



**UniCredit Bank AG and UniCredit S.p.A  
London Branch (The Bank)**

**Execution Policy Information**

**1 PRELIMINARY PROVISIONS**

**1.1 Introduction**

This information on the basic principles of execution has been prepared by UniCredit Bank AG and UniCredit S.p.A, London branch (the "Bank"), in accordance with requirements as set out in the European Union's Markets in Financial Instruments Directive (MiFID), the German Securities Trading Act and the MiFID implementing rules and guidance as provided by the Financial Services Authority ("FSA") in the United Kingdom.

Please note that the term "domestic" refers to the United Kingdom and the term "foreign" refers to countries other than the United Kingdom.

Information on the financial instruments to which this policy relates can be found in Section 2, Execution of Orders (see below).

**1.2 Ascertaining customer interest**

It is a requirement of MiFID that securities firms compile a policy for the execution of orders in securities operations (hereinafter also referred to as "Execution Policy") in order to achieve the "best possible" result for their customers when executing such orders. Determining the "best possible" place of execution does not imply any guarantee that the best result will in fact be achieved for each individual order. It is critical that the procedure used typically leads to the best possible result for the customer.

The Bank is obliged to prepare this Execution Policy within the framework of statutory guidelines. The Bank sets up the Execution Policy at its own equitable discretion. In compiling its Execution Policy, the Bank has taken into account the following factors:

- The price of the financial instrument;
- The costs associated with executing the order;
- The speed of the execution;
- The probability of the execution and processing of the order;
- The type of order;
- The volume of the order;
- Any other aspects relevant to order execution.

For retail clients, achievement of the best possible result is to be measured in terms of the total fee, which is determined by adding the price of the financial instrument and the costs incurred as a result of executing the order. Other aspects also have been taken into account if they are reflected directly in the total fee.

If the customer has a different assessment of individual factors than the Bank intended when compiling its Execution Policy and therefore prefers the order to be executed on a trading venue other than those specified in the Execution Policy, the customer is entitled to issue a specific instruction as to the preferred place of execution (please note the statement in 2.1).

The Bank assesses the order size, to determine what potential impact it may have on price and cost, and therefore execution venue that may be used.

Customers can specify the type of order when placing the order, although some order types may not be accepted at certain trading venues.

### **1.3 Customer classification**

It should be noted that, in accordance with MiFID requirements, this Policy is not applicable to any client with the classification of Eligible Counterparty. Reclassification can be requested for any such client. The classification may also impact on the execution of an order with regard to place of execution.

### **1.4 Asset classes**

Financial instruments with similar terms and conditions are pooled together to form “asset classes” and are treated equally within the context of the Execution Policy within an asset class.

### **1.5 Scope of application**

The Execution Policy applies to the execution of all orders the customer places with the Bank for the purpose of purchasing or selling securities or other non-securitised financial instruments.

The Bank may execute, at its own discretion while maintaining the customer’s interests, single orders that are placed as discretionary or in a similar form and do not allow the nomination of a single place of execution. In these cases the present Execution Policy does not apply.

In circumstances where the Firm executes trades with you but does not execute an order on your behalf, we would not owe you a duty to provide best execution. This would include, but may not be limited to, circumstances where the Firm is providing either continual quotes or quotes at your request, upon which you subsequently decide to execute.

### **1.6 Trading hours**

Orders received outside the Bank’s or the respective trading venue’s usual trading hours are executed when trading resumes.

### **1.7 Trading venues**

When compiling its Execution Policy, the Bank took into account and assessed, in particular, organised markets, multilateral trading systems, systematic internalisers, market makers and other liquidity providers, as well as comparable companies and institutions in other countries.

The Bank may use an intermediary whenever it does not have direct access to a trading venue. The Bank carefully and diligently selects intermediaries at its own discretion. In order to achieve execution conditions that are as favourable as possible in the customers’ interest, the Bank will regularly review its selection of intermediaries. In other respects, the Execution Policy and trading practices of the respective intermediary will apply.

## **2 EXECUTIONS OF ORDERS**

### **2.1 General provisions**

In ascertaining the “best possible” place of execution the Bank takes into account individual attributes of a particular order.

In some cases, individual order attributes may prevent the Bank from nominating a place of execution that complies with the Execution Policy, taking into account the aim of the customer. In such cases, the Bank only accepts orders with the customer’s explicit instructions concerning the place of execution.

By executing an order according to the customer’s explicit instructions concerning the place of execution, the Bank is deemed to have met its obligations with regard to achieving the best possible result. Instructions in this regard must be given for each individual transaction.

**Note:** If the Bank executes an order according to the customer's explicit instructions, it will not be executed in accordance with this Execution Policy. Customers giving instructions act at their own risk. The Bank will not alert the customer to this fact in each individual case

## **2.2 Equities and similar securities**

In addition to equities and similar securities, this asset class includes exchange-traded funds (ETFs).

### **2.2.1 Domestic equities**

In selecting a trading venue, the Bank will take into account pricing differences between trading venues and the risk of partial execution that may lead to an increase in total cost.

UK equities that make up the leading UK indices, including the FTSE 100 and FTSE 250, are routinely executed over the electronic trading platform of the London Stock Exchange for reasons of high liquidity as well as fast, cost-effective execution.

