

MORGAN STANLEY EUROPE S.E.

ORDER EXECUTION POLICY – PROFESSIONAL CLIENTS

In accordance with applicable legal and regulatory requirements, this document sets out Morgan Stanley Europe S.E.'s (together “we” or “our” or “Morgan Stanley”)¹ order execution policy in respect of its institutional securities businesses, including the Institutional Equity Division, Fixed Income Division and Commodities business.

A copy of this document is also available at <https://www.morganstanley.com/disclosures>.

General

Morgan Stanley will, as it always has done, endeavour to provide clients with a competitive global and multi-asset class execution capability of the highest quality, designed to deliver efficient execution services in a cost effective manner. Morgan Stanley operates in the context of an ever changing financial services industry with fast evolving market places. Our primary objective in handling client orders is to deliver the highest quality executions reasonably available under the circumstances and within the context of applicable markets, seeking to balance often conflicting considerations with a view to providing clients with the best possible result on a consistent basis.

Morgan Stanley has established and implemented policies and procedures, including an order execution policy, which are designed to be sufficient to obtain the best possible results for client orders, subject to and taking into account any specific instructions, the nature of clients' orders and the nature of the markets and product concerned. While Morgan Stanley will take all sufficient steps based on resources available to us to satisfy ourselves that we have processes in place that can reasonably be expected to lead to the delivery of the best possible result for our clients, we cannot guarantee that we will always be able to provide best execution on every order executed on behalf of clients. If you give us a specific instruction, we will follow that instruction, but this may not result in the same quality of execution as where we retain discretion in relation to the exercise of your order.

Our commitment to provide clients with “best execution” does not mean we owe clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us and a client.

Scope

Part A of this document applies to clients that we have classified as Professional Clients in accordance with the BaFin rules. Unless otherwise agreed, we will not owe best execution to clients classified as Eligible Counterparties (*ECPs*), as outlined in Article 30(1) of MiFID II, although the duty to identify and manage any conflicts of interests will nevertheless apply. When you are classified as an ECP, you should read this document accordingly.

¹ This document extends to any relevant branch of Morgan Stanley Europe S.E. and any associated Morgan Stanley firms regulated within the European Economic Area. This document does not apply to transactions which are only booked to Morgan Stanley companies in the European Economic Area but the client-facing activities (such as agreeing the terms of the transaction and responsibility for execution) are carried on exclusively by employees of Morgan Stanley companies or branches established outside the European Economic Area. See Appendix II.

This document only applies in relation to *Financial Instruments* as defined in the Markets in Financial Instruments Directive (as amended or replaced from time to time). Financial Instruments include but are not limited to: transferable securities (such as shares and bonds); money market instruments; units in collective investment undertakings; exchange-traded and OTC derivatives, whether cash or physically settled, including futures, options and swaps; and emission allowances. Financial Instruments do not include spot FX and spot physical commodities.

Overview

What is Best Execution?

Where we owe clients the duty of best execution we are required to take all sufficient steps to obtain the best possible result for our clients taking into account the following factors (together *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 client's order such as the nature of the relevant market, prevailing market conditions and attempting to minimise market impact.

Ranking of execution factors

We are required to determine the relative importance of each of the best execution factors set out above taking into account the following general criteria:

- your characteristics
- the characteristics and nature of your order, including any specific instructions received;
- the characteristics of the Financial Instruments that are the subject of your order; and whether the order involves a securities financing transaction;
- the characteristics of the execution venues to which your order can be directed.

For Professional Clients, how these best execution factors are typically ranked is set out in more detail below. However, we may from time to time agree with you that a different ranking for the execution factors will apply. In certain circumstances, for some client orders, Financial Instruments or markets, we, in our discretion, may determine that other factors may be more important in seeking to achieve the best possible execution result in accordance with our order execution policy.

When Does Best Execution Apply?

Executing an order on behalf of a client

This document contains a detailed breakdown of the application of the obligation of best execution in

respect of each business unit and product traded with you by Morgan Stanley's institutional securities businesses (see below).

