

Best execution policy in the undertaking of Clients' execution orders

1. Introduction

BBVA (Suiza) SA (hereinafter, the Bank), as a security dealer is subject to the Stock Exchange and Securities Trading Act which, in Article 11, specifically makes the best execution of Clients' orders a mandatory duty.

Furthermore, in compliance with Article 5 of the Swiss Bankers Association Code of Conduct, the Bank shall undertake best execution in terms of timing, price and quantity for Clients' operations.

2. Scope of the execution policy

The requirement to abide by this policy implies that in its security dealer activity the Bank must:

- 2.1 Adopt reasonable measures aimed at consistently attaining the best possible outcome for Clients or possible Clients, without this implying that said result must mandatorily be attained for each and every one of their orders.
- 2.2 Take into account that said outcome may not always consist of attaining the best price, but furthermore it requires assessing aspects such as the costs associated with the execution, execution and settlement probability or the order volume, amongst others.

3. Best execution policy in rendering the service of executing Clients' orders

In order to attain the best possible outcome for Clients, the following factors shall be taken into consideration:

- Price
- Costs
- Speed
- Execution probability and settlement capacity
- Volume
- Nature of the order
- Credit and operating risk

The Bank considers that under normal conditions the key factors will be price, cost and liquidity, understanding that the centres with the highest liquidity will be those that are able to consistently offer the best prices. Bearing in mind that each individual transaction may be affected by some of the other factors cited, their relative importance will be contingent on factors like:

- The characteristics of the order.
- The financial instruments object of said order.
- Market liquidity at the time when execution is required.
- The execution centres to which said order can be addressed.

4. Equity, Fixed Income, ETFs and Derivative Instruments Traded on Listed Markets

The different, relevant execution centres will be defined for each asset type in terms of their quality and efficiency in executing orders, including regulated markets or any other pool of accessible liquidity amongst these.

When selecting financial intermediaries, compliant with the **corporate risk management policy for third party asset activities**, the Bank takes the following aspects into consideration:

- Legal and regulatory aptitude and not being involved in important lawsuits.
- Market level fees: It should be verified and documented that the fees are market standard.
- Suitable infrastructure to carry out their function.
- To have a best execution or similar policy in place. When executing orders, the broker must seek out the best conditions for the Client in terms of execution price, speed and probability.
- They must be fair dealing: Brokers must trade fairly, compliant with the standards of their profession, including duties like executing orders swiftly, disclosing important information for the investor, passing on prices in agreement with the market and publishing any conflict of interest.

5. Clients' Orders

Contracting orders for the portfolio of one Client may be added to those of other Clients provided that they can be processed equally as one on the market.

The Bank has the mechanisms in place for pre-assigning orders and assigning executions which make it unlikely that adding them together will cause detriment to any Client.

It should be underlined that, to ensure the execution process is even more transparent, in general, all Clients' orders are processed in the order in which requests are received.

6. Review of the execution policy

The Bank shall oversee the effectiveness of its policy for executing investment decision orders, in order to detect and, if necessary, correct any deviation in its application.

Likewise, it shall be periodically verified that the execution centres and the intermediaries assigned, as well as the relative weight assigned to each execution factor or any other aspect of the policy, enable the best possible outcomes to be attained for its Clients.

This review shall take place at least once a year and, in addition, whenever there is any important change which may affect the Bank's capacity to continue offering its Clients the best possible outcomes.