

Handling of Client Orders & Best Execution Statement

Background

According to the Articles 17 and 18 of the Federal Act on Financial Services (FinSA), Financial service providers shall uphold the principles of good faith and equal treatment when handling client orders and ensure in the execution of their clients' orders that the best possible outcome is achieved in terms of cost, timing and quality.

With this Statement Banque Richelieu (Switzerland) Ltd (the "Bank") informs about its procedures to guarantee these principles vis-à-vis its clients.

This Statement will be provided at any time in its newest version to clients of the Bank on request.

Handling of Client Orders

The Federal Council has issued details on how the handling of client orders shall be organized in order to uphold the principles as stipulated in the FinSA. Namely it mentions the following aspects:

- Financial service providers must have processes and systems which are appropriate with regard to their size, complexity and business activity; and safeguard the interests and equal treatment of clients
- They have to guarantee that client orders are registered and allocated immediately and correctly,
- Comparable client orders need to be executed immediately in the sequence they are received, except when this is not possible owing to the nature of the order or market conditions or is not in the interest of the client.
- Clients' interest must not be impaired in case of pooling orders from different clients or pooling client orders with own transactions,
- Retail clients have to be informed immediately in case of any material difficulties arising which could impair the correct execution of the order.

The Bank has issued specific internal procedures and directives which aim at the correct implementation of the before-mentioned principles and aspects.

The responsible functions and departments are held to execute a strict controlling of the completeness (i.e. all required information available) and validity (correct identification of the client) of all orders before they are accepted by the Bank. In case of any issues or uncertainties at this stage the client is contacted to clear the case and therewith a further processing of the order is guaranteed in the highest possible quality.

Once validated, orders are registered in the relevant Order and Trading system of the Bank guaranteeing a correct sequencing and further processing and tracing of all orders. All client orders as well as any potential internal orders of the Bank are treated in the same manner. The Bank does not perform any pooling of orders.

Orders submitted by clients via e-Banking are automatically registered for execution in the Order and Trading system in the sequence as they are received at the Bank according to their time stamp of receipt.

In case of any issues with regard to the processing of an order, all clients are informed according to the pre-defined communication methods as agreed with the client.

Best Execution of Client Orders

The Bank has outsourced the execution of orders to specialized third parties ("Execution Providers"). The Bank has obliged these Execution Providers in contractual arrangements to follow the best execution principles as stipulated by the FinSA.

The selection of these Execution Providers has been carefully conducted in accordance with relevant statutory and regulatory requirements, with due consideration of the obligation to act in the client's best interest. The Bank has taken into account that the Execution Providers guarantee adherence to the requirements for best possible execution of securities orders. The Bank has also ensured that the Execution Providers hold appropriate banking and securities trading licenses and are duly regulated to conduct this activity.

The best execution approach as agreed between the Bank and the Execution Providers considers next to pricing and cost (fees) for the execution of the orders also qualitative elements such as timeliness, likelihood of execution (e.g. broader market participants in specific market places) and likelihood of settlement and avoidance of other operational risks, depending on the type of financial instrument.

Through regular checks, the Bank ensures that the Execution Providers comply with the defined principles of Best Execution.