

**INFORMATION CONCERNING  
FINANCIAL INSTRUMENTS**

effective from January 2022

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**Introduction**

The following stipulations apply from January 2021 for customers wishing to execute transactions in financial instruments.

**General information on the bank****Name and address of the Bank**

UniCredit Bank AG Arabellastraße 12  
81925 München  
Tel. 0049 (0)89 378-0

**Internet**

[www.hypovereinsbank.de](http://www.hypovereinsbank.de)

**E-Mail:**

[info@unicredit.de](mailto:info@unicredit.de)

**Commercial register entry**

Local Court of Munich (Amtsgericht München) HR B 421 48

**Supervisory authorities**

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)  
Graurheindorfer Str. 108  
53117 Bonn (banking supervision)  
and: Marie-Curie-Str. 24-28  
60439 Frankfurt a.M. (securities supervision)  
[www.bafin.de](http://www.bafin.de)

UniCredit Bank AG is registered with the  
German Federal Financial Supervisory Authority  
(Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin)  
under the number 100027.

European Central Bank  
Sonnemannstrasse 20  
60314 Frankfurt a.M.  
<http://www.ecb.europa.eu/ecb/>

**Foreign Branches**

UniCredit Bank AG  
Milan Branch  
Palazzina C:  
Piazza Gae Aulenti 4  
20154 Mailand  
Italy

Any complaint related to the investment services provided by  
UniCredit Bank AG Milan Branch can be sent to the following  
email-address: [reclami.unicreditbankagmilano@unicredit.eu](mailto:reclami.unicreditbankagmilano@unicredit.eu)

UniCredit Bank AG  
London Branch  
Moor House  
120 London Wall  
EC2Y 5 ET London  
United Kingdom

UniCredit Bank  
New York Branch  
150 East 42nd Street  
10017 5612 New York  
United States of America

**Supervisory authorities of foreign branches**

UniCredit Bank AG, UniCredit Bank AG, New York branch  
and UniCredit Bank AG, Milan Branch are regulated by the  
European Central Bank (Sonnemannstrasse 20, 60314 Frankfurt,  
Germany, internet [www.ecb.europa.eu](http://www.ecb.europa.eu)) and the Bundesanstalt für  
Finanzdienstleistungsaufsicht (the Federal Authority for  
Financial Services – Graurheindorfer Straße 108,  
53117 Bonn and Marie-Curie-Str. 24-28, 60439 Frankfurt,  
Germany, internet [www.bafin.de](http://www.bafin.de)).

UniCredit Bank AG, New York branch is supervised by  
the Federal Reserve Bank of New York and the New York  
Department of Financial Services and UniCredit Bank AG,  
Milan branch is authorised and supervised by the Bank of Italy  
([www.bancaditalia.it](http://www.bancaditalia.it)) and by the Commissione Nazionale per le  
Società e la Borsa (Consob) ([www.consob.it](http://www.consob.it)).

**General information**

Unless otherwise agreed, German is the language used for  
contractual relationships and communication with customers.

Please note that data sheets for securities traded publicly are  
available on the issuer's website and that you can request a  
printed copy from the issuer.

The Bank is a member of the Deposit Protection Fund of the  
Association of German Banks (Einlagensicherungsfonds des  
Bundesverbandes deutscher Banken e.V.).

**Modes of communication**

Communication and orders for securities transactions can only be  
accepted if they are placed personally, by telephone, over Direct  
Banking or via separate agreed channels of communication.

**General information on the safeguarding of securities**

Securities are safeguarded in accordance with the provisions of  
the Special Terms and Conditions for Securities Transactions. In  
line with these provisions, domestic securities are generally held  
at Germany's central securities depository (Clearstream Banking  
AG, Frankfurt), provided such securities have been approved for  
collective safe custody. Foreign securities are generally held in  
the country where they were issued or in the country where they  
were purchased.

Information about the country in which your securities are being  
held in safekeeping is shown on the securities clearing statement.  
You receive ownership, or a legal status similar to ownership, for  
the securities that we hold in safekeeping for you as described  
below (see No. 11 and 12 of the Special Terms and Conditions  
for Securities Transactions). You are thus protected against  
third-party access to your securities in accordance with applica-  
ble foreign laws. We are also liable for the safekeeping of your  
securities in accordance with No. 19 of the Special Terms and  
Conditions for Securities Transactions.

**Interpretation**

Where you receive services from UniCredit Bank AG, London  
Branch and the UniCredit Bank AG, London Branch Schedule  
applies, please refer to the Interpretation provision set out in  
paragraph 2 (Interpretation) of the UniCredit Bank AG, London  
Branch Schedule.

### Information for professional clients and eligible counterparties

Target group of the following information are professional clients and eligible counterparties.

#### Customer classification

We are required by the German Securities Trading Act (WpHG) to classify our customers. If you have not received any other written information from us, then you have been classified as a »retail client« (private client as defined by law).

If you have been classified as a professional client or eligible counterparty, we instruct you that you have the right to be classified as a »retail client«. Retail clients enjoy the highest degree of protection, higher than that provided to professional clients or eligible counterparties.

#### General information on customer orders in financial instruments (with exception of OTC-derivatives)

##### A. Cost information

We will provide information about all relevant costs. If no deviate agreement is made the current interests and costs displayed within the schedule of fees and services are valid.

Please take general information on stock exchange orders to be executed from our price schedules in their currently relevant version.

In an advisory discussion or on demand before a transaction we will disclose the costs specific to the transaction.

In principle you will find costs broken down into product- and service costs. On top we'll disclose any payments received and costs for currency conversion if applicable. Entry-, running- and exit costs will be displayed separately and as total costs in Euro and percent.

##### B. Transaction settlement

We will send a statement to you immediately after an order has been executed. In the case of fixed-price transactions, we will bill you for a securities commission in addition to the purchase price.

##### C. Quarterly and yearly reports

We will send you a securities account statement at the end of each quarter. The statement at the end of the last quarter will also include information on the development of your securities portfolio, as well as a cost overview. You will also receive a yearly securities account statement.

In the case of exchange-traded derivatives, you will receive a monthly report on your derivative position, as well as monthly and yearly statements containing information on the development of your portfolio.

You may inform the Bank electronically or in writing that you wish to receive a statement of the costs of your transactions with the Bank.

##### D. Order placement

An order can be placed in person, on the phone, by e-mail or via other channels agreed upon.

##### E. Transaction reporting acc. to Art. 26 MiFIR

We are required to report to the responsible supervisory authority any transaction executed by you in financial instruments that are subject to a reporting obligation. Such reporting is carried out in accordance with a predefined standard.

Natural persons with single citizenship in the following countries are exempted from the provision that follows: Germany, Austria, France, Hungary, Ireland and Luxembourg.

You must submit to us the documents we need to determine your National ID and immediately inform us of any changes made to the relevant data (e.g. new ID number or expiration date, name changes etc.). The same applies to all authorised representatives and persons who place orders on your behalf for transactions in financial instruments subject to a reporting obligation.

Information on the data used for National IDs can be found here: <https://www.esma.europa.eu/file/19000/download?token=C-6WAJVg>

The Legal Entity Identifier (LEI) is an international, standardized identifier for financial market participants which serves to uniquely identify legal entities (particularly legal persons, but also trading companies and commercial partnerships, associations, professional partnerships, corporations and, under certain circumstances, registered merchants) in transactions in financial instruments subject to a reporting obligation and to fulfil reporting obligations vis-à-vis supervisory authorities. You are required to provide us with your LEI and to renew it on a regular basis.

We reserve the right to refuse to execute transactions subject to a reporting obligation if you fail to provide us with the required information.

##### F. Determination of sales strategy and target market

A sales strategy is defined for every financial instrument and structured deposit. This strategy describes the sales channels we use to offer you a financial instrument or a structured deposit. In addition, a target market (i.e. the typical clients a product is directed towards) is defined for every financial instrument and structured deposit.

We take this target market into account through a comparison of target markets when providing investment advice and when processing purchase orders for transactions without advice. In the case of transactions without advice, the comparison of target markets focuses solely on the client classification and existing knowledge and experience.

If there is no target market, or if the target market or the sales strategy does not apply to you, it is possible in the case of transactions without advice that we will be unable to process an order for the financial instrument / structured deposit in question.

