



THE SPECIALIST IN TRADING & INVESTMENT

ORDER EXECUTION POLICY

SAXO BANK (SWITZERLAND) LTD.



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1. INTRODUCTION

- (a) This Policy has been provided to help clients understand how Saxo Bank (Switzerland) Ltd., a private company incorporated in Switzerland (Company no. CHE-106.787.764) and having its registered office at Beethovenstrasse 33, CH-8002 Zürich, Switzerland (hereinafter "**Saxo Bank Switzerland**") executes client orders and how it satisfies its best execution obligations so that clients can make an informed choice on whether to use Saxo Bank Switzerland's services. This Policy is available to Saxo Bank Switzerland's clients upon request and for download on its websites¹. Saxo Bank Switzerland reserves the right to amend or supplement this Policy at any time. Every client should ensure that he/she has read and understood the content of this Policy.
- (b) Saxo Bank Switzerland is a wholly owned subsidiary of Saxo Bank A/S, a company incorporated in Denmark (Company no. 15731249) and having its registered office at Philip Heymans Allé 15, DK-2900 Hellerup, Denmark (hereinafter "**Saxo Bank A/S**").
- (c) In this Policy, Saxo Bank Switzerland and Saxo Bank A/S may be collectively referred to as the "**Banks**".
- (d) Saxo Bank A/S executes all orders of Saxo Bank Switzerland's clients on Saxo Bank Switzerland's behalf. In this respect, Saxo Bank Switzerland can act:
 - (i) as principal in its own name and for its own behalf (hereinafter "**Principal**"); or
 - (ii) as a commission agent in its own name but on behalf of the client (hereinafter "**Commission Agent**").
- (e) Saxo Bank Switzerland normally does not execute client orders through any other dealing venue or counterparty. Saxo Bank Switzerland therefore places reliance on Saxo Bank A/S as its single execution venue. However, in accordance with regulatory requirements, Saxo Bank Switzerland remains solely responsible to its clients for taking all reasonable steps to obtain the best possible result for them.

2. SCOPE

- (a) When dealing with clients, Saxo Bank Switzerland has a general duty to act honestly, fairly, professionally and in the best interest of its clients. In relation to order execution, Saxo Bank Switzerland is required to take all reasonable steps to obtain the best possible result on a consistent basis.
- (b) Saxo Bank Switzerland will execute an order in accordance with this Policy upon acceptance of a client order and when there is no specific client instruction regarding the execution method. The Policy should be read with Saxo Bank Switzerland's General Business Terms and other business terms from time to time governing the relationship between the client and Saxo Bank Switzerland.

3. BEST EXECUTION OBLIGATION

In order to satisfy its best execution obligations, when executing orders on behalf of clients, Saxo Bank Switzerland must take into account a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that it receives and the markets in which it operates.

¹ The policy will be available on www.home.saxo/en-ch for the English version, www.home.saxo/de-ch for the German version and www.home.saxo/fr-ch for the french version.

3.1. Execution Factors

Saxo Bank Switzerland has considered a number of criteria that might be important to clients. These are called the "Execution Factors":

- (i) Price – the market price at which the order is executed;
- (ii) Costs – any additional charges that may be incurred in executing the order in a particular way over and above Saxo Bank Switzerland's normal charges;
- (iii) Speed of execution – this can be particularly important in fast moving markets;
- (iv) Likelihood of execution and settlement – the best price is of little use if Saxo Bank Switzerland cannot execute at it or if the transaction fails to complete;
- (v) Size and nature of the transaction – the way that Saxo Bank Switzerland executes an unusual order (for example, one that is larger than the normal market size or has unusual features such as an extended or shortened settlement period) may differ from the way it executes a standard order;
- (vi) Market impact – the effect that executing a client's order, or showing it to other market participants, might have upon the market; and
- (vii) other factors relevant to particular order types, as applicable.

3.2. Execution Criteria

The relative importance that Saxo Bank Switzerland attaches to the Execution Factors in any particular case may be affected by the circumstances of the order. These are called the "Execution Criteria":

- (i) client characteristics – professional clients may have different needs to retail clients;
- (ii) transaction characteristics – such as the potential for it to have an impact on the market;
- (iii) financial instrument characteristics – such as liquidity and whether there is a recognized centralized market;
- (iv) venue characteristics – particular features of the liquidity sources available to Saxo Bank Switzerland; and
- (v) other relevant circumstances, as applicable.

3.3. Execution Venues

(a) Saxo Bank Switzerland relies on the selection of execution venues by Saxo Bank A/S. A list of execution venues currently used by Saxo Bank A/S is published in the Appendix to Saxo Bank A/S' Order Execution Policy.² The list is updated from time to time and as required. Please note that in exceptional circumstances, Saxo Bank A/S may choose to execute at a venue or entity that is not included in the published execution venue list.

