apply to a limited extent if the Bank and the client only offer execution against their own books and the Bank and the client conclude a purchase agreement for financial instruments or crypto assets at a fixed or determinable price (a fixed-price transaction).

In such cases, the obligations of the Bank and the client will be governed directly by the relevant contractual terms. In the case of a fixed-price transaction, the Bank will fulfil its obligation to provide best execution by offering a fair price.

In the case of trading in crypto assets, this will only apply if the Bank does not conclude a back-to-back transaction with a suitable counterparty for crypto assets before accepting a binding offer from the client. (see Annex F for more details on trading in crypto assets and how this policy applies in this context.)



- **Acting as agent**

When the Bank acts as an agent, it will generally conclude an appropriate execution transaction in the market with another party at a suitable execution venue or with a suitable liquidity provider for crypto assets in its own name but for the client's account on the basis of the client's order (a brokerage transaction).

**Consent to execution outside a trading venue**

Where consent has been given to execute orders outside a trading venue or outside a trading platform for crypto assets, the Bank may execute orders on its own account and at its discretion partly as a systematic internaliser or over the counter (OTC). Where the Bank executes orders outside a trading venue or outside a trading platform for crypto assets, this may entail consequences, such as counterparty risk, that could be disadvantageous for the client.

### 3. Execution factors

In order to achieve the best result on a consistent basis, Berenberg takes all sufficient steps to provide best execution to its clients. Berenberg takes account of a range of factors when executing client orders, including:

- Price, i.e. the execution price of a transaction
- The size and type of the order, which affect the execution price
- Likelihood of execution: ability to execute the order
- Speed of execution: the time taken to execute the order
- Likelihood of settlement: the likelihood that the transaction will be settled (in full)
- Costs: explicit costs such as fees and commissions and implicit costs such as market impact
- Any other factors relevant to the efficient execution of the order.

When orders are executed, more weight is attached to some of these factors than others. When executing client orders, Berenberg will take the following additional factors into consideration to determine the weight attached to the various execution criteria:

- Characteristics and regulatory classification of the client
- Type of the transaction
- Features of the financial instrument or crypto-asset for which the order is placed
- Specific features of the execution venues to which orders may be forwarded.

### 4. Execution channels and factors affecting the choice of channels

In meeting its obligation to take all sufficient steps to provide best execution to its clients, the Bank may use one or more of the following channels when executing an order:

- Regulated markets
- Multilateral trading facilities (MTFs)
- Organised trading facilities (OTFs)
- Systematic internalisers (SIs)
- Liquidity pools
- Own sources of liquidity, brokers, market makers or other liquidity providers and/or non-EU entities performing similar functions
- Trading partners for crypto assets (liquidity providers or counterparts trading outside trading platforms, "trading partners").

Berenberg takes various factors in account when deciding on execution venues and trading partners in order to obtain the best possible result for the execution of orders on a consistent basis. Execution venues and trading partners are chosen on the basis of the following factors:

- **Liquidity and price:** These factors allow the Bank to select liquid and cost-effective execution venues and trading partners for order execution. Other execution venues or trading partners may offer prices which improve on those offered by our existing execution venues or trading partners. They may also offer trading at similar prices but in significantly higher volumes. We expect liquidity and price to be closely (but not exclusively) associated with the market share that an execution venue or trading partner commands.
- **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 transactions and resolve failed settlements.



- **Microstructure/market 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 to the rules and fee structure of the execution venue or trading partner.
- **Performance/speed of access/likelihood of execution:** These include, but are not limited to, the following factors: low latency for speed and order controls, liquidity, fill rates, price improvements etc. and the likelihood of execution/completion of the transaction.
- **Costs:** Any fees that an execution venue or trading partner charge us will affect the costs incurred by our clients.

#### 5. Forwarding of orders

If Berenberg does not have direct access to a particular venue or trading partner, it will not execute the client's order in its own name but will forward it to another broker or trading partner. The Bank 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.