##### G. Recording and archiving of Customer orders

We are required to ensure comprehensive evidence-based documentation of all securities transactions. To this end, all communication relating to investment advice and the acceptance, transmission and execution of client orders is recorded, archived and stored electronically in accordance with legal requirements.

##### a) Records of telephone conversations and electronic communication

In order to better protect retail clients and avoid misunderstandings concerning agreements reached through telephone conversations or electronic communication, we are legally obliged to maintain records of all telephone conversations and electronic communication relating to investment advice and the acceptance, transmission and execution of client orders. Such records serve as proof of agreements and are stored in accordance with legal requirements. Please ensure that your representatives and others who act on your behalf are informed of this policy.

The records can be released to you at your request over a period of at least five years.

If you do not consent to the keeping of such records, we will unfortunately be unable to accept an order from you via such channels.

##### b) Placement of orders in person

Should you place an order with us for a financial instrument or an investment service in person, we will draw up minutes of the corresponding meeting and will provide you with a copy of these minutes upon request.

##### H. Cross-selling (or bundled packages and tied packages)

In the case of investment services combined with other services or products, we inform you as to whether the individual service components can also be booked separately. We also provide

separate information on the costs and fees for all individual service components.

If the risks associated with the overall package or agreement are greater than those associated with the individual components, we will provide retail clients with information on the types of individual risks involved and the effects they have on one another.

#### **I. Delivery of MiFID II – relevant information**

In principle, we are obliged to provide you with the information mentioned here in electronic form. The establishment of a corresponding electronic communication channel requires your cooperation.

#### **J. Restrictions on the Redemption of Investment Funds**

In accordance with § 98 (1b) KAGB, an investment company may restrict the redemption of investment fund units if the investors' redemption requests reach a predefined threshold which the redemption requests can no longer be executed in the interests of the investors as a whole due to the liquidity situation of the assets of the investment fund. The statutory provisions governing the redemption of open-end real estate funds remain unaffected. For further information, please refer to the investment terms and conditions of the respective investment fund and at <https://www.hypovereinsbank.de/hvb/footer/rechtliche-hinweise>.

#### **General information on closing of transactions in OTC-derivatives**

##### **A. Cost information**

In an advisory discussion or on demand before a transaction we will disclose the costs specific to the transaction. You will find costs broken down into product- and service costs. In case of product costs entry-, running- and exit costs will be displayed separately and as total costs in Euro and percent.

##### **B. Trade confirmation**

We will send a trade confirmation to you immediately after a trade has been executed.

##### **C. Valuations and yearly reports**

You will receive a statement of your existing OTC derivative transactions including a valuation as at the respective reference date at least every six months. However, you may also agree on an individual statement (in terms of the interval, date and mailing method). This is always prepared and sent to you on the day after the reference date.

##### **D. Order placement**

An order can be placed in person, on the phone, by e-mail or via other channels agreed upon.

##### **E. Transaction reporting acc. to Art. 26 MiFIR**

We are required to report to the responsible supervisory authority any transaction executed by you in financial instruments that are subject to a reporting obligation. Such reporting is carried out in accordance with a predefined standard.

Natural persons with single citizenship in the following countries are exempted from the provision that follows: Germany, Austria, France, Hungary, Ireland and Luxembourg.

You must submit to us the documents we need to determine your National ID and immediately inform us of any changes made to the relevant data (e.g. new ID number or expiration date, name changes etc.). The same applies to all authorised representatives and persons who place orders on your behalf for transactions in financial instruments subject to a reporting obligation.

Information on the data used for National IDs can be found here: <https://www.esma.europa.eu/file/19000/download?token=C-6WAJVg>

The Legal Entity Identifier (LEI) is an international, standardized identifier for financial market participants which serves to uniquely identify legal entities (particularly legal persons, but also trading companies and commercial partnerships, associations, professional partnerships, corporations and, under certain circumstances, registered merchants) in transactions in financial instruments subject to a reporting obligation and to fulfil reporting obligations vis-à-vis supervisory authorities. You are required to provide us with your LEI and to renew it on a regular basis.

We reserve the right to refuse to execute transactions subject to a reporting obligation if you fail to provide us with the required information.

#### **F. Determination of sales strategy and target market**

A sales strategy is defined for every financial instrument and structured deposit. This strategy describes the sales channels we use to offer you a financial instrument or a structured deposit. In addition, a target market (i.e. the typical clients a product is directed towards) is defined for every financial instrument and structured deposit.

We take this target market into account through a comparison of target markets when providing investment advice and when processing purchase orders for transactions without advice. In the case of transactions without advice, the comparison of target markets focuses solely on the client classification and existing knowledge and experience.

If there is no target market, or if the target market or the sales strategy does not apply to you, it is possible in the case of transactions without advice that we will be unable to process an order for the financial instrument / structured deposit in question.

#### **G. Recording and archiving of Customer orders**

We are required to ensure comprehensive evidence-based documentation of all OTC derivative transactions. To this end, all communication relating to investment advice and the acceptance, transmission and execution of client orders is recorded, archived and stored electronically in accordance with legal requirements.

##### **a) Records of telephone conversations and electronic communication**

In order to better protect retail clients and avoid misunderstandings concerning agreements reached through telephone conversations or electronic communication, we are legally obliged to maintain records of all telephone conversations and electronic communication relating to investment advice and the acceptance, transmission and execution of client orders. Such records serve as proof of agreements and are stored in accordance with legal requirements. Please ensure that your representatives and others who act on your behalf are informed of this policy.

The records can be released to you at your request over a period of at least five years.

If you do not consent to the keeping of such records, we will unfortunately be unable to accept an order from you via such channels.

##### **b) Placement of orders in person**

Should you place an order with us for a financial instrument or an investment service in person, we will draw up minutes of the corresponding meeting and will provide you with a copy of these minutes upon request.

#### **H. Cross-selling (or bundled packages and tied packages)**

In the case of investment services combined with other services or products, we inform you as to whether the individual service components can also be booked separately. We also provide

separate information on the costs and fees for all individual service components.

If the risks associated with the overall package or agreement are greater than those associated with the individual components, we will provide retail clients with information on the types of individual risks involved and the effects they have on one another.

#### I. Delivery of MiFID II – relevant information

In principle, we are obliged to provide you with the information mentioned here in electronic form. The establishment of a corresponding electronic communication channel requires your cooperation.

#### Investment advice

##### A. General information

We inform you that there are limitations on the investment advice we provide as regards financial analyses, financial instruments, issuers and investment services, and that these limitations may be taken into consideration. We further inform you that we have specific preferences with regard to certain financial instruments, issuers and investment services. Some of these financial instruments are sold by financial services providers or issuers with whom we have close legal or business relationships. We need to obtain all required information from you in order to be able to offer you financial instruments and investment services. Access to this information ensures we can offer you the financial instruments and investment services that are right for you and correspond with your risk tolerance and capacity to absorb potential losses. We cannot offer you financial advice if you do not provide us with such information.

##### B. Fee-based investment and payments from third parties

We do not provide investment advice as independent investment advice subject to a fee within the meaning of section 64 subsection 1 no. 1 of the WpHG In connection with investment advice, we may therefore accept and retain third party payments in line with statutory provisions. Our principles for avoiding conflicts of interest in connection with such payments are described in our Conflict of Interest Policy in section 2.

##### C. Sustainability risks

ESG or sustainability risks are events or conditions in the environmental, social or corporate governance areas that, if they occur, could have a material adverse effect on the financial instrument in an unlimited amount. As part of our sustainability strategy, we take sustainability risks into account in our investment advice. Sustainability risks can influence the traditional types of risk and, if they occur, have a significant negative impact on the financial instrument. For example, if special political or economic situations arise, the tradability of the investment may be restricted due to a lack of market liquidity or other restrictions (liquidity risk). When offering only supposedly sustainable financial instruments (»greenwashing«), sustainability risks can also manifest themselves as reputational risks. Natural disasters, allegations of corruption or pandemics can have a negative impact on the price/interest rate/price change risk (market price risk) and thus on the market value. If foreign currency risks are present, the exchange rate of the currency relevant for the financial instrument may change to your disadvantage, e.g. due to political unrest in a country. If sustainability targets have been agreed as part of an ESG OTC derivative, non-fulfillment will also have a negative impact here (e.g., in the case of interest rate derivatives with an ESG link, the fixed interest rate paid by the customer may increase by a predetermined spread if the company does not meet a sustainability condition such as a quantitative target (KPI) or a defined ESG rating documented in the underlying ESG-linked financing). Please note that these are examples and not an exhaustive description of possible impacts of sustainability risks on all traditional risk types. For more details, please visit our website at [www.hvb.de](http://www.hvb.de).