(b) Venues used might include:

- (i) regulated markets;
- (ii) multilateral trading facilities;
- (iii) order crossing networks and other electronic platforms;
- (iv) liquidity provided from Saxo Bank A/S; and

² Saxo Bank A/S' Order Execution Policy (Best Execution Policy) can be downloaded from <https://www.home.saxo/-/media/documents/business-terms-and-policies/best-execution-policy-en.pdf?la=en>.

- (v) other brokers, dealers and market makers.

3.4. Application of the Best Execution Obligation

- (a) Saxo Bank Switzerland will use reasonable endeavours to act in accordance with this Policy but does not guarantee that the best possible price will be obtained in all circumstances. There may be occasions when the Banks change the priorities given to the execution factors and executions criteria outlined in section 3.1 and 3.2, where the Bank deem that execution may not lead to the best possible result as well as our overall obligations in respect of our obligations to take necessary steps to keep an orderly market. The relative ranking of the different execution factors can therefore be dependent upon, for example, the nature of the asset class traded, the liquidity of the relevant market and the time of the trade, whether there has been severe market disruption or a system outage. This ranking reflects the nuances and differences between markets and exchanges, notably when looking at trading on exchange versus OTC products.
- (b) When Saxo Bank Switzerland executes orders on behalf of clients, best execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- (c) When assessing whether best execution has been achieved, Saxo Bank Switzerland does not take account of its standard charges that will be paid by the client irrespective of how the order is executed.
- (d) Best execution applies when Saxo Bank Switzerland executes a transaction on behalf of a client in financial instruments and products as defined by the rules including:
 - (i) Bonds;
 - (ii) Cash Equities;
 - (iii) CFD Equities;
 - (iv) CFD Indices;
 - (v) CFD Commodities;
 - (vi) Futures;
 - (vii) Listed Options;
 - (viii) Rolling Foreign Exchange Spot;
 - (ix) Foreign Exchange Forward; and
 - (x) Foreign Exchange Options.
- (e) Best execution does not apply to:
 - (i) spot foreign exchange transactions undertaken with the intention of converting money from one currency to another, including transactions undertaken to facilitate settlement of other transactions; and
 - (ii) transactions arising from the exercise of an option, in which case Saxo Bank Switzerland will treat an instruction to exercise an option as a specific instruction from the client to exercise the rights under the option contract and will not take account of the state of the underlying market at the time.



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4. TRANSACTIONS WHERE BEST EXECUTION HAS LIMITED SCOPE

4.1. Specific Instructions

- (a) Clients may ask Saxo Bank Switzerland to execute their orders in accordance with specific instructions, either generally or on a case by case basis to the extent that Saxo Bank Switzerland is able to accommodate such requests.
- (b) Where the specific instructions will result in higher costs, Saxo Bank Switzerland may reflect those additional costs in its charges to the client. In this case, Saxo Bank Switzerland will notify the client of its revised charges before accepting the order(s).
- (c) Where the specific instructions conflict with its normal processes, Saxo Bank Switzerland will give the specific instructions precedence. This may result in a different outcome for the transaction. Where there is no conflict, Saxo Bank Switzerland will continue to follow its normal execution policy.

4.2. Automatic Margin Close-Out (Event of client default)

In an event of client default due to insufficient margin, Saxo Bank Switzerland shall seek to immediately terminate, cancel and close-out any and all outstanding positions. Saxo Bank Switzerland retains discretion as to how to handle automatic margin close-outs, including with respect to order execution, fill quantity, aggregation, priority and pricing.

5. ORDER HANDLING

5.1. Execution of client orders

- (a) Saxo Bank Switzerland offers execution only trading to its clients and Saxo Bank A/S executes all Saxo Bank Switzerland client orders on Saxo Bank Switzerland's behalf whether it is acting as Principal or as Commission Agent to the trade. Saxo Bank Switzerland does not execute client orders through any other dealing venue or counterparty.
- (b) Saxo Bank A/S uses automated systems to route and execute client orders and Saxo Bank Switzerland is dependent on Saxo Bank A/S for onward routing of Saxo Bank Switzerland client orders to the appropriate execution venues. Saxo Bank A/S may in turn route its own orders to other market maker firms, venues or exchanges. However, if Saxo Bank Switzerland transact client orders as Commission Agent they are generally automatically routed to an execution venue determined by Saxo Bank A/S to achieve the best execution according to this Policy.
- (c) Saxo Bank Switzerland undertakes to take all steps necessary to resolve any service issues by negotiation with Saxo Bank A/S and to take into full account the operational issues involved in any such decision. Saxo Bank A/S – as the venue provider to Saxo Bank Switzerland – recognises Saxo Bank Switzerland's right to decide to execute trades on an alternative venue in circumstances where there is a continued and serious deterioration in the quality of the service of Saxo Bank A/S to Saxo Bank Switzerland.

