

## Execution Principles

### 1 Purpose

According to Art. 27 of Directive 2014/65/EC on markets in financial instruments (MiFID) investment firms are required to establish rules for executing orders ("Execution Principles") in order to achieve the best possible result in the execution of client orders. These execution principles summarise the measures taken by Bank Vontobel Europe AG ("Vontobel") in the Investment Banking division to achieve this objective and include information on the various execution venues with regard to each class of financial instruments and the decisive factors for the selection of an execution venue, as well as the execution venues at which Vontobel consistently achieves the best possible results in the execution of client orders.

### 2 Scope

The obligation to provide the best possible execution applies only to the execution of orders originating from private investors or professional clients. However, in the Investment Banking division, Vontobel receives orders for the execution of investment services from other financial institutions within the meaning of the German Banking Act, investment service providers or insurance companies (so-called eligible counterparties). In this case, the obligation to achieve the best possible execution does not apply (cf. Art. 30 para. 1 MiFID). However, the contracts awarded by eligible counterparties are based on different circumstances. They originate, for example, from other institutions (e. g. capital management companies), other institutional investors (e. g. insurance companies) or the eligible counterparty itself. In individual cases, however, it is also conceivable to have orders from other professional customers who first forward their orders to the eligible counterparty, which then forwards them to Vontobel for execution.

Since in such cases the eligible counterparty is itself obliged to guarantee the best possible execution of the orders to its customer, it is indirectly obliged to comply with best execution principles. In such cases, Vontobel undertakes to observe the following principles when executing financial commission transactions or arranging investments through the purchase or sale of financial instruments (securities and other financial instruments).

### 3 Commitment to the best possible execution

Within the framework of Vontobel's general obligation to protect the clients' interest, Vontobel has taken precautions to ensure that the best possible result for the client is achieved when executing client orders.

The best possible result is measured primarily by the scale of the total remuneration, i. e. the scale of the purchase or sale price of the respective financial instrument and the costs associated with the execution of the order. Other factors, such as speed and likelihood of order execution, are taken into

account if they contribute to achieving the best possible total remuneration.

### 4 Proprietary trading and systematic internalisation in securitised derivatives

Vontobel voluntarily opted-in to the regime and rules applicable to systematic internalisation and will operate as a systematic internaliser in the "Securitized Derivatives" asset class in the Financial Products Division from 3 January 2018. Vontobel will therefore execute orders for the execution of transactions in securitised derivatives issued by affiliated companies and traded on a stock exchange in the European Economic Area ("managed securities") as a counterparty within its trading activity as principal.

Vontobel also executes orders in securitised derivatives of the Vontobel Group which are not covered as systematic internalisers either as principal or transmits such orders to Bank Vontobel Ltd. for execution (see also section 5 below).

An order placed by a client to execute a transaction in securitised derivatives of the Vontobel Group shall be deemed to constitute the client's consent to the execution of the order outside a trading venue.

Further information on systematic internalisation and its principles can be found on our website:  
<https://www.vontobel.com/en-de/legal-notice/mifid/>.

### 5 Forwarding of Orders in other Financial Instruments

In order to ensure the best possible result for the client when forwarding orders, Vontobel has selected the following facility, which will execute the order:

Bank Vontobel Ltd.

Orders for the purchase or sale of financial instruments are executed by the selected investment services firm in accordance with its arrangements for achieving the best possible result. Bank Vontobel Ltd.'s Best Execution and Order Handling Policy is available at  
<https://www.vontobel.com/en-ch/legal-notice/mifid/>.

### 6 Priority of instructions in executing customer orders

The client's instructions regarding the execution of his order are always given priority. When executing a buy or sell order, Vontobel shall comply with the instructions of the client to the extent required and, if necessary, give instructions to the investment service provider appointed to execute the order.

Note:

The client is expressly informed that in the event of the execution of a client order in accordance with the client's instructions, Vontobel's obligation to achieve the best possible result in this respect is deemed to be fulfilled.

**7 Review of Execution Principles**

Vontobel will annually review the selection of investment service providers to whom client orders are forwarded for execution in accordance with these execution principles. In addition, it will carry out a review if there is evidence that essential criteria underlying the selection of a selected investment services provider do no longer apply.