INFORMATIONS ON THE POLICY OF EXECUTION OF ORDERS AND SELECTION OF INTERMEDIARIES

1. GENERAL PRINCIPLE

The Regulations stipulate that investment services providers must take all reasonable steps to obtain the best possible result for their Clients (best execution) when executing orders to buy and sell financial instruments.

In the specific cases where investment service providers provide an order reception and transmission service or a portfolio management service, or manage UCIs, without executing orders, the Regulations require establishments to set up a policy for selecting the entities to which their orders, or those of their Clients, will be transmitted for execution (best selection).

The policy has been amended to take account of developments linked to the entry into force of Directive 2014/65/EU, known as "MiFID2" (hereinafter "the Directive"), which clarifies certain elements of this policy. Lazard may update this policy from time to time. The current version is available on the Lazard Frères Gestion and Lazard Frères Banque websites or on request from Lazard Frères Gestion or Lazard Frères Banque.

This policy is also applicable to Lazard Frères Gestion-Luxembourg and Lazard Frères Gestion Belgique, respectively the Luxembourg and Belgian branches of Lazard Frères Gestion (the **Management Company**) in connection with the provision by said branches of the order reception-transmission service and the portfolio management service. In particular, when providing the order reception-transmission service, the Management Company is bound by a best selection obligation as more fully described in clause 7 below (unless the Client gives specific instructions within the meaning of clause 2. c. below). When providing the portfolio management service, unless specifically instructed otherwise by the Client (as per clause 2. c. below), the Management Company is bound either by a best execution obligation if it executes orders resulting from its own decisions to trade financial instruments on behalf of its Client (as more fully described in clauses 3 and 4 below), or by a best selection obligation if it transmits orders transmitted to it by a Client to other entities for execution (as more fully described in clause 7 below).

2. SCOPE OF THE POLICY

All sufficient measures are taken to obtain the best possible result when executing orders to buy and sell financial instruments on behalf of Clients.

The policy implemented by Lazard Frères Banque and Lazard Frères Gestion aims to protect any Lazard Client in the situations and for the financial instruments referred to below, subject to any specific instructions from the Client himself and to transactions for which best execution obligations are inapplicable.

a. Clients concerned

This policy applies to both non-professional and professional customers. It does not apply to customers classified as eligible counterparties.

b. Financial instruments covered

The Policy concerns the financial instruments described in Annex I, Section C of MiFID2. These financial instruments include in particular:

▶Equity securities issued by joint stock companies;

▶Debt securities ;

- Units or shares of UCITS and AIF;
- Financial contracts or financial futures ;

c. Specific instructions

Where the Customer gives a specific instruction as to the execution of an order, Lazard may, in respect of the elements of the order covered by that instruction, be unable to take the measures provided for and applied within the framework of this policy.

This will be the case in particular if the client gives specific instructions to the Management Company (which the Management Company expressly accepts), to transmit (i) all orders received from the Client under the order reception-transmission agreement or (ii) all orders resulting from its own decisions to trade financial instruments on behalf of its Client under the portfolio management agreement to the bank holding the Client's account for the purpose of execution of such orders by the bank in question (and under the sole responsibility of the bank in question in accordance with the latter's best execution policy).

Lazard will execute the order in accordance with this specific instruction, and will be deemed to have fulfilled its order execution and intermediary selection obligations to the extent that the order (or a specific aspect of the order) is executed in accordance with the specific instruction given by the Client in respect of that order (or that specific aspect of the order).

d. Excluded transactions

This policy does not apply to OTC transactions entered into by Lazard with a Professional Client or a Non-Professional Client where:

- the transaction is concluded following the Customer's acceptance of a price previously requested from Lazard ("*request for quote*") for financial instruments for which the Customer is in a position to compare Lazard's offer with that of one or more competitors (e.g. debt securities); or
- the transaction involves instruments structured for the Customer's needs and based on a particular offer (e.g. EMTNs or any OTC financial contract).

In such a case, the general obligation to act in an honest, loyal and professional manner, serving the Customer's best interests, will always be met.

