

Group Best Execution and Order Handling Policy

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Version Control Table

Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
Simon Andrews	Migration to Inline format- Non Material Change(No change to document content)	Non-Material	Nicolas Fanucci	2.1	22/11/2024	31/12/2024

The full version history is included at the end of the document.

1. PURPOSE AND SCOPE

The Group is committed to conducting all transactional activities with skills, fairness and diligence in order to act in the best interests of its Clients. The Group Best Execution and Order Handling Policy (the “**Policy**”) sets out the Group’s approach to providing Best Execution to Clients for the handling and execution of Orders in financial instruments in order to comply with MiFID II and best execution regulations in various countries, including the regulatory rules set out in the Conduct of Business Sourcebook by the Financial Conduct Authority UK.

This Policy applies to the execution of transactions, the handling of Orders and Requests for Quotes (“**RFQ**”) received from Clients.

This Policy is mapped to Trade or Best Execution risk, a level 3 risk within the Group’s Non-Financial Risk Taxonomy. Trade or Best Execution risk refers to the risk of unfair outcomes being provided to Clients when executing their transactions, including inappropriate handling of Client instructions and/or orders, where applicable.

This Policy must be read in conjunction with the Standards mapped to this Policy including supplementary documents that are relevant to Trade or Best Execution risk such as Guidance Notes, Manuals and Department Operating Instructions (“**DOI**”).

2. MANDATORY POLICY STATEMENTS

When handling and executing Orders, including outbound Orders and inter-desk Orders, Staff, who are Order Receiver or Executor, must comply with the following core principles:

- a) Always act in a Client’s best interests in accordance with the relevant Standards;
- b) Determine if an Order or RFQ has been received and act accordingly;
- c) Make sure all parameters for an Order are clearly understood;
- d) Execute all Orders fairly, promptly and in due turn, irrespective of whether the Order is an Order from a Client or an order for a principal transaction on behalf of the Group;
- e) Never front run a Client’s Order;
- f) Obtain the best possible result for a Client when executing an Order or transacting with the Client on the basis of an RFQ;
- g) Only select execution venue(s) that can consistently provide the best possible result when executing Client Orders.
- h) Aggregating Orders with more than one Order, or aggregating Orders with the Group’s Principal Orders should be done in accordance with this Policy and applicable Standards or guidelines;
- i) Allocation of aggregated orders must be carried out in a manner that is prompt, fair, reasonable and defensible for all the relevant Clients;
- j) Always preserve Client confidentiality, including Order and transaction details; and
- k) Maintain accurate and comprehensive records of all Orders and transaction executions using durable and readily retrievable format;
- l) Be transparent with pricing and fee schedules when communicating to Clients

3. RESPONSIBLE ROLES FOR IMPLEMENTING THE MANDATORY POLICY STATEMENTS

Order Receiver

Wealth and Retail Banking (WRB): Staff who take on this role are Relationship Managers, Client Service Managers, Treasury Specialists, and Capital Markets Products & Solutions (“**CMPS**”)Dealers; and

Markets: Staff who take on this role are Sales and Trading Staff.

Order Executor

Wealth and Retail Banking (WRB): CMPS Dealers take on this role;

Markets: Staff who take on this role are Sales and Trading Staff

4. POLICY RELATED AUTHORITIES

All requests for Dispensations to this Policy must be submitted to, and approved by, the Policy Owner and recorded centrally on GovPoint by the requestor.

Relevant CFCC Business Advisory Heads/Standard Approvers and Standard Owners must inform Policy Owner team immediately if there is a dispensation request to Best Execution Standards.

Please refer to the [CFCC Guidelines for Group Dispensations](#) and [CFCC Guidelines for Country Dispensations and Local Addenda](#) for more guidance.

4.1 Local Addendum

Where there are local requirements that are stricter than those set out in this Policy due to local regulatory requirements and/or audit commitments, the stricter local requirements shall prevail and must be recorded in a Local Addendum.

A Local Addendum must be approved by the Country RFO and recorded centrally on GovPoint. Please refer to the [CFCC Guidelines for Country Dispensations and Local Addenda](#) for more guidance.

5. CONNECTED PROCESSES AND ACTIVITIES

The following key processes as per the Group Process Universe and across all countries, are impacted by the above Policy requirements:

CPBB | WM - CMPS Trade Execution

FM | Channel, Sales Management and Client Communication

FM | Trade Initiation, Execution & Capture

6. POLICY EFFECTIVENESS REVIEW

The Group Policy Owner will monitor the effectiveness of this Policy and its underlying Group Standards through the following measures:

- Group Standard owners' review and validation of the effectiveness of the controls relevant to their Standards;
- Oversight conducted by the owners of the Group Standards
- Oversight conducted by CFCC Advisory
- Dispensations permitted against this Policy and the underlying Group Standards
- Feedback, deep dives or compliance monitoring activities, where relevant.

In addition, CFCC may undertake periodic second line assurance through CFCC Assurance Reviews in line with the risk-based prioritisation approach set out in the CFCC Assurance Methodology.

