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A UBS Group Company



Best Execution Policy

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This Best Execution Policy (“Policy”), also referred to as Order Execution and Order Handling Policy, sets forth information relating to how Credit Suisse (Luxembourg) S.A. (the “Bank”) seeks to provide Best Execution in line with local regulatory requirements as provided for in the Markets in Financial Instruments Directive 2014/65/EU (“MiFID”), as implemented into Luxembourg law, when either executing, receiving or transmitting orders on behalf of Clients.

1. Scope of the Policy

This Policy provides general information in respect to the Bank’s approach to Best Execution and Order Handling; it is supplemented by schedules which provide further details for consideration.

Terms in capital letters are defined in Schedule 2 entitled “Definitions”, unless a definition is provided in the main text of the Policy.

MiFID best execution requirements are an important component of investor protection. These apply to investment firms either executing, receiving or transmitting Orders in Financial Instruments, making decisions as whether to buy or sell financial instruments in the context of discretionary portfolio management mandates or engaging in securities lending transactions with clients.

According to MiFID, investment firms shall take all sufficient steps, when carrying out Orders, to obtain the best possible result for their Clients taking into account price, costs, speed and likelihood of execution, speed and likelihood of settlement, size, nature or any other consideration relevant to the execution of Orders (“Execution Factors”). The duty of best execution applies if the Client has been classified as Private Client or Professional Client (see definition in section 2 below).

The Bank has established and implemented a policy (“Best Execution Policy”) enabling it to take all sufficient steps to obtain the best possible result for their Clients taking into account the Execution Factors. A summary of the Best Execution Policy is provided in the Bank’s brochure “Your Banking Relationship with CREDIT SUISSE (LUXEMBOURG) S.A. – Client Information Booklet (incl. Data Protection Information), which forms an integral part of the account opening agreement between the Bank and the Client. As a pre-requisite for the opening of an account with the Bank, the Client shall acknowledge and agree to the Best Execution Policy. Moreover, the Client will be deemed to have given such consent whenever placing an Order with the Bank.

The Bank has also established procedures that enable it to demonstrate to a Client upon request that an Order has been executed in line with the Bank’s Best Execution Policy or in line with a Specific Instruction (see section 3.5 below) received from a Client.

2. Application of the Policy

In accordance with regulatory requirements, the Bank classifies clients as:

- Private Clients (this term corresponds to the legal term “retail clients”)
- Professional Clients (Professional Clients are Clients who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks incurred)

The Bank classifies all Clients as Private Clients (retail clients) unless a Client meets the criteria for classification as Professional Client. Different levels of investor protection and product offerings apply to each client category.

2.1

Products

The Best Execution requirements apply to all Financial Instruments according to Schedule 1 of this Policy.

3. What is Best Execution?

Best Execution is the requirement applicable to investment firms to take all sufficient steps to obtain the best possible result for the Client on a consistent (but not individual) basis, when either directly executing Orders on behalf of a Client on one or more Execution Venue(s) or transmitting Orders to Intermediaries for execution.

3.1

Best Execution Factors

To achieve the best result the Bank will take into account the following execution factors:

- a) **Price** – this is the market price a Financial Instrument is executed at
- b) **Costs** – this includes implicit costs such as the possible market impact; explicit external costs, e.g. exchange or clearing fees; and explicit internal costs which represent the Bank’s own remuneration through a commission or spread
- c) **Speed of execution and settlement** – this is the time it takes to execute an Order, including settlement
- d) **Likelihood of execution and settlement** – the likelihood that the Bank will be able to complete an Order
- e) **Size** – this is the size of the Order executed on behalf of a Client, accounting for how this affects the price of execution
- f) **Nature** of the Order or any other consideration relevant to the execution of the Order – this is how the particular characteristics of a client Order can affect how Best Execution is received
- g) Any other consideration relating to the execution of the Order

3.2

Application of Best Execution Factors

In order to determine the relative importance of the abovementioned Execution Factors, the Bank also considers the characteristics of the Order or the Client, the Financial Instrument in question as well as the Intermediary or Execution Venue(s) such Order could be directed to.