3. PLACE OF PERFORMANCE

The execution venues on which Clients' orders to buy and sell financial instruments are likely to be executed include regulated markets, multilateral trading facilities, organized trading systems, systematic internalizers, market makers or other liquidity providers, or entities that perform tasks in a third country similar to those performed by any of the aforementioned venues, as defined by MiFID2, subject to the Client's specific instructions.

Lazard is likely to provide an order execution service on behalf of its Clients for forward foreign exchange instruments and debt securities.

Based on the factors and criteria for best execution mentioned below and subject to specific Client instructions, Lazard Frères Gestion is considered by Lazard Frères Banque to be the intermediary most trusted by Lazard to fulfill its obligation to take all sufficient measures to consistently obtain the best possible result in the execution of its Clients' orders in such financial instruments.

Lazard reserves the right to use other execution venues as Lazard deems appropriate.

4. FACTORS AND CRITERIA OF THE ORDER EXECUTION POLICY

The principle of best execution constitutes an obligation of means. In accordance with Article 27 MiFID2, Lazard undertakes to take all sufficient measures, when executing orders to buy and sell financial instruments on behalf of its Clients, to obtain the best possible result for its Clients, taking into account the following factors:

- price of the financial instrument ;
- execution costs;
- speed of execution;
- probability of order execution and settlement;
- order size ;
- nature of order; and
- any other consideration relating to the nature of the order.

In accordance with Delegated Regulation n°2017/565 supplementing MiFID2, in order to determine the relative importance of the above factors, Lazard takes into account the following additional criteria:

- Customer characteristics, including its status as a non-professional Customer, professional Customer or eligible counterparty;
- the characteristics of the order concerned;
- the characteristics of the financial instruments which are the subject of this order; and
- the characteristics of the execution venues to which this order is routed.

Price, probability of execution and liquidity are in most cases the most important best execution factors to be taken into account in order to obtain the best possible result for Customers. Nevertheless, in certain circumstances and for certain Clients, financial instruments or markets, Lazard may, at its discretion and in the absence of specific instructions from the Client, give priority to other factors of best execution, in particular :

- in the case of an order for securities to which rights are attached, Lazard may give priority to speed of execution with a view to enabling the effective exercise of these rights.

In accordance with MiFID2, for a non-professional customer, the best possible result is determined on the basis of the total price, representing the price of the financial instrument and the costs associated with execution, which include all expenses incurred by the customer directly linked to the execution of the order, including costs specific to the execution venue, clearing and settlement costs and any other costs paid to third parties involved in the execution of the order.

5. ORDER TYPES

The main categories of stock market orders are:

- Market order

  The order is immediately transmitted to the market. The trader checks the price and volume on his screen (Reuters, Bloomberg) to ensure that the size of the order does not cause the stock to move up or down. He informs the manager, when necessary, of his intention to modify the characteristics of the order received.

- Limit order

  The Trading Table operator checks on his Reuters, Bloomberg screen whether the order is able to be executed.

  The order is forwarded to the intermediary with the details of its validity (day, month).

The operator may also be required to make a paper printout of the order received and transmitted, as well as a printout of the quotation of the corresponding financial instrument by means of Reuters or Bloomberg in order to respond to any queries or complaints.

- Target VWAP" order

  The intermediary declares that he accepts a "target VWAP" order, by which he endeavors to aim for execution as close as possible to "VWAP".

  These orders may be accompanied by a volume indication, e.g. Target VWAP 20%, signifying the principal's willingness to participate in 20% of market transactions.

- Care order.

  The care order is an order to be executed as and when required, and its correct execution takes into account the trading volume of the financial instrument.

  The manager indicates to the operator the period for which this execution mode is requested: "session careorder", "fixing" included or not, "careorder over one, two hours...", "careorder plus auction". In the latter case, the intermediary must retain part of the order entered for the end-of-session auction. The fixing is the closing price of a financial instrument.

  The action is the automatic processing of orders, which enables positions to be adjusted at the end of the trading session, after the fixing. An auction price is thus set.

  The trading desk monitors the execution of the order and reports to the manager. The manager is informed of the quantities processed and the execution prices compared with the average price of the financial instrument over the period under review.

