



UNION BANCAIRE PRIVÉE

Order execution policy for Private Banking (best execution policy)

1. Introduction

The amended law of 5 April 1993 on the financial sector (the “Law”) require 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 Union Bancaire Privée (Europe) S.A. (the “Bank”).

This policy applies to:

- ◆ all financial instruments listed in Annex II section B of the Law;
- ◆ all retail clients, all professional clients upon request and all per se professional clients (hereinafter “client” or “clients”) as defined by 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 “Executing Entities”). Since the Bank does not execute its clients’ orders but sends them to third parties for execution, only aspects related thereto will be set out in this policy. However, the Bank is under a general obligation to act in the best interests of its clients.

2. The Bank’s best selection strategy

Whenever the Bank calls on third-party brokers and/or counterparties that it has selected to execute its clients’ orders, it acts as an entity that receives and sends client orders.

Where these Executing Entities are subject to EU Directive 2014/65/EU – “Markets in Financial Instruments Directive” (MiFID II), the Bank ensures that they have an order execution policy that guarantees the best execution of client orders.

Where the Bank executes an order on behalf of a retail client, the best possible result is determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to execution, which include all expenses incurred by the client which relate directly 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.

In exceptional cases, the Bank may use Executing Entities that were not previously selected, in order to allow the execution of orders from clients with execution criteria that justify the use of such Executing Entities.

In selecting Executing Entities, the Bank takes the following into consideration:

- ◆ the legal or contractual obligation of the Executing Entities to execute orders in accordance with the best execution obligations under MiFID II;
- ◆ the content of the Executing Entities’ best execution policy or equivalent document and the factors they take into account to obtain the best execution for clients. These factors include price, cost, speed, likelihood of execution and settlement, size, type or any other consideration relating to order execution;
- ◆ the methodology used by Executing Entities to determine the importance of the order execution factors in view of the Executing Entities’ experience and judgement. This methodology must take into account the client’s characteristics, including the client’s categorisation as a retail or professional client; the characteristics of the client’s order, including the fact that the order involves a securities financing transaction; the characteristics of the financial instruments involved in the order; and the characteristics of the execution platforms to which this order may be routed;
- ◆ the compatibility of the Executing Entities’ chosen execution criteria with those contained in this policy;
- ◆ whether the Executing Entity verifies the fairness of the price offered to the client, by gathering market data used to estimate the product’s price and, if possible, by comparing it to similar or comparable products;
- ◆ the Executing Entities’ processes, methods and decisions that result in their executing a client order in a certain way;



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- ◆ the financial situation of the Executing Entities;
- ◆ the Executing Entities' internal control processes and systems for its best execution procedures;
- ◆ the fees charged by the Executing Entities;
- ◆ the Executing Entities' reputation in a given market or financial sector;
- ◆ clearing and settlement capabilities; and
- ◆ access to markets and distribution networks.

With regard to the orders sent to them, the Executing Entities selected by the Bank may execute client orders:

- ◆ on a regulated market, or an MTF or OTF, or similar platforms located outside the European Economic Area;
- ◆ over the counter (OTC); or
- ◆ by sending the order to any other entity for execution, in which case those Executing Entities will be able to use one of the aforementioned execution methods.

As a general rule, all client orders received by the Bank are sent to the Execution Desk of Union Bancaire Privée, UBP SA (hereinafter "UBP SA" or "the Group's Executing Entity") for execution.

3. Executing Entity

Depending on the types of financial instruments involved, the Executing Entity will select different counterparties. The following methods will be used:

- ◆ For instruments listed on SIX Swiss Exchange: UBP SA, which is a market member;
- ◆ For non-SIX equities and bonds: selected third-party brokers or MTFs;
- ◆ For unlisted derivatives: UBP SA or selected third-party brokers;
- ◆ For forex: UBP SA.

The Executing Entity must take care to obtain in most cases the best possible result in executing client orders by using the platforms mentioned in their execution policy.

4. Reporting requirements

The Bank prepares and publishes once a year, for each category of financial instruments, the ranking of the top five investment firms in terms of trading volumes to which it sent or with which it placed client orders for execution over the previous year, along with a summary of the quality of execution obtained.

Upon a client's reasonable request, the Bank shall provide its clients with information on the Executing Entities with which orders are placed or to which the firm sends orders for execution.

The Executing Entities prepare and publish once a year, for each category of financial instruments, the ranking of the top five execution platforms in terms of trading volumes on which it executed client orders over the previous year, along with a summary of the quality of execution obtained.

5. Specific instructions

It is important to emphasise that, if a client gives specific instructions for the execution of an order (e.g. if the client asks for a limit order or a specific execution venue), the order is carried out in accordance with the client's instructions.

Any specific instructions given by the client to the Bank for the execution of an order may prevent the Bank from taking all the steps defined in its order-execution policy to obtain the best possible results for clients.

Decisions regarding transaction criteria (such as price, counterparty, venue, time and size) by clients who have "direct market access" are considered to be specific instructions given to the Bank.

In some cases, especially where the processing of a client order requires specific know-how, the Bank will call on sophisticated counterparties with the required expertise.



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When processing a retail client order, the Bank informs the client, as quickly as possible, of any significant problems likely to affect successful order execution.

6. Updating the best-execution policy

The Bank will inform its clients of any changes made to its best-execution policy and/or to its best selection approach exclusively via the publication of an updated version of the document on its website.

The Bank will review its best-execution approach every year and in the event that important changes affect the Bank's capacity to continue to obtain the best possible results for its clients. The Bank assesses whether an important change has taken place and whether it plans to change execution platforms or entities it calls on in order to meet their execution obligations most effectively.

The Bank regularly analyses the quality of execution obtained. The Executing Entity makes a report of checks carried out available to the Bank annually. In addition, the Executing Entity verifies the effectiveness of its best-execution policy by reviewing the quality of execution obtained from counterparties selected under this policy and, where applicable, corrects deficiencies. Its findings are then submitted to the Bank.

7. Conflicts of interest

The Bank handles all conflicts of interest that might arise during the execution of a client order in accordance with its policy on conflicts of interest.

8. Approval

The Bank's best-execution policy must be approved by its clients. Clients should note that if they send an order after receiving information on the Bank's best-execution policy, this will be deemed to constitute their approval of this policy.

Moreover, the Bank must have obtained the client's express prior consent before executing the client's orders outside a regulated market, MTF or OTF.

The Bank will not, under any circumstances, execute an order or have an order executed by an Executing Entity outside a regulated market, MTF or OTF without the client's prior consent.

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

If the Bank does not receive the client's consent via the above-mentioned form, the choice of Executing Entities and the related execution venues more generally may be limited, and the Bank may no longer be able to obtain the best possible results for the client.