For Private Clients, MiFID requires the best possible result primarily to be defined in terms of the Total Consideration. The Total Consideration is composed of the execution price of the Financial Instrument and of all costs directly related to the execution of it. The cost of a transaction includes brokerage, clearing and exchange fees, as well as settlement costs and other third-party fees.

The Bank has determined that in terms of Total Consideration the best possible result for Clients, is generally obtained on Execution Venues that combine the highest liquidity and the smallest bid-ask spread for one Financial Instrument. Other Execution Factors such as speed and likelihood of settlement, size, nature or any other consideration relevant to the execution are only considered in so far, they are instrumental in realizing the best possible result in terms of the Total Consideration.

Although the Bank takes all sufficient steps to achieve the best possible result under the circumstances for the Client, taking into account the abovementioned Execution Factors, the Bank cannot guarantee that the price obtained by the Bank will always be the best price available in the market at that point in time, in particular due to market conditions, market liquidity, price gaps or other circumstances.

While MiFID allows to determine the best possible result differently for Professional Clients compared to Private Clients, the Bank has decided to apply the Total Consideration as determining element for the best possible result also for Professional Clients. Should the Bank introduce a different relative importance of the Execution Factors for determining the best possible result for Professional Clients, the latter would be informed accordingly.

3.3

Activities where Best Execution applies

The obligation to provide Best Execution will always arise in circumstances where the Bank:

- is receiving and transmitting orders on the Client's behalf
- is itself executing Orders by routing them to an Execution Venue

3.4

Activities where Best Execution does Not Apply

The Best Execution obligation does not apply to:

- Client Specific Instructions, such that the transaction could not be considered as an Order for the purpose of obtaining Best Execution, see section 3.5.
- Products which are not Financial Instruments

3.5

Specific Client Instruction

Where the Client's Order contains (a) Specific Instruction(s), be it with respect regard to the Execution Venue or the Order type, the Bank will, to the extent possible, carry out the Order in accordance with such Specific Instruction(s). For all other aspects of the Order which are not specified by the Client, the Bank will follow its Best Execution Policy.

Placing Orders with Specific Instructions may prevent the Bank from taking the steps that it has designed and implemented in its Best Execution Policy to obtain the best possible result for the execution of the Orders with respect to those aspects covered by such Specific Instruction(s) and hence result in an overall execution result which is less satisfactory compared to the execution result that would have been achieved in the absence of such Specific Instruction(s).

In the absence of any Specific Instruction, the Bank shall carry out the Order according to its Best Execution Policy.

It is important to note that the Bank reserves the right to refuse any Specific Client Instruction should it be in contradiction to compliance rules.

The following standard Order types are not considered as Specific Instructions:

- Market Orders: order to buy or sell without any price conditions
- Limit Orders: means an order to buy or sell a financial instrument at its specified price limit or better and for a specified size. The order to buy or sell is therefore accompanied with a price condition i.e., maximum purchase price or minimum sell price
- Stop-loss Orders: a stop order can be a stop limit order or a stop market order
 - Stop Loss Market Order: Order to sell at market price if the stop price is reached or breached. The price of execution may be below or above the current market price
 - Stop Loss Limit Order: Order to sell with a minimum sell price if the stop price is reached or breached

3.6

Transactions with Limited Best Execution Possibilities

Where the Bank has a direct contractual relationship with its clients, Best Execution principles (with the exemption of the Partial Execution principles outlined under section 4.8. of the Policy) will be applied for transactions involving New Issues, Mutual Funds and Hedge Funds. However, due to the characteristics of these transactions the Bank has limited discretion in defining the parameters for the execution of these orders.

4. Method of Execution

The Bank has established best execution arrangements describing the principles, duties and responsibilities that apply when receiving and transmitting or executing Orders. The Bank is taking all sufficient steps to obtain, on a consistent, however not on an individual Order basis, the best possible result when receiving and transmitting or executing Orders.

