

## Best Execution Policy

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### 1. Preliminary provisions

#### 1.1 Introduction

The aim of this Best Execution Policy is to ensure the compliance of CACEIS Bank Deutschland GmbH (in the following „the Bank“) when executing customer orders with the provisions of the „Markets in Financial Instruments Directive“ 2004/39/EC (in the following „MiFID“), having been implemented in German Law through the Finanzmarkttrichtlinienumsetzungsgesetz “FRUG” (in particular in the Wertpapierhandelsgesetz “WpHG”).

#### 1.2 Customer classification

In accordance to MiFID/WpHG a Bank has to classify its customers as “retail clients”, “professional clients” or “eligible counterparties”. The classification may have an impact on the execution of an order in regard to the place of execution.

The customers of the Bank have been classified as “professional clients” or “eligible counterparties” in the beginning of their relationship with the Bank. The customers can request a different classification. Nevertheless, the Bank cannot classify customers as “retail clients” because of its differing business model.

#### 1.3 Ascertaining customer interest

According to MiFID/WpHG, securities trading firms are required to compile a Best 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 the Best Execution Policy within the framework of statutory guidelines. The Bank sets up the Best Execution Policy at its own equitable discretion. In compiling its Best 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 volume of the order,
- The type of order,
- Any other aspects relevant to order execution.

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

#### 1.4 Trading hours

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

#### 1.5 Trading venues

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

#### 1.6 Use of intermediary

The Bank uses an intermediary whenever it doesn’t have direct access to a trading venue.

The Bank uses for the execution of orders within derivative contracts in regard to Foreign Exchange (FX) and Money Market (MM) the CACEIS Bank Luxemburg S.A. (CBL). The traders of CBL are acting in the name and on behalf of the Bank and may use further intermediaries for the execution of customer orders.

In order to achieve execution conditions that are as favorable as possible in the customers’ interest, the Bank will regularly review its selection of intermediaries. In other respects, the Best Execution Policy and trading practices of the respective intermediary do apply.

#### 1.7 Forwarding orders regarding subscription rights

The Bank is forwarding orders for the purchase or selling of subscription rights to UniCredit Bank AG, Munich (HVB). HVB is executing such orders pursuant to its own Best Execution Policy.

#### 1.8 Scope of application

The Best Execution Policy applies in general 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 executes, at its own discretion while maintaining the customer’s interests, 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 Best Execution Policy does not apply.

#### Note:

If the Bank executes an order according to the customer’s explicit instructions, it will not be executed in accordance with this Best 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. Execution of orders

### 2.1 General provisions

The Bank assigns the „best possible“ place of execution, taking the individual attributes of order into account.

In some cases, individual order attributes may prevent the Bank from nominating a place of execution that complies with the Best 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.

### 2.3 Other aspects of order execution

The Bank has also taken into account the following aspects of order execution in accordance with legal requirements:

#### 2.3.1 Speed of execution

This refers to the period between the acceptance of the order and the time when it can be executed at the trading venue. The speed of execution at a trading venue is determined to a significant extent by the type of market model.

#### 2.3.2 Probability of execution and settlement

The probability that an order is executed at a trading venue is determined to a significant extent by the liquidity of that venue. Under this aspect, the Bank also considers the risk of partial execution, which may have direct impact on the total settlement costs.

Concerning probability of settlement, the Bank refers to the risk of problematic settlement of securities transactions, which could have a negative impact on delivery or payment.

#### 2.3.3 Type and volume of the order

It is in some cases possible to place different types of orders on the stock exchanges. In addition to purchases and sales, they include limit and additional other types. Customers can specify the type of order when placing the order, although some order types may represent an exclusion criterion for certain trading venues.

### 2.4 Non-securitised financial instruments

Financial instruments with similar criteria were clustered in „asset classes“ and are treated equally within the Best Execution Policy.

The asset class „non-securitised financial instruments“ 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 particular the FX and MM transactions offered by the Bank to the customer do fall within this asset class.

### 2.4.1 Non-exchange-traded derivatives and repurchasing agreements

In addition to the options, futures, swaps and other derivative contracts in relation to securities mentioned in 2.4, this asset class also includes securities repurchase agreements and buy/sell-back agreements.

These are transactions concluded between the Bank and the customer on an individual basis. No alternative place of execution is available. The transactions are concluded with the Bank on the basis of the agreed terms and conditions. The Bank guarantees that the terms and conditions are market-related.

### 2.4.2 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.

## 3. Pricing and costs

The Bank assesses the pricing mechanism of the trading venues in order to determine whether a place of execution is beneficial with regard to pricing. In particular, the price quality depends on the number of market participants, the possibility of commissioning market makers and orientation on a lead stock exchange (reference market principle), if present.

### 3.1 Direct execution by the Bank at a stock market

In addition to the Bank's securities commission, the costs include charges made by third parties (e.g. stock exchange or lead brokers/market makers active in the in the exchanges – including the costs of central counterparty – as well as the units involved in settlement) and market access costs, if these are invoiced to the customer.

### 3.2 Indirect execution through an intermediary

If the Bank does not have a direct access to a trading venue, it will not execute the order directly at the trading venue, but commission an intermediary for this purpose. In this case, the costs include also those of the intermediary.

## 3.3 Special features in regard to the pricing and costs

### 3.3.1 Special features of fixed-price transactions with the Bank

For fixed-price transactions with the Bank, the fees are normally included in the securities' price.

### 3.3.2 Special features for MM transactions

The interest rates in regard to the intraday- and time deposit Money Market transactions are orientated on the attainable interbank interest rates. They are agreed with the customer in a general or special agreement.

#### 4. Customer consent

In the case where the Bank is executing orders on behalf of the customer, the Bank has to inform the customer about the Best Execution Policy and the customer has to give its consent to the Best Execution Policy prior the execution of any order. With receipt of the Best Execution Policy and on its first request for the execution of an order the customer is deemed to have accepted the policy.

#### 5. Final Clauses

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 Best 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.

The Best Execution Policy is primarily supported by system technology. If technical support is temporarily unavailable, the Bank will determine a place of execution at its own discretion while maintaining the customer's interest.

The Best 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 Best Execution Policy by suitable means. The actual applicable version of the Best Execution Policy can be accessed on the Bank's website ([www.caceis.de/de/standorte/deutschland.html](http://www.caceis.de/de/standorte/deutschland.html)).

The correctness and compliance with the Best Execution Policy is supervised by the Federal Financial Supervisory Authority.