

BEST EXECUTION POLICY

SWISSQUOTE BANK EUROPE SA

1. Introduction

The Luxembourg Law of 5 April 1993 on the financial sector (the "Law") requires credit institutions to put in place a best execution policy and to take all necessary measures to obtain the best possible results for their clients in executing their orders, in keeping with the category of financial instrument and the type of service provided.

This document defines the order execution policy of (hereafter 'the Bank'). This policy applies to all financial instruments listed in Annex II section B of the Law.

Every time the Bank executes an order, it has an obligation of best execution towards its clients. The Bank also has an obligation of best selection relative to the entities to which the Bank sends its clients' orders for execution. The Bank may use the brokerage, settlement and custodial facilities of Swissquote Bank SA. As such, the Bank, for the purpose of executing clients' orders by applying its own best execution policy, delegates the effective execution of clients' orders to Swissquote Bank SA which applies its own best execution practices. When executing or receiving and transmitting orders and notwithstanding any delegation to Swissquote Bank SA, the Bank must take all sufficient steps to achieve its best execution policy.

2. The Bank's relationship with clients

All the Bank's clients are, as a matter of principle and unless otherwise provided, classified as retail clients for regulatory purposes affording them the highest protection under the regulatory regime. This policy, in accordance with the Markets in Financial Instruments Directive (MiFID II) and the Markets in Financial Instruments Regulation (MiFIR), applies to all retail clients, all professional clients upon request, and all per se professional clients, and does not apply to transactions executed with clients classified as eligible counterparties by the Bank.

3. Best Execution's factors

Best execution is a regulatory obligation for the Bank to take all sufficient steps when executing orders (or receiving and transmitting orders) on behalf of its clients to obtain the best possible result for its clients in the context of its documented best execution policy as required by MiFID II, to the extent applicable.

In summary, the Bank is required to take into account the following factors as defined by the MIFID II directive:

- price;
- costs;
- speed;
- likelihood of execution and settlement;
- size;
- nature; and,
- any other consideration relevant to the execution of an order.

The relative ranking of the different execution factors will be dependent upon, for example, the nature of the asset class traded, the liquidity of the relevant market and the time of the trade. This ranking reflects the nuances and differences between markets and exchanges, notably when looking at trading on exchange versus OTC products.

4. Determination of the Best Execution Policy

In accordance with MIFID II Guidelines, when executing a client order the Bank must take into account the following criteria for determining the relative importance of the execution factors:

- the characteristics of the client including the categorisation of the client as retail or professional;
- the characteristics of the client order;
- the characteristics of financial instruments that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

This is considered in the Bank's best execution policy. The policy is subject to review and approval at various levels within the Bank, including by the Board of Directors.

For retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to the execution, which shall include all expenses incurred by that retail client which are directly relating to the execution of the order including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Comparable client orders will be executed promptly and sequentially unless the characteristics or the order or the prevailing market make this impracticable or the interests of the client require otherwise. All executed orders will be promptly and accurately recorded and allocated.

5. Over the Counter transactions

When trading Over the Counter (OTC) with the Bank, you are trading at the Bank's price. When pricing OTC there are a number of factors that can be used to calculate the price, and these will vary depending on the asset class traded, the nature of the market and the characteristics and terms of the transaction and any special market or credit risks posed by it. We will apply a standardized method of calculation for these types of transactions to ensure that the price that we are offering at any given time is always considered the best price we can obtain on your behalf. In monitoring best execution for these types of instruments, we will monitor the calculation method, where applicable, to ensure that it is applied consistently at all times.

6. Updating the best execution policy

The Bank has taken a commitment to undertake a review of the best execution policy and order execution arrangements on an annual basis. The Bank also commits to review the best execution practices of its Counterpart on an annual basis to ensure that its Counterpart's best execution practices comply with the provisions of the Bank's best execution policy and offer, at least, the same level of execution to the client. A review and revision is carried out when any material change occurs that affects the order execution arrangements. This disclosure will be updated in line with material trading developments. Any updates will be reflected in this document and can be accessed by direct request. The Bank will inform its clients by issuing an update on its website on a regular basis.