#### Transactions without advice

When we provide you with services for transactions without advice, we first make sure, that you or the person acting on your behalf possess the necessary knowledge and experience with regard to the risks associated with the relevant products and services. We then issue a warning if we determine that a product or service is not suitable for you. You can still place an order with us even if we issue such a warning regarding the lack of necessary knowledge and experience.

Transaction orders made via the securities telephone service and DirectB@nking are always processed within the framework of our operations for transactions without advice.

#### Complaints management

##### Complaints management process

Our goal is to offer you a high-quality service that will make you happy to recommend us to other clients. It is therefore important to us that you should be satisfied with our products and enjoy comprehensive and competent advice and service. If at any time this should not be the case and you feel you have reason to make a complaint, please do not hesitate to contact us, as interaction with you is the only way we can improve our quality of service, optimize our internal processes and increase your satisfaction with our performance. It goes without saying that we examine and resolve your complaints at no cost to you.

##### How to contact us

There is no standard format for complaints, which can be sent to us in a variety of ways:

- personally or via email directly to a customer service representative by telephone (+49 89 378 29299)
- by sending a letter to the following address:

HypoVereinsbank – Member of UniCredit UniCredit Bank AG  
Beschwerdemanagement  
80311 München

- Regular Customers who use online banking can fill out the »Praise and Criticism / HypoVereinsbank ...« online form

##### The information we will need from you

You can help us effectively address your complaint by providing the following information:

- your name and address
- the exact time the event/problem occurred
- a description of the product/service to which your complaint refers
- relevant information on the consultation session

If your complaint is related to a securities account or transaction, you can offer us additional assistance by providing us with information on the following (if you possess such information):

- the product name and the securities identification number
- the date of purchase
- details about your consultation session

##### What you can expect from us

You will immediately be given confirmation that we received your complaint, whereby this confirmation serves as proof that we are addressing your issue. Confirmation is provided in either electronic or written form, depending on the method you used to contact us.

Once you receive confirmation, a customer service representative will be available to answer any questions you may have. In order to avoid any conflict of interest, the decision on the action(s) to be taken to address your complaint will be made by a central and therefore neutral department.

**What we will do to help you**

We take your complaints seriously! After carefully examining your issue with all individuals involved, we will attempt to find a solution that satisfies all parties. Our standard duration for complaint processing is approximately 14 working days. We will inform you of the status of your complaint if we need a little more time to respond to it due to our extensive complaint examination process. If your complaint involves the services of another issuer, or the way that issuer has handled your transaction, we will provide you with the contact data for the company in question.

**Our response**

You will receive a written response from us as soon as we have finished examining your complaint. We will be happy to explain our suggestions for resolving your issue within the framework of regulatory provisions and our business policy guidelines (to the extent that it is possible for us to provide such an explanation). We will also be happy to discuss our suggestions with you personally.

**Sometimes a third party is needed**

Sometimes it will not be possible for us to find a solution that is acceptable to you, despite our extensive efforts to do so. In such a situation, you have the possibility to address your complaint to a neutral third party.

Section H 21 of our General Terms and Conditions describes the ombudsman procedure for consumers. In order to resolve a conflict between a bank and you as a consumer, you can address your complaint in writing to the Customer Complaints department of the National Association of German Banks (Bundesverband deutscher Banken):

Postfach 04 03 07  
10062 Berlin  
Phone: +49 30 1663-3166  
Fax: +49 30 1663-3169  
ombudsmann@bdb.de

Both consumers and non-consumer entities may also initiate legal proceedings in a civil court.

Where you receive services from UniCredit Bank AG, London Branch, please refer to paragraph 7 (Complaints Handling) in the UniCredit Bank AG, London Branch Schedule for information regarding complaints handling.

**Switzerland:**

For business activities with customers in Switzerland we cooperate with the Swiss Ombudsman. The ombuds office for financial service providers (OFD) is a neutral information and mediation centre. It deals with specific complaints from customers to the affiliated financial service providers and their advisors. It is based on Article 74 of the Financial Services Act, which requires financial institutions and financial service providers to be affiliated with an ombudsman's office.

More detailed information and the rules of procedure you can find here: [www.ofdl.ch](http://www.ofdl.ch)

You can address your complaint in writing to:

Verein Ombudsstelle Finanzdienstleister (OFD), Bleicherweg 10, 8002 Zürich.

Phone: +41 (0)78 847 00 36

E-Mail: [ombudsmann@ofdl.ch](mailto:ombudsmann@ofdl.ch)

**Information for retail clients with receivables from banks**

Stocks, bank bonds (especially interest-bearing bonds and securitised derivatives) and other receivables from banks are subject to special provisions. These regulations can have a negative effect on retail clients / contractual partners of a bank if the bank undergoes liquidation.

More detailed information about this topic can be found at: [www.hvb.de/Bankenabwicklung](http://www.hvb.de/Bankenabwicklung) (the printed version of this document is available at all branches of UniCredit Bank AG)

**ACT TO IMPLEMENTING THE SECOND SHAREHOLDERS' RIGHTS DIRECTIVE (ARUG II)**

On January 1, 2020, the German Act Implementing the Second Shareholders' Rights Directive (ARUG II) came into force, which resulted, inter alia, in modifications to the German Stock Corporation Act (AktG). The Act provides that with effect from September 3, 2020 new regulations on shareholder identification and the transmission of information in connection with annual general meetings and other corporate events of listed stock corporations domiciled in the European Union (EU) or in another member state to the Agreement on the European Economic Area (EEA) will come into force. The subject, formats and deadlines for the transmission of information and data are essentially defined in the implementing Regulation (EU) 2018/1212.

According to this provision, a listed stock corporation with its registered office in the EU or the EEA may pursuant to Section 67d AktG request information from a bank that holds shares of this corporation about the identity of the shareholders and about the next intermediary in the intermediary chain holding the shares in safe custody. Accordingly, from September 3, 2020

we are obliged to pass on information about your identity to the requesting listed stock corporation or any requesting intermediary. In these cases, no separate information pursuant to Section 20.1 of the Special Conditions for Securities Transactions will be provided. Otherwise, Section 20.1 of the Special Conditions for Securities Transactions shall remain unaffected.

Legal basis for the disclosure of information is provided in Section 67e AktG, according to which we may process and disclose personal data for the purposes of shareholder identification and/or communication with shareholders, listed stock corporations and intermediaries. There is no right provided to object to the disclosure of information (with the exception of your e-mail address registered with us).

With regard to the e-mail address registered with us, you can make a corresponding declaration to the customer advisor/contact person in case you do not agree to the disclosure of your registered email address to the listed stock corporation.

**AN EXCERPT FROM THE SCHEDULE OF FEES AND SERVICES**

**An excerpt from C. Fees for Investment Services for consumer**

**Execution of client orders for the purchase and sale of securities in the form of commission transactions and fixed-price transactions**

**1 Purchases and sales**

**Commission transactions**

In the event that the Bank executes a client order for the purchase or sale of securities as a commission agent, the Bank shall conclude a purchase or sales contract for the account of the client with another market participant or central counterparty (execution transaction) or else engage another commission agent (intermediate commission agent) to conclude such a contract.

Should securities be purchased or sold by means of a commission transaction, the Bank shall charge the client a securities commission fee. This fee consists of **A) a flat execution fee** and **B) a transaction fee**.

**Fixed-price transactions**

In the event that the Bank and the client should agree on a fixed or determinable price for an individual transaction (fixed-price transaction), this shall result in a purchase contract. In this case, the Bank shall take delivery of the securities as a purchaser from the client or deliver the securities to the client as a seller. Fixed-price transactions are executed over-the-counter.

