

UK ORDER EXECUTION POLICY

Effective as of 15th May 2019

UK Order Execution Policy

This policy applies to Retail and Professional clients with accounts advised by or booked into the Private Bank of Standard Chartered Bank in the UK

1. PURPOSE

Under the Rules of the Financial Conduct Authority (“FCA”), the private banking division of Standard Chartered Bank (“SCB”), London (“we”, “our” or “us”) is required to take all sufficient steps to obtain the best possible result (“best execution”) when executing orders in Financial Instruments or receiving and transmitting orders in Financial Instruments for execution on behalf of its clients (“you” or “your”).

As part of our compliance with the FCA’s Rules on best execution, we are required to:

- a) Put in place an Order Execution Policy; and
- b) Obtain your prior consent to it.

We are also required to set out our approach to the aggregation and allocation of orders in respect of our order handling obligations.

2. WHAT IS BEST EXECUTION?

Best execution is the requirement to take all sufficient steps to obtain, when executing orders, the best possible result for clients. Unless we receive any specific instructions from you, to do this we shall take into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order (the “Execution Factors”). To determine the relative importance of the Execution Factors when executing client orders, we shall take into account the execution criteria set out in section 9 of this document (the “Execution Criteria”).

We shall also act in accordance with your best interests when passing your orders to other entities for execution (please see Section 6 for more details). We also have an overriding duty to act honestly, fairly and professionally in accordance with the best interests of our clients.

3. PRODUCT SCOPE

The products that are within scope of the best execution rules are financial instruments including securities such as shares, bonds, units in funds and structured products, as well as financial contracts, such as options, forwards, futures and swaps, whether publicly listed or not.

4. CLIENT’S RELIANCE

This policy applies to both our Retail and Professional clients (as defined by the Markets in Financial Instruments Directive “MiFID”).

For those services in respect of which you have been classified as a Retail client, we will determine the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which include all expenses incurred by you which are directly related to the execution of the order, including fees paid to third parties involved in the execution of the order.

In the absence of any specific instruction from you where you are a professional client, we will provide best execution to you as if you are a Retail client.

5. ORDER EXECUTION – OBTAINING THE BEST POSSIBLE RESULT

Subject to any specific instructions that may be given by you, we will seek to obtain the best possible result for you taking into account the Execution Factors and having regard to the Execution Criteria given below.

6. TRANSMISSION OF ORDERS TO THIRD PARTIES

Where appropriate in some circumstances, we may transmit your order to a third party for execution. Where this happens, we will review the quality of execution in the same way we would for any other execution venue.

In placing orders with a third party, we will, in addition to the factors outlined above, also consider the execution arrangements of the third party we wish to use to determine whether they will allow us to comply with our best execution obligations.

In determining whether a third party is likely to enable us to obtain the best possible results for you, we will consider the following factors:

- a) whether the third party is subject to the requirement of best execution under MiFID;
- b) whether the third party will undertake, by contract, to comply with any or all of the best execution requirements under MiFID in relation to orders passed to it; and
- c) whether the third party can demonstrate that it delivers the appropriate level of execution quality for the kind of orders we are likely to place with it.

For clients advised from SCB in the UK with accounts booked outside the UK, orders will be transmitted to your non-UK booking centre as applicable for execution. Please note that local, not MiFID, Best Execution rules will apply in relation to the execution of the order.

7. EXECUTION FACTORS

While price and cost are often considered to be the most significant factors in the execution of a transaction, there may be circumstances where other Execution Factors should be prioritised. Unless we receive a specific instruction from you, we will use our commercial judgement and experience in light of available market information to achieve the best balance across a range of sometimes conflicting factors. We will take into account the below Execution Factors and their ranking by asset class as provided in the Product Supplement attached to this policy to determine the manner in which your order will be executed. This will include checking the fairness of price for Over-The-Counter (OTC) products using our own internal monitoring and pricing models or via external systems or receiving comparable quotes.