For all securities in this asset class, the Bank pays particular attention to execution probability, because liquidity cannot be guaranteed in each individual case. If execution over the electronic trading platform of the London Stock Exchange does not seem to be reasonable, the order may be executed at a suitable alternative execution venue.

The Bank does not guarantee that the order in question will be executed at the chosen trading venue on the same trading day. Orders not executed on the same day will remain with the trading venue unless the customer has requested otherwise or has specified the expiry of the order (e.g. in the case of day orders), or the type of order references its expiry (e.g. good until cancelled).

### **2.2.2 Foreign shares**

Generally, the home stock exchange (market in the issuer's country of origin or the lead stock exchange, if different) offers the highest liquidity and therefore usually the highest probability that the order will be executed and routinely at the best prices.

## **2.3 Bonds and similar securities**

This class includes fixed-interest securities and money-market securities as well as other securities similar to bonds.

For all securities in this asset class, the Bank usually offers the opportunity to buy them from or sell them to the Bank directly at market prices. The purchase or sale is then transacted at a fixed price agreed with the Bank (known as fixed-price transaction). The Bank has no obligation to enter into such transactions. If a fixed-price transaction is entered into, the Bank offers an immediate price commitment for these securities during normal trading hours, taking into account the market situation and knowledge of all costs associated with executing this transaction. Furthermore, the Bank performs immediate execution in full in such cases.

## **2.4 Warrants**

The Bank normally offers the opportunity to buy self-issued warrants from or sell them to the Bank directly at market prices.

Orders for warrants from other issuers and for self-issued warrants for which no fixed-price transaction is entered into are executed as commission transactions. The Bank will execute orders for the purchase or sale of warrants listed domestically at a suitable domestic exchange. Orders for the purchase of warrants not listed domestically are executed at the appropriate home exchange. Orders for the sale of such securities are executed on a trading venue in the country where they are deposited, which may be different from the home exchange. Details can be provided to the customer on request when placing the order.

If no adequate exchange can be determined, the Bank may accept the order for OTC execution.

Orders for subscriptions to warrants are executed OTC with the issuer as counterparty.

## **2.5 Certificates and structured bonds**

Any purchase or sale of self-issued certificates and structured bonds (structured investment products) is transacted at a fixed price, agreed with the Bank. Furthermore, the Bank performs immediate execution in full.

Any order for subscriptions concerning structured investment products are executed outside the stock exchange with the issuer as counterparty. Details can be provided to the customer on request when placing the order.

## **2.6 Non-securitised financial instruments**

This asset class includes options, futures, swaps and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures that may be settled physically or in cash. In addition, it includes the above instruments in relation to commodities that has to be settled in cash or for which one of the contracting parties can stipulate physical settlement.

### **2.6.1 Exchange-traded derivatives**

Because of the different nature of financial derivatives contracts at the various derivatives exchanges, the Bank needs the customer to specify an exchange for orders in this product group.

### **2.6.2 Non-exchange-traded derivatives and repurchasing agreements**

In addition to the options, futures, swaps and other derivative contracts in relation to securities mentioned in 2.6, this class also includes securities repurchase agreements and buy/sell-back agreements.

These transactions are concluded between the Bank and the customer on an individual basis. No alternative place of execution is available. The transactions will be concluded with the Bank on the basis of the agreed terms and conditions.

## **3 FINAL CLAUSES**

For individual financial instruments that cannot be allocated to an asset class, the customer has to instruct the Bank as to the place of execution.

If, due to public holidays, trading events or technical restrictions at the time of placing the order, the Bank is unable to execute the order at a trading venue that complies with the Execution Policy, the order can alternatively be executed at a different venue, if the customer's interests are maintained. If the places of execution the Bank has chosen as alternatives are not available either, the Bank needs instructions from the customer as to the place of execution.

If an order is received outside the trading hours of the intended place of execution, the order will only be forwarded to the intended execution venue on the next trading day. If the customer insists on the order to be forwarded on the same day, the Bank needs instructions from the customer as to a specific place of execution. The Bank will not re-allocate the order, even if it is not, or cannot be, executed at the chosen place of execution for an extended period of time. The Bank is responsible for the legal administration of orders not executed immediately or on the first as-of date and for the provision of information in the event of any capital-raising measures, which result in the expiry of an order. The Bank has no further follow-up obligations, such as monitoring whether or not an order is passed for execution. However, it will inform the customer of the status of the order if requested.

Our Execution Policy is reviewed regularly, at least once a year, and amended if necessary. Customers will be informed immediately of any significant changes to the Execution Policy by suitable means. The latest applicable version of the information on order execution will be available on the Bank's London Branch website [www.unicredit.co.uk](http://www.unicredit.co.uk).



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**RE: MiFID Consent<sup>1</sup>**

We acknowledge that:

1. we have received the Bank's Order Execution Policy information document and consent to the policy described therein;
2. we consent to our orders in financial instruments (as defined under MiFID) admitted to trading on a Regulated Market or Multilateral Trading Facility to be executed by the Firm outside a Regulated Market or Multilateral Trading Facility;
3. where an order in respect of shares admitted to trading on an EEA Regulated Market is not immediately executed under prevailing market conditions, we consent to the Firm using its discretion not to immediately make public any limit order;
4. we consent to the Firm providing us with amendments and updates to its Order Execution Policy via its website [www.unicredit.co.uk](http://www.unicredit.co.uk)

Signature:

Date:

Name:

Title:

Duly authorise for and on behalf of: