

1. INTRODUCTION

SOCIETE GENERALE Private Banking (Suisse) SA (hereafter "SGPBS" or the "Bank") has established procedures to protect the interests of its clients and to ensure the best possible results for its customers when executing orders with respect to the purchase or sale of financial instruments as required by Swiss legal and regulatory laws. In doing so SGPBS aims to leverage the global reach and depth of the SOCIETE GENERALE Group whilst maintaining an open architecture philosophy.

SGPBS takes into account all of the criteria described hereafter including the execution price of the order, the overall cost of the transaction, the speed of execution, the size, nature and special characteristics of the order as well as its likelihood of execution. The Bank may, at the customer's request, provide all necessary information showing that it has complied with its "best execution" obligation.

- **Treatment of specific instructions**

Customers are advised that if they place an order containing a specific instruction, such as a request for execution on a particular exchange, SGPBS will not be able to apply the best execution policy described below. SGPBS shall be deemed to have satisfied its best execution obligation to the extent that it executes an order, or a specific part of an order, according to the specific instructions of the customer.

- **Special cases**

Customers are advised that SGPBS may decide to execute orders concerning financial instruments outside the regulated markets or an MTF. SGPBS will exercise this option in compliance with the best execution principles described below.

2. DESCRIPTION OF THE BEST EXECUTION POLICY

In order to satisfy its customers' needs, SGPBS offers a full range of services and executes orders involving a wide variety of financial instruments.

As a result, SGPBS may act as:

- an intermediary (agent) for the customer receiving and transmitting orders for execution by a third-party service-provider for example for securities, bonds, options and listed futures;
- a direct counterparty (principal) in highly specific cases (forward currency transactions, swaps, fiduciary deposits, transactions on precious metals and personalised financial instruments, such as OTC derivatives, etc).

2.1. SGPBS AS A RECEIVER/TRANSMITTER OF ORDERS

Order execution terms may vary according to financial instruments and their specific characteristics, even when SGPBS is acting simply as an intermediary.

As part of its "best execution" obligations towards its customers, SGPBS shall transmit customer orders swiftly and in order of arrival unless the nature of the order or market conditions make it impossible to do so or the interests of the customers require a different course of action.

SGPBS will act with due competence, care and diligence in selecting and appointing the exchange members/counterparties that will execute the transactions. In particular, it will assess the market expertise and reputation of the exchange member/counterparty in question, be it internal or external to the SOCIETE GENERALE Group, as well as their capacity to ensure the best execution of transmitted orders within the meaning of this policy.

Furthermore, SGPBS will take all reasonable steps to obtain, when executing customer orders, the best possible result taking into account the following factors, in order of priority:

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- **Price and total cost** - total cost means the price of the financial instrument plus the costs related to execution, including commissions, execution venue fees, clearing and settlement fees and any other fees or remunerations paid to or received from third parties involved in the execution of the order;
- **Speed of execution / settlement** - the greater the standardisation of the product and the more liquid the market, the faster the execution / settlement will be;
- **The likelihood of execution / settlement and the size of the order** - for non-standard transactions, particularly those that are significantly larger than the ones normally traded on the relevant regulated market, SGPBS may suggest that the customer seeks a price outside of the bid/ask price on the exchange in question. In this specific case, the customer order may not be executed as if it were in the order book of the said exchange;
- **Nature of the order and any other consideration relating to the execution of the order** - On some foreign exchanges, secure settlement may take priority in order to ensure the proper execution and settlement of the transaction. SGPBS reserves the right, after informing customers, to cease transmitting or executing customer orders or have them executed on any market or execution venue or by any exchange member/counterparty presenting recurring problems with settlement and delivery.

However, SGPBS may, in compliance with its obligation to obtain the best possible result for its customers, choose another order of priority from the above list according to market conditions.

Orders concerning the units of collective investment schemes, the subscription, redemption or conversion of units that SGPBS executes on behalf of its customers directly or indirectly with a clearing agency shall be deemed to satisfy best execution criteria.

If an order cannot be executed by an exchange member/counterparty usually selected by the Bank due to the specific nature of the transaction or the security in question, SGPBS or its designated agent may use the counterparty of its choice to facilitate execution of the order.

2.2. SGPBS PROPRIETARY TRADING TO EXECUTE CUSTOMER ORDERS

In the context of transactions concluded with customers on certain financial instruments (forward currency transactions, swaps or personalised financial instruments for example), SGPBS may act as the counterparty of the order received from its customer.