In the case of fixed-price transactions, the Bank shall charge the client the purchase price plus a securities commission fee. This fee consists of **A) a flat execution fee** and **B) a transaction fee**.

**A) Flat execution fee**

The amount of the flat execution fee varies depending on the execution venue selected.

Over-the-counter	<b>0,00 EUR</b>
XETRA, gettex and Tradegate	<b>3,50 EUR</b>
German execution venues (excluding Stuttgart FX Plus)	<b>7,00 EUR</b>
Other EU Countries	<b>25,00 EUR</b>
Other execution venues	<b>29,00 EUR</b>

The flat execution fee includes the third-party fees charged by execution venues and governments in various countries, as well as other expenses (in particular brokerage fees, trading venue fees and delivery charges) and transactions taxes levied as at 31.01.2021 which the Bank is required to withhold in accordance with local laws. Not included are expenses for changes relating to new or amended transactions taxes that will come into force on 31.01.2021, as well as any VAT due or income taxes that must be paid by the client.

**B) Transaction fee**

The amount of the transaction fee is dependent upon several different factors. The following tables **a) Transaction fee – Domestic** and **b) Transaction fee – Foreign** list the various transaction fees. In the case of newly issued bonds and securitised derivatives, the amount of the transaction fee is based on the issue price of the security rather than its market value. The rule governing minimum fees does not apply here.

**– Partial order executions**

Market conditions may lead in some cases to partial order executions. In the case of partial order executions, the securities commission fee for the first partial execution consists of the flat execution fee A) and the transaction fee B). A minimum one-off fee is charged for the transaction fee; this reduced fee totals €5.11. No minimum fee or flat execution fee is charged for subsequent partial order executions.

**– Cancellation of an order**

**No charge**

**– Calculation of the securities commission fee**

The securities commission fee shall be no higher than the net sales proceeds.

**a) Transaction fee – Domestic**

**– Securities trading**

Type of security	Percentage of market value		
	Branch	HVB Online Banking	HVB Securities Telephone
Stocks, participation certificates, securitised derivatives, ETF/ETC <sup>35)</sup> , warrants	<b>1 %, or not less than 30,00 EUR</b>	<b>0.5 %, or not less than 20,00 EUR</b>	<b>0.5 %, or not less than 30,00 EUR</b>
Interest-bearing securities, convertible option bonds, zero bonds	<b>0.5 %, or not less than 30,00 EUR</b>	<b>0.25 %, or not less than 20,00 EUR</b>	<b>0.25 %, or not less than 30,00 EUR</b>
Subscription rights	<b>1 %, or not less than 2,50 EUR</b>	<b>Cannot be traded via these sales channels</b>	
Investment funds <sup>35)</sup> over-the-counter			
– Purchase	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question.	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question less 25 %.	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question.
– Sale	<b>No charge</b>		
Investment funds <sup>35)</sup> stock exchange			
– Purchase	<b>2.5 %, or not less than 30,00 EUR</b>	<b>0.5 %, or not less than 20,00 EUR</b>	<b>0.5 %, or not less than 30,00 EUR</b>
– Sale	<b>1 %, or not less than 30,00 EUR</b>	<b>0.5 %, or not less than 20,00 EUR</b>	<b>0.5 %, or not less than 30,00 EUR</b>
Other securities	<b>1 %, or not less than 30,00 EUR</b>	<b>0.5 %, or not less than 20,00 EUR</b>	<b>0.5 %, or not less than 30,00 EUR</b>
<b>Investment savings account<sup>35)</sup></b>			
Type of security	Percentage of market value		
	Branch	HVB Online Banking	HVB Securities Telephone
ETFs			
– Purchase over-the-counter	The <b>transaction fee</b> (commission) amounts to 2 % of the respective closing price.	The <b>transaction fee</b> (commission) amounts to 1.5 % of the respective closing price.	<b>Cannot be traded via these sales channels</b>
– Sales stock exchange/ over-the-counter	<b>1 %, or not less than 30,00 EUR</b>	<b>0.5 %, or not less than 20,00 EUR</b>	<b>0.5 %, or not less than 30,00 EUR</b>
Investment funds over-the-counter			
– Purchase	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question.	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question less 25 %.	<b>Cannot be traded via these sales channels</b>
– Sale	<b>No charge</b>		

**b) Transaction fee – Foreign**  
 – Securities trading

Type of security	Percentage of market value		
	Branch	HVB Online Banking	HVB Securities Telephone
Stocks, participation certificates, securitised derivatives, ETF/ETC <sup>35)</sup> , warrants	<b>1 %,</b> <b>or not less than 40,00 EUR</b>	<b>0.5 %,</b> <b>or not less than 40,00 EUR</b>	
Interest-bearing securities, convertible/option bonds, zero bonds	<b>0.5 %,</b> <b>or not less than 40,00 EUR</b>	<b>0.25 %,</b> <b>or not less than 40,00 EUR</b>	
Investment funds <sup>35)</sup> over-the-counter – Purchase	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question.	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question less 25 %.	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question.
– Sale	<b>No charge</b>		
Investment funds <sup>35)</sup> stock exchange – Purchase	<b>2.5 %,</b> <b>or not less than 40,00 EUR</b>	<b>0.5 %,</b> <b>or not less than 40,00 EUR</b>	
– Sale	<b>1 %,</b> <b>or not less than 40,00 EUR</b>	<b>0.5 %,</b> <b>or not less than 40,00 EUR</b>	
Other securities	<b>1 %,</b> <b>or not less than 40,00 EUR</b>	<b>0.5 %,</b> <b>or not less than 40,00 EUR</b>	

**Investment savings account<sup>35)</sup>**

Type of security	Percentage of market value		
	Branch	HVB Online Banking	HVB Securities Telephone
ETFs – Purchase over-the-counter	The <b>transaction fee</b> (commission) amounts to 2 % of the respective closing price.	The <b>transaction fee</b> (commission) amounts to 1.5 % of the respective closing price.	<b>Cannot be traded via these sales channels</b>
– Sale stock exchange/ over-the-counter	<b>1 %,</b> <b>or not less than 40,00 EUR</b>	<b>0.5 %,</b> <b>or not less than 40,00 EUR</b>	
Investment funds over-the-counter – Purchase	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question.	The <b>transaction fee</b> (commission) in the amount of the issue surcharge depends on the capital management company in question less 25 %.	<b>Cannot be traded via these sales channels</b>
– Sale	<b>No charge</b>		

**2 Limit order reservations**

- |  |                  |
|--|------------------|
| a) Placement of/changes to a limit order whose period of validity exceeds one trading day <sup>26)</sup> | <b>5,11 EUR</b>  |
| b) Placement of/changes to a limit order valid for one day   | <b>No charge</b> |

**Safe custody services**
**1 Fees for the safe custody of securities**

The amount of the safe custody fee depends on the market value of the security and the type of custody offered.<sup>21)</sup> The market value of securities and the type of custody are determined at the end of each month. Safe custody fee settlements and the associated debits from the settlement account are then executed at the end of each quarter.

- |                                      |  |
|--------------------------------------|--|
| Minimum monthly safe custody fee:    | <b>At least 4,00 EUR</b>                       |
| – Collective safe custody (domestic) | <b>1/12 von 0,2 % per year of market value</b> |
| – All other types of safe custody    | <b>1/12 von 0,4 % per year of market value</b> |

**2 Redistribution of securities**

**29,75 EUR**

**3 Transfer of securities**

- |   |   |
|---|---|
| – Without payment                                       | <b>No charge</b>                                      |
| – In return for payment (payment/ forward transactions) | <b>1 % of payment amount, not less than 30,00 EUR</b> |

**4 Dispatch/delivery of physical securities certificates**

- |   |                   |
|---|-------------------|
| a) Dispatch   | <b>58,00 EUR</b>  |
| b) Delivery   | <b>kostenfrei</b> |
| – Collective safe custody and other Types of safe custody | <b>58,00 EUR</b>  |
| – Wrapper   | <b>58,00 EUR</b>  |

**5 Redemption of due securities**

**No charge**

**6 Changes to capital**

- |  |  |
|--|--|
| a) Exercising/trading of subscription, option and conversion rights; additional subscriptions, acquisition/buyback offers, cash settlements, settlement of fractional amounts, rectifications, purchase and sale of partial rights | <b>1 % of market value</b><br><b>Not less than 2,50 EUR</b>    |
| b) Reverse/split and bonus shares, stock dividends, separation of covered warrants   | <b>2,50 EUR</b>  |
| c) Other changes to capital  | <b>1 % of market value</b><br><b>or not less than 2,50 EUR</b> |

**– Calculation of fees**

In the case of changes to capital, the maximum fee shall be no higher than the net sales proceeds or settlement amount.

