

## INFORMATION ON ENGIE GLOBAL MARKETS

### EXECUTION POLICY

**Document reference:**

Execution\_Policy\_October2015.docx

**Last update:** 12/10/15

---

The Markets in Financial Instruments Directive 2004/39 (“**MiFID**”) requires investment firms, when executing orders on behalf of their clients (each a “**Client**”) in financial instruments, to take all reasonable steps to obtain the best possible result for their clients, taking into account inter alia price, costs, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to execution of orders. Pursuant to MiFID and its implementing regulations under, inter alia and where relevant, French<sup>1</sup>, Belgian<sup>2</sup> and Italian<sup>3</sup> law, ENGIE Global Markets is required to establish and comply with an order execution policy, detailing the arrangements in place to comply with the above best execution obligation.

This document (the “**Execution Policy**”) sets forth the key principles applied by ENGIE Global Markets to meet its best execution requirements for orders.

When agreeing to execute an order on a Client’s behalf, ENGIE Global Markets will do so in accordance with this Execution Policy.

#### Scope of application

This Execution Policy applies to clients classified by ENGIE Global Markets as “professional clients” and those dealing in “financial instruments” (as defined in MiFID). It only applies in relation to Transactions (as the term is defined in paragraph 3 below) executed “on your behalf” by ENGIE Global Markets from either its Paris headquarters and/or from its Branches located in Brussels or Rome. Transactions executed by Clients who are “eligible counterparties” (as defined by MiFID) are not covered by this policy.<sup>4</sup>

---

<sup>1</sup> the French Monetary and Financial Code and the General Rules of the Financial Markets Authority (Règlement Général de l’AMF)

<sup>2</sup> The relevant provisions of the Belgian Law of August 2, 2002 on the supervision of the financial sector and on financial services and the Belgian MiFID Royal Decree of June 3, 2007

<sup>3</sup> Legislative Decree 58/1998 as subsequently amended (the “Italian Consolidated Financial Act”) and Consob Regulation 16190.

<sup>4</sup> Your classification as “professional client” or “eligible counterparty” has been or will be notified to you in due course. For any information in respect of your classification, please contact us at [mifid-engieglobalmarkets@engie.com](mailto:mifid-engieglobalmarkets@engie.com)

#### ENGIE Global Markets

1, place Samuel de Champlain  
92400 Courbevoie

Tel. +33 (0)1 56 65 65 65 | Fax +33 (0)1 46 67 00 90

[www.engie-globalmarkets.com](http://www.engie-globalmarkets.com)

SOCIÉTÉ PAR ACTIONS SIMPLIFIÉE AU CAPITAL DE 683 200 000 EUROS – 437 982 937 RCS NANTERRE



The application of our best execution obligations as set out in this policy will depend on whether you, as a professional Client, rely on ENGIE Global Markets to protect your interests related to pricing and other elements of Transactions that may be affected by the choices made by ENGIE Global Markets while executing them.

The aforementioned Transactions include those entered into between the Client and ENGIE Global Markets based on a specific request by the Client to buy a financial instrument from or sell it to ENGIE Global Markets, or upon the Client's acceptance of an offer made by ENGIE Global Markets to buy a financial instrument from or sell it to the Client.

If the Client merely requests or accepts a price, the circumstances in which we are not required to adhere to our best execution obligations are listed below:

- a) As a general rule, when ENGIE Global Markets acts as a dealer on the OTC markets by dealing on its own account each time it enters an OTC transaction with its Client. In this respect, we choose to quote you the prices at which we are prepared to conduct business with you.
- b) In certain cases, when ENGIE Global Markets is a market maker: we provide market prices for the sale and purchase of certain financial instruments which are updated regularly during market opening hours.
- c) You may request a quote from us regarding a particular product. We shall be, however, under no obligation to provide you with such a quote.

When ENGIE Global Markets provides quotes or negotiates prices with you as a professional Client, at request (dealing on quotes) it will not generally be presumed to that we are acting on your behalf. These Transactions are not Transactions where best execution obligations apply, except in specific circumstances.<sup>5</sup> The provided prices will be those at which we are prepared to deal with you from our own book, based upon our specific market parameters, internal valuation models, the risks involved, the capital requirements and a margin level set according to internal standards.

You acknowledge and agree that the prices that we quote may differ from the prices that are bid, offered or traded on the regulated markets or multilateral trading facilities at the relevant time (including any prices that we bid, offer or trade).

Should you immediately accept the quote, this will lead to a transaction between us. Transactions entered into on a 'request for quote' basis will not be subject to this Execution Policy.

## 1. Types of Transaction where the execution policy applies with a limited scope

In some cases, the application of this Execution Policy may be limited by the nature of the Transactions. Such cases include:

- **OTC Transactions that are highly structured or customized and Transactions related to complex products<sup>6</sup>**

If clients give instructions related to such Transactions or instruments fitting their specific requirements, the terms and conditions of which have been negotiated and agreed with ENGIE Global Markets, ENGIE Global Markets will execute those Transactions in accordance with instructions received. Considering the possibility that there might be little or nothing against which to compare those Transactions, ENGIE Global Markets will be deemed to have automatically complied with its best execution obligations when executing the Transactions based on the agreed terms and conditions.

---

<sup>5</sup> CESR/07-320 section 8

<sup>6</sup> We understand complex products as those that are composed of or represent the performance of more than one product

The Execution Policy (when applicable) will apply to the product as a whole and not necessarily to each of its components.