When executing orders, SGPBS undertakes to take all reasonable steps to deliver the best possible result for the customer based on the following criteria:

- Price of the financial instrument - SGPBS undertakes to provide a fair price, taking into account precise market parameters and market conditions prevailing at the time the order is transmitted. To this end, SGPBS has taken only the necessary means for permanent access to specialist centers dedicated to these transactions;
- Speed of execution;
- Likelihood of execution and the size of the order;
- Fees or remunerations paid to or received from third parties involved in the execution of the order.

The execution of transactions within this context is also based on the internal standards described in section 3 below.

2.3. GENERAL PRINCIPLES GOVERNING THE FINANCIAL INSTRUMENTS HANDLED

The Bank will satisfy its best execution policy by handling different financial instruments according to the following principles:

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- **Listed shares and similar instruments:** The Bank's preferred execution venues for listed shares and similar instruments are the regulated markets or a MTF, based on the principle of the most liquid exchange. In the case of orders to sell shares, the execution venue shall, for reasons linked to the cost of execution, be determined mainly by the place in which the securities in question are in custody;
- **Bonds:** The Bank's preferred execution venues for bonds are the over-the-counter markets. However, the Bank reserves the right to execute bond orders on regulated markets or a MTF provided that does not constitute a disadvantage to the Customer. The execution of bond orders may depend on the liquidity of the market;
- **Collective Investment Schemes ("CIS"):** The Bank's preferred execution venues for CIS are the issuers of such instruments or their respective distribution channels. The rapidity of execution of such orders is dependent on the calculation of the NAV as provided for in the prospectus. The Bank reserves the right to use the regulated markets or a MTF for any limit order concerning a CIS;
- **ETF (Exchange traded funds):** The execution of an order for a vehicle such as an ETF or for similar instruments may be subject to market liquidity. Accordingly, the Bank can execute customer orders either in a regulated market or via a MTF platform, while applying the execution policy for listed shares described above, or it can execute customer orders in over-the-counter ("OTC") markets, as long as the client is not placed at a disadvantage by doing so;
- **Other financial instruments:** The best execution principle must be adapted to each financial instrument. Best execution requirements may be more complex to achieve for orders relating to structured products and non-listed financial instruments in general.

3. MONITORING AND REVIEW OF THE POLICY

In principle, SGPBS shall review its best execution policy in case of material changes (news products, new counterparties, etc.). SGPBS will in particular re-examine its policy in the event of a substantial change which affect SGPBS' capacity to continue to obtain the best possible results in the execution of its customers' orders on a consistent basis (e.g. the creation of a new market that quickly manages to capture a large portion of liquidity on financial instruments traded on behalf of customers or, conversely, a dramatic loss of liquidity on the market of these same financial instruments).

4. GLOSSARY

- a) "Order book": identifies buy and sell orders placed on the market for a given market in order to match supply and demand. The security's break-even price is then calculated to streamline the number of transactions.
- b) "Third-party order execution": entering buy or sell agreements on one or several financial instruments on behalf of customers.
- c) "Financial instruments":
 - transferable securities;
 - money-market instruments;
 - units in collective investment schemes;
 - 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 that may be settled physically or in cash;
 - 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 due to a default or other termination event);
 - options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market and/or a MTF;
 - options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that can be physically settled;
 - derivatives used to transfer credit risk;

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- financial contracts for differences;
 - 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.
- d) "Money-market instruments": those categories of instruments that are normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers (excluding instruments of payment).
- e) "ETF- Exchange Traded Fund": an ETF (or Tracker) is a listed mutual fund that is linked to a particular index and designed to replicate the performance of a stock index, which could be an equity, bond or commodity index.
- f) "Regulated market": a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together - in the system and in accordance with its non-discretionary rules - of multiple third-party buying interests in financial instruments in a way that results in a contract, in respect of the Financial instruments admitted to trading under its rules or systems, and which is authorised, subject to regulation by independent authorities and functions regularly.
- g) "Exploitation of a multilateral trading facility (MTF)": the management of a new type of market instituted by the MiFID. MTFs, which are created by one or several financial intermediaries, have a similar aim to the so-called regulated markets, namely to promote the buying and selling of financial instruments within the facility in accordance with non-discretionary rules.
- h) "Over-the-counter transactions": two-way dealing in financial instruments outside the regulated market or a multilateral trading facility.
- i) "Limit order": an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.
- j) "Proprietary trading": in the case of a bank, this service consists in trading against proprietary capital to conclude transactions in financial instruments, including derivatives, temporary security sales and the sale of structured products to customers.