NIBC Best Execution Policy

December 2021

1. Purpose of this Policy

This best execution policy ("Policy") provides clients with a summary of the order execution arrangements implemented by NIBC Bank N.V. ("NIBC"), in its capacity as discretionary portfolio manager, in order to comply with the obligations under the revised Markets in Financial Instruments Directive 2014/65/EU and implementing measures as transposed into national laws and regulations ("MiFID II").

Best execution is the overarching obligation to take all sufficient steps to obtain the best possible result for clients when executing decisions to deal, taking into account factors such as price, speed, likelihood of execution and settlement, size or any other considerations relevant to the execution of decisions to deal ("Best Execution").

This Policy explains when the obligation to provide Best Execution applies, how (when applicable) the best possible result for clients is achieved and provides clients with information on the execution criteria and factors that NIBC will consider when trying to obtain the best possible result.

Where not immediately defined in the text hereof, defined terms have the meanings set out in Appendix B.

2. Scope of the Policy

This Policy applies when NIBC, in its capacity as a discretionary portfolio manager, is executing decisions to deal as approved by the Leveraged Loan Credit Committee and in full conformity with the terms of NIBC's appointment as a discretionary portfolio manager. This will encompass transmission of decisions to deal on behalf of a client when providing the service of discretionary portfolio management, as well as execution of such decisions.

As of the date of this Policy:

- NIBC only provides discretionary portfolio management services in relation to publicly issued and placed fixed rate and floating rate instruments listed on European Stock Exchanges.
- all of NIBC's clients are categorised as Professional Clients.

As result, this Policy only addresses NIBC's obligations in respect of these types of financial instruments and this category of clients.

3. Execution Factors

In order to achieve best execution when executing decisions to deal, NIBC is taking into account the following factors (the "Execution Factors") :

- Price – the price offered by the relevant Execution Venue(s) for the transaction;
- Costs – Costs can be both explicit and implicit. Explicit costs could include transaction costs (for example, clearing and settlement fees) and the costs of Execution Venues, if applicable. Implicit costs result from how a trade is executed (for example, immediately or patiently, in a block, aggregated with other trades, or in segments at different Execution Venues, if applicable);
- Speed of execution and settlement – the time it takes to complete the transaction
- Size and likely market impact – the size of the order in absolute terms, and/or relative to liquidity on the relevant Execution Venue(s), taking into account how the size of the transaction affects (best) execution outcome for the client (with regard to pricing or any other relevant execution factor);
- Any other consideration – any other circumstances relevant to the execution of a decision to deal, including prevailing market conditions.

3.1 Determining relative importance

The relative importance of the Execution Factors will depend on the characteristics of the client, including the categorisation of the client, the characteristics of the transaction to be executed, the characteristics of the financial instruments that are the subject of the transaction and the characteristics of the Execution Venues to which the transaction can be directed.

When executing decisions to deal, NIBC will generally regard price and cost as the most important factors for Best Execution, however there may be circumstances when NIBC may determine that other execution factors have a greater influence in achieving the best possible result.

4. Execution Venues and third party brokers

Subject to the requirements of this Policy and if permitted by applicable law, NIBC predominantly uses third party brokers, which trade in principal capacity, and act as market maker or liquidity provider (Over the Counter or "OTC"), who may or may not be Systemic Internalisers. NIBC may also use the following venues (Execution Venues):

- Regulated markets;
- Multilateral trading facilities (MTFs); or
- Organized Trading Facilities (OTFs).

NIBC always transmits decisions to deal to third party brokers because NIBC is not a member/participant of any particular trading venue.

A third party broker is an intermediary who executes decisions to deal or instructs third parties to execute decisions to deal.

4.1 Selection of third party brokers and Execution Venues

NIBC will select and review third party brokers and Execution Venues, if applicable, based on a variety of factors, which may include:

- Availability of the required instrument in the broker inventory (for OTC trades)
- its ability to provide best price;
- its cost level;
- its ability to deliver reliable and timely execution and settlement;
- ;
- the clearing and settlement requirements;
- its reputation; financial situation;
- its trading controls;
- quality of execution data;
- its regulatory compliance; and
- system connectivity.