#### 6. Aggregation of orders

Berenberg may aggregate client orders with orders of other clients and execute them as aggregated orders (block orders), if this appears to be in the interests of the clients concerned. Aggregation may be disadvantageous for an individual order, e.g. because it may decrease the likelihood or speed of its execution. Berenberg will only aggregate orders if it considers it unlikely that individual clients will be disadvantaged. Aggregated orders will be allocated in due order and in accordance with the order allocation policy.

#### 7. Alternative execution in individual cases

If exceptional market situations or disruptions make alternative execution necessary in any individual case, the Bank will look after the client's interests in accordance with section 384 of the German Commercial Code (Handelsgetzbuch, HGB) when executing the transaction.

#### 8. Specific client instructions

Any specific instructions in relation to an order or part of an order, such as specifying a particular execution venue or trading partner, may prevent the Bank from achieving the best possible result for that order or part of it.

#### 9. Monitoring and review

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 consistently in the best interests of its clients.

The review will also take into consideration possible changes to the relative importance of the execution factors in meeting the overarching best execution requirement.

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

Any material changes to this policy will be published on our website at [www.berenberg.com](http://www.berenberg.com).



# Annex A: Equities and equity-like financial instruments

This annex to the order execution policy sets out how Berenberg, Gossler & Co. KG ("Berenberg", the "Bank", "we", "us" or "our") proceeds with the best possible execution of client orders for equities or equity-like financial instruments. This annex should be viewed in conjunction with our general execution principles, which contain provisions for all asset classes. All terms used in this annex have the same meanings as in our general execution principles, unless expressly stated otherwise.

## 1) Scope of application

The Bank will offer *equities and equity-like financial instruments* for subscription or purchase (and for re-purchase where applicable) at a fixed or determinable price agreed with the client in its capacity as a systematic internaliser (SI) or over-the-counter (OTC). In this case, the Bank and the client may directly conclude a purchase contract for financial instruments (a fixed-price transaction). Fixed-price transactions will be concluded when the Bank executes transactions on the market in its capacity as an SI or OTC in order to execute client orders or provide liquidity. Any request received by the Bank to trade in equities or *equity-like financial instruments* will be treated as a request for a quote from the Bank to conclude the trade as a fixed-price transaction. Any interim updates that we provide to a client between receipt of a request and concluding a trade will be for information purposes only and will only constitute notifications.

If a client requests a quote for a fixed-price transaction, the Bank may attempt to acquire the relevant securities on the market or from other clients for its own portfolio before submitting a quote. It is always possible that the price of the securities will develop in a manner that is disadvantageous to the client, regardless of whether the client subsequently concludes the transaction with the Bank.

The Bank will execute transactions in certain British equities via a retail service provider network. In doing so, it will act as a market maker (a retail service provider) in the network.

The Bank also offers the execution of orders for equities and equity-like financial instruments on an agency basis using its electronic trading service. The Bank will treat all orders received through the Bank's electronic trading (direct execution) facilities as brokerage transactions, unless otherwise agreed in relation to particular trades. Unless otherwise agreed, the Bank will treat all other orders received (through any other means) not as agency orders but as requests for quotes from the Bank to conclude fixed-price transactions. If an order that was originally placed with instructions to execute it on an agency basis is fully or partially filled at a risk price at the client's request, the whole trade will be concluded as a fixed-price transaction.

Specific client instructions in relation to a request or parts of it may prevent the Bank from achieving the best possible result for the elements specified in those instructions.

## 2) Execution factors

Berenberg takes a range of factors into consideration when determining how to execute a client order. The Bank considers the following factors (in order of importance):

### Importance: high

- Price
- Size and type of the order
- Likelihood of execution



Generally speaking, price and size are the key execution factors when placing an order.

**Importance: medium**

- Speed
- Costs

**Importance: low**

- Likelihood of settlement
- Any other factors relevant to the efficient execution of the order.

**3) Factors affecting choice of execution venues**

Berenberg takes a range of factors into consideration when deciding on an execution venue, in order to obtain the best possible result for the execution of clients' orders on a consistent basis. The Bank considers the following factors (in order of importance):

**Importance: high**

- Liquidity and price

**Importance: medium**

- Market microstructure/operating model
- Performance/speed of access/likelihood of execution

**Importance: low**

- Credit and settlement risk
- Costs.

