



MeDirect Bank SA / NV – Best Selection Policy

Public



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1. Introduction

In accordance with our legal and regulatory requirements, this document sets out MeDirect Bank S.A. / N.V. (hereinafter referred to as the “Bank”) intermediary selection policy in respect of its reception and transmission of orders activity and its portfolio management activity.

As a general principle, the Bank is required to take all reasonable measures to obtain the best possible execution for its Clients orders when transmitting orders arising from its clients or orders arising from its decisions to trade in financial instruments on behalf of its Clients.

This document only applies in relation to the following types of financial instruments (the instruments that are tradable by the Bank’s clients):

- ✓ equities listed on a trading venue,
- ✓ non-complex bonds listed on a trading venue,
- ✓ non-complex exchange traded funds (ETFs),
- ✓ non-complex mutual funds.

2. Consent

The present best selection policy is deemed to be accepted by the client when the client gives an order for execution to the Bank.

By giving an order to the Bank, the client also consents that its orders may be transferred to a counterparty that may execute it outside of a Trading Venue.

3. Definitions

Trading venue

Under MiFIR, the types of trading venues are:

- (a) “Regulated Market” or “RM” – a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in accordance with non-discretionary rules
- (b) “Multilateral Trading Facility” or “MTF” – a multilateral system operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments in accordance with non-discretionary rules
- (c) “Organised Trading Facility” or “OTF” – a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract. Unlike RMs and MTFs, operators of an OTF have some discretion in execution

4. Best Execution factors

When selecting the entity that will execute client orders, the Bank must take all sufficient steps to obtain the best possible result, taking into account the following factors (together the best execution factors):

- ✓ Price;
- ✓ likelihood of execution and settlement;
- ✓ costs;
- ✓ speed;
- ✓ order size;
- ✓ nature of the order; and
- ✓ any other consideration relevant to the efficient execution of the order such as the nature of the relevant market, prevailing market conditions and attempting to minimise market impact.

5. Ranking of the best execution factors

The Bank’s does only serve retail clients in the sense of the Market in Financial Instruments Directive, does not allow securities financing transaction and does not define the type of execution venues to which the orders could be directed; as a consequence, Total Consideration (price of the financial instrument and the costs relating to execution, which include execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order) is the key driver for all classes of financial instruments. Other execution factors can subsequently be used if necessary:

For equities and exchange traded funds

1. **Total consideration**
2. Likelihood of execution and settlement
3. Speed



For bonds

1. **Total consideration**
2. Likelihood of execution and settlement
3. Order size and type
4. Speed

6. Specific instruction

If the Bank receives an order that includes a specific instruction or specific instructions in relation to the handling and execution of the entire order or a particular aspect or aspects of the order (like executing at a particular price) then, subject to its legal and regulatory obligations, the Bank will transfer the order to be executed in accordance with the specific instruction.

This may prevent the Bank from taking steps designed and implemented to obtain the best possible result for those orders. It also means that to the extent of the specific instruction or instructions, the Bank obligation of best selection will be satisfied by following the order in accordance with the specific instruction.

Where the specific instruction covers only a portion of an order, and the Bank has discretion over the other elements of the order, then the Bank will continue to owe an obligation of best selection in respect of the elements of the order that are not covered by the specific instruction.

7. Selected Intermediary

The Bank has selected its parent company, MeDirect (Malta) Plc as sole intermediary for the execution of client orders for every authorized class of financial instruments. MeDirect (Malta) Plc is authorised as a credit institution by the Maltese Financial Services Authority (MFSA) and is therefore obliged to comply with best execution standards.

The Bank selection is based on the following factors:

- ✓ the high best execution standards maintained by MeDirect (Malta) Plc, which are consistent with the Bank policies. The execution factors used by MeDirect Malta are ranked depending on the type of Financial Instruments in relation to which the orders are made (bonds, equities, exchange traded funds and investment funds);
- ✓ the synergies between the Bank electronic systems and those used by MeDirect (Malta) Plc, which ensure the rationalisation of flows and offer secured procedures and operational efficiency; and
- ✓ the stable and competitive costs applied by MeDirect (Malta) Plc for executing/transmitting client orders.

In light of the above, the Bank believes the execution of client orders by MeDirect (Malta) Plc will enable it to obtain the best possible result for its clients on a consistent basis.

MeDirect (Malta) Plc will always execute the clients' orders in accordance with its order execution policy. Upon reasonable request, the Bank can provide its clients with further information regarding MeDirect (Malta) Plc, including a copy of its order execution policy.

8. Policy review

In accordance with applicable regulations, the Bank reviews its best selection policy at least on an annual basis and in any case, after the occurrence of a material change that affects the Bank ability to continue to obtain the best possible result for its clients. A material change is a significant event that could impact the best execution factors. When reviewing this policy, the Bank will assess the quality of execution provided to its clients. This will include, in particular, ensuring that MeDirect (Malta) Plc complies with its order execution policy. Pursuant to this review and if necessary, the Bank will work closely with MeDirect (Malta) Plc to improve the services provided to its clients and make any changes when necessary. If the Bank determines that MeDirect (Malta) Plc is unable to perform its best execution duties in accordance with applicable regulations, the Bank will transmit its clients' orders to other third parties.