

Annex: Execution Principles for the various types of financial instruments

Taking into account the considerations set out in the execution principles and their weighting according to their relative importance, we arrive at the following execution principles: (sic)

SHARES

We execute orders on a commission basis as follows:

- » **Swiss and Liechtenstein shares and warrants with high market capitalisation (liquid securities)**
Client orders for Swiss and Liechtenstein shares and warrants with high market capitalisation are traded on the Virt-X.
- » **Swiss and Liechtenstein second-line shares and warrants (restricted securities)**
Client orders for Swiss and Liechtenstein restricted shares (second liners) and warrants not traded on Virt-X will generally be executed on Zürich stock exchange. If these securities cannot be traded in Zürich the order will be passed on to the relevant domestic stock exchange.
- » **German shares with high market capitalisation and warrants (liquid securities)**
Client orders for German shares with high market capitalisation and warrants will generally be executed on XETRA. This applies in particular to all shares quoted on DAX, MDAX, TecDAX or SDAX. Securities orders received from XETRA after close of trading will be passed on to Frankfurt Stock Exchange.

- » **German second-line shares and warrants (restricted securities)**

Client orders for German restricted shares (second liners) and warrants not traded or only traded in minimal volumes via XETRA will generally be passed on to Frankfurt Stock Exchange. If trading in Frankfurt is not possible the order will be passed on to the relevant domestic stock exchanges.

- » **Austrian and East European shares**

Orders for Austrian shares and warrants are generally executed on Vienna Stock Exchange. Orders for liquid East European shares traded on Vienna Stock Exchange are generally also executed in Vienna. Other East European share [orders] are passed on to the relevant domestic stock exchanges.

- » **Central and Western European shares and warrants with high market capitalisation (liquid securities)**

Orders for all other European shares and warrants, in particular Central and Western European ones, will be executed via XETRA provided levels of liquidity and tradability are sufficiently high. This applies above all to securities quoted on DJ STOXX and DJ EUROSTOXX 50. If sufficient liquidity in these securities for trading on XETRA cannot be guaranteed the orders will be passed on to the security's largest domestic stock exchange. The judgement as to whether sufficient liquidity exists will be based chiefly on the order size. However, on cost

grounds as many orders as possible will be assigned for trading on XETRA.

» **Central and Western European second-line shares and warrants (restricted securities)**

Orders for all other restricted European shares and warrants will be directed to the largest stock exchange in the country of origin. If a trade on this stock exchange proves impossible the relevant domestic stock exchange will be selected.

» **Worldwide shares and warrants**

Orders for all other worldwide shares and warrants will, on cost grounds, be assigned for trading on XETRA provided sufficient liquidity and tradability exists. If a trade on XETRA proves impossible or the liquidity is insufficient in relation to the order size, the orders will be directed to the stock exchange with the highest liquidity in the country of origin

INTEREST-BEARING SECURITIES

We offer the opportunity to buy interest-bearing securities directly from us and to sell them back to us. We will be glad to provide information on our current offer and prices at any time. Purchases and sales take place at a fixed price agreed with us (fixed-price transaction).

In fixed-price transactions our fee is included in the fixed price. No further costs such as broker's commission are incurred.

Where a fixed-price transaction between us and our client does not occur we pass on client orders for execution on a commission basis as follows:

» **Interest-bearing securities in CHF**

Orders for listed bonds denominated in Swiss Francs, such as government bonds will be directed to Zürich Stock Exchange provided sufficient liquidity exists. Orders for low-liquidity bonds will also be directed to Zürich Stock Exchange though the probability of execution may then be low. Provided the client's consent has been obtained the order will be executed over-the-counter.

» **Interest-bearing securities in EUR**

Orders for listed bonds denominated in euros, such as government bonds and jumbos, will be directed to the relevant stock exchange in the country of origin provided sufficient liquidity exists. Orders for low-liquidity bonds will be passed on to the relevant domestic stock exchange. Provided the client's consent has been obtained the order will be executed over-the-counter.

» **Interest-bearing securities in all other currencies**

Orders for listed bonds denominated in any other cur-

rency, such as government bonds, jumbos, etc., will be directed to the relevant stock exchange in the country of origin provided sufficient liquidity exists. Orders for low-liquidity bonds will be passed on to the relevant domestic stock exchange. Provided the client's consent has been obtained the order will be executed over-the-counter.