- Unforced order (X% of volume)

  The intermediary executes the order without forcing prices (depending on volume) and takes into account the liquidity of the financial instrument so as not to influence the market given the size of the order in relation to volume.

- Closing order

  The order is passed to the counterparties to be executed at the closing price.

  A check is made on the impact in terms of volume of the order placed on the Closing price. If necessary, the Table asks the Intermediary to start trading before closing, in order to limit the impact on the final price.

6. GROUPED ORDERS

Lazard reserves the right to group Customer orders together. When Lazard decides to group Clients' orders among themselves, Lazard ensures that it is unlikely that this grouping will be detrimental to any of the Clients whose orders are grouped.

In this case, Lazard informs the Client from the outset that this grouping may in certain cases be less favourable for him than the execution of a non-grouped order and, secondly, that it is putting in place an order allocation policy which provides for the modalities of equitable allocation and, if necessary, will be able to provide for each order the volume and price impact on this allocation.

When customer orders are grouped and these grouped orders are only partially executed, Lazard must ensure that the transactions are not prejudicial to the interests of the customers and are prioritized according to pre-established objective rules.

This rule does not apply when Lazard can demonstrate that, without such grouping, customer orders would not have benefited from such advantageous conditions.

In addition, Lazard has procedures in place to prevent orders from being reallocated in a manner unfavorable to the customer.

7. SPECIFIC FEATURES OF THE INTERMEDIARY SELECTION POLICY

When providing an order reception and transmission service on behalf of third parties, or as part of a portfolio management or UCI management service, Lazard transmits orders resulting from its own decisions to trade financial instruments on behalf of its Client or a UCI, or orders transmitted to it by a Client, to other entities for execution.

Lazard is then bound by the obligation to act in the best interests of its Clients or the UCI it manages.

For each class of financial instrument, Lazard selects the entities to which orders are transmitted for execution. The entities thus selected must have order execution mechanisms that enable Lazard to comply with its obligations when transmitting orders to these entities for execution.

Lazard evaluates the choice of entities to which it transmits orders for execution within a "Broker Committee". This evaluation takes into account criteria such as execution quality, liquidity of order execution by intermediaries, and the quality of macro/micro-economic research as judged by the trading desk and/or management.

This is embodied in an intermediary rating grid that is reviewed every six months. The list

of main intermediaries/counterparties is available in Appendix 1.

Annually, and by April 30th at the latest, Lazard publishes the list of the top five investment firms (in terms of trading volume) to which it has transmitted orders for each category of financial instrument during the previous year, together with summary information on the quality of execution obtained. On request, Lazard provides information on the entities to which orders are placed.

Where Clients have opened an account outside Lazard Frères Banque, Lazard may transmit orders resulting from its decisions to trade financial instruments or orders received as part of the provision of an order reception and transmission service to the Clients' external account keeper for execution. Orders will then be negotiated in accordance with the execution policy of the external account keeper. Lazard periodically checks the application and effectiveness of the external account holder's policy, to ensure that orders are executed in the best interests of its Clients.

8. COMMISSIONS AND BENEFITS

Lazard refrains from structuring or charging its commissions in a way that would introduce unfair discrimination between trading platforms.

Lazard does not receive any benefit whatsoever for routing orders to a particular trading or execution platform in violation of MiFID2 requirements relating to conflicts of interest or inducements.

Lazard, under its code of ethics, is required to declare gifts and benefits given/received in accordance with the rules predefined by Lazard. This is monitored by the Compliance and Permanent Control departments.

9. BEST EXECUTION/SELECTION MONITORING PROCEDURES

Best execution of fixed-income instruments is monitored by the Compliance and Internal Control Department on a monthly basis, in accordance with an ad-hoc procedure. The aim is to ensure that the execution choices made by the fixed-income manager-traders have complied with the best-execution principle required by the regulations and the criteria derived from it.

In the event of an anomaly being detected, Compliance contacts the manager-traders for justification.

The best selection and execution of equity instruments is also monitored by the Trading Desk. Controls are carried out by the Compliance and Internal Control Departments in accordance with the annual control plan defined at the beginning of the year.

