

Version 2.0

Best Execution Policy

1 Introduction

- 1.1 This Best Execution Policy (“**Policy**”) describes the measures taken by the relevant entity of the Bitcoin Suisse Group, including Bitcoin Suisse AG and Bitcoin Suisse (Europe) AG (together “**BTCS**”), to obtain the best possible result for its Clients when executing Trade Orders in Crypto Assets.
- 1.2 By issuing the Policy, BTCS complies with the applicable legal and regulatory requirements, including, in relation to Bitcoin Suisse (Europe) AG, Regulation (EU) 2023/1114 (**MiCAR**).
- 1.3 Unless otherwise stated herein, capitalized terms shall have the same meaning as in the General Terms and Conditions (**GTC**) of the respective BTCS entity.

2 Scope

- 2.1 The Policy applies to the exchange of Crypto Assets for Clients and the execution of Trade Orders in Crypto Assets on behalf of Clients. However, it only applies to the extent that BTCS and the Client have not otherwise agreed.
- 2.2 The Policy shall ensure that Trade Orders received from Clients are handled correctly, promptly, and fairly, while taking into account the unique characteristics of the Crypto Assets and the Execution Venues involved as well as the underlying markets and technologies.
- 2.3 “**Trade Orders**” shall mean the instruction given by a Client to BTCS to purchase or sell Crypto Assets for the Client’s account. This encompasses the following services:
- **Exchange of Crypto Assets:** A transaction where Crypto Assets are exchanged for funds, such as fiat currency, or for other Crypto Assets between the Client and BTCS.
 - **Execution of Trade Orders:** A transaction on behalf of the Client to purchase or sell Crypto Assets.
 - **Reception and transmission of Trade Orders for Crypto Assets:** A transaction where BTCS receives from the Client a Trade Order to purchase or sell Crypto Assets and the transmission of that Trade Order to an Execution Venue for execution.

3 Execution Factors

- 3.1 When executing Trade Orders for its Clients, BTCS will take reasonable steps to obtain the best possible result (“**Best Execution**”). To achieve this goal, BTCS considers the following factors (“**Execution Factors**”):
- the **price of the Crypto Asset**, meaning the market price at which the Trade Order in the respective Crypto Asset is expected to be executed;
 - the **costs** associated with the execution of the Trade Order, including fees, commissions, and other charges;
 - the **speed of execution**, meaning the time required to execute the Trade Order;
 - the **likelihood of execution and settlement**, probability that BTCS will be able to complete a Trade Order in whole or in part, and the likelihood that the settlement will occur without issues;
 - the **Trade Order size**, meaning the potential impact of the Trade Order on the price of the Crypto Asset and other relevant market factors;
 - the **nature of the Trade Order**;
 - the **conditions of custody and settlement** of the traded Crypto Assets, including at Execution Venues (where applicable); and/or
 - **any other relevant consideration** BTCS deems relevant with regard to the execution of a Trade Order.
- 3.2 At the Client’s request, BTCS will provide documentation and records that Trade Orders have been executed in accordance with the Execution Factors.
- 4 **Prioritization**
- 4.1 As a principle, BTCS assigns a higher priority to the Execution Factors “**price of the Crypto Asset**” and “**speed of execution**” compared to other relevant Execution Factors.
- 4.2 Depending on the circumstances, BTCS may assign the Execution Factors a different weighting from the prioritization in Section 4.1. In such cases, the following criteria are considered with respect to the prioritization of the Execution Factors:

- the Trade Order characteristics, such as the Trade Order size;
- the Crypto Asset characteristics, such as market availability or market liquidity; and/or
- the Execution Venue characteristics, such as execution and settlement quality.

4.3 BTCS may deviate from the prioritization according to Section 4.1 in its sole discretion, in particular to consider special circumstances, such as illiquid or otherwise distorted markets.

5 Client Instructions

5.1 In the event a Client places a specific instruction with BTCS in relation to certain or all elements of a Trade Order, the Client acknowledges that such instruction will take precedence over other Execution Factors to the extent of such an instruction. Where the Client's instruction relates to only a part of the Trade Order, BTCS will continue to apply the standards outlined in the Policy to those aspects of the Trade Order not covered by the specific instruction.