To achieve the best possible result for Clients, the Bank either uses an Intermediary when receiving and transmitting Orders or executes Orders itself directly on an Execution Venue.

4.1 Different Methods of Execution

The Bank has two possibilities for handling Orders:

- Execution of orders via an Execution Venue
- Reception and Transmission of Orders (“RTO”) to an Intermediary for execution

Depending on the financial instrument the Bank can choose to execute an Order itself by placing the Order on an external Execution Venue or to transmit the Order to an Intermediary for execution. When using an Intermediary for execution the Bank’s main responsibility is the proper selection and monitoring of the Intermediary. Intermediaries can include entities belonging to the UBS Group of companies.

4.2 Reception and Transmission of Orders (“RTO”)

The Bank uses Intermediaries for the following product classes:

Product category	Reception and Transmission details
Equities (shares & depositary receipts); Exchange traded products (Exchange Traded Funds, Exchange Traded Notes and Exchange Traded commodities)	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies (as further specified in Schedule 4) which executes the Order through a “smart order router” tool which is designed to access liquidity from different Trading Venues. This may imply that an Order is split and executed on multiple Trading Venues. If a single Trading Venue is specified by the Client, the Order is executed directly on the specified Trading Venue according to the Client’s Specific Instruction (as defined in sub-section 3.5). If the Trading Venue is not specified, the “smart order router” tool will direct the order to Trading Venue(s) in accordance with the Execution Factors and Criteria set out in sub-section 3.1. With respect to orders that are large in size or likely to trigger a market impact, the Bank may decide to “care” the orders. The care handling is applied in order to obtain a better price for the client and/or minimize the impact on the market, considering the characteristics of the market, the instrument and the order.
Debt Instruments (bonds and money market instruments executed in the secondary market)	The Bank occasionally chooses an Intermediary if access to an appropriate Execution Venue is not given or if a more favorable Total Consideration can be obtained when transmitting such Orders to an Intermediary for execution. The Bank’s main Intermediaries are listed in Schedule 4. For more details regarding the latest top 5 brokers used within the Bloomberg MTF, please refer to the Top 5 Execution Venues/Intermediaries reports.
Interest Rates Derivatives (Futures and Options admitted to trading on a Trading Venue)	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.

Currency Derivatives (Options and futures admitted to trading on a Trading Venue)	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.
Structured Finance Instruments	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.
Equity Derivatives (Options and Futures admitted to trading on a Trading Venue and OTC)	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.
Securitized Derivatives	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.
Certificates and structured products (primary market Orders and for all secondary market Orders)	For in-house products, the Bank chooses systematically as Intermediary another entity of the UBS Group of companies which executes the Order. In respect of bespoke products or products which are issued by third-party, the Bank may route such Orders exclusively to such counterparty, which may or may not be an entity belonging to the UBS Group of companies.
Traditional Funds, Non-Traditional Investment Products, including Alternative Funds (for all Clients other than investment fund Clients)	For all Clients <u>other than investment fund Clients</u> , the Bank systematically chooses as Intermediary another entity of the UBS Group of Companies. The Intermediary will either execute the Order directly with the target fund or pass it on to the relevant custodian bank or transfer agent for centralized execution.
Primary market - Initial Public Offering	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.
Commodities derivatives and emission allowances derivatives (Options and Futures admitted to trading on a Trading Venue)	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.
Other Instruments	The Bank systematically chooses as Intermediary another entity of the UBS Group of companies.

The Bank's main Intermediaries are listed in Schedule 4 of this Policy.

4.3

Execution of orders

Typically, the Bank may use one or more of the following venue types when executing Orders on:

- Regulated Markets
- other exchanges that are not Regulated Markets
- Multilateral Trading Facilities ("MTF")
- Organized Trading Facilities ("OTF")
- Systematic Internalizers ("SI")
- Credit Suisse trading desks when Credit Suisse acts in principal position or where acting as a liquidity provider by house-filling an execution
- Third party Financial Service Providers, Intermediaries acting as Market Makers or other liquidity providers (the Bank has to comply with the obligation to act in accordance with the best interest of its Clients also when providing Orders to these entities for execution on behalf of the Bank)
- Members of syndicates acting on behalf of issuers of securitized Financial Instruments

The selection of the Execution Venue/Trading Venue has a direct impact on the best possible result the Bank is able to obtain when executing Orders.