- **Price:** Usually the most important factor in the execution of a transaction which therefore determines a high weighting of this factor to most client activity. This relates to the bid/offer price that is quoted for the instrument you wish to execute.
- **Costs:** The best price may not always offer the best result for a client if it comes at a high cost, either explicit or implicit. Explicit costs include transaction costs (e.g. external market fees) and implicit costs result from how a trade is executed (e.g. as an immediate or standing order or in a block).
- **Speed:** Volatility and liquidity may mean that for certain orders timeliness of execution becomes more dominant, for example in a situation with low liquidity the time horizon for achieving best execution may be extended. Where the Bank considers the cost of an adverse market movement is likely to be great, speed of execution may be very important.
- **Likelihood of execution and settlement:** The likelihood that we can source adequate liquidity with sufficient depth of market, having necessary credit facilities and clearing services in place to guarantee settlement especially for some OTC (over-the-counter) products where there is no formalised market or settlement infrastructure.
- **Size of the order:** Ensuring that orders are executed in a manner which is suitable to the size requested and does not place an adverse effect on the market.
- **Nature or any other consideration relevant to the execution of an order:** Ensuring that any specific instruction or restrictions placed are adequately managed by us, including limit order types. In some cases, due to the nature of your order or the underlying asset class, our choice of venue may be limited, to the extent that there may only be one platform / market upon which we can execute your order. Other considerations include, but are not limited to, counterparty, liquidity and market risks in addition to factors relating to the management of our relationship with you. On any given order, circumstances may indicate that any particular Execution Factor may be a greater or lesser influence on achieving best execution.

Once we have accepted your order, we will consider the different Execution Factors in the context of the instructions that you have provided. Orders might be considered against all Execution Factors, or depending on certain factors, to a limited set of Execution Factors. We will determine the relative importance of each Execution Factor based on the Execution Criteria overleaf.

8. PRODUCT SUPPLEMENT

For information regarding the Bank's order execution arrangements in respect of specific classes of financial instrument, please refer to the Product Supplement. This sets out more detail on the application of best execution in a specific asset class. The supplement should be viewed in conjunction with the scope and application of this Policy. The supplement also provides further information on the application of the relative importance of the execution factors for different types of activity.

9. EXECUTION CRITERIA

When determining the relative importance of the Execution Factors, we will take the following considerations into account:

- The categorisation of the client: whether they are categorised as a Retail client or a Professional client.
- The nature of the client order: type of order, the size and whether there are any restrictions or specific instructions placed on the order.
- The nature of the financial instruments that are the subject of that order: different instruments will have different levels of liquidity, execution strategies and methodologies. General prevailing conditions in the market at the time of the order may also influence the relative importance of Execution Factors.
- The nature of the Execution Venues to which that order can be directed: we maintain access to a range of Execution Venues and liquidity providers to obtain the best possible result for the execution of your orders. Depending upon the specific nature of your order or requirements, we may be restricted to one single source of liquidity or in the OTC markets, qualities of participants to transact with. The venues could have specific methods of execution which do not allow us the flexibility to execute your orders in a specified manner.

For further information see the Product Supplement.

10. SPECIFIC CLIENT INSTRUCTIONS

Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with that specific instruction. Where your instruction relates to only part of the order, we will continue to apply our Order Execution Policy to those aspects of the order not covered by your specific instruction. Specific instructions that may fall under this clause might for example include a specific price instruction, or an instruction to execute at a specific time of day or instruction to execute at a selected venue.

You should be aware that providing specific instructions to us in relation to the execution of an order may prevent us from taking the steps designed and implemented in our Order Execution Policy to obtain the best possible result for the execution of that order in respect of the elements covered by those instructions.

11. EXECUTION VENUES

We will act in a principal capacity when executing a client order for all asset classes apart from equities and funds. This policy applies explicitly to the execution of a transaction by us on your behalf in relation to Financial Instruments. Equities and funds will be transacted on an agency basis.

We internalise all orders (with the exception of orders related to equities and funds), whereby you trade with us as principal. We do so on the basis that we can meet our best execution obligation on a consistent basis by doing so.

In meeting our obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution of your orders, we form relationships with other market participants including brokers, venues and banks.