We owe best execution when executing orders on your behalf. We will also owe best execution when we are transmitting orders on your behalf to a third party broker for execution. Generally, we will be in receipt of an order and acting on your behalf where an execution instruction is received from you that gives rise to contractual or agency obligations owed by us to you. Such contractual or agency obligations will arise where we are required to exercise discretion in relation to the execution of your instruction and you are legitimately relying on us in relation to the exercise of that discretion.

If we have classified you as a Professional Client, circumstances in which we consider that you will not generally be legitimately relying on us in relation to the execution of your orders include where we are approached by you for a "request for quote" - *i.e.*, when you ask us to provide you with a quote in a particular Financial Instrument, or where we will be trading with you as principal "on risk", in a market where the usual practice of clients is to ask several dealers for quotes, and where your access to prices in the market means you are able to, and do, assess our quotes against those provided by other dealers.

It is however, important to note that although in the above situation we will typically not owe best execution, we will still be required to treat you fairly and also to manage any conflicts of interest that may arise. Further disclosures in respect of our order and transaction handling practices may be provided from time to time and is available from your usual sales representative on request.

Impact of a specific instruction

If we receive an order from you 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 (including selecting a particular execution venue, executing at a particular price or time or through the use of a particular strategy) then, subject to our legal and regulatory obligations, we will execute your order in accordance with your specific instruction.

This may prevent us from taking steps designed and implemented to obtain the best possible result for the execution of those orders. It also means that to the extent of the specific instruction or instructions, our obligation of best execution will be satisfied by executing the order in accordance with your specific instruction. Where your specific instruction covers only a portion of an order (for example, as to the choice of venue), and we have discretion over the execution of other elements of the order, then we will continue to owe an obligation of best execution in respect of the elements of the order that are not covered by the specific instruction.

Client Order Aggregation

Morgan Stanley may aggregate client orders with its own (in-house) orders, orders of associated firms, and other client orders where it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated.

Execution venues

In meeting the best execution obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution, we may use one or more of the following venue types:

1. Regulated Markets;
2. Multilateral Trading Facilities;
3. Organised Trading Facilities;

4. Systematic Internalisers;
5. Our own account (as a Systematic Internaliser or otherwise);
6. Third party investment firms and/or affiliates acting as a Market Maker or other liquidity providers; and/or
7. Non-EU entities performing similar functions.

Morgan Stanley will select an execution venue based primarily on the availability of best pricing for particular instruments and the amount of accessible liquidity offered by the venue. In certain instances, clients will instruct MS to route their orders to a particular venue, use certain order types or access certain liquidity events (e.g., auctions or listed derivatives which only trade on a single market). As additional execution venue selection criteria, we will consider the overall technical and operational offering of a venue – including connectivity, speed of execution, reliability, rule set and membership and clearing requirements, as well as the costs of accessing the venue.

We may, however, not connect to all venues or sources of liquidity. In respect of Financial Instruments which can be traded on a Regulated Market, a Multilateral Trading Facility or an Organised Trading Facility, you should note that, subject to your prior consent, some of your orders may be executed outside of a Regulated Market, Multilateral Trading Facility or Organised Trading Facility where we believe we can achieve the best possible result for execution by doing so. Subject to applicable regulatory obligations and your instructions, we may seek to internalise your executions.

Appendix I contains a list of the Regulated Markets, Multilateral Trading Facilities and Organised Trading Facilities by product some of which we and/ or one of our affiliates place significant reliance on meeting our obligation to take all sufficient steps to obtain the best possible result for your executions. We may also execute on these venues using a third party broker. The list is not exhaustive and may change from time to time.

In certain Financial Instruments there may only be one execution venue available and in executing a trade in such circumstances we will assume that the selection of that venue satisfies the best execution factor dealing with venue selection.

Third party brokers & affiliates

We will typically execute through our affiliates wherever possible unless you specify otherwise. Where we use a third party broker (including an affiliate) to execute transactions we retain an overarching best execution obligation, subject to the facts and circumstances surrounding the relevant market and the terms and instructions provided by you. We satisfy this obligation by undertaking due diligence to validate the adequacy of the third party broker's execution performance and connectivity and to ensure that there are satisfactory arrangements to ensure the confidentiality of our order flow and execution instructions. Periodic reviews are also undertaken of third party brokers (including affiliates) to ensure they are capable of enabling us to comply with our best execution obligations.

Morgan Stanley may select a single entity for execution if it is able to show that this allows it to obtain the best possible results for clients on a consistent basis and where it can reasonably expect that the selected entity will enable Morgan Stanley to obtain results for clients that are at least as good as the results that it reasonably could expect from using alternative entities for execution.

Governance / review process

The Morgan Stanley's Best Execution Governance Framework monitors the effectiveness of the execution arrangements (including this policy and the scope of the best execution obligation) and

assesses on a regular basis whether the execution venues we have selected provide for the best possible result for client transactions that are subject to best execution.

Smart Order Routing

Morgan Stanley employs smart order routing technology to efficiently access liquidity. This technology is subject to review and monitoring as part of our overall best execution governance program.

Consent form:

MiFID requires us to obtain your prior express consent to two order handling requirements; (i) to execute outside a Regulated Market, Multilateral Trading Facility or an Organised Trading Facility, and (ii) not to publish your unexecuted limit orders (in shares) except when it would be most beneficial to you to do so. To ensure we are able to obtain the necessary flexibility from you to achieve the best result, we request you consent to the form and return it to your client coverage person. Please be aware that providing consent through the form will not limit your ability to withdraw this consent or to provide alternative instructions to us on an order by order basis. We require this consent to enable us to access a wider range of execution venues and alternative sources of liquidity. There are other consequences of executing outside a Regulated Market, Multilateral Trading Facility or an Organised Trading Facility, including counterparty risk. You are able to request additional information from us about the consequences of transactions being executed outside a Trading Venue.

PROFESSIONAL CLIENTS

Application – by business and product

A. *Equities*

Execution Factors

Unless stated otherwise, across all equity products the ranking of the best execution factors is typically as follows:

1. Price
2. Likelihood of execution

The remaining execution factors – cost, speed, order size, nature of the order and any other consideration relevant to the efficient execution of the client’s order - are generally given equal ranking.

This is subject to any agreement with you in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order by order basis, or may be agreed on a systematic basis, provided that any such agreement between us will be treated by us as an instruction from you that we have accepted in respect of the relevant transactions.

Application of best execution duty

Cash Equities

“Working order” trades

We consider that best execution is owed in respect of working order trades. However, working order trades in relation to cash equities can involve highly prescriptive specific instructions from you as to how you require the trades to be executed, and this will limit our duty of best execution to only those matters which are not covered by specific instructions.

Give-up trades

We consider that best execution is owed to clients in respect of give-up trades. Where we are the executing broker for the cash hedge, we will be trading with the broker that is your swap counterparty/prime broker. Although this broker may itself be classified as an ECP, we will apply the same execution arrangements as if the instruction to trade came directly from you.

Agency programme trades

We consider that best execution is owed in respect of agency-programme trades which are not entered into by us as principal on risk.

Note that where we are acting as principal on a risk price transaction and assume risk in relation to an equity swap we have entered into with you, we do not consider that we owe best execution in the following circumstances: where you initiate the trade, and the nature of the market is that you have the ability to, and will, ask for quotes from a number of dealers. In this case, we do not consider that you are relying on us in relation to the execution of the trade.

Equity Swaps

Single stock swaps

We consider that best execution is generally owed in respect of single stock swaps. Where we owe best

execution it applies to the execution by us of the swap, but is measured and monitored by reference to the execution of the cash hedge as the price of the swap reflects the price of the hedge.

