



Stockbroking

Order Execution Policy

1. Purpose

This policy document sets out information on arrangements for order execution based on the interpretation of key provisions of the Markets in Financial Instruments Directive (MiFID) by Bank of Valletta p.l.c. (hereinafter referred to as “BOV”, “We” or “the Bank”).

2. Scope

Applies to the Bank’s Retail and Professional Clients and to Financial Instruments.

3. Best Execution Factors

The Bank will take all reasonable steps to obtain, when executing a Client Order, the best possible result for the Client taking into account certain execution factors which include price; costs; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of a particular Order.

In general, and surely for Retail Client Orders, the Bank will endeavour to achieve the best economic value when executing orders i.e. the price of the financial instrument and the expense incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to agents involved in the execution of the order.

In the case of order executions on behalf of Professional Clients, price and costs may not necessarily be the determining factors for achieving best execution. Rather, other factors, such as speed, likelihood of execution and settlement, size, and market impact, may determine the achievement of best execution.

4. Aggregation of Orders

The Bank will seek to aggregate orders where it is its opinion that such aggregation will achieve an overall advantageous result for its clients. Although we may aggregate client orders, we will not aggregate client orders together with the Bank’s own proprietary transactions, and such orders may be executed in one or several tranches. Due to demand conditions, several orders may be settled at an average price that BOV considers generally favourable, and therefore there is the possibility that aggregation may in some cases work to the disadvantage of a particular order. When executed, aggregated orders will, to the extent possible, be allocated to clients on the trade date at the calculated average price and costs apportioned on a pro rata basis. If aggregated orders can be executed only in part, we will allocate the executed part to the participants in proportion to the size and conditions of their orders.

5. Specific Client Instructions

Notwithstanding the foregoing, where a Client gives a specific instruction as to the execution of an Order, the relevant part of the Order will be executed in accordance with those instructions. Clients should be aware that providing specific instructions may preclude us from taking the steps we have established to enable the Bank to obtain the best possible result for the execution of such Order.

6. Best Execution Criteria

The Bank will determine the relative importance of the above-mentioned factors based on its commercial experience and judgment in the light of available market information at the relevant time and taking into account the best execution criteria which, amongst others, include:

- i. The classification of the Client as a Retail or a Professional Client;
- ii. The type of Client Order;
- iii. The Financial Instruments that are the subject of that Client Order; and
- iv. The Execution Venues to which that Client Order can be directed.

7. Execution Venues

A list of the Execution Venues used by the Bank in respect of each class of Financial Instruments can be found on the Bank’s website at www.bov.com. This list of Execution Venues is provided for indicative purposes only and includes those Execution Venues on which the Bank relies most. Hence, the Bank reserves the right to use other Execution Venues, where it considers appropriate, in accordance with our Best Execution Policy. The Bank may add or remove any Execution Venues from this list.

The Bank will regularly assess the Execution Venues available in respect of any Financial Instruments that the Bank trades to identify those Execution Venues that will enable it, on a consistent basis, to obtain the best possible result when executing Orders. Following such assessment, the list of Execution Venues will be updated if and where necessary. Clients are advised that they will not be notified separately of any changes to the Execution Venues. Therefore, it is important that clients refer to the list of Execution Venues on the Bank’s [stockbroking website](#) from time to time for the current list of Execution Venues.

8. Choosing An Execution Venue

In order to choose an Execution Venue for a Client Order, the Bank shall use the following methodology:

- i. Unless expressly agreed otherwise with the Client, Client Orders will be treated individually. In this respect, the Bank will not execute a Client Order, whether all or in part, by crossing it with a matching Client Order from another Client;
- ii. BOV will not act as the Execution Venue with the exception of circumstances described in (v) further below;
- iii. Subject to the above, when placing Client Orders, the Bank is required to choose an Execution Venue that it considers the most appropriate. In doing so, the Bank must assess the Execution Venues available to identify those that will enable it, on a consistent basis, to obtain the best possible result for executing Client Orders;
- iv. The Bank is required to take steps so that it does not structure or charge its commissions in such a way as to discriminate unfairly between Execution Venues;
- v. Notwithstanding the above, there may be instances where the Bank may request Clients' written consent to aggregate purchase or sell orders, and subsequently receive trading instructions from individual clients with respect to that holding, which may necessitate the Bank not to execute the latter instructions in the Market thereby resulting in BOV becoming the de facto Execution Venue.