We may use one or more of the following venue types when executing an order on your behalf:

- Regulated Markets;
- SCB acting as Principal; and
- Third party firms and/or brokers acting as Market Makers or other liquidity providers

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Regulated markets are governed by the rules of the regulatory body in the place of jurisdiction of that market. Market participants benefit from the participant protection rules of the relevant exchanges. Examples of regulated markets would be the London or New York Stock Exchanges for equity execution.

External Execution Venues will be subject to a periodic assessment as to the ongoing suitability of the venue in terms of assisting us to meet our best execution obligation. This will include making sure that the comparable costs of executing across different venues are not discriminatory to the execution of your trade. Where necessary, existing Execution Venues may be removed and/or new venues added.

We may use one or more of the following venue types when executing an order on your behalf in the relevant financial instruments:

- Equities – orders will be received and transmitted to an executing broker. These include:
 - o UBS Switzerland AG, BNP Paribas Securities Corp, Exane Limited, Goldman Sachs International, (the full list of approved brokers is available on request);
- Fixed income products – SCB acting as Principal;
- Structured products – SCB acting as Principal;
- Derivatives (FX and non-FX) – SCB acting as Principal;
- Collective Investment Schemes (CIS) – SCB will transact with selected fund execution platforms including Vestima in the execution of fund order direct with Fund Houses and/or through their Transfer Agents.

For business advised from the UK but booked into other SCB entities, SCB acting as principal will be the respective SCB entity where you hold your account. Please note that entities used for Equity execution may vary by respective booking centre.

12. REPORTING REQUIREMENTS

In line with regulatory requirements, on an annual basis, for each class of Financial Instrument we will make public the top 5 Execution Venues in terms of trading volumes for each class of Financial Instruments, where we have executed client orders in the preceding year together with information on the quality of execution obtained. This will include circumstances where we are the Execution Venue for the execution of client orders. Trades executed by the Private Bank of Standard Chartered Bank in the UK will be reported in the respective SCB Retail Client Reports.

SCB is also required to produce a supplementary summary alongside reports on the top five Execution Venues to explain its analysis and conclusions on the quality of execution obtained on the Execution Venues where client orders were executed in the given class of financial instruments. The report will include, amongst other things, an explanation of the relative importance that SCB gave to the execution factors when assessing the quality of execution obtained for client orders.

SCB is further required to produce and publish quarterly reports of daily aggregated data pertaining to the quality of execution provided when executing client orders in its capacity as a liquidity provider. This will be provided in line with SCB's regulatory obligations.

13. CLIENT ORDER HANDLING, ALLOCATION AND AGGREGATION

When handling orders, our objective is to carry out otherwise comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the best interest of the client require otherwise.

Certain orders that you have instructed us may have non-standard characteristics, such as the size of the order being larger than the standard market size and/or the liquidity available at best price in the market at the time of order receipt. The Bank may use its discretion for such orders including splitting the order according to a trading schedule which reduces the overall market price impact of your order. We will endeavour to promptly inform clients subject to this policy should there be material difficulties impacting the Bank's ability to execute an order. In all circumstances where there is discretion, SCB will use its professional judgment to give due consideration to relevant execution factors. Further information can be found in the product supplement.

We will not aggregate a client's order with another client's order unless it is unlikely the aggregation will work to the disadvantage of any client whose order has been aggregated.

In the event an order is aggregated with a transaction for us, we will not allocate priority to ourselves over a client. However, if we are able to demonstrate on reasonable grounds that without aggregation it would not have been possible to carry out the order on such an advantageous term, then we may allocate the transaction proportionately.

14. CONFLICTS OF INTEREST

SCB has policies and procedures in place designed to identify, monitor and mitigate Conflicts of Interest. For the avoidance of doubt SCB does not participate in any payment for order flow arrangements. For further information on Conflicts of Interest please see the SCB website.

15. CLIENT REQUESTS

Where this policy applies SCB is required to provide clients on request evidence that Best Execution was provided on the transaction. SCB will endeavour to respond to all requests in a reasonable time.