A list of execution venues can be obtain from our website at [www.berenberg.com](http://www.berenberg.com).

**4) Execution on-venue/off-orderbook**

Where permitted, Berenberg may in certain circumstances execute a trade on venue/off-orderbook in accordance with the rules of a trading venue. In this case, the resulting transaction will be treated as having taken place on that trading venue, despite Berenberg agreeing the price with the client.

**5) Access to systematic internaliser quotes**

Berenberg acts as a systematic internaliser (SI) for certain equities and equity-like financial instruments and therefore provides firm two-way quotes for classes of equities and equity-like financial instruments for which there is a liquid market. Berenberg may withdraw from quotes under exceptional market conditions.

For further information regarding SI handling, please refer to the Bank's separate SI Policy, which is published on our website at [www.berenberg.com](http://www.berenberg.com).



## Annex B: Bonds

This annex to the order execution policy sets out how Berenberg, Gossler & Co. KG ("Berenberg", the "Bank", "we", "us" or "our") proceeds with the best possible execution of client orders for bonds. This annex should be viewed in conjunction with our general execution principles, which contain provisions for all asset classes. All terms used in this annex have the same meanings as in our general execution principles, unless expressly stated otherwise.

### 1) Scope of application

The Bank will offer *bonds* for subscription or purchase (and for re-purchase where applicable) at a fixed or determinable price agreed with the client. In this case, the Bank and the client may directly conclude a purchase contract for financial instruments (a fixed-price transaction). Fixed-price transactions will be concluded when the Bank executes transactions on the market OTC in order to execute client orders or provide liquidity. Any request received by the Bank to trade in bonds will be treated as a request for a quote from the Bank to conclude the trade as a fixed-price transaction.

The Bank also offers the execution of orders for *bonds* on an agency basis, if agreed with the client. Unless otherwise agreed, the Bank will treat all other orders received (through any other means) not as agency orders but as requests for quotes from the Bank to conclude fixed-price transactions. If an order that was originally placed for execution on an agency basis is fully or partially filled at a risk price at the client's request, the whole trade will be concluded as a fixed price transaction.

When providing asset management services, the Bank usually executes orders involving bonds on an agency basis (execution on behalf of third parties).

In the case of so-called portfolio transactions (i.e. transactions that require multiple transactions in different bonds), the Bank is obliged to ensure the best possible execution, taking into account the execution factors listed below in relation to the entire portfolio transaction. Since the Bank ensures that the portfolio transaction as a whole is executed in the best possible way for the client, the execution of transactions in individual bonds as part of the portfolio transaction may be disadvantageous.

Specific client instructions in relation to a request or parts of it may prevent the Bank from achieving the best possible result for the elements specified in those instructions.

### 2) Execution factors

Berenberg takes a range of factors into consideration when determining how to execute a client order. The Bank considers the following factors (in order of importance):

#### Importance: high

- Price
- Size and type of order
- Likelihood of execution

Generally speaking, price is the key execution factor when placing an order.

#### Importance: medium

- Speed
- Costs

#### Importance: low

- Likelihood of settlement
- Any other factors relevant to the efficient execution of the order.



### 3) Factors affecting choice of execution venues

Berenberg takes a range of factors into consideration when deciding on an execution venue, in order to obtain the best possible result for the execution of client orders on a consistent basis. The Bank considers the following factors (in order of importance):

**Importance: high**

- Liquidity and price
- Credit and settlement risk

**Importance: medium**

- Market microstructure/operating model
- Performance/speed of access/likelihood of execution

**Importance: low**

- Costs.

A list of execution venues can be obtained from our website [www.berenberg.com](http://www.berenberg.com).

### 4) Execution on-venue/off-orderbook

Where permitted, Berenberg may in certain circumstances execute a trade on venue/off-orderbook in accordance with the rules of a trading venue. In this case, the resulting transaction will be treated as having taken place on that trading venue, despite Berenberg agreeing the price with the client.