The Bank has direct access to Execution Venues in terms of the following product classes:

Product category	Execution details
Debt Instruments (bonds and money market instruments executed in the secondary market)	In certain execution circumstances, the Bank is a member of Bloomberg MTF. This Execution Venue membership offers access to a large liquidity pool of bond market makers and liquidity providers. In a request for quote process, the Bank selects the market maker or liquidity provider offering the lowest price and costs directly or indirectly related to the execution. Orders relating to bonds are most of the time executed via Bloomberg MTF where at least one liquidity provider offers a quote.
Debt Instruments – New Issues (bonds and money market instruments executed in the primary market)	The Bank places the Orders with the relevant counterparty acting as bookrunner for the issuer, as the bookrunner is the only available counterparty to execute the Order.
Structured finance instruments	In certain execution circumstances, the Bank is a member of the Bloomberg MTF. This Execution Venue membership offers access to a large liquidity pool of structured finance market makers and liquidity providers. In a request for quote process, the Bank selects the market maker or liquidity provider offering the lowest price and costs directly or indirectly related to the execution. Orders related to structured finance instruments are most of the time executed via Bloomberg MTF where at least one liquidity provider offers a quote.
Securitized Derivatives (warrants and certificate derivatives)	In certain execution circumstances, the Bank is a member of the Bloomberg MTF. This Execution Venue membership offers access to a large liquidity pool of Securitized Derivatives makers and liquidity providers. In a request for quote process, the Bank selects the market maker or liquidity provider offering the lowest price and costs directly or indirectly related to the execution. Orders related to Securitized Derivatives are most of the time executed via Bloomberg MTF where at least one liquidity provider offers a quote.
Currency and currency Derivatives (Swaps, forwards and other currency derivatives)	The Bank executes the transactions against another entity of the UBS Group of companies' account. The Bank will always act as principal when offering and trading these products.
Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	In certain execution circumstances, the Bank is a member of the Bloomberg MTF. This Execution Venue membership offers access to a large liquidity pool of Exchange traded products market makers and liquidity providers. In a request for quote process the Bank selects the market maker or liquidity provider offering the lowest price and costs directly or indirectly related to the execution. Orders related to Exchange traded products are most of the time always executed via Bloomberg MTF where at least one liquidity provider offers a quote.
Other Instruments	In certain execution circumstances, the Bank is a member of the Bloomberg MTF. This Execution Venue membership offers access to a large liquidity pool of these products market makers and liquidity providers. In a request for quote process, the Bank selects the market maker or liquidity provider offering the lowest price and costs directly or indirectly related to the execution. Orders related to Exchange traded products are most of the time always executed via Bloomberg MTF where at least one liquidity provider offers a quote.
Traditional Funds and Non-Traditional Investment Products, including	For these types of products <u>and for Investment fund Clients only</u> , the Bank deals directly with the issuer, as execution via the issuer consistently results in a more favorable Total Consideration and a higher likelihood of execution. The Bank will check the fairness of

Alternative Funds, Primary market (Initial Public Offering)	the price proposed to the Client by gathering market data used in the estimation of the price and, where possible, by comparing with similar or comparable products.
(Principal) Securities lending transactions	Securities lending is the temporary transfer of financial instruments from the Client as a lender to the Bank as borrower. The securities lending transactions are entered into by the Client and the Bank on a bilateral basis. When borrowing securities from the Client, the Bank acts in a principal capacity, not as agent on behalf of the Client. The Bank considers that best execution is not owed for principal securities lending, since the Bank is the counterparty to the securities lending transactions and does not, as in the case of agency securities lending, act as agent for the Client who wishes to lend its securities to borrowing counterparties in the market under agreements that the Client is a party to as principal with those other counterparties, but not with the Bank.