**Other services (counter business)**

- |   |   |
|---|---|
| <b>1 Redemption of coupons/due securities</b>             | <b>0.5 % of coupon value</b><br><b>or not less than 6,00 EUR</b>      |
| – Bank's own issues and third-party issues <sup>29)</sup> | <b>No charge</b>  |
| <b>2 Redemption of foreign currency coupons</b>           | <b>0.75 % of coupon value</b><br><b>or not less than 8,00 EUR</b>     |
| <b>3 Denominated securities swaps</b>                     | <b>20,00 EUR</b>  |
| <b>4 Renewal of coupon sheets<sup>29)</sup></b>           | <b>1,00 EUR per coupon sheet</b><br><b>or not less than 20,00 EUR</b> |
| <b>5 Reissue/exchange of damaged certificates</b>         | <b>25,00 EUR per coupon sheet</b>                                     |

**Other investment services**

- |   |  |
|---|--|
| <b>1 Contracts benefiting third parties</b> | <b>20,00 EUR</b>   |
| <b>2 Duplicates/copies</b>                  | <b>Assuming HypoVereinsbank has already met its information provision obligations.</b> |

- |  |                  |
|--|------------------|
| a) Per clearing statement              | <b>10,00 EUR</b> |
| b) Yearly securities account statement | <b>10,00 EUR</b> |

- |  |                  |
|--|------------------|
| <b>3 in connection with double taxation treaties Starting from a net refund entitlement (i.e. after deduction of external costs) of 40,00 EUR.</b> | <b>77,35 EUR</b> |
|--|------------------|

21) Different types of securities accounts are subject to different regulations.

26) Limit orders that are generally divided into a variable and spot order are invoiced as 2 orders.

29) If HypoVereinsbank is the paying agent/exchange agent.

35) HypoVereinsbank generally receives from the capital management company a maximum of 70% of the investment fund's annual management fee as a follow-up sales commission. Your account manager will be happy to provide you with information on the currently valid percentages for such commissions.



**GENERAL BUSINESS CONDITIONS**

effective from 15 September 2021

The present translation is furnished for the customer's convenience only. The original German text of the General Business Conditions is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings, or interpretations, the German text, construction, meaning or interpretation shall govern exclusively.

**A Basic Rules Governing the Relationship Between the Customer and the Bank**
**1 Scope of application and amendments of these Business Conditions and the Special Conditions for particular business relations**
**(1) Scope of application**

The General Business Conditions govern the entire business relationship between the customer and the bank's domestic offices (hereinafter referred to as the »Bank«). In addition, particular business relations (securities transactions, payment services and savings accounts, for example) are governed by Special Conditions, which contain deviations from, or complements to, these General Business Conditions; they are agreed with the customer when the account is opened or an order is given. If the customer also maintains business relations with foreign offices, the Bank's lien (No. 14 of these Business Conditions) also secures the claims of such foreign offices.

**(2) Amendments**

- a) Offer of amendments
 

Any amendments to these General Business Conditions and the Special Conditions shall be offered to the customer in text form no later than two months before their proposed date of entry into force. If the customer has agreed an electronic communication channel (e.g. online banking) with the Bank within the framework of the business relationship, the amendments may also be offered through this channel.
- b) Acceptance by the customer
 

The amendments offered by the Bank shall only become effective if the customer accepts them, where appropriate by way of the deemed consent set out in the following clause.
- c) Acceptance by the customer by way of deemed consent
 

Silence on the part of the customer shall only be deemed to constitute acceptance of the offered amendments (deemed consent (Zustimmungsfiktion)) if

  - aa. the Bank is offering amendments to restore the conformity of the contractual provisions with a changed legal position because a provision of these General Business Conditions or of the Special Conditions
    - is no longer consistent with the legal position as a result of a change in the law, including directly applicable legal provisions of the European Union, or
    - is rendered ineffective or may no longer be used as a result of a final court decision, including by a court of first instance, or
    - is no longer in compliance with the Bank's regulatory obligations as a result of a binding administrative act issued by a national or international competent authority for the Bank (e.g. the German Federal Financial Supervisory Authority [Bundesanstalt für Finanzdienstleistungsaufsicht] or the European Central Bank)

and

  - bb. the customer has not rejected the Bank's offer of amendments before the proposed date of the entry into force of the changes.

In its offer of amendments, the Bank shall specifically draw the customer's attention to the consequences of remaining silent.
- d) Exclusion of deemed consent
 

Deemed consent shall not apply

  - to amendments to No. 1, paragraph 2 and No. 12, paragraph 5 of the General Business Conditions and to the corresponding provisions in the Special Conditions, or

- to amendments affecting the obligations under the agreement to perform principal services and the charges for principal services, or
- to amendments to charges which concern a payment by the consumer in excess of the charge agreed for the principal service, or
- to amendments which amount to the conclusion of a new agreement, or
- to amendments which would significantly shift the previously agreed relationship between performance and remuneration in favour of the Bank.

In these cases, the Bank shall use other means to obtain the customer's consent to the amendments.

- e) Customer's right of termination in cases of deemed consent
 

If the Bank makes use of deemed consent, the customer may also terminate the agreement affected by the amendment without notice and free of charge prior to the proposed date of entry into force of the amendments. The Bank shall specifically draw the customer's attention to this right of termination in its offer of amendments.

**2 Banking secrecy and disclosure of banking affairs**
**(1) Banking secrecy**

The Bank has the duty to maintain secrecy about any customer-related facts and evaluations of which it may have knowledge (banking secrecy). The Bank may only disclose information concerning the customer if it is legally required to do so or if the customer has consented thereto or if the Bank is authorized to disclose banking affairs.

**(2) Disclosure of banking affairs**

Any disclosure of details of banking affairs comprises statements and comments of a general nature concerning the economic status, the creditworthiness and solvency of the customer; no information shall be disclosed as to amounts of balances of accounts, of savings deposits, of securities deposits or of other assets entrusted to the Bank or as to amounts drawn under a credit facility.

**(3) Prerequisites for the disclosure of banking affairs**

The Bank shall be entitled to disclose banking affairs concerning legal entities and on businesspersons registered in the Commercial Register, provided that the inquiry relates to their business activities. The Bank shall not, however, disclose any information if it has received instructions to the contrary from the customer. Details of banking affairs concerning other persons, in particular retail customers and associations, shall be disclosed by the Bank only if such persons have expressly agreed thereto, either generally or in an individual case. Details of banking affairs shall be disclosed only if the requesting party has substantiated its justified interest in the information requested and there is no reason to assume that the disclosure of such information would be contrary to the customer's legitimate concerns.

**(4) Recipients of disclosed banking affairs**

The Bank shall disclose details of banking affairs only to its own customers as well as to other credit institutions for their own purposes or those of their customers.

**3 Liability of the Bank; contributory negligence of the customer**
**(1) Principles of liability**

In performing its obligations, the Bank shall be liable for any negligence on the part of its staff and of those persons whom it may call in for the performance of its obligations. If the Special Conditions for particular business relations or other agreements contain provisions inconsistent herewith, such provisions shall prevail. In the event that the customer has contributed to the occurrence of the loss by any own fault (e.g. by violating the duties to cooperate as mentioned in No. 11 of these Business Conditions), the principles of contributory negligence shall deter-

mine the extent to which the Bank and the customer shall have to bear the loss.

**(2) Orders passed on to third parties**

If the contents of an order are such that the Bank typically entrusts a third party with its further execution, the Bank performs the order by passing it on to the third party in its own name (order passed on to a third party). This applies, for example, to obtaining information on banking affairs from other credit institutions or to the custody and administration of securities in other countries. In such cases, the liability of the Bank shall be limited to the careful selection and instruction of the third party.