9. Execution Methodology

The Bank will execute a Client Order by one of the following methods or combination of methods:

- i. **On exchange**
Directly with a Regulated Market ("RM") or Multilateral Trading Facility ("MTF") or, where the Bank does not have direct market access to the relevant RM or MTF, with a third party participant with whom the Bank has entered into an agreement for the execution of Client Orders for that exchange or MTF.
- ii. **Outside of a RM or MTF ("off-exchange")**
Either trading a Client Order directly with a Systematic Internaliser ("SI") or Market-Maker ("MM") with whom the Bank has established trading arrangements, or by placing Client Orders with a third party with whom the Bank has an agreement for handling our Clients' Orders. BOV shall place a Client Order with an agent only if it is unable to execute the Client Order ourselves. The Bank will obtain the client's prior express consent before proceeding to execute such client's order outside an RM or MTF.

10. Reception and Transmission of Orders

Subject to any specific instructions that clients may give the Bank pursuant to Para. 4 above, the Bank may transmit an Order received from a Client to a subsidiary or associate of BOV, or to a third party entity, for the execution of that Client Order. In so doing, the Bank will nonetheless act in your best interest in accordance with Paras 3 and 5 above.

11. General Terms of Order Handling

The Bank is required to execute Clients Orders in a prompt, fair and expeditious manner. The Bank will execute comparable Client Orders sequentially in accordance with the time of their reception unless:

- i. Otherwise instructed by the Client;
- ii. The characteristics of the Client Order or prevailing market conditions make this impracticable; or
- iii. The interests of the Client require otherwise.

Unless expressly agreed otherwise with the Client, the Bank's policy is to treat Client Orders individually. However, there may be situations where aggregation is used. In those instances where the Bank receives different Client Orders at the same time and it is in a position to expedite execution by aggregating the individual orders, or where the execution of client instructions requires such instructions to be aggregated, the Bank will consider order aggregation. However, the Bank will aggregate Client Orders only if the relevant aggregation of orders and transactions will, prima facie, (i) work to the overall advantage of any client whose order is to be aggregated; (ii) achieve a collective beneficial outcome that otherwise would not be possible for individual orders; or (iii) in circumstances where the satisfaction of client orders cannot be achieved save through aggregation.

In those circumstances where individual client orders, or part thereof, need to be disadvantaged to achieve the order aggregation, we will only proceed with the aggregation if we disclose to each Client whose order is to be aggregated that the effect of aggregation may work to his disadvantage in relation to a particular order. Indeed, order aggregation may cause liquidity issues in the secondary market. The Bank may only consider such order aggregation after having received the Clients' written consent. Such consent confirms the Clients' understanding and agreement that such order aggregation is subject to a number of risks, including the possibility that clients may receive less than their initial investment should the Bank for instance, be constrained to sell their holding prior to maturity.

In the case of Limit Orders in respect of shares admitted to trading on a Regulated Market which are not immediately executed under prevailing market conditions, the Bank will pass that Order to the relevant Execution Venue unless:

- i. Expressly otherwise instructed by the Client; or
- ii. Limit Order is expected to disrupt the maintenance of an orderly market on the relevant Execution Venue.

12. Review

The Bank will review its order execution arrangements regularly and it will review its Order Execution policy at least annually, and whenever a material change occurs that affects the Bank's ability to continue to obtain the best possible result for its clients. The Bank will inform its clients of any material changes to its order execution arrangements and/or to this policy by posting an updated version of this document on the Bank's website www.bov.com. A copy of the Bank's Order Execution policy may also be obtained from any BOV Branch.

13. Consent

Notification of this Order Execution policy to Clients, shall be considered tantamount to obtaining the clients' consent. When executing a client's order outside a RM or a MTF, the Bank is required to obtain client's prior express consent. Clients will be required to give their express consent in the relative order form at the time of placing the order.

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Bank of Valletta p.l.c. is authorised to act as a trustee by the Malta Financial Services Authority.

Bank of Valletta p.l.c. is a public limited company licensed to conduct Investment Services business by the Malta Financial Services Authority.

Bank of Valletta p.l.c. is an enrolled tied insurance intermediary of MSV Life p.l.c. MSV Life is authorised by the Malta Financial Services Authority to carry on long term business of insurance under the Insurance Business Act 1998.