Information on the main execution venues per financial instruments class can be found in Schedule 3.

4.4

Factors for selecting Execution Venues or Intermediaries and periodic review

4.4.1

Factors for selecting Execution Venues

Where the Bank directly accesses an Execution Venue, the choice of the Execution Venue may have a direct impact on both price and costs of the execution, thus on Total Consideration. In general, and substantiating the factors set out in section 3.1. and 3.2. above, the Bank will take into consideration different factors when determining the Execution Venues which on a consistent basis provide clients with Best Execution:

- Liquidity and price: These factors ensure that the Bank is able to select those Execution Venues which are considered to provide good liquidity and prices. Overall, it is expected that liquidity and price are closely (however not exclusively) associated with the market share the venue commands
- Credit and settlement risk: the Bank will only select those Execution Venues where it is possible to determine the obligations both for the Bank and for the respective counterparty when settling a transaction and resolving failed settlement
- Operating models & infrastructure: For the Bank it is important that the technical infrastructure of the venue selected is reliable and robust in order to provide stability for uninterrupted trading. In general, the venues the Bank chooses should work in a way that benefits the overall ability to achieve Best Execution (incl. fee schedules)
- Speed of access, immediacy and likelihood of execution: The importance which is attached to speed and likelihood of execution varies with the market model and asset class, i.e. for more illiquid products this factor will receive higher importance than in liquid markets
- Execution Venue costs: In General, the Bank's commission rates for execution reflect both the cost of providing own services combined with the costs which (are expected to) incur when external Execution Venues are used. The fees charged to the Bank by an Execution Venue therefore influence the costs incurred by clients.

4.4.2

Factors for selecting Intermediaries

The selection of Intermediaries may have an impact on price and cost of the execution, thus on Total Consideration. Therefore, the Execution Factor Total Consideration is an important element in the Intermediary selection process.

The Bank selects Intermediaries that combine high quality service standards with effective best execution arrangements in order to obtain best execution on a consistent basis. The following specific criteria are used during the selection in descending order of importance:

- Access to relevant Execution Venues or other Intermediaries
- Capacity to deliver the best possible result on a consistent basis and monitor best execution, with focus on Total Consideration
- Reliability of execution and settlement processes
- Technology, infrastructure and support services

4.4.3

Periodic review

The Bank monitors on a regular basis the execution quality, the best execution policies and practices of the Intermediaries and Execution Venues. Inter alia, this monitoring is performed by comparing the execution quality achieved by the selected Intermediaries and Execution Venues with market benchmarks specific to a specific asset class. The monitoring will also consider pre-defined qualitative and quantitative factors. The outcome of the monitoring will influence the volume of business the Intermediaries/Execution Venues may be given.

In case of continuous underperformance of an Intermediary or Execution Venue, the Bank will, subject to a cost-benefit analysis, make changes to the existing best execution arrangements by, e.g. replacing the respective Intermediary by another Intermediary or Execution Venue.

The Bank will select the venues and the type of execution based on the consideration of the execution factors indicated above.

4.5

Trading Venue Execution

Depending on the execution channel and asset class used, for each Equity Order the Bank will identify a Best Trading Venue ("BTV"). A BTV is the Trading Venue that on a transactional basis is able to offer the best Total Consideration (please refer to Section 3.2.).

If the Bank is instructed to execute orders in shares admitted to trading on a Regulated Market or traded on a Trading Venue which are not immediately executed under prevailing market conditions, the Bank might be obliged to make that Limit Order public. The Bank might transmit these orders to a Regulated Market, MTF or make it otherwise public. This arrangement does not apply if expressly instructed by the Client. The Bank cannot guarantee the publication of all client Limit Orders. Orders for non-shares securities will not be made public.