**(3) Disturbance of business**

The Bank shall not be liable for any losses caused by force majeure, riot, war or natural events or due to other occurrences for which the Bank is not responsible (e.g. strike, lock-out, traffic hold-ups, administrative acts of domestic or foreign high authorities).

**4 Set-off limitations on the part of the customer who is not a consumer**

A non-consumer customer may only set off claims against those of the Bank if the customer's claims are undisputed or have been confirmed by a final court decision. This set-off limitation shall not apply to any claim for which offsetting is invoked by the client that has its legal basis in a loan or financial support pursuant to Sections 513 and 491-512 of the German Civil Code (BGB).

**5 Right of disposal upon the death of the customer**

Upon the death of the customer, any person who approaches the Bank claiming to be the customer's legal successor shall be required to furnish suitable proof to the Bank of their entitlement under inheritance law. If an official or certified copy of the testamentary disposition (last will or contract of inheritance) together with the relevant record of probate proceedings is presented to the Bank, the Bank may consider any person designated therein as heir or executor as the entitled person, allow this person to dispose of any assets and, in particular, make payment or delivery to this person, thereby discharging its obligations. This shall not apply if the Bank is aware that the person designated therein is not entitled to dispose (e.g. following challenge or invalidity of the will) or if this has not come to the knowledge of the Bank due to its own negligence.

**6 Applicable law and place of jurisdiction for customers who are businesspersons or public-law entities**

**(1) Applicability of German law**

German law shall apply to the business relationship between the customer and the Bank.

**(2) Place of jurisdiction for domestic customers**

If the customer is a businessperson and if the business relation in dispute is attributable to the conducting of such businessperson's trade, the Bank may sue such customer before the court having jurisdiction for the bank office keeping the account or before any other competent court; the same applies to legal entities under public law and separate funds under public law. The Bank itself may be sued by such customers only before the court having jurisdiction for the bank office keeping the account.

**(3) Place of jurisdiction for foreign customers**

The agreement upon the place of jurisdiction shall also apply to customers who conduct a comparable trade or business abroad and to foreign institutions which are comparable with domestic legal entities under public law or a domestic separate fund under public law.

**B Keeping of Accounts**

**7 Periodic balance statements for current accounts**

**(1) Issue of periodic balance statements**

Unless otherwise agreed, the Bank shall issue a periodic balance statement for a current account at the end of each calendar quarter, thereby clearing the claims accrued by both parties during this period (including interest and charges imposed by the Bank). The Bank may charge interest on the balance arising therefrom in accordance with No. 12 of these Business Conditions or any other agreements entered into with the customer.

**(2) Time allowed for objections; approval by silence**

Any objections a customer may have concerning the incorrectness or incompleteness of a periodic balance statement must be raised not later than six weeks after its receipt; if the objections are made in text form, it is sufficient to dispatch these within the period of six weeks. Failure to make objections in due time shall be considered as approval. When issuing the periodic balance statement, the Bank shall expressly draw the customer's attention to this consequence. The customer may demand a correction of the periodic balance statement even after expiry of this period, but must then prove that the account was either wrongly debited or mistakenly not credited.

**8 Reverse entries and correction entries made by the Bank**

**(1) Prior to issuing a periodic balance statement**

Incorrect credit entries on current accounts (e.g. due to a wrong account number) may be reversed by the Bank through a debit entry prior to the issue of the next periodic balance statement to the extent that the Bank has a repayment claim against the customer (reverse entry); in this case, the customer may not object to the debit entry on the grounds that a disposal of an amount equivalent to the credit entry has already been made.

**(2) After issuing a periodic balance statement**

If the Bank ascertains an incorrect credit entry after a periodic balance statement has been issued and if the Bank has a repayment claim against the customer, it shall debit the account of the customer with the amount of its claim (correction entry). If the customer objects to the correction entry, the Bank shall re-credit the account with the amount in dispute and assert its repayment claim separately.

**(3) Notification to the customer; calculation of interest**

The Bank shall immediately notify the customer of any reverse entries and correction entries made. With respect to the calculation of interest, the Bank shall effect the entries retroactively as of the day on which the incorrect entry was made.

**9 Collection orders**

**(1) Conditional credit entries effected upon presentation of documents**

If the Bank credits the countervalue of cheques and direct debits prior to their payment, this is done on condition of payment, even if these items are payable at the Bank itself. If the customer surrenders other items, instructing the Bank to collect an amount due from a debtor (e.g. interest coupons), and if the Bank effects a credit entry for such amount, this is done under the reserve that the Bank shall obtain the amount. This reserve shall also apply if the cheques, direct debits and other items are payable at the Bank itself. If cheques or direct debits are not paid or if the Bank does not obtain the amount under the collection order, the Bank shall cancel the conditional credit entry regardless of whether or not a periodic balance statement has been issued in the meantime.

**(2) Payment of direct debits and of cheques made out by the customer**

Direct debits and cheques shall be deemed to have been paid, unless the debit entry is cancelled prior to the end of the third

<sup>1</sup> Bank working days are all working days except Saturdays, 24 December and 31 December.

bank working day – in the case of SEPA business-to-business (B2B) direct debits, prior to the end of the third bank working day – after it was made. Cheques payable in cash shall be deemed to have been paid once their amount has been paid to the presenting party. Cheques shall also be deemed to have been paid as soon as the Bank dispatches an advice of payment. Cheques presented through the clearing office of the Bundesbank shall be deemed to have been paid, unless they are returned by the time stipulated by the Bundesbank.

## 10 Foreign currency transactions and risks inherent in foreign currency accounts

### (1) Execution of orders relating to foreign currency accounts

Foreign currency accounts of the customer serve to effect the cashless settlement of payments to and disposals by the customer in foreign currency. Disposals of credit balances on foreign currency accounts (e.g. by means of credit transfers to the debit of the foreign currency credit balance) are settled through or by banks in the home country of the currency, unless the Bank executes them entirely within its own organisation.

### (2) Credit entries for foreign currency transactions with the Customer

If the Bank concludes a transaction with the customer (e.g. a forward exchange transaction) under which it owes the provision of an amount in a foreign currency, it shall discharge its foreign currency obligation by crediting the account of the customer in the respective currency, unless otherwise agreed.

### (3) Temporary limitation of performance by the Bank

The Bank's duty to execute a disposal order to the debit of a foreign currency credit balance (paragraph 1) or to discharge a foreign currency obligation (paragraph 2) shall be suspended to the extent that and for as long as the Bank cannot or can only restrictedly dispose of the currency in which the foreign currency credit balance or the obligation is denominated, due to political measures or events in the country of the respective currency. To the extent that and for as long as such measures or events persist, the Bank is not obligated either to perform at some other place outside the country of the respective currency, in some other currency (including euros) or by providing cash. However, the Bank's duty to execute a disposal order to the debit of a foreign currency credit balance shall not be suspended if the Bank can execute it entirely within its own organisation. The right of the customer and of the Bank to set off mutual claims due in the same currency against each other shall not be affected by the above provisions.

### (4) Exchange rate

The exchange rate for foreign currency transactions shall be determined on the basis of the »List of Prices and Services« (Preis- und Leistungsverzeichnis). Payment services shall be governed in addition by the payment services framework contract.

## C Duties of the Customer to Cooperate

### 11 Duties of the customer to cooperate

#### (1) Notification of changes

A proper settlement of business requires that the customer notify the Bank without delay of any changes in the customer's name and address, as well as the termination of, or amendment to, any powers of representation towards the Bank conferred to any person (in particular, a power of attorney). This notification duty also exists where the powers of representation are recorded in a public register (e.g. the Commercial Register) and any termination thereof or any amendments thereto are entered in that register. Additional statutory notification requirements, resulting from the German Money Laundering Act (Geldwäschegesetz) in particular, may apply.

<sup>2</sup> International Bank Account Number

<sup>3</sup> Bank Identifier Code

### (2) Clarity of orders

Orders must unequivocally show their contents. Orders that are not worded clearly may lead to queries, which may result in delays. In particular, when giving orders, the customer must ensure that the information the customer provides, particularly the domestic account number and bank code number (»Bankleitzahl«) or IBAN and BIC and the currency, are complete and correct. Amendments, confirmations or repetitions of orders must be designated as such.