7. Reporting requirements

In accordance with MiFID II RTS 28, the Bank is required to publish on an annual basis a list of the top five execution venues for each class of financial instruments traded, and information on the quality of execution obtained.

8. Selection of Counterparties and Execution Venues

Depending on the types of financial instruments involved, the Bank or its Counterpart will select different counterparties. The following methods will be used:

- For instruments listed on SIX Swiss Exchange: Swissquote Bank SA, which is a market member;
- For non-SIX listed instruments: Swissquote Bank SA, or selected third-party brokers or MTFs;
- For non-listed funds: Swissquote Bank SA, or selected third-party brokers or MTFs;
- For forex: Swissquote Bank SA;
- For derivatives instruments: Swissquote Bank SA.

The Bank will ensure that the trades it undertakes (either itself or via its Counterpart) in shares admitted to trading on a regulated market or traded on a trading venue take place on a Regulated Market (RM), Multilateral Trade Facility (MTF) or Systematic Internaliser, or an Equivalent Third-Country Trading Venue, as appropriate, unless those shares are out of scope for such obligation pursuant to Article 23 MiFIR.

The Bank will ensure that the transactions it concludes (either itself or via its Counterpart) with financial counterparties as defined in EMIR and non-financial counterparties exceeding the EMIR clearing thresholds, which are neither intragroup transactions nor transactions covered by the transitional provisions in EMIR, in derivatives pertaining to a class of derivatives that has been declared subject to the trading obligation in accordance with the procedure set out in Article 32 MiFIR and listed in the register referred to in Article 34 MiFIR, are concluded only on Regulated Markets, MTFs, Organised Trading Facilities (OTFs) or Equivalent Third-country trading venues. Where the Bank is subject to internal trading restrictions it may not be possible to accept certain orders and clients will be notified of this upon receipt of the order.

In delegating the execution of orders to Swissquote Bank SA, the Bank does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular execution venue which would infringe conflicts of interest or inducement requirements under MiFID regulations.

9. Specific Instructions

If a client gives specific instructions for the execution of an order, the Bank will carry out this order in accordance with the client's instructions. However, any specific instructions given by the client for the execution of an order may prevent the Bank from taking steps to obtain the best possible execution result.

The Bank is required under MiFID regulations to promptly inform retail clients of any material difficulties that would prevent the Bank from carrying out their order upon becoming aware of such difficulty. While this obligation only applies to retail clients, the Bank will endeavor to similarly inform professional clients on a best efforts basis.

10. Prior express consent

The Bank will obtain prior express consent from its clients before proceeding (either itself or via its Counterpart, as applicable) to execute their orders outside a RM, MTF or OTF. The Bank will not, under any circumstances, execute an order or have an order executed by a Counterpart outside a RM, MTF or OTF without the client's prior consent.

Clients may give their consent for the execution of an order outside a RM, MTF or OTF by signing the consent form.

If the Bank does not receive the client's consent, the choice of execution venues may be limited, and the Bank may no longer be able to obtain the best possible results for the client.

11. Governance

The Bank has established internal governance processes to assess its execution arrangements, order handling, and execution monitoring and reporting infrastructure. This includes public reporting obligations for best execution under MiFID II RTS 27 and RTS 28 and the review of such reports made by other execution venues.

Governance committees will meet regularly to assess the effectiveness of these arrangements and to determine any changes or enhancements that may be required. Where this results in a material change to the Bank's execution arrangements, which could impact the execution factors and their relative significance, this will be communicated to clients via updating the policy. This policy will also be subject to an annual review including an assessment of the execution venues used by the Bank. In addition, should any material change to the Bank's execution arrangements that affects the Bank's ability to continue to obtain the best possible result for its clients be identified outside of any formal periodic review processes, this will be subject to a separate review process and notified to clients accordingly.