16. MONITORING AND REVIEW

We will assess on at least an annual basis, the effectiveness of our order execution arrangements and Order Execution Policy in order to identify any deficiencies and implement any appropriate improvements to ensure that it continues to provide the best possible result for our clients. The review will also include any execution service provided by any external broker. Such a review will also be carried out whenever a material change occurs that affects our ability to continue to obtain the best possible result for the execution of our client orders on a consistent basis. As required by Regulation, we shall assess whether a material change has occurred and shall consider making changes to the relative importance of the Execution Factors in meeting our overarching best execution requirement. For the purposes of this paragraph a material change shall be a significant event that could impact parameters of best execution such as the Execution Factors.

We have implemented an internal governance and control framework via a Best Execution Governance Forum ("the Forum") in order to review and monitor our best execution arrangements (including the Execution Venues and their respective published best execution performance data) on an ongoing basis. This applies equally to trades executed internally with our trading desks as well as externally with the market counterparties. Where appropriate, we will take steps to remedy any material deficiencies identified during the ongoing monitoring process. The Forum is required to consider and implement any updates or enhancements required to meet the obligations to provide clients with the best possible result. As part of the Forum's responsibilities it will also oversee the annual review of the Order Execution Policy and any material changes identified through the review process.

The Bank uses appropriate internally and externally available information on execution venue metrics to conduct ongoing assessments of the quality of execution provided to clients through internalisation. SCB will continually monitor the available information and as additional information and external data becomes available, this will be incorporated into the Bank's pricing controls and reviews.

Based on the above considerations for OTC derivative transactions, SCB will check the fairness of a price when proposing it to clients or receive comparable quotes.

We will notify you in writing of any material changes to our Order Execution Policy.

17. CONSENTS AND INSTRUCTIONS

Where we execute your order we are required to obtain:

- a) Your prior consent to our order execution policy;
- b) Your express prior consent to us executing an order outside a regulated market or Multilateral Trading Facility/Organised Trading Facility on your behalf and that you are aware of the risks of trading outside of a regulated market;*
- c) Your express instruction for the Bank to exercise its discretion as to whether to make limit orders public, where you give the Bank limit orders in relation to shares in equities admitted to trading on an EEA Regulated Market and those orders are not immediately executed under prevailing market conditions.

*Regulated markets are governed by the rules of the regulatory body in the place of jurisdiction of that market. Market participants benefit from the participant protection rules of the relevant exchanges. Examples of regulated markets would be the London or New York Stock Exchanges for equity execution. Multilateral Trading facilities are order matching platforms that are privately operated. These platforms are also subject to regulatory standards of the governing authorities, for example by the requirements of Markets in Financial Instruments Directive for EU countries. These would include platforms such as Bloomberg.

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Organised Trading Facilities bring together multiple buying and selling interests in a number of financial instruments and are not regulated in the same way as regulated markets or Multilateral trading facilities. SCB Private Bank does not use this type of facility for execution of its client orders.

If you place an Order with SCB you will have been deemed to have provided consent.

18. FURTHER INFORMATION

If you require further information about any of the terms used in this document, please contact your Private Banker. A full breakdown by transaction on how we have complied with the best execution requirements is available on request.

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Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

Standard Chartered Bank (trading as Standard Chartered Private Bank) is an authorised financial services provider (licence number 45747) in terms of the South African Financial Advisory and Intermediary Services Act, 2002.

EQUITY

Client orders are transmitted to third party equity brokers who execute the transactions on an agency basis on behalf of SCB. Factors influencing the selection of equity brokers include 1) their geographic and specific expertise in their respective home markets; 2) their market specialism and depth of knowledge in specific markets and 3) other factors such as their ability to handle certain order sizes and specific nature of orders.

Equity broker performance and arrangements are reviewed at least on an annual basis. This Order Execution Policy will be updated to reflect any material change in this regard.

Execution typically occurs over an approved trading platform, but may also be conducted on a direct basis with the broker concerned.

Primary execution factors for this asset class are price and cost, followed by speed. Other relevant factors to consider will specifically be location of the exchange, size of order and type of order.

In terms of Best Execution monitoring we will benchmark against exchange pricing at the time of execution allowing for liquidity and type of share.

FIXED INCOME

SCB executes fixed income orders on a principal basis.