4.6

Intermediaries Execution

When executing Orders, the Bank may choose to utilize either affiliated or non-affiliated Intermediaries to assist in the execution of Client trades. The Bank undertakes periodic reviews as defined in section 4.4.3. to determine that any affiliate or non-affiliate Intermediaries used are able to provide the appropriate level of expertise and the necessary experience when executing in the respective market. Furthermore, on a periodic basis the Bank also ensures that, while taking into account all relevant execution factors, affiliate and non-affiliate Intermediaries executions are monitored.

The use of affiliates and third-party Intermediaries is targeted to provide specific benefits to client execution. These factors include, but are not limited to, governance, oversight and transparency of an order, consistency of order handling and front to back trade processing. While aware of potential conflicts of interest in using affiliates to execute client transactions, the Bank will seek to mitigate these conflicts through its monitoring and review program.

4.7

Algorithmic Execution

An algorithmic order is an order executed by an automated strategy according to specific parameters and/or conditions. When trading via another UBS Group of company, proprietary algorithms are employed that intelligently seek the best prices and liquidity across a wide range of venues, therefore, Best Execution obligations are applied to these executions. The algorithmic strategies may apply limits in order to protect the client from extensive market movements.

The Bank employs a suite of algorithmic trading strategies and tools for the trading of these products for cash equities, bonds, futures, options and FX.

Where it is deemed appropriate, the Bank will apply algorithmic trading strategies for Orders, either through services owned by the Bank or other providers.

4.8

Order Handling

The Bank executes Orders promptly and fairly. In case of any material difficulty relevant to the proper execution of their Order, the Bank informs clients as soon as practically possible.

Comparable orders are executed sequentially in accordance with their time of receipt unless the characteristics of an order or the prevailing market conditions make this impossible or impractical.

Where a Limit Order cannot be immediately executed, it will remain valid until the agreed expiry of the Order. If no order validity has been agreed, then an Order is only valid for the current business day.

The Bank may aggregate single Orders relating to a specific Client with Orders relating to other Clients in the context of discretionary portfolio management and/or initial public offerings only. Such aggregation is only performed when it is unlikely that it will work overall to the disadvantage of any Client whose order is to be aggregated. However, in relation to a particular Order such disadvantage for a Client cannot be excluded. In case of a partial execution of an aggregated order (e.g. due to a lack of market liquidity), the Bank will allocate the related trades on a pro-rata basis to the Clients whose Orders have been aggregated, unless such allocation on a pro-rata basis is not possible due to minimum trading denomination requirements defined by the issuer. In the latter case, the Bank will allocate the relevant trades on a pro-rata basis to those Clients whose Orders meet these minimum trading denomination requirements.

Consent to Execute Outside of a Regulated Market, MTF or OTF – Over The Counter execution (“OTC”)

The Bank may execute all or part of an Order outside of a Trading Venue provided that the Bank has obtained the Client's **prior explicit consent**. The Bank has requested Clients' explicit consent to execute these orders over-the-counter (OTC). The request to provide this consent is included in the Application for the Opening of a Banking Relationship entered into between the Client and the Bank.

By signing the Application for the Opening of a Banking Relationship the Client consents that the Bank may execute transactions in financial instruments outside a Trading Venue unless the Client has ticked a box in this Application form specifying that a consent to place orders outside a Trading Venue is not provided. On the basis of the consent the Client will be treated as having provided general explicit consent to trade OTC. The Bank will execute Orders OTC if it has assessed that this is in the Client's best interest (i.e. it allows the Bank the flexibility to choose from a wider range of Execution Venues).

For the Bank to be able to execute Orders under the best conditions, acting in the Client's best interest, the Bank could route Orders to their respective primary listings, even if these venues are not deemed a Trading Venue, unless specifically instructed by the Client otherwise.

Clients should be aware that a counterparty risk may occur in case the Order is executed outside a Trading Venue. Counterparty risk refers to an event where the counterparty to a transaction fails to honor its obligations resulting from a transaction, e.g. by failing to pay for the delivered Financial Instruments.