5.2 BTCS will act in accordance with such instructions to the extent possible and legally permissible. BTCS will inform the Client that any instructions from the Client will prevent BTCS from taking the steps provided in the Policy to obtain the best possible result for the execution of the Trade Orders.

5.3 If a Client gives specific instructions in relation to a Trade Order, BTCS shall have fulfilled its statutory and contractual obligations to the Client if it has used its best efforts to act in accordance with the specific instructions. The Client acknowledges that compliance with a specific instruction relieves BTCS from taking steps that BTCS would otherwise deem necessary to ensure the proper execution of the Trade Order, including achieving the best possible result for the Client.

6 Execution Venues

6.1 To obtain the best possible result for Clients, BTCS executes Trade Orders on one or more trading platforms including OTC trading platforms (together "**Execution Venues**"). It is in BTCS' sole discretion to choose the Execution Venue on which a Trade Order is executed, provided that such Execution Venue can ensure compliance with the Execution Factors and BTCS' internal standards.

6.2 It is in BTCS' sole discretion to add or remove Execution Venues. Execution Venues are subject to a due diligence process which is overseen by an BTCS internal committee. BTCS monitors and reviews Execution Venues used to determine whether they continue to provide the best possible result for Clients with respect to the Execution Factors.

6.3 In doing so, BTCS takes into consideration the following non-exhaustive parameters:

- the ability to execute Trade Orders in a prompt and orderly manner;
- consistency of service quality and availability;
- the operating model and infrastructure, including the security of asset custody and settlement;
- the market coverage; and/or
- trading costs at the Execution Venue.

6.4 BTCS may, at any time, cease to use a specific Execution Venue if deemed unsuitable for the execution of Trade Orders.

6.5 A list of the Execution Venues for Crypto Assets on which BTCS relies for the execution of Trade Orders and the criteria for the assessment of Execution Venues is provided in Annex 1 and Annex 2.

7 OTC Trading Platforms

This Section is only relevant for Clients of Bitcoin Suisse (Europe) AG.

7.1 Bitcoin Suisse (Europe) AG considers Execution Venues that are not subject to MiCAR as over the counter (**OTC**) trading platforms and transactions executed or processed via such platforms as OTC transactions.

7.2 Bitcoin Suisse (Europe) AG obtains the Client's prior express consent to OTC transactions based on its GTC and any individual agreement (where applicable). As part of the onboarding process, the Policy is made available to the Clients and the acceptance thereof is required before any Trade Order can be submitted.

8 Funds

8.1 BTCS generally carries out Trade Orders involving funds, such as fiat currency, as OTC transactions with financial institutions, such as banks.

9 Processing Principles

- 9.1 BTCS executes Trade Orders in a timely, fair and non-preferential manner and does in particular not systematically favor large Trade Orders over smaller ones or Trade Orders of certain Clients, including BTCS' employees, business partners or shareholders, over those of other Clients.
- 9.2 BTCS applies the following principles to the processing of Trade Orders:
- Trade Orders are registered and allocated promptly and correctly;
 - comparable Trade Orders are executed in the sequence they have been received, except where this is not possible due to the nature of the Trade Orders or market conditions, or where this is not in the interest of the Client;
 - the interests of the respective Clients are safeguarded and not impaired when aggregating Trade Orders from different Clients or pooling Trade Orders with BTCS' own transactions and allocating associated trades.
- 9.3 BTCS may aggregate comparable Trade Orders of different Clients and/or BTCS. When aggregating Trade Orders, BTCS will do so in line with the Policy and not contrary to the interests of the Clients. In case an aggregated Trade Order can only be partially executed, either due to operational or market conditions, the allocation of the execution result to the Clients will take place on a proportional basis.
- 9.4 BTCS confirms that it does not receive any remuneration from Execution Venues in return for routing Trade Orders to a particular Execution Venue.

10 Fees, Commissions and Mark-Ups

- 10.1 Authorities require that BTCS demonstrates that it is taking sufficient steps to obtain the best possible result for a Client when the Best Execution obligation arises. BTCS will ensure that mark-ups and spreads charged on transactions for which Best Execution is owed are reasonable, not excessive and within a range that is considered fair for the product type, tenor and size of the Trade Order.