Primary execution factors for this asset class are price and cost, followed by speed. Liquidity and likelihood of execution and settlement will also be important factors to consider. Out of market size orders, or firm prices in illiquid fixed income instruments, for example, may be pre-negotiated with liquidity providers in order to achieve the best possible price for the client.

Best Execution is achieved through comparison of multiple quotes, or for certain illiquid issues, where only a single quote may be available, SCB will use judgement in assessing the fairness of the quote, typically by reviewing the last traded prices and market situation as a whole.

STRUCTURED PRODUCTS

Structured Products are executed on a principal basis. These are over the counter (OTC) products which are manufactured either by SCB or via third parties. Primary execution factors are price, cost and likelihood of execution, followed by speed, due to the bespoke nature of these products. Any third party execution will also bring credit considerations into play as a key factor.

Benchmarking when executed in-house will fall in line with that given for the underlying derivatives below, as used in the structure in question. Execution via third parties will be on the basis of comparison of comparable quotes where available or by valuation of the fairness of the underlying price components where comparable multiple quotes are not available.

DERIVATIVES (FX AND NON FX)

SCB executes OTC derivative products on a principal basis. Primary execution factors are price and cost followed by speed. Transactions are generally executed against internal SCB liquidity. The SCB price is derived based on external and internal reference prices to ensure that the best prices are available on a consistent basis.

In terms of benchmarking SCB will follow a methodology based on the observable prices available in the market. Where external data is limited in scope or quality, internal data may be used as a reference (for example executed prices of comparable trades). Benchmarks may further be modified to make an appropriate comparison. For options benchmarking includes benchmarking inputs to the option pricing against internally and externally available volatility surfaces.

Where SCB opts to execute on a matched principal basis with external parties, the benchmarking will be based on the comparison of multiple quotes.

COLLECTIVE INVESTMENT SCHEMES ("CIS")

Individual CIS will state in their prospectus the way subscriptions and/or redemptions can be purchased/made. Client orders will be transferred to the appropriate venue for execution at the next available valuation point. Please note, we have established internal dealing cut-off times that expire prior to these valuation points. Please contact your relationship manager for more details on these cut-off times.

Glossary of Terms

Agency transactions:	typically transactions in equity and fund products where SCB passes your order to brokers or fund transfer agents for execution rather than taking on principal risk ourselves
Best Execution:	the regulatory obligation to take all sufficient steps to obtain the best possible result for clients when executing orders (or receiving and transmitting orders) on their behalf, taking into account Execution Factors.
EEA:	the European Economic Area.
Executing an Order on Behalf of a Client:	acting to conclude agreements to buy or sell one or more financial Instruments on behalf of clients.
Execution Factors:	this will include factors such as price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a particular order.
Execution Venue:	a Regulated Market, an MTF, a Systematic Internaliser, or a market maker or other liquidity provider or an entity.
Internalised transactions:	transactions where SCB handles and completes a trade itself rather than routing it to another entity.
MiFID:	the Directive 2004/39/EC of the European Parliament and the Council of 21 April 2004 on Markets in Financial Instruments and any implementing directives and local regulations and subsequently MiFID II: the Markets in Financial Instruments Directive 2014/65/EU
Multilateral Trading Facility or MTF:	a multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments in a way that results in a contract in accordance with the provisions of Title II of MiFID II.
Order:	<p>an instruction received from a client whereby specific terms are attached to the instruction, including but not limited to where the transactions cannot be executed immediately. These instructions from clients may or may not result in the execution of a transaction. Such terms can include the following:</p> <ul style="list-style-type: none">- time frames in which to execute a transaction;- price limits applicable to the instruction; or- where the client leaves discretion as to the manner of execution and exact terms of the resulting transaction.
Professional Client:	any natural or legal person that meets the criteria laid down in either Section I or Section II of Annex II of MiFID
Organised Trading Facility or OTF:	a multi-lateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II.
Principal transactions:	transactions where SCB takes on the principal risk in the execution of your trade
Regulated Market or RM:	a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID II.
Retail client:	a client who is neither a professional client nor an eligible counterparty
SCB:	Standard Chartered Bank
Trading Venue:	a Regulated Market, an MTF or an OTF