CERTIFICATES

We offer certificates and warrants issued both by ourselves and third parties either for subscription or purchase, and if required redemption, at a fixed price (fixed-price transaction). Otherwise we execute client orders as follows:

» **Certificates**

Orders for certificates will generally be assigned to the relevant stock exchange with the greatest liquidity. Certificates tradable on EUWAX will generally be directed to EUWAX. If a trade on EUWAX is not possible the order will be directed to the relevant domestic stock exchange. In cases of low liquidity on the exchanges and provided the relevant client consent has been obtained, orders may also be conducted over-the-counter as direct transactions with the issuer.

INVESTMENT FUNDS

The issue of shares in investment funds at the issue price and their redemption at the redemption price in accordance with the provisions of the Investment Act is not subject to the statutory provisions governing best execution. In compliance with prevailing law we generally execute orders for the purchase or sale of shares in investment funds via investment companies. Orders for exchange-traded funds are executed in line with the principles laid down for trading in shares.

FINANCIAL DERIVATIVES

These include such things as forward financial transactions which are either executed on a stock exchange according to standardised conditions or agreed over-the-counter between ourselves and our clients on an individual basis.

» **Transactions on futures exchanges**

Orders for options and futures are traded in the relevant futures exchange as specified in the contract. If several futures exchanges could be used, preference is given to the one offering the most favourable terms. Accordingly, all products tradable on EUREX are duly traded on EUREX.

» **OTC financial products**

As orders involving OTC financial products are generally transactions between the bank and client which are governed by individual contracts, we refer here to the execution methods laid down in the relevant contracts.



LIST OF POSSIBLE EXECUTION VENUES

Taking into account the considerations set out in the execution principles and their weighting according to their relative importance, we arrive at the following list of execution venues at which client transactions are regularly executed:

		Share-based products				Bond-based products			Commodities & foreign currency	
		Shares	Quoted fund units	Futures & options	Structured products	Fixed Income	Structured products	Futures & options	Futures & options	Structured products
Switzerland										
Zürich	SWX	X	X		X	X	X			
Zürich	virt-X	X	X							
Bern		X								
Eurex				X				X	X	
Germany										
Deutsche Börse	XETRA	X	X		X					
Deutsche Börse	Frankfurt/Scoach	X	X		X	X	X			
Berlin/Bremen		X								
Düsseldorf		X								
Stuttgart/EUWAX		X	X		X					
Hamburg		X	X							
Munich		X	X							
Eurex				X				X	X	
Western Europe										
Belgium	Euronext Brüssel	X	X		X					
Denmark	OMX Kopenhagen	X	X		X				X	
Finland	OMX Helsinki	X	X		X				X	
France	Euronext Paris	X	X	X	X					
Greece	ASE	X	X							
Great Britain	LSE	X	X		X					
Great Britain	Euronext liffe			X				X	X	
Ireland	ISE	X								
Italy	MSE Mailand	X	X		X			X		
Italy	Derivatives Market			X					X	
Netherlands	Euronext Amsterdam	X	X	X	X					
Norway	OSE OSLO	X	X							
Austria	Xetra Wien	X	X							
Portugal	Euronext Lissabon	X	X		X					
Sweden	OMX Stockholm	X	X	X	X			X	X	
Spain	MCE	X	X		X					
Spain	MEFF			X				X	X	
North America										
USA	AMEX	X	X	X						
USA	NYSE	X	X							
USA	NASDAQ	X	X							
USA	CBOT			X				X	X	
USA	CBOE			X						
USA	CBOE FUTURES			X						
USA	CME							X	X	
USA	ISE			X						
Canada	TSX Toronto	X	X							
Eastern Europe										
Poland	WSE	X	X							
Russia	MIB	X	X							
Slovenia	LJSE	X								
Czech Republic	PSE	X	X							
Hungary	BSE Budapest	X	X							
Asia/Pacific										
Australia	ASX	X	X					X	X	
China	Shanghai	X								
Hong Kong	HKEX	X	X							
Japan	Tokyo	X	X	X				X	X	
Korea	Seoul	X	X							
Singapore	SES	X	X							
Thailand	SET	X	X							
Africa/South America										
Brazil	BOVESPA	X	X							
Mexico	BMV	X	X							
South Africa	JSE	X	X							
OTC bonds trading										
OTC with market										
					X	X	X			X