“Working order” trades for equity index swap transactions

We consider that best execution is owed in respect of working order trades (sometimes referred to as agency trades although they may not involve a true legal agency relationship) due to their similarity to single stock swaps. These trades involve us exercising discretion in relation to the execution of the basket of cash equities which is the hedge to the index derivative with you. Where we owe best execution it applies to the execution by us of the index derivative, but is measured and monitored by reference to the execution of the cash hedge as the price of the swap reflects the price of the hedge.

Note that where we are acting as principal on a risk price transaction and assume risk in relation to an equity swap we have entered into with you, we do not consider that we owe best execution in the following circumstances: where you initiated the trade, and the nature of the market is that you have the ability to, and will, ask for quotes from a number of dealers. In this case, we do not consider that you are relying on us in relation to the execution of the trade.

Give-in trades

We consider that best execution is generally owed in respect of give-in trades. Where we owe best execution it applies to the execution of the swap but will be measured and monitored by reference to the execution of the cash hedge as the price of the swap reflects the price of the hedge. However, in the case of give-in trades you will provide us with a specific instruction as to which broker you require us to use for the purposes of entering into the cash hedge and the price at which the cash hedge will be executed. Therefore the duty of best execution is very limited as it will not apply to the choice of broker or the price of the trade.

Single name, Index and Flow derivatives

Working delta trades

We consider that best execution is owed in respect of working delta trades. Where we owe best execution it applies to the execution of the listed derivative / stock hedge entered into to give you the desired volatility.

“Working order” trades

We consider that best execution is owed in respect of working order derivative trades. However, working order trades in relation to single name, index or flow derivatives can involve highly prescriptive specific instructions from you as to how you require the trades to be executed and this will limit the duty of best execution to those matters which are not covered by specific instructions.

Convertibles

“Working delta” trades

We consider that best execution is owed in respect of working delta trades where the price of the convertible bond is derived from the delta hedge. The duty of best execution will be measured and monitored by reference to the execution of the delta hedge.

Cash emerging markets

“Working / negotiated order” trades

We consider that best execution is owed in respect of working order or negotiated order trades in respect of emerging market equities. Cash emerging markets are generally where such equities can be illiquid and

there is therefore often very limited competition. However, working order or negotiated order trades in relation to emerging market equities can involve highly prescriptive specific instructions from you as to how you require the trades to be executed and this will limit the duty of best execution to those matters which are not covered by specific instructions.

B. *Fixed Income*

Application of best execution duty

Fixed income futures (listed derivatives)

We consider that best execution is owed in respect of fixed income listed derivatives trades. You may provide specific instructions as to how you require trades to be executed and this will limit the duty of best execution to those matters which are not covered by specific instructions.

Execution factors

The ranking of the best execution factors should typically be as follows:

1. Price
2. Order size and speed are given equal ranking

The remaining execution factors – likelihood of execution and settlement, costs, nature of the order and other considerations relevant to the efficient execution of the client's order - are generally given equal ranking.

This is subject to any agreement with you in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order by order basis, or may be agreed on a systematic basis, provided that any such agreement between us will be treated by us as an instruction from you that we have accepted in respect of the relevant transactions.

FX derivatives

Application of best execution duty

FX transactions that are derivatives are Financial Instruments. We consider that the best execution does not generally apply to transactions in FX derivatives because these transactions will generally have the characteristics described in "Other fixed income Financial Instruments below".

However, it is possible that in relation to individual transactions some of the characteristics will be absent. In particular, we may from time to time agree to take orders in FX NDFs, forwards and swaps and we owe best execution in these transactions.

Execution factors

When best execution is owed, the ranking of the best execution factors should typically be as follows:

1. Price
2. Order size and Speed are given an equal ranking

The remaining execution factors – likelihood of execution and settlement, costs, nature of the order and other considerations relevant to the efficient execution of the client's order - are generally given equal ranking.

However, orders for FX NDFs, forwards and swaps can involve highly prescriptive specific instructions from you as to how you require the trades to be executed and this will limit the duty of best execution to

those matters which are not covered by specific instructions.