In order to ensure the fairness of the proposed price to the Client, each desk involved in the execution of these products defines the fairness of proposed prices through the comparison of other price quotes or liquidity provider internal pricing methodologies and market information. In certain circumstances, where the above information is not available, the Bank relies on the Best Execution monitoring and Governance Committees performed by UBS Group of companies and Intermediaries which take into consideration other factors to determine that the proposed price is fair.

New Issues are not admitted to trading on any Trading Venue during the primary market phase, hence these orders are executed outside of a Trading Venue. This can expose clients to risks relating to the issuer and/or syndicate members as well as third party financial service providers.

Top 5 Execution Venue / Intermediaries Reporting

In order to provide detailed information on the execution results and execution quality achieved, the Bank annually reports the Top 5 Execution Venues / Intermediaries in term of execution volume. Furthermore, information on the execution quality obtained is provided.

In the Top 5 Execution Venues / Intermediaries report information is provided by asset class in separate reports for Private and Professional Clients and made available on the Bank's website at the latest by end of April of each year covering the previous calendar year.

5. Fees, Commissions and Mark-Ups

Regulators require that the Bank demonstrates that it is taking sufficient steps to obtain the best possible result for a client when the obligation arises. The Bank will ensure that mark-ups and spreads charged on transactions where Best Execution is owed are reasonable, not excessive and within a range that is considered fair for the product type, tenor and size of the trade.

In the case of New Issues, the Bank, as intermediary for its clients, may receive a selling concession from the issuer/syndicate members.

The Bank does not receive inducements from Trading Venues which are directly linked to the volume of trades allocated to that specific Trading Venue.

6. Monitoring, Review and Reporting

The Bank has implemented a governance framework and control process through which it monitors the effectiveness of the order execution arrangements (including this Policy), to identify and, where appropriate, correct any deficiencies. Through this governance framework and controls process, the Bank will assess whether the Execution Venues included in this Policy consistently provide the best possible result for the client or whether changes are needed to the execution arrangements.

The Bank reviews the order execution arrangements and Policy at least annually or whenever a material change occurs that affects the ability to obtain the best result for the execution of Orders on a consistent basis. Material changes are significant events that could impact the Executions Factors, in particular Total Consideration and include, but are not limited to:

- Changes in the applicable regulatory framework
- Significant changes to The Bank's organizational setup that could impact its ability to achieve the best possible result for the clients on a consistent basis
- The Bank's best execution monitoring processes show an inability to achieve the best possible result for the Clients on a consistent basis.

The Client will be informed of any material changes to the Best Execution Policy which will be published on the Bank's website: <https://www.credit-suisse.com/lu/en/private-banking/best-execution.html>

In addition to adhering to this Policy, the Bank follows internally defined Best Execution guidelines in order to ensure that the right systems and processes are in place to enable Best Execution delivery on a consistent basis.

The Bank endeavors to answer any requests for information around the Best Execution Policy and the processes outlined clearly and in reasonable time.

Schedule 1: Financial Instruments in scope of this Policy

1	Transferable securities;
2	Money-market instruments ¹ ;
3	Units in collective investment undertakings;
4	Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5	Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
6	Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled, provided that they are traded on a Regulated Market and/or a MTF;
7	Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6 above and not being for commercial purposes, which have the characteristics of other derivative Financial Instruments;
8	Derivative instruments for the transfer of credit risk;
9	Financial contracts for differences; and
10	Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative Financial Instruments, having regard to whether, inter alia, they are traded on a Regulated Market or an MTF;
11	Emission allowances consisting of any units recognized for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme)

In addition, structured deposits are not considered to be financial instruments, but most of the financial instrument related rules and requirements apply to structured deposits as well. Structured deposits are deposits that must be repaid in full at maturity, whereby the payment of interest or a premium, or the interest or premium risk, results from a formula contingent on factors such as an index, a financial instrument or combination of financial instruments, or an exchange rate or combination of exchanges rates.

It is important to note that the Bank does not offer all the aforementioned product categories.

¹ Excluding Money Market instruments that meet the definition of spot contract according to the Article 10 (2) of the Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU.