- 10.2 BTCS strictly adheres to laws and regulations concerning the payment and receipt of inducements to and from any counterparty involved in the execution of Trade Orders. BTCS does not receive any kickbacks, rebates or similar monetary or non-monetary incentives in return for routing Trade Orders to a particular Execution Venue.
- 10.3 BTCS may use trade volume-based pricing offered by the execution venues.

11 Monitoring of Best Execution

- 11.1 BTCS has implemented a governance framework and internal control processes through which it monitors the effectiveness of the Trade Order execution arrangements (including this Policy) to identify and, where appropriate, correct any deficiencies.
- 11.2 Through this governance framework and internal control processes, BTCS will assess whether its Execution Venues consistently provide the best possible result for the Client or whether changes are needed to the execution arrangements.
- 11.3 In addition to adhering to the Policy, BTCS follows internal Best Execution guidelines to ensure that adequate systems and processes are in place to provide Best Execution on a consistent basis.

12 Transaction Information

This Section is only relevant for Clients of Bitcoin Suisse (Europe) AG.

- 12.1 BTCS shall regularly publish information about the transactions involving the exchange of Crypto Assets for funds or other Crypto Assets, including transaction volumes and prices.
- 12.2 This information will be made publicly available on the Website of Bitcoin Suisse (Europe) AG.

13 Review and Amendments

- 13.1 BTCS reviews the Policy including annexes at least annually or whenever a material change occurs that affects the ability to obtain the best result for the execution of Trade Orders on a consistent basis.
- 13.2 BTCS reserves the right to unilaterally amend the Policy including annexes at any time and without notice to Clients.
- 13.3 BTCS will notify Clients about any material changes to its Trade Order execution arrangements or the Policy. Material changes include, but are not limited to:

- significant changes in the applicable regulatory framework;
- substantial changes to the selection of Execution Venues which may affect Best Execution for Clients; or
- significant changes to BTCS's organizational setup that could impact its ability to obtain the best possible result for the Clients on a consistent basis.

14 Miscellaneous

- 14.1 BTCS endeavors to answer reasonable requests for information regarding Best Execution and the processes outlined in this Policy clearly and in reasonable time.
- 14.2 The Client will receive a copy of the Policy at the time of entering into the Business Relationship with the respective BTCS entity.
- 14.3 The most recent version of the Policy is available on the Website of the respective BTCS entity.

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Annex 1: Execution Venues

Bitcoin Suisse AG

Coinbase Europe Limited, Ireland
Coinbase Payments Limited, United Kingdom
Kraken (Payward Trading Ltd.), British Virgin Island
Bitstamp Europe S.A., Luxembourg
Binance Holdings Limited, Cayman Island
Galaxy Digital LP LLC, Cayman Island
Galaxy Trading Asia Limited, Hong Kong
Wintermute Trading Ltd., United Kingdom
B2C2 Ltd., United Kingdom
LMAX Digital Broker Limited, Gibraltar
Cumberland DRW LLC, USA
Gate.io (Gate Global Corp.), Panama
Huobi Global S.A., Panama
Bitfinex (BFXWW Inc.), British Virgin Island

Bitcoin Suisse (Europe) AG

Bitcoin Suisse AG, Zug, Switzerland

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Annex 2: Assessment Criteria

The assessment of Execution Venues is based on the “BTCS Exchange Ranking Methodology” which considers the following assessment criteria:

- **Security**
 - CER Overall Cybersecurity Grade
 - Mozilla Observatory Website Security Grade
 - Exchange Hacks / Breaches
- **Legal/Compliance/Regulatory and Transparency**
 - Exchange Legal Entity
 - Exchange Legal Domicile
 - KYC / AML / CFT / Sanctions Compliance
 - On-chain Transaction Monitoring
 - Regulatory Status
 - Custody Solution
 - Public Information on Executive Management
- **Financial Information and Transparency**
 - Financial Statements
 - Proof of Reserves & Liabilities
- **Market Quality**
 - Exchange Lifetime
 - Number of Tradable Coins
 - Exchange Trading Volume
 - Trade Surveillance
- **Penalties**
 - Data Breaches / Leaks of Private Information
 - Charges / Fines following Court Proceedings
 - Sanctions against Exchange and/or Executive Management
 - Pending Lawsuits / Criminal Charges