### (3) Special reference to urgency in connection with the execution of an order

If the customer feels that an order requires particularly prompt execution, the customer shall notify the Bank of this fact separately. For orders issued on a printed form, this must be done separately from the form.

### (4) Examination of, and objections to, notification received from the Bank

The customer must immediately examine account statements, securities contract notes, statements of securities holdings and earnings, other statements, advices of execution of orders, as well as information on expected payments and consignments (advices), as to their correctness and completeness and immediately raise any objections relating thereto.

### (5) Notice to the Bank in case of non-receipt of statements

The customer must notify the Bank immediately if periodic balance statements and statements of securities holdings are not received. The duty to notify the Bank also exists if other advices expected by the customer are not received (e.g. securities contract notes, account statements after execution of customer orders or regarding payments expected by the customer).

## D Cost of Bank Services

### 12 Interest, charges and expenses

#### (1) Interest and charges in business with consumers

The amount of interest and charges for the customary services which the Bank provides to consumers, including the amount of any payments in addition to the remuneration agreed for the principal service, is set out in the »Price Display – Standard rates for retail banking« (Preisaushang – Regelsätze im standardisierten Privatkundengeschäft) and the »List of Prices and Services« (Preis- und Leistungsverzeichnis).

If a customer makes use of a service included therein, and unless otherwise agreed between the Bank and the customer, the interest and charges stated in the then valid Price Display or List of Prices and Services are applicable.

Any agreement that concerns a payment made by the consumer in addition to the remuneration agreed for the principal service must be expressly concluded by the Bank with the consumer, even if such payment is stated in the Price Display or the List of Prices and Services.

Unless otherwise agreed, the charges for any services not included in the Price Display or the List of Prices and Services which are provided following the instructions of the customer and which can, in the given circumstances, only be expected to be provided against remuneration, shall be governed by the relevant statutory provisions.

#### (2) Interest and charges in business with customers who are not consumers

The amount of interest and charges for the customary banking services which the Bank provides to customers who are not consumers is set out in the »Price Display – Standard rates for retail banking« (Preisaushang – Regelsätze im standardisierten Privatkundengeschäft) and the »List of Prices and Services« (Preis- und Leistungsverzeichnis), provided that the Price Display and the List of Prices and Services include customary banking services to customers who are not consumers (e.g. business customers).

If a customer who is not a consumer makes use of a service included therein, and unless otherwise agreed between the Bank and the customer, the interest and charges stated in the then valid Price Display or List of Prices and Services are applicable.

Otherwise, in the absence of any other agreement or conflict with statutory provisions, the Bank shall determine the amount of interest and charges at its reasonable discretion (Section 315 of the German Civil Code (Bürgerliches Gesetzbuch – BGB)).

**(3) Non-chargeable service**

The Bank shall not charge for any service which it is required to provide by law or pursuant to a contractual accessory obligation or which it performs in its own interest, unless such charge is legally permissible and levied in accordance with the relevant statutory provisions.

**(4) Changes in interest rates; right of termination by the customer in the event of an increase**

In the case of variable interest rate loans, the interest rate shall be adjusted in accordance with the terms of the respective loan agreement. The Bank shall notify the customer of any interest rate adjustments. If the interest rate is increased, the customer may, unless otherwise agreed, terminate the loan agreement affected thereby with immediate effect within six weeks from notification of the change. If the customer terminates the loan agreement, any such increased interest rate shall not be applied to the terminated loan agreement. The Bank shall allow a reasonable period of time for settlement.

**(5) Changes in charges for services typically used on a permanent basis**

Changes in charges for banking services which are typically used by customers within the framework of the business relationship on a permanent basis (e.g. account/securities account management) shall be offered to the customer in text form no later than two months before their proposed date of entry into force. If the customer has agreed an electronic communication channel (e.g. online banking) with the Bank within the framework of the business relationship, the changes may also be offered through this channel. The changes offered by the Bank shall only become effective if the customer accepts them. Any agreement on amending a charge that concerns a payment by the consumer in excess of the charge for the principal service can only be expressly concluded with the consumer by the Bank.

**(6) Reimbursement of expenses**

Any entitlement by the Bank to reimbursement of expenses shall be governed by the applicable statutory provisions.

**(7) Special arrangements for consumer loan agreements and payment services contracts with consumers for payments**

The interest and costs (charges, out-of-pocket expenses) for consumer loan agreements and payment services contracts with consumers for payments shall be determined by the relevant contractual arrangements and Special Conditions as well as the additional statutory provisions.

**E Security for the Bank's Claims Against the Customer**

**13 Providing or increasing security**

**(1) Right of the Bank to request security**

The Bank may demand that the customer provide the usual forms of security for any claims that may arise from the banking relationship, even if such claims are conditional (e.g. indemnity for amounts paid under a guarantee issued on behalf of the customer). If the customer has assumed a liability for another customer's obligations towards the Bank (e.g. as a surety), the Bank is, however, not entitled to demand that security be provided or increased for the debt resulting from such liability incurred before the maturity of the debt.

**(2) Changes in the risk**

If the Bank, upon the creation of claims against the customer, has initially dispensed wholly or partly with demanding that security be provided or increased, it may nonetheless make such a demand at a later time, provided, however, that circumstances occur or become known which justify a higher risk assessment of the claims against the customer. This may, in particular, be the case if

- the economic status of the customer has changed or threatens to change in a negative manner or
- the value of the existing security has deteriorated or threatens to deteriorate.

The Bank has no right to demand security if it has been expressly agreed that the customer either does not have to provide any security or must only provide that security which has been specified. For consumer loan agreements, the Bank is entitled to demand that security be provided or increased only to the extent that such security is mentioned in the loan agreement. When, however, the net loan amount exceeds EUR 75,000, the Bank may demand that security be provided or increased even if a consumer loan agreement or a general consumer loan agreement within the meaning of Section 491 (2) of the German Civil Code which is concluded, in the former case, before 21 March 2016 and, in the latter case, from 21 March 2016 does not contain any or any exhaustive indications as to security.

**(3) Setting a period of time for providing or increasing security**

The Bank shall allow a reasonable period of time for providing or increasing security. If the Bank intends to make use of its right of termination without notice according to No. 19 (3) of these Business Conditions should the customer fail to comply with the obligation to provide or increase security within such period, it shall draw the customer's attention to this consequence before doing so.

**14 Lien in favour of the Bank**

**(1) Agreement on the lien**

The customer and the Bank agree that the Bank acquires a lien on the securities and chattels which, within the scope of banking business, have come or may come into the possession of a domestic office of the Bank. The Bank also acquires a lien on any claims which the customer has or may in future have against the Bank arising from the banking relationship (e.g. credit balances).

**(2) Secured claims**

The lien serves to secure all existing, future and contingent claims arising from the banking relationship which the Bank with all its domestic and foreign offices is entitled to against the customer. If the customer has assumed liability for another customer's obligations towards the Bank (e.g. as a surety), the lien shall not secure the debt resulting from the liability incurred before the maturity of the debt.

**(3) Exemptions from the lien**

If funds or other assets come into the power of disposal of the Bank under the reserve that they may only be used for a specified purpose (e.g. deposit of cash for payment of a bill of exchange), the Bank's lien does not extend to these assets. The same applies to shares issued by the Bank itself (own shares) and to securities which the Bank keeps in custody abroad for the customer's account. Moreover, the lien extends neither to the profit-participation rights/profit-participation certificates (Genußrechte/Genußscheine) issued by the Bank itself nor to the Bank's securitised and non-securitised subordinated liabilities.

**(4) Interest and dividend coupons**

If securities are subject to the Bank's lien, the customer is not entitled to demand the delivery of the interest and dividend coupons pertaining to such securities.

## 15 Security interests in the case of items for collection and discounted bills of exchange

### (1) Transfer of ownership by way of security

The Bank acquires ownership by way of security of any cheques and bills of exchange deposited for collection at the time such items are deposited. The Bank acquires absolute ownership of discounted bills of exchange at the time of the purchase of such items; if it re-debits discounted bills of exchange to the account, it retains the ownership by way of security in such bills of exchange.

### (2) Assignment by way of security

The claims underlying the cheques and bills of exchange shall pass to the Bank simultaneously with the acquisition of ownership in the cheques and bills of exchange; the claims also pass to the Bank if other items are deposited for collection (e.g. direct debits, documents of commercial trading).