Other fixed income Financial Instruments

We consider that best execution does not generally apply to transactions in other fixed income Financial Instruments. This is because the transactions have the following characteristics: (i) we are approached and requested by you to provide a quote (request for quote business); (ii) the nature of the market is such that you will generally request quotes from a number of different dealers and we are in competition with those other dealers; and (iii) as a result of the nature of the market you have transparency of the prices at which transactions can be effected in the market. As a result, you are not relying on us in relation to the execution of the transaction.

Spot FX

Spot FX (generally a deliverable FX transaction involving settlement within 2 business days of the trade date) is not a Financial Instrument and so will not be covered by the best execution rules. We are subject to a regulatory obligation to treat you fairly as well as to manage any conflict of interest to which we may be subject.

FX conversion relating to transactions in other Financial Instruments

We will generally execute a currency conversion in house unless and until you specify otherwise. We will treat the cost of the FX conversion as being part of the overall cost of the trade. No separate obligation of best execution is owed on the FX conversion. We are subject to a regulatory obligation to treat you fairly as well as to manage any conflict of interest to which we may be subject.

C. Commodities

Metals (non-physical)

Application of best execution duty

Typically, we consider that best execution is owed in respect of non-physical metal trades where we act as broker for you on the Chicago Mercantile Exchange.

Execution factors

The ranking of the best execution factors should typically be as follows:

1. Price
2. Likelihood of execution and settlement

The remaining execution factors – cost, speed, order size, nature of the order and any other consideration relevant to the efficient execution of the client's order - are given equal ranking.

However, in certain markets where liquidity is limited, likelihood of execution and settlement may be more important than price. In addition, the ranking of factor is also subject to any agreement with you in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order by order basis, or may be agreed on a systematic basis, provided that any such agreement between us will be treated by us as an instruction from you that we have accepted in respect of the relevant transactions.

Commodity derivatives

Application of best execution duty

Certain commodity transactions that are derivatives are Financial Instruments. We consider that best

execution does not generally apply to transactions in such commodity derivatives because these transactions will generally have the characteristics described below in “Other commodities-related Financial Instruments”.

However, it is possible that in relation to individual transactions some of the characteristics will be absent. In particular, we may from time to time agree to take orders in commodities options, forwards and swaps and we owe best execution in respect of such transactions that are transactions in Financial Instruments.

Execution factors

When the best execution is owed, the ranking of the best execution factors should typically be as follows:

1. Price
2. Likelihood of execution

The remaining execution factors – costs, speed, order size, nature of the order and other considerations relevant to the efficient execution of the client’s order - are generally given equal ranking.

However, orders for commodity options, forwards and swaps can involve highly prescriptive specific instructions from you to how you require the trades to be executed and this will limit the duty of best execution to those matters which are not covered by specific instructions.

Other commodities-related Financial Instruments

We consider that best execution does not apply to any other products within the commodities business. In addition, where the transaction is for the sale or purchase of a physical commodity that will result in the physical delivery of such commodity, then it will not be a transaction in a Financial Instrument and so will not be covered by the best execution rules. Where the transaction is in a commodity derivative which is a Financial Instrument then transactions generally have the following characteristics: (i) we are approached and requested by you to provide a quote (request for quote business); (ii) the nature of the market is such that you will generally request quotes from a number of different dealers and we are in competition with those other dealers; and (iii) as a result of the nature of the market you have transparency of the prices at which transactions can be effected in the market. As a result, you are not relying on us in relation to the execution of the order.

Spot Commodities

Spot Commodities (generally a deliverable commodity transaction involving a physical settlement within 2 business days of the trade date) is not a Financial Instrument and so will not be covered by the best execution rules. We are subject to a regulatory obligation to treat you fairly as well as to manage any conflict of interest to which we may be subject.