Schedule 2: Definitions

Bid-ask-spread	The bid is an offer made by an investor, a trader or a dealer to buy a security. The bid will stipulate both the price at which the buyer is willing to purchase the security and the quantity to be purchased. Ask is the opposite of bid i.e. the price for which a seller is willing to sell a security. The terms "bid" and "ask" are used in most financial markets covering equities, bonds, currencies and derivatives.
Specific Client Instruction	Client Specific Instructions are instructions provided to the Bank by a client when placing an order for execution, examples of such instructions are, but are not limited to, the selection of a limit price, a period of time the order may remain valid or a request to execute the order on a specific venue.
Execution Quality Report	Under MiFID II Execution Venues are required to report on the execution quality achieved, published on a quarterly basis.
Execution Venue	A regulated market, multilateral trading facility, organized trading facility, systematic internalizer or a market maker or liquidity provider, or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
Financial Instrument	Financial Instrument is defined in Schedule 1.
Financial Service Providers	Financial service providers are persons who provide financial services on a commercial basis in Switzerland or for clients in Switzerland, with the criterion of a commercial basis being satisfied if there is an independent economic activity pursued on a permanent, for-profit basis.
Intermediary	A company to which the Bank transmits Orders for execution and which either executes the Order received from the Bank on an Execution Venue or transmits the Order received from the Bank to another Intermediary for execution.
Investment Firm	Any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis.
Limit Order	An order to buy or sell a financial instrument at its specified price limit or better and for a specified size.
Liquidity/liquidity provider	The degree to which an asset or security can be bought or sold in the market without affecting the asset price. Liquidity is characterized by a high level of trading activity. A liquidity provider is a sizeable holder of given security or facilitates the trading of the security. Liquidity providers ideally bring greater price stability and distributes securities to both retail and institutional investors.
Market Maker	Entity/person who holds itself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that entity's/person's proprietary capital at prices defined by that entity/person.
MiFID	Markets in Financial Instruments Directive 2014/65/EU of 15 May 2014, as amended.
Multilateral Trading Facility ("MTF")	A multilateral system, operated by an Investment Firm or a market operator, which brings together multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the MiFID.
Order	A verbal, digital or electronic (e.g. Online Banking, Bloomberg) or written instruction to execute a transaction in a Financial Instrument on behalf of a client and accepted by the Bank for execution or for transmission to a third party, including decisions made by the Bank to buy or sell a Financial Instrument in the context of a discretionary portfolio management mandate.
Organized Trading Facility ("OTF")	A multilateral system which is not a Regulated Market or an MTF and in which multiple third party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with the MiFID.
Regulated Market	A multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems and which is authorized and functions regularly and in accordance with the MiFID.
Systematic Internalizer ("SI")	An Investment Firm which, on an organized, frequent systematic and substantial basis, deals in principal capacity when executing Orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.
Total Consideration	The Total Consideration is composed of the execution price of the financial instrument and of all costs directly related to the execution of it. The cost of a transaction includes brokerage, clearing and exchange fees, as well as settlement costs and other third-party fees.
Trading Venue	A Regulated Market, an MTF or an OTF.

Schedule 3: List of Main Execution Venues by Financial Instrument Class

The list of the main Execution Venues by Financial Instrument class used by the Bank is contained in the “RTS 28 Top 5 Venue Report” which is published on an annual basis on the Bank’s website:

<https://www.credit-suisse.com/lu/en/private-banking/best-execution.html>

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Schedule 4: List of Main Intermediaries by Financial Instrument Class

The list of the main Intermediaries by Financial Instrument class used by the Bank is contained in the "RTS 28 Top 5 Venue Report" which is published on an annual basis on the Bank's website:

<https://www.credit-suisse.com/lu/en/private-banking/best-execution.html>

In addition to the intermediaries listed on the "RTS 28 Top 5 Venue Report" mentioned above, 2 new main intermediaries have been selected for the category "*Equity – Shares & Depositary receipt*" in the course of 2023:

- UBS Europe SE
- HSBC Paris France



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Important Notes

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