# Annex C: Derivatives (exchange-traded and OTC)

This annex to the order execution policy sets out how Berenberg, Gossler & Co. KG ("Berenberg", the "Bank", "we", "us" or "our") proceeds with the best possible execution of client orders for derivatives. This annex should be viewed in conjunction with our general execution principles, which contain provisions for all asset classes. All terms used in this annex have the same meanings as in our general execution principles, unless expressly stated otherwise.

## 1) Scope of application

The Bank will generally offer *non-standardised derivatives* (OTC) – derivatives that are not tradable on a trading venue – for subscription or purchase (and for re-purchase where applicable) at a fixed or determinable price agreed with the client. In this case, the Bank and the client may directly conclude a purchase contract for financial instruments (a fixed-price transaction). Any request received by the Bank to trade in non-standardised derivatives will be treated as a request for a quote from the Bank to conclude the trade as a fixed-price transaction.

For standardised derivatives – derivatives that are tradable on an exchange (ETD) or another trading venue – the Bank will generally offer the execution of orders on an agency basis. If agreed with the client, Berenberg will also offer standardised derivatives at a fixed or determinable price agreed with the client (a fixed-price transaction).

Specific client instructions in relation to a request or parts of it may prevent the Bank from achieving the best possible result for the elements specified in those instructions.

## 2) Execution factors

Berenberg takes a range of different factors into consideration when determining how to execute a client order. The Bank considers the following factors (in order of importance):

### Importance: high

- Price
- Size and type of order
- Likelihood of execution

Generally speaking, price is the key execution factor when placing an order.

### Importance: medium

- Speed
- Costs

### Importance: low

- Likelihood of settlement
- Any other factors relevant to the efficient execution of the order

## 3) Factors affecting choice of execution venues

Berenberg takes a range of factors into consideration when deciding on an execution venue, in order to obtain the best possible result for the execution of client orders on a consistent basis. The Bank considers the following factors (in order of importance):

### Importance: high

- Liquidity and price
- Costs



**Importance: medium**

- Market microstructure/operating model
- Performance/speed of access/likelihood of execution

**Importance: low**

- Credit and settlement risk.

A list of execution venues can be obtained from our website [www.berenberg.com](http://www.berenberg.com).

**4) Execution on-venue/off-orderbook**

Where permitted, Berenberg may in certain circumstances execute a trade on venue/off-orderbook in accordance with the rules of a trading venue. In this case, the resulting transaction will be treated as having taken place on that trading venue, despite Berenberg agreeing the price with the client.

## Annex D: Funds

The issue of units in investment funds at the issue price and their redemption at the redemption price in accordance with the German Capital Investment Act (*Kapitalanlagegesetzbuch*, KAGB) are not subject to the legal requirements for the execution of orders for financial instruments in the best interest of the client. The Bank executes orders for the purchase or sale of units in investment funds in accordance with the KAGB.

## Annex E: EU allowances (EUAs)

This annex to the order execution policy sets out how Berenberg, Gossler & Co. KG ("Berenberg", the "Bank", "we", "us" or "our") proceeds with the best possible execution of client orders for EU allowances (EUAs). This annex should be viewed in conjunction with our general execution principles, which contain provisions for all asset classes. All terms used in this annex have the same meanings as in our general execution principles, unless expressly stated otherwise.

**1) Scope of application**

The Bank will offer *EU allowances* (EUAs) for subscription or purchase (and for re-purchase where applicable) at a fixed or determinable price agreed with the client. In this case, the Bank and the client may directly conclude a purchase contract for financial instruments (a fixed-price transaction). Fixed-price transactions will be concluded when the Bank executes transactions on the market OTC in order to execute client orders or provide liquidity. Any request received by the Bank to trade in EUAs will be treated as a request for a quote from the Bank to conclude the trade as a fixed-price transaction.



If a client requests a quote for a fixed-price transaction, the Bank may attempt to acquire the relevant EUAs on the market or from other clients for its own portfolio before submitting a quote. It is always possible that the price of the EUA will develop in a manner that is disadvantageous to the client, regardless of whether the client subsequently concludes the transaction with the Bank.

