

ING Wholesale Banking

Best Execution and Order Handling FAQ - MiFID

- Consent to execute orders outside a trading venue
- Instructions not to publish unexecuted limit orders

1. Why is ING seeking prior express consent from its clients to execute client orders outside a trading venue?

MiFID II legislation determines that where we categorise you as a professional client, we need to seek your *prior express consent* to execute your orders outside a trading venue.

2. What types of orders are affected?

This requirement applies only to instruments which are admitted to trading on a trading venue and where we owe a duty of best execution. If an instrument cannot be traded on a trading venue, we do not need your permission to execute that order elsewhere.

3. What is a trading venue?

A trading venue is a regulated market (RM), multilateral trading facility (MTF) or organised trading facility (OTF) in the EU. The OTF is a new category of execution venue introduced by MiFID II.

4. What are the advantages of enabling execution of my orders outside a trading venue?

Where we execute client orders outside the rules of a RM, MTF or OTF, this is called off-exchange trading. When trading off-exchange we use one of the following methods to execute your order:

- outside a RM, MTF or OTF with selected high quality counterparties who deal against their own book or act as systematic internaliser (SI);
- outside a RM, MTF or OTF by crossing a client order with a matching order of another client to the extent permitted by law;
- against our own book including our SI;
- against the book of another broker or investment firm; or
- through an 'over the counter' (hereafter: OTC) trade, where the broker makes special arrangements with a trading facility for the execution of your order.

Without your express prior consent, we are not allowed to execute your orders off-exchange. For this purpose you must complete the off-exchange trading consent form.

5. What are the risks of having my orders executed outside a trading venue?

Please note, that when you trade off-exchange with us you will face counterparty risk. This risk implies that when your counterparty (us or any third party) becomes insolvent it may not be able to meet its contractual obligations to you. When

trading on-exchange counterparty risks are reduced. In these cases, your counterparty is a central counterparty (CCP). CCPs are subject to financial supervision and various risk mitigation rules, such as high capital buffers and collateralisation rules which enhances your protection against counterparty risks.

6. What happens if you don't reply to this request?

We will continue to contact you in order to seek your consent. If you haven't replied by 3 January 2018 we may be unable to execute your orders outside a trading venue.

7. What if I don't want my orders executed outside a trading venue?

If you do not wish us to execute your affected orders outside a trading venue, please let your regular ING contact know. We will configure our systems accordingly. Should you then change your mind, you will need to tell us as we will need your prior express consent on file before we are able to execute your orders outside a trading venue. Please bear in mind that with the continued expansion of products and venues, particularly organised trading facilities, it is likely that more orders will be impacted by this consent requirement in the future. Please contact your regular ING sales contact if you would like any further information.

Publication of your limit orders in shares

8. Why are you asking for my instructions not to make unexecuted limit orders public?

When your limit order in shares is not executed immediately on a RM or MTF, we are obliged to immediately publish your order, unless you have authorized us in advance to determine on a case by case basis whether immediate publication is in your best interest. It is our experience that immediate publication is not always in your best interest and as a result we may not be able to achieve the best possible result for you. We are, however, required to obtain your express instruction confirming this approach.

Any questions?

If you have any additional questions regarding best execution we refer to our Best Execution and Order Handling Policy which is available on www.ingwb.com/mifid or by contacting your ING contact person.