- **Specific instructions**

If Clients give specific instructions relating either to all orders or particular aspects of an order, ENGIE Global Markets will execute those transactions in accordance with the instructions received. However, those instructions may prevent ENGIE Global Markets from applying this Execution Policy, but only in respect to the part or aspect of the order to which the Client's instructions relate.

## 2. Products and Transactions covered

In this Execution Policy, "**Transaction**" means any transaction relating to financial instruments within the meaning of MiFID (including, without limitation, commodity derivatives and other OTC financial instruments<sup>7</sup>). As a rule, Transactions relating to the following products are, among others, covered by this Execution Policy:

- electricity
- natural gas
- emissions
- oil
- bulk commodities
- freight

## 3. Execution venues

ENGIE Global Markets will only act as principal when providing you with execution services. Therefore, in all cases, ENGIE Global Markets will be a party to any Transaction with you. In order to achieve the best result for you while executing orders on your behalf, ENGIE Global Markets may, at its entire discretion, use the services of intermediate brokers or trade a back-to-back Transaction on any execution venue, including a Regulated Market or Multilateral Trading Facility (as such terms are defined in MiFID), either inside or outside of the European Economic Area.

The following is a non-exhaustive list of execution venues on which ENGIE Global Markets is able to provide execution services:

- Regulated Markets/ Multilateral Trading Facilities: as listed in the Appendix of this Execution Policy
- We may also elect to communicate your order to a broker. In such an event, we shall select the broker from a list of financial intermediaries whom we trust will satisfy the requirements set forth in our Execution Policy. Alternatively, we will provide the Broker with instructions as to the ultimate execution venue selected by us.
- In order to achieve the best result for you, ENGIE Global Markets may decide to execute the order internally against its own books.

---

<sup>7</sup> OTC product: an Over The Counter Deal product is customized and arranged with an intermediary, such as a bank, as opposed to a listed product traded on an exchange or a multilateral trading facility (MTF).

Whenever there is more than one venue available to ENGIE Global Markets to execute a Client order, we will consider the merit of each venue that would enable ENGIE Global Markets to obtain the best possible result on a consistent basis and in accordance with [paragraph 5](#) below.

In some instances, only one execution venue will be available and ENGIE Global Markets shall have no obligation to search for alternative execution venues.

We reserve the right to use other execution venues that are not listed in the Appendix or otherwise mentioned in this Execution Policy when we deem appropriate in accordance with this Execution Policy. Additionally, we may add or remove any execution venues from the Appendix without notice.

By accepting this Execution Policy, you expressly acknowledge that some of the execution venues selected by ENGIE Global Markets are not Regulated Markets or Multilateral Trading Facilities and accept the possibility that your orders may be executed outside such Regulated Market or Multilateral Trading Facilities. We shall periodically review the performance and efficiency of the execution venues and update the Appendix according to market developments.

#### 4. Execution factors

In implementing our best execution obligation, ENGIE Global Markets will execute our client's order in a prompt, fair and expeditious manner and will generally seek to execute comparable orders in the sequence in which they are received, unless for example the characteristics of the order or prevailing market conditions make this impracticable.

When executing Client orders against its own book, ENGIE Global Markets will generally give the price of financial instruments a higher relative importance for obtaining the best possible result. However, ENGIE Global Markets may also take into consideration the following additional factors which will also have an impact on that price:

- order size
- available liquidity
- execution speed (i.e. the need for timely execution)
- likelihood of execution and settlement of orders (depending, for example, on the size of orders, the non-standard characteristics of the Transaction, etc.)
- impact on the relevant market (including the "implementation shortfall")
- overall cost of the Transaction

The factors taken into consideration may have varying levels of influence over decisions as to how to achieve best execution. In order to determine their relative importance, ENGIE Global Markets will take into account the following criteria:

- the characteristics of the Client
- the characteristics of the Client's order
- the characteristics of the financial instruments that are subject to that order
- the characteristics of the execution venues (as specified in [paragraph 4](#) above) to which that order can be directed

However, whenever you provide us with a specific instruction, we shall execute the order in accordance with that instruction, which shall become the priority factor and which may prevent ENGIE Global Markets from applying its Execution Policy.

## **5. Revision**

ENGIE Global Markets will review this Execution Policy periodically, but not less than once a year, to take into account any market changes that are likely to affect its selection of execution venues and the implementation of its Execution Policy.

Any updates to the Execution Policy will be published on the ENGIE Global Markets' website (<http://www.engie-globalmarkets.com/ethics-compliance/>) and will take effect on the day following its publication.

## **6. Effective date**

This Execution Policy came into force on 10/13/2015.

## APPENDIX – EXECUTION VENUES

ENGIE Global Markets uses the following execution venues for the execution of its Client's orders and compliance with its best execution obligations. This list is not exhaustive and will be subject to updates, as and when required, and made available to Clients as soon as possible thereafter.

Asset class	Region	Execution venues
Exchange traded derivatives and commodities	EMEA	EEX - EUROPEAN ENERGY EXCHANGE AG
		ICE FUTURES EUROPE
		ICE ENDEX DERIVATIVES
		IDEX – ITALIAN DERIVATIVES ENERGY EXCHANGE
		OMIP - MERCADO REGULAMENTADO DE DERIVADOS DO MIBEL
		POWERNEXT
		PXE - POWER EXCHANGE CENTRAL EUROPE
	North America	NYMEX - NEW YORK MERCANTILE EXCHANGE
	Asia Pacific	SGX - SINGAPORE EXCHANGE
		ASX - AUSTRALIAN SECURITIES EXCHANGE