

## ANNEX 1 : SPECIFIC BEST EXECUTION PRINCIPLES PER ASSET CLASS

The Bank follows the below general principles when orders are given in relation to the following classes of financial instruments.

### 1. EQUITIES, DEPOSITARY RECEIPTS AND ETFs

#### 1.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to equity instruments, depositary receipts and ETFs.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

#### 1.2. EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

#### 1.3. PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing an execution venue are the following in descending order of importance:

1. Cost
2. Price
3. Speed
4. Size

When executing orders in the above-mentioned asset class, the two primary factors for best execution are price and cost. Speed and size may also play an important role depending on market condition.

#### 1.4. TYPES OF ORDERS

The Bank accepts the following standard types of orders<sup>1</sup>:

- Market Price: The order will be dependent on the market conditions without prior indication of price
- Limit Price: The buyer or the seller indicates the price above or below which he does not wish to carry out the order
- Stop loss: The execution of the trade is triggered when

the stock trades below or above a certain price, and will be executed at the next available price

- Stop Limit: A Stop-Limit order will be triggered after a given stop price has been reached. Once the Stop-Limit has been triggered, the stop-limit order becomes a limit order to buy or sell at the limit price or better
- Algo: An algorithmic order is an order executed by an automated strategy according to specific parameters and/or conditions

#### 1.5. TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

#### 1.6. OVER THE COUNTER ORDERS

The financial instruments referred to in this section are not dealt on an 'Over The Counter' basis (outside a trading venue).

### 2. DEBT INSTRUMENTS

#### 2.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to debt instruments.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

#### 2.2. EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles.

New trading platforms for bonds (i.e., "Multilateral Trading Facility" or "MTF") are set up with the implementation of MiFID II. MTFs will enable transactions to be executed on a non-regulated market in a transparent manner.

<sup>1</sup> Please refer to this section for the explanation of the various type of orders in the following sections

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### 2.3. PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

1. Price
2. Size
3. Speed

Whilst the Bank has provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors. This includes appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each individual transaction such as Client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for the Banks' Clients will be the price the relevant financial instrument is executed at. However, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution may become the primary execution factor.

### 2.4. TYPES OF ORDERS

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price: If certain conditions are satisfied

### 2.5. TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

### 2.6. OVER THE COUNTER ORDERS

The financial instruments referred to in this section are not dealt on an "Over-the-Counter" basis (outside a trading venue): The orders will be routed through an MTF, allowing participants to gather and transfer a variety of securities that may not have an official market.

## 3. LISTED INTEREST RATE DERIVATIVES

### 3.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in interest rate derivatives admitted to trading on a trading venue. This section does not therefore include interest rate swaps.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### 3.2. EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### 3.3. PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

1. Cost
2. Price
3. Speed
4. Size

Even if the Bank has prioritized the execution factors in the current section, a variety of criteria will be considered in assessing the prioritization of execution factors for each transaction. Criteria for consideration include the characteristics of each individual order such as market conditions, when the order is received and the size of the order. In more illiquid markets and under specific conditions, the above prioritization may be amended such as likelihood of execution becomes the most important factor.

### 3.4. TYPES OF ORDERS

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price
- Stop loss
- Stop Limit

### 3.5. TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

### 3.6. OVER THE COUNTER ORDERS

As the Bank trades currency derivatives on a principal basis, the execution venue will always be the Bank and /or its affiliates. The Bank and/or its affiliates will look to hedge its risks with a variety of trading venues including but not limited to brokers, exchanges and MTFs.

## 4. CURRENCY DERIVATIVES

### 4.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to currency derivatives, more specifically, OTC swaps, forwards and options.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

#### 4.2. EXECUTION VENUES SELECTED BY THE BANK

The Bank will always trade as principal when executing orders in currency derivatives.

#### 4.3. PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider are the following in descending order of importance:

1. Size
2. Price
3. Speed

Even if the Bank has prioritized the execution factors in the current section, a variety of criteria will be considered in assessing the prioritization of execution factors for each transaction. Criteria for consideration include the characteristics of each individual order such as market conditions, when the order is received and the size of the order. In more illiquid markets and under specific conditions, the above prioritization may be amended such as likelihood of execution becomes the most important factor.

#### 4.4. TYPES OF ORDERS

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price
- Stop loss
- Stop Limit

#### 4.5. TRANSMISSION OF ORDERS

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

#### 4.6. OVER THE COUNTER ORDERS

As the Bank trades currency derivatives on a principal basis, the execution venue will always be the Bank and /or its affiliates. The Bank and/or its affiliates will look to hedge its risks with a variety of trading venues including but not limited to brokers, exchanges and MTFs.

### 5. EQUITY DERIVATIVES

#### 5.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to

- 1) Futures and options admitted to trading on a trading venue
- 2) Contract for difference

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

5.1.1. Equity derivatives: Futures and options admitted to trading on a trading venue

#### a) Execution venues selected by the Bank

The execution of an order will be done through a trading venue chosen by the Bank in compliance with these principles.

The Bank's principal trading venues covered by this section are set out in Annex 2 of the Policy.