5.2. Aggregation and split

An order of a Saxo Bank Switzerland client may, at the discretion of the Banks, be aggregated with the Banks own orders, orders of any of the Banks' associates and/or their clients. Furthermore, the Banks may split a client order as well as aggregate orders where it is unlikely that the aggregating of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. However, it remains possible that the effect of any aggregation may work to the disadvantage of any particular client in relation to any particular order.

5.3. Information Sharing

The Bank's may have access to, use and provide counterparties with information on an anonymous and aggregated basis, including but not limited to, the clients' orders (i.e. orders executed in full or part, cancelled, or expired), positions, trade and other data and analytics (collectively, "**Anonymous and Aggregated Data**"). This Anonymous and Aggregated Data may be used for market information, analytical tools, risk management strategies for market making and liquidity provision and other products and services of the Banks. The nature of any Anonymous and Aggregated Data provided to a client may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be changed from time to time without notice to the client or other recipient.

5.4. Market Volatility

- (a) Market volatility may result in the price of a financial instrument moving significantly from the time of receipt of a client order to the time of order execution.
- (b) Clients should be aware that there are risks associated with volatile markets, especially at or near the open or close of the standard trading session and these risks include, but are not limited to:
 - (i) execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices;
 - (ii) delays in executing orders for financial instruments that the Banks must send to external venues and manually routed or manually executed orders;
 - (iii) opening prices that may differ substantially from the previous day's close;
 - (iv) locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which may prevent the execution of client orders;
 - (v) price volatility, and high volume of orders in the market, order imbalances and back logs, which require more time to execute the pending orders. Such delays are usually caused by the occurrence of different factors:
 - (1) the number and size of orders to be processed;
 - (2) the speed at which current quotations (or last-sale information) are provided to the Banks and other brokerage firms; and
 - (3) the system capacity constraints applicable to the given exchange, as well as to the Banks and other firms.

5.5. Orderly Markets

The Banks are obliged to take necessary steps to keep an orderly market, and so operate with "compliance" order filters. Compliance order filters are also present at exchanges and other brokers that might be used by the Banks to route an order to the designated market. The filters might result in orders with large expected market impact being delayed or traded using an algorithm, potentially causing slippage from the expected arrival price. Stop-out or Stop-traded orders are also, at the Banks' discretion, grouped into larger orders and then traded as an algorithm to prevent cascading market impact or large market impact in general. Neither Saxo Bank Switzerland nor Saxo Bank A/S can be held liable for price slippage caused by acting to keep an orderly market and minimize the impact on markets and prices.



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6. REVIEW OF THIS POLICY

Saxo Bank Switzerland will review this Policy regularly and whenever a material change occurs that affects Saxo Bank Switzerland's ability to consistently obtain the best possible result for the execution of client orders. Saxo Bank Switzerland will amend this Policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on Saxo Bank Switzerland's websites and will be in force as from publication.

7. CHARGES

- (a) Saxo Bank Switzerland charges for its services. These may vary depending on factors such as:
- (i) the service it is providing to the client;
 - (ii) the manner in which they are used; and
 - (iii) the pricing plan that the client has agreed to.
- (b) Details of Saxo Bank Switzerland's charges are available on its website. Where it provides liquidity from Saxo Bank A/S internal flow aggregation book, Saxo Bank Switzerland will provide the client with a two way dealing price. In normal circumstances, the difference between the bid price (at which Saxo Bank Switzerland is willing to buy) and the ask price (at which it is willing to sell) will constitute part of its charges for the service provided. For the purpose of assessing whether Saxo Bank Switzerland has achieved best execution, it will not take its standard charges that apply to a client's transactions irrespective of the venue at which they are executed into account. Saxo Bank Switzerland will, however, take account of any charges levied by a third party or incorporated into its prices to reflect cost differentials of dealing at different execution venues.

8. REFERENCE TO THE SAXO BANK A/S' ORDER EXECUTION POLICY

For more detailed information on the handling of order execution, reference is made to Saxo Bank A/S' Order Execution Policy³ as amended from time to time.

³ Saxo Bank A/S' Order Execution Policy (Best Execution Policy) can be downloaded can be downloaded from <https://www.home.saxo/-/media/documents/business-terms-and-policies/best-execution-policy-en.pdf?la=en>.