These controls are archived.

10. REVIEW AND MONITORING OF ORDER EXECUTION AND INTERMEDIARY SELECTION POLICIES

Lazard reviews its Order Execution and Selection of Intermediaries policies, as well as its order execution procedures, annually and whenever a substantial change occurs that affects its ability to continue to consistently obtain the best possible result for its Clients and the UCIs it manages.

In addition, Lazard regularly monitors the effectiveness of its Order Execution and Intermediary Selection policies, as well as that of its order execution systems, in order to identify and remedy any shortcomings. In particular, Lazard regularly verifies:

- whether the execution venues provided for in its policy enable it to obtain the best possible result for the Customer or whether it needs to make changes to its execution arrangements, taking into account in particular its regular assessment of the execution venues available for all the products on which Lazard carries out operations in order to identify those that will enable it, on a recurring basis, to obtain the best possible result when executing orders, and
- the quality of the entities selected as part of its Intermediary Selection policy.

Any significant change in order execution arrangements or in the Execution or Selection of Intermediaries policy, will be communicated in accordance with applicable regulations.

11. CUSTOMER CONSENT AND INFORMATION

Any order for financial instruments issued by a Client and sent to Lazard shall constitute acceptance by said Client of the terms of the Order Execution and Selection of Intermediaries policy.

Lazard must obtain the prior express consent of each Client before proceeding with the execution of that Client's orders outside a regulated market or a multilateral trading facility (MTF) when the orders relate to financial instruments admitted to trading on a regulated market or multilateral trading facility. The Customer's attention is drawn to the fact that, in the absence of such express consent, Lazard will not be able to guarantee the implementation of the provisions of its Order Execution policy allowing such orders to be executed outside a regulated market or a multilateral trading facility.

Lazard will respond to reasonable and proportionate requests for information from a Client in relation to this Order Execution and Selection of Intermediaries policy within a reasonable time. Customers are invited to contact their usual account manager if they have any questions in this regard.

- Information concerning execution quality on the trading platforms used by Lazard is available via the following Internet links:http://www.lazardfreresgestion.fr/FR/Mentions-legales_97.html

Appendix 1: List of main intermediaries/counterparties

For equity products:

- Société Générale
- BNP Paribas
- Oddo Securities
- Kepler
- Stifel Financial Corp
- Morgan Stanley
- JP Morgan
- Merrill Lynch
- William Blair
- Citigroup

For fixed-income products (excluding convertibles):

- Goldman Sachs
- JP Morgan
- Deutsch Bank
- Merrill Lynch
- BNP Paribas
- Jefferies
- Morgan Stanley
- Jane Street Group
- Citigroup
- HSBC

For monetary products:

- CACIB
- La Banque Postale
- Citigroup HSBC
- OTCex Group
- Crédit Mutuel
- Royal Bank of Scotland
- Morgan Stanley
- Tullet Prebon
- Natixis
- BGC Financial LP

For CDS:

- Goldman Sachs
- BNP Paribas
- JP Morgan
- Merrill Lynch
- Barclays
- Citigroup

Appendix 2: Classification of financial instruments by execution venue and execution factors used

Class of financial instrument	Place of execution	Factors used for execution
Equities	Regulated markets, systematic internalizers Multilateral trading systems	Price of the financial instrument; Speed of execution ; Order size ; Probability of order execution and settlement; Execution costs; Nature of order ;
Government bonds and treasury bills	Multilateral Trading Facilities (MTFs), market makers	Price of financial instrument Speed of execution Probability of order execution and settlement Order size ; Nature of order ;
Other Bonds	Market makers	Price of the financial instrument Speed of execution Probability of order execution and settlement Order size ; Nature of order ;
Listed options	Regulated markets (Euronext Paris, EUREX, etc.)	Speed of execution; Order size ; Execution costs ; Probability of order execution and settlement; Nature of order ; Price of financial instrument ;
Listed derivatives : Interest rate derivatives (futures), Currency derivatives, Equity derivatives	Regulated markets Market makers	Price of financial instrument Speed of execution Order size Probability of order execution and settlement Nature of order

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