7. INTERCONNECTED POLICIES & STANDARDS

Policy Name	Parent RTF	Policy Owner	Area of connection
Group Data Conduct Policy	Compliance RTF - Data Conduct	Global Head, Data Conduct, CFCC	The Group Data Conduct Policy must be adhered to in respect of embedding and operationalizing of data conduct requirements as stated in the Group Data Conduct Policy and its underlying Standards.
Financial Market Systematic Internaliser Policy	Compliance RTF - Market Conduct	Head, CFCC Advisory, FM, Operations, Controls	Breach of stabilisation requirements may lead to inappropriate handling of Clients' transactions and instructions. When acting as Systematic Internaliser in transactional activities, regulatory requirements must be complied with in accordance with this Financial Markets Systematic Internaliser Policy.
Group Relationships with Clients Policy	Compliance RTF - Market Conduct	Global Head, CFCC, CIB, EA, ASA and AME	Staff should refer to Group Relationships with Clients Policy for requirements related to communication with Clients as well as handling complaints received by Clients.
Group Market Conduct Policy	Compliance RTF - Market Conduct	Global Head, CFCC, CIB, EA, ASA and AME	Staff should refer to the Group Market Conduct Policy for requirements to protect the integrity of markets and proper market conduct standards and expectations.

Policy Name	Parent RTF	Policy Owner	Area of connection
Group Conflicts of Interest Policy	Compliance RTF - Conflicts of Interest	Global Head, CFCC, Frameworks and Policies	Failure to identify, record and/or manage conflicts of interest during the course of a fiduciary relationship may result in unfair customer outcomes. This Policy outlines the overall risk management approach of L3 Conflicts identification and mismanagement under Conflict of Interest.
Volcker Policy	Compliance RTF - Market Conduct	Global Head, Volcker and Swap Dealer Compliance	Violation of a country or extraterritorial regulation specifically applicable to trading activities or investment activities may lead to unfair transaction execution. Staff involved in Proprietary Trading and Covered Fund investments must comply with this Policy to comply with the Volcker Rule.

8. STANDARDS MAPPED TO THIS POLICY

The Standards underpinning this Policy are set out in the table below. The Standards listed in this table are those that are either in effect; or have been approved and are pending implementation, as at this Policy's effective date. Revisions to any Standards after this Policy's effective date will be reflected in the next version of this Policy.

As documented in the table, the role holders listed below (Standard Approver) are deemed to have delegated authority to approve corresponding Standards and corresponding dispensations.

Standard Name	Parent RTF	Standard Owner	Standard Approver
Order Handling Standard for CPBB	Compliance Risk - Client Conduct	Global Head, CMPS and Country Head	Chief Compliance Officer, Affluent and Wealth Management
Best Execution Standard for CPBB	Compliance Risk - Client Conduct	Global Head, CMPS and Country Head	Chief Compliance Officer, Affluent and Wealth Management
Transaction Execution and Order Handling Standard for Financial Markets	Compliance Risk - Client Conduct	Head, CFCC, Advisory, FM, Operations, Controls	Head, CFCC Advisory, FM, Operations, Controls

Standard Name	Parent RTF	Standard Owner	Standard Approver
Best Execution Standard for Financial Markets	Compliance Risk - Client Conduct	Head, CFCC, Advisory, FM, Operations, Controls	Head, CFCC Advisory, FM, Operations, Controls

9. APPENDIX

Appendix A – Definitions

The definitions specific to this Policy are set out below. For Group-wide definitions, refer to the [Glossary of Master Definitions](#).

Term	Definition
Best Execution	<p>The requirement to take all sufficient steps to obtain the best possible result for Clients when executing Orders in financial instruments or receiving and transmitting Orders in financial instruments for execution on behalf of Clients.</p> <p>When performing portfolio management and placing orders with other entities for execution, SCB must always act in the accordance with the best interests of the clients.</p>
Executor	Staff who is responsible for the act of agreeing to the primary economic terms of a transaction with a Client or other related counterparty, such that both parties consider themselves to be bound and at risk.
Order	<p>SCB will be in receipt of an Order where an execution instruction is given that affects a contractual obligation either executable immediately, or where there is discretion available to SCB in the manner of execution and the exact terms of the transaction. This includes 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. Such terms can include the following:</p> <p>Time frames in which to execute a transaction;</p> <ul style="list-style-type: none"> • Execute at a specific level; • Price limits applicable to the instruction; or • Discretion the Client leaves as to the manner of execution and exact terms of the resulting transaction. <p>These instructions from Clients may or may not result in the execution of a transaction.</p>
Order Receiver	Staff who receives the original Order from a Client or subsequently handle the original Order who is not an Executor.
Principal	A capacity in which the Bank may act when handling an Order. The Bank executes Client transactions from its own book or inventory, including where it acts as a market maker.

Term	Definition
Request for Quote (“RFQ”)	A Client asks for a quote in a specific product. In the event that the quote is acceptable, the Client agrees to enter into a transaction on that basis and the transaction is executed immediately without needing to reconfirm any terms with the Client.

Appendix B – Version Control Table

Document Author Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
Lori Lin	New Policy integrating the relevant policies and procedures to comply with the ERMF.	Material	Nicolas Fanucci	1.0	23 Mar 2020	31 Mar 2020
Janeann Macharia	This version update adopts the new ERM Policy template and makes changes to the document contact name and minor changes to the job titles of this documents owner and those identified as interconnected policies and standards. It adopts the names of the new Compliance risk sub types.	Non-material	Stuart Murray Delegate for Nicolas Fanucci	1.1	17 January 2023	1 March 2023

Document Author Name	Changes made	Materiality	Approved by	Version number	Approval Date	Effective Date
Simon Andrews	<p>This version update adopts the new ERM Policy template and makes changes to the document contact names. Key revisions include:</p> <ul style="list-style-type: none"> a) Additional requirement for consistent selection of execution venue b) Additional requirement for transparent pricing and fee schedules c) Inclusion of portfolio management under the “Best Execution” definition d) Inclusion of standard verbiage in a Policy e) Inclusion of references to Risk Taxonomy f) Modification in language used in Section 7: Interconnected Policies and Standards to highlight area of connection 	Material	Nicolas Fanucci	2.0	22 November 2024	31 December 2024