



1. Best Execution Policy Statement

Butterfield Bank (Guernsey) Limited, Jersey Branch's ("the Bank") Order Execution Policy set out herein describes the way the Bank will execute Foreign Exchange and Securities transactions on behalf of its clients to obtain the best possible result, the factors which will influence the manner of execution and details of the execution venues.

2. Scope of These Procedures

This procedure sets out the approach that the Bank applies to Best Execution as required by the relevant Codes of Practice issued by the Bank's regulator, the Jersey Financial Services Commission ("the Commission" or "the JFSC").

3. Responsibilities

The Treasury and Securities Dealing department of Butterfield Bank (Guernsey) Limited is responsible for transaction order execution in accordance with this Policy.

4. Best Execution Factors

When executing orders, the Bank will take all reasonable steps to obtain the best possible result for its clients by following its published best execution procedure unless instructed in writing by the client, to act in a way which may be different to this procedure.

When applying best execution, consideration will be given to determine the manner in which the order will be executed, that will include but not limited to:

- Price
- Cost (include all expenses 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 third parties involved in the execution of the order)
- Likelihood of execution and settlement
- Speed – business will be transacted in an expeditious manner.
- Size of order
- Nature of order
- Market impact
- Any other consideration relevant to the execution of the order including selection of most appropriate execution venue and the subsequent handling of that order

Each of the factors will not necessarily be given equal weighting in the Bank's evaluation of how to obtain the best possible result and the Bank will determine the relative importance of each of the factors by reference to the following criteria:

- The characteristics of the client including the categorization of the client
- The characteristics and nature of the client Order
- The characteristics of the financial instrument that is the subject of that Order; and
- The characteristics of the execution venues to which the Order can be directed

For the majority of Orders, Price and Cost are likely to be the most important factors. However, the Bank, may in its absolute discretion, decide that other factors listed above are more important and act accordingly.

Where the Bank is authorised to exercise discretion in the execution of its function, it must exercise that discretion in a proper manner and maintain proper records of its actions and decisions.



5. Customer Order Priority

The Bank will deal with client and own account orders fairly and in due turn.

6. Timely Execution

Once the Bank has agreed with a client or decided in its discretion to effect or arrange a client order, it will effect or arrange the execution of the order as soon as reasonably practicable in the circumstances, unless postponement is in the best interests of the client.

7. Fair Allocation

When allocating orders, the Bank will not give unfair preference to itself or to any client for whom they have dealt.

8. Aggregating Orders

The Bank is not permitted to carry out a client order or a transaction for own account in aggregation with another client order unless the following conditions are met:

- it must be disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- order must be allocated to the client within 24 hours
- It is unlikely to disadvantage the client whose order is being aggregated.
- Execution costs will be allocated on a pro-rata basis relevant to the size of each aggregated order.
- Partial execution of an aggregated order will be allocated on a pro-rata basis relevant to the size of each aggregated order.
- Where an aggregated order is not completed in full, the Bank must give priority to the clients orders unless it can clearly demonstrate that the transaction would not have happened on such favourable terms without BBGL Jersey Branch involvement in the deal.

9. Execution Venues

In the absence of any specific client instructions the Bank will direct orders to the venue it considers will provide the best possible result. This may be any one of:

- regulated markets
- liquidity providers or market makers
- third-party brokers
- multilateral trading facilities

10. Best Execution and Settlement Only

Best execution is only applicable where the Bank is executing the trade and settlement only trades are out of scope.

11. Local Regulations

When executing orders, the Bank must comply with the following regulations and codes of practice, which should be consulted for the full text.

- Financial Services (Jersey) Law 1998 - Codes of Practice for Investment Business, Code of Practice for Fund Services Business & Code of Practice for Money Service Business
- Banking Business (Jersey) Law 1991 - Code of Practice for Deposit-taking Business



12. Conflicts of Interest

The Bank must ensure that adequate procedures are implemented to either avoid any conflict of interest arising or, where a conflict arises, keep adequate records of such conflicts and address them: through internal rules of confidentiality; by declining to act or otherwise as applicable which could include by disclosing the nature of the conflict to the client. Where appropriate the Bank must seek written confirmation that it may continue to provide services to the client.

- number of examples where conflicts of interest may arise. However as long as the terms of best execution on exchange (which are detailed below) are met, then there is no breach in the regulations:
- the transaction is executed with or through a member of the relevant exchange under the rules of that exchange
- there is evidence in writing of the effecting of the transaction and of its terms
- All reasonable steps are taken to ensure that the transaction is executed on the terms which are the best available for the client in such circumstances.

13. Material Interest

Where the Bank has a material interest in a transaction, or a relationship that gives rise to a conflict of interest in relation to such a transaction, then it will not knowingly either advise or deal on a discretionary basis. However, this restriction is removed when the firm can demonstrate that it has taken reasonable steps to ensure fair treatment for the client.

14. Compliance Monitoring

Compliance shall establish a periodic review of its execution arrangements and execution procedure to ensure ongoing effectiveness and to identify and correct any potential deficiencies.