D. *Securities Financing Transactions*

We consider that best execution does not generally apply to Securities Financing Transactions. This is because the transactions have the following characteristics: (i) we are approached and requested by you to provide a quote (request for quote business); (ii) the nature of the market is such that you will generally request quotes from a number of different dealers and we are in competition with those other dealers; and (iii) as a result of the nature of the market you have transparency of the prices at which transactions can be effected in the market. As a result, you are not relying on us in relation to the execution of the transaction.

APPENDIX I

List of primary execution venues

In addition to the following execution venues, we may execute with or through third party brokers (including affiliates) who may provide liquidity or access these or other venues on our behalf.

Equity

Equity Exchanges

Athens Stock Exchange (XATH)

Borsa Italiana (MTAA)

Deutsche Bourse (XETR)

Euronext Amsterdam (XAMS)

Euronext Brussels (XBRU)

Euronext Lisbon (XLIS)

Euronext Paris (XPAR)

Irish Stock Exchange (XDUB)

Nasdaq OMX (including Dark) - Helsinki, Stockholm and Copenhagen

Oslo Bors ASA (XOSL)

Wiener Borse AG (WBAH)

Warsaw Stock Exchange (XWAR)

Equity MTFs

Aquis (AQXE)

Cboe Europe (BATE/ CHIX)

ITG Posit (ITGL)

Liquidnet (LIQU)

UBS (including Dark)

Turquoise (including Dark)

Listed Derivatives Venues (Equity, Fixed Income (including FX) and Commodities)

Borsa Italia (XDMI)

Eurex (XEUR)

Euronext Amsterdam (XAMS)

Euronext Paris (XPAR)

Mercado Espanol de Futuros Financieros (XMRV)

NASDAQ Stockholm (XSTO)

APPENDIX II

Non-EU Activity

We will not provide best execution to clients where transactions are only booked to Morgan Stanley companies in the European Economic Area and where the client-facing activities (such as agreeing the terms of the transaction and responsibility for execution) are carried on exclusively by employees of affiliates of Morgan Stanley companies (“Affiliates”) or branches established outside of the European Economic Area (“Non-EU Branches”). In these instances, this document will be for informational purposes only, and those Affiliates or Non-EU Branches will provide best execution in accordance with applicable local rules and regulations.

**MORGAN STANLEY EUROPE S.E.
ORDER HANDLING & EXECUTION CONSENT FORM**

*Please complete and sign this Form of Consent in **black ink** and return it to your client coverage person*

This Order Handling & Execution Consent Form should be read in conjunction with Morgan Stanley's Order Execution Policy Disclosure Statement as sent to you, copies of which may be obtained from your client coverage person. Morgan Stanley is required to obtain your prior consent to their Order Execution Policy Disclosure Statement. By trading with us, you will be deemed to have accepted and consented to this policy. This document and associated Order Execution Policy Disclosure statement have been compiled in accordance with the Markets in Financial Instruments Directive ("MiFID") (as amended or replaced from time to time).

Execution of Orders Outside a Regulated Market (RM), Multilateral Trading Facility (MTF) or Organised Trading Facility (OTF)

The BaFin requires Morgan Stanley to obtain their clients express consent in order to execute orders on their behalf outside a RM, MTF or OTF for any financial instrument which can be traded on a RM, MTF or OTF.

We consent to Morgan Stanley executing our orders outside a RM, MTF or OTF.

If you have specific execution instructions that you would like us to follow, please contact your client coverage representative to discuss these requirements.

Publication of Unexecuted Limit Orders

Unless you instruct otherwise, MiFID requires Morgan Stanley to immediately make public details of any limit orders you place with us in respect of shares admitted to trading on a Regulated Market for orders below a certain size that are not immediately executable under prevailing market conditions.

We request that Morgan Stanley does not make public unexecuted limit orders except in circumstances where they determine that the publication of such orders is undertaken in a manner consistent with their duties of best execution owed to us.

Company name to which this consent relates: _____

Signature _____

Name (please print) _____

Position (please print) _____

Date (please print) _____