When transmitting decisions to deal with third party brokers, the responsibility for Best Execution does not only apply to NIBC, but also to the selected third party broker. Any third party broker selected should have execution arrangements in place.

In Appendix A, a list of third party brokers and Execution Venues, if applicable, is provided, on which NIBC places significant reliance in meeting its Best Execution obligations. This list may evolve and NIBC reserves the right to include/ exclude third party brokers and Execution Venues, if applicable, at its own discretion.

NIBC does not receive any remuneration, discount or non-monetary benefit for using particular Execution Venue or third party broker, which would infringe any conflicts of interest or inducement requirements under MiFID II, and in particular Article 24(8) of MIFID II. NIBC does not participate in any payment for order flow arrangements.

4.2 Order execution outside a Trading Venue

Due to the nature of the underlying instruments (sub-investment grade private placement notes), decisions to deal are carried out, in whole or in part, outside a regulated market, i.e. OTC or on an MTF or an OTF (a "Trading Venue").

NIBC provides its consent to third party brokers to execute decisions to deal outside a Trading Venue which may lead to additional risks being incurred. These risks arise as orders executed outside a Trading Venue are not subject to the rules of Trading Venues, which are designed to provide for a fair and orderly treatment of orders. Also a settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of the Trading Venue.

When executing a decision to deal outside a Trading Venue, NIBC shall check the fairness of the price, where possible and relevant, by comparing available bid/offer prices for the same or comparable trade size.

5. Monitoring and review

Internal procedures will enable NIBC to monitor the effectiveness of its order execution arrangements, including the Execution Venues or third party brokers used, to seek to ensure that Best Execution is provided on a consistent basis where applicable.

This Policy and the order execution arrangements of NIBC will be reviewed at least annually or when a material change occurs that affects the ability of NIBC to continue to obtain the best possible result when carrying out client orders. The addition or removal of a third party broker from the list of third party brokers would not typically be deemed a material change.

6. Reporting

NIBC is subject to Best Execution reporting obligations under MiFID II. This includes:

- the annual publication of:
    - the top five intermediaries in terms of trading volumes where it transmitted or placed decisions to deal for execution in the preceding year
    - The annual publication of Execution Venues in terms of trading volumes for all executed decisions to deal per class of financial instruments, if applicable.
- a summary of the analysis and conclusions drawn from monitoring the quality of execution obtained on the Execution Venues where client orders were executed in the previous year, if applicable.

The latest execution quality data published are available on the website of NIBC (www.nibc.com) for a minimum period of two years.

Upon reasonable and proportionate request NIBC will, within a reasonable timeframe, provide clients with information regarding this Policy and the performance of NIBC when executing decisions to deal.

7. Consent

This Policy shall apply to the discretionary portfolio management services provided by NIBC. By entering into a contract with NIBC for portfolio management services the client is deemed as giving its consent to this Policy unless NIBC is expressly notified otherwise.

If you have any questions with regard to this Policy, please do not hesitate to contact your account manager.

Appendix A - Third party brokers and Execution Venues

Barclays

Bank of America Merrill Lynch

BNP Paribas

Cantor Fitzgerald

Citigroup

Credit Suisse

Deutsche Bank

Goldman Sachs

JPMorgan Chase

Morgan Stanley

Natixis

Nomura

Royal Bank of Scotland / NatWest Markets

Societe Generale

Stifel

UBS

Appendix B - Definitions

Execution Venue:
As specified in paragraph 4 of this Policy.

MTF:
a multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments in a way that results in a contract in accordance with the provisions of Title II of MiFID II.

OTF:
Organized Trading Facility. A multi-lateral 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 in accordance with Title II of MiFID II.

Regulated Markets (RM):
a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID II.

Systematic Internaliser:
an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client transactions outside a Regulated Market or an MTF.

Trading Venue:
A Regulated Market, an MTF or an OTF.

Professional clients:
a client categorised as such in accordance with MiFID II.