#### b) Prioritisation of execution factors

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

1. Price
2. Size
3. Speed

When executing orders in the above-mentioned asset class, the two primary factors for best execution are price and size. Speed also plays an important role if the price for a particular financial instrument is expected to decline.

#### c) Types of orders

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price
- Stop loss
- Stop Limit

#### d) Transmission of order

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

#### e) Over the counter orders

The financial instruments referred to in this section are not dealt on an 'Over The Counter' basis (outside a trading venue).

#### 5.1.2. Equity derivatives: Contract for difference

#### a) Execution venues selected by the Bank

The Bank will always trade as principal when executing orders in contract for differences.

#### b) Prioritisation of execution factors

The best execution factors that the Bank will consider are the following in descending order of importance:

1. Price
2. Speed
3. Cost

When executing orders in the above mentioned asset class, the primary factors for best execution is price. Speed also plays an important role if the price for a particular financial instrument is expected to decline.

#### c) Types of orders

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price
- Stop loss
- Stop Limit
- Algo

#### d) Transmission of order

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

#### e) Over the counter orders

As the Bank trades equity derivatives on a principal basis, the execution venue will always be the Bank and /or its affiliates. The Bank and/or its affiliates will look to hedge its risks with a variety of trading venues including but not limited to brokers, exchanges and MTFs.

## 6. COMMODITY DERIVATIVES

### 6.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to commodity derivatives, more specifically options and futures admitted to trading on a trading venue.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### 6.2. EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### 6.3. PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

1. Cost
2. Price
3. Speed
4. Size

When executing orders in the above-mentioned asset class, the two primary factors for best execution are cost and price. Speed also plays an important role if the price for a particular financial instrument is expected to be volatile.

Even if the Bank has prioritized the execution factors in the current section, a variety of criteria will be considered in assessing the prioritization of execution factors for each transaction. Criteria for consideration include the characteristics of each individual

order such as market conditions, when the order is received and the size of the order. In more illiquid markets and under specific conditions, the above prioritization may be amended such as likelihood of execution becomes the most important factor.

Due to the potential levels of volatility in Commodity derivatives markets that may affect both price and volume, the Bank will seek to provide the Client with an execution as fast as practically feasible.

### 6.4. TYPES OF ORDERS

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price
- Stop loss
- Stop limit

### 6.5. TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

### 6.6. OVER THE COUNTER ORDERS

The financial instruments referred to in this section are not dealt on an 'Over The Counter' basis (outside a trading venue).

## 7. FUNDS

### 7.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to funds.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### 7.2. EXECUTION VENUES SELECTED BY THE BANK

By default, the Bank executes the orders with the Bank's fund Transfer Agent.

## 8. STRUCTURED PRODUCTS

### 8.1. SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to structured products (i.e. dual currency investments).

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### 8.2. EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles. In certain cases, the Bank will also trade as the principal of the trade.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### 8.3. PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

1. Likelihood of execution and settlement
2. Price
3. Cost

As can be seen from the Policy, generally the most important execution factor Client will be the price of the relevant asset class. However, as can be seen above, for more illiquid markets, the primary execution factors differ. As a consequence, the likelihood of execution will become the primary execution factor.

### 8.4. TYPES OF ORDERS

The Bank accepts the following standard types of orders:

- Market Price
- Limit Price

### 8.5. TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

### 8.6. OVER THE COUNTER ORDERS

All of the financial instruments referred to in this paragraph are dealt on an 'Over The Counter' basis, that is, with a Bank as counterparty.

## ANNEX 2 : EXECUTION VENUES SELECTED BY THE BANK

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Below is a list of execution venues/brokers chosen to fulfill the Bank's obligation to take all sufficient steps to obtain in most cases the best possible outcome for the execution of orders of the Bank's Clients. These execution venues/brokers are accessed by the Bank directly or via an affiliated entity.

### 1. EQUITIES, DEPOSITARY RECEIPTS & ETFS

- Virtu London
- Kepler Cheuvreux
- Canaccord Genuity
- Pareto Securities AB

### 2. DEBT INSTRUMENTS

- Bloomberg - MTF
- Citi London
- ING Brussels
- Morgan Stanley London
- Nat West London
- Royal Bank of Canada London
- Toronto Dominion London
- UBS Zurich
- Unicredit London

### 3. INTEREST RATE DERIVATIVES

- Barclays London

### 4. CURRENCY DERIVATIVES (OTC SWAPS, FORWARDS AND OPTIONS)

- BIL
- Barclays
- UBS

### 5. EQUITY DERIVATIVE

#### A) futures and options admitted to trading on a trading venue

- Barclays London

#### B) Contract for difference

- The Bank and/or its affiliates

#### C) COMMODITY DERIVATIVES (FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE)

- Barclays London
- R. J. O'Brien & Associates London

#### D) FUNDS

- Royal Bank of Canada Luxembourg
- Kredietbank

#### E) STRUCTURED PRODUCTS (I.E. DUAL CURRENCY INVESTMENTS)

- The Bank and/or its affiliates
- Leonteq Zurich
- UBS Zurich
- Vontobel

#### F) FOREIGN EXCHANGE

- The Bank and/or its affiliates

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