The Bank also offers the execution of orders for EUAs on an agency basis, if agreed with the client. Unless otherwise agreed, the Bank will treat all other orders received (through any other means) not as agency orders but as requests for quotes from the Bank to conclude fixed-price transactions. If an order that was originally placed for execution on an agency basis is fully or partially filled at a risk price at the client's request, the whole trade will be concluded as a fixed-price transaction.

Specific client instructions in relation to a request or parts of it may prevent the Bank from achieving the best possible result for the elements specified in those instructions.

## 2) Execution factors

Berenberg takes a range of different factors into consideration when determining how to execute a client order. The Bank considers the following factors (in order of importance):

### Importance: high

- Price
- Size and type of order
- Likelihood of execution

### Importance: medium

- Speed
- Costs

### Importance: low

- Likelihood of settlement
- Any other factors relevant to the efficient execution of the order.

## 3) Factors affecting choice of execution venues

Berenberg takes a range of factors into consideration when deciding on an execution venue in order to obtain the best possible result for the execution of clients' orders on a consistent basis. The Bank considers the following factors (in order of importance):

### Importance: high

- Liquidity and price

### Importance: medium

- Market microstructure/operating model
- Performance/speed of access/likelihood of execution

### Importance: low

- Credit and settlement risk
- Costs.

A list of execution venues can be obtained from our website at [www.berenberg.com](http://www.berenberg.com).



## Annex F: Crypto assets

This annex to the order execution policy sets out how Berenberg, Gossler & Co. KG ("Berenberg", the "Bank", "we", "us" or "our") proceeds with the best possible execution of client orders for crypto assets. This annex should be viewed in conjunction with our general execution principles, which contain provisions for all asset classes. All terms used in this annex have the same meanings as in our general execution principles, unless expressly stated otherwise.

### 1) Scope of application

#### **Principal trading (exchange of crypto assets for funds or other crypto assets)**

Unless otherwise agreed, Berenberg executes client business requests relating to crypto-asset trading as a principal trader (i.e. Berenberg provides the service of "exchange of crypto assets for funds or other crypto assets"). 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 trade. The Bank concludes transactions for crypto assets with its clients at fixed or determinable prices (Art. 77(2) MiCAR).

The Bank provides (price) indications, which do not constitute binding offers to conclude transactions, to its clients upon request.

Clients submit specific transaction requests to Berenberg as binding offers at fixed or determinable prices, possibly after prior non-binding requests and (price) indications by Berenberg.

Berenberg then regularly concludes back-to-back trading transactions with liquidity providers or on trading platforms. It accepts the clients' offers after successfully concluding the back-to-back trading transactions.

Berenberg may, at its own discretion, instead execute clients' transaction requests from its own holdings (as fixed-price transactions) without immediate back-to-back transactions.

#### **Acting as agent (execution of orders for crypto assets on behalf of clients)**

Where individually agreed, Berenberg executes transaction requests from clients as orders for the purchase or sale of crypto assets through suitable liquidity providers or other parties. (In this case, Berenberg provides the service of "execution of orders for crypto assets on behalf of clients".)

#### **Application of execution factors and fairness determination**

Berenberg applies the execution factors set out in (2) below when executing client orders for the purchase and sale of crypto assets on an agency basis and, in the case of principal trading, when selecting execution channels for the conclusion of back-to-back trading transactions for crypto assets.

When executing client orders by way of fixed-price transactions, Berenberg checks the fairness of the prices offered to the clients by taking account of the market prices 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.

Specific client instructions in relation to a request or parts of it may prevent the Bank from achieving the best possible result for the elements specified in those instructions.



## 2) Execution factors

Berenberg takes a range of different factors into consideration when determining how to execute a client order. The Bank considers the following factors (in order of importance):

### Importance: high

- Price
- Type of order
- Size of order
- Likelihood of execution

### Importance: medium

- Speed
- Costs

### Importance: low

- Likelihood of settlement
- Conditions for the custody of crypto assets
- Any other factors relevant to the efficient execution of the order.

A list of execution venues can be obtained from our website at [www.berenberg.com](http://www.berenberg.com).