### (3) Special-purpose items for collection

If items for collection are deposited with the Bank under the reserve that their countervalue may only be used for a specified purpose, the transfer or assignment of ownership by way of security does not extend to these items.

### (4) Secured claims of the Bank

The ownership transferred or assigned by way of security serves to secure any claims which the Bank may be entitled to against the customer arising from the customer's current account when items are deposited for collection or arising as a consequence of the re-debiting of unpaid items for collection or discounted bills of exchange. Upon request of the customer, the Bank retransfers to the customer the ownership by way of security of such items and of the claims that have passed to it if it does not, at the time of such request, have any claims against the customer that need to be secured or if it does not permit the customer to dispose of the countervalue of such items prior to their final payment.

## 16 Limitation of the claim to security and obligation to release

### (1) Cover limit

The Bank may demand that security be provided or increased until the realisable value of all security corresponds to the total amount of all claims arising from the banking business relationship (cover limit).

### (2) Release

If the realisable value of all security exceeds the cover limit on a more than temporary basis, the Bank shall, at the customer's request, release security items as it may choose in the amount exceeding the cover limit; when selecting the security items to be released, the Bank shall take into account the legitimate concerns of the customer or of any third party having provided security for the customer's obligations. To this extent, the Bank is also obliged to execute orders of the customer relating to the items subject to the lien (e.g. sale of securities, repayment of savings deposits).

### (3) Special agreements

If assessment criteria for a specific security item other than the realisable value or another cover limit or another limit for the release of security have been agreed, these other criteria or limits shall apply.

## 17 Realisation of security

### (1) Option of the Bank

If the Bank realises security, it may choose between several security items. When realising security and selecting the items to be realised, the Bank shall take into account the legitimate concerns of the customer and any third party who may have provided security for the obligations of the customer.

### (2) Credit entry for proceeds under turnover tax law

If the transaction of realisation is subject to turnover tax, the Bank shall provide the customer with a credit entry for the pro-

ceeds, such entry being deemed to serve as invoice for the supply of the item given as security and meeting the requirements of turnover tax law (Umsatzsteuerrecht).

## F Termination

### 18 Termination rights of the customer

#### (1) Right of termination at any time

Unless the Bank and the customer have agreed a term or a diverging termination provision, the customer may at any time, without notice, terminate the business relationship as a whole or particular business relations (e.g. a chequing agreement).

#### (2) Termination for reasonable cause

If the Bank and the customer have agreed a term or a diverging termination provision for a particular business relation, such relation may only be terminated without notice if there is reasonable cause therefor which makes it unacceptable to the customer to continue it, also after giving consideration to the legitimate concerns of the Bank.

#### (3) Statutory termination rights

Statutory termination rights shall not be affected.

### 19 Termination rights of the Bank

#### (1) Termination upon notice

Upon observing a reasonable period of notice, the Bank may at any time terminate the business relationship as a whole or particular business relations for which neither a term nor a diverging termination provision has been agreed (e.g. the chequing agreement authorizing the use of cheque forms). In determining the period of notice, the Bank shall take into account the legitimate concerns of the customer. The minimum termination notice for a payment services framework contract (e.g. current account or card contract) and a securities account shall be two months.

#### (2) Termination of loans with no fixed term

Loans and loan commitments for which neither a fixed term nor a diverging termination provision has been agreed may be terminated at any time by the Bank without notice. When exercising this right of termination, the Bank shall give due consideration to the legitimate concerns of the customer. Where the German Civil Code contains specific provisions for the termination of a consumer loan agreement, the Bank may only terminate the agreement as provided therein.

#### (3) Termination for reasonable cause without notice

Termination of the business relationship as a whole or of particular business relations without notice is permitted if there is reasonable cause which makes it unacceptable to the Bank to continue the business relations, also after having given consideration to the legitimate concerns of the customer. Reasonable cause is given in particular

- if the customer has made incorrect statements as to the customer's financial status, provided such statements were of significant importance for the Bank's decision concerning the granting of credit or other operations involving risks for the Bank (e.g. the delivery of a payment card); for consumer loans, this shall only apply if the customer has knowingly withheld or falsified information of relevance for assessing creditworthiness and this has led to a faulty assessment of creditworthiness, or
- if a substantial deterioration in the customer's financial status or in the value of security occurs or threatens to occur, jeopardizing the repayment of a loan or the discharge of any other obligation towards the Bank even if security provided therefor is realised, or
- if the customer fails to comply, within the required period of time allowed by the Bank, with the obligation to provide or increase security according to No. 13 (2) of these Business Conditions or to the provisions of some other agreement.

If reasonable cause is given due to the breach of a contractual obligation, termination shall only be permitted after expiry, without result, of a reasonable period of time fixed for corrective action by the customer or after a warning to the customer has proved unsuccessful, unless this proviso can be dispensed with owing to the special fea-

tures of a particular case (Section 323 (2) and (3) of the German Civil Code).

#### **(4) Termination of consumer loan agreements in the event of default**

Where the German Civil Code contains specific provisions for the termination of a consumer loan agreement subsequent to repayment default, the Bank may only terminate the agreement as provided therein.

#### **(5) Termination of a basic account agreement**

The Bank may only terminate a basic account agreement in accordance with the arrangements concluded between the Bank and the customer on the basis of the German Payment Accounts Act (Zahlungskontengesetz) and with the provisions of the German Payment Accounts Act.

#### **(6) Settlement following termination**

In the event of termination without notice, the Bank shall allow the customer a reasonable period of time for settlement (in particular for the repayment of a loan), unless it is necessary to attend immediately thereto (e.g. the return of cheque forms following termination of a cheque agreement).

### **G Protection of Deposits**

#### **20 Deposit Protection Fund**

##### **(1) Scope of protection**

The Bank is a member of the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.). In accordance with its By-laws – subject to the exceptions provided for therein – the Deposit Protection Fund protects deposits, i.e. credit balances which result from funds left in an account or from temporary situations deriving from banking transactions and which the Bank is required to repay under the conditions applicable.

Not protected are, inter alia, deposits forming part of the Bank's own funds, liabilities from bearer and order bonds, as well as deposits of credit institutions within the meaning of Article 4 (1), point (1) of Regulation (EU) No. 575/2013, financial institutions within the meaning of Article 4 (1), point (26) of Regulation (EU) No. 575/2013, investment firms within the meaning of Article 4 (1), point (1) of Directive 2004/39/EC and central, regional and local authorities.

Deposits of creditors other than as natural persons and foundations with legal capacity are only protected if

(i) the deposit is not a liability from a registered bond or a promissory note and

(ii) the term of the deposit is not more than 18 months. Deposits that already existed before 1 January 2020 shall not be subject to this limitation of term. After 31 December 2019, the »grandfathered« status pursuant to the preceding sentence shall cease to apply as soon as the deposit in question falls due, can be terminated or otherwise reclaimed, or if the deposit is transferred by way of individual or universal succession in title.

After 31 December 2019, the 'grandfathered' status pursuant to the preceding sentence shall cease to apply as soon as the deposit in question falls due, can be terminated or otherwise reclaimed, or if the deposit is transferred by way of individual or universal succession in title.

Liabilities of banks that already existed before 1 October 2017 are protected in accordance with and under the conditions laid down in the provisions of the By-laws of the Deposit Protection Fund applying until 1 October 2017. After 30 September 2017, the 'grandfathered' status pursuant to the preceding sentence shall cease to apply as soon as the liability in question falls due, can be terminated or otherwise reclaimed, or if the liability is transferred by way of individual or universal succession in title.

##### **(2) Protection ceilings**

The protection ceiling for each creditor is, until 31 December 2019, 20%, until 31 December 2024, 15%, and, as of 1 January 2025, 8.75% of the Bank's own funds within the meaning of Article

72 of Regulation (EU) No. 575/2013 used for deposit protection purposes. Deposits established or renewed after 31 December 2011 shall be subject to the respective new protection ceilings as of the aforementioned dates, irrespective of the time when the deposits are established. Deposits established before 31 December 2011 shall be subject to the old protection ceilings until maturity or until the next possible termination date.

This protection ceiling shall be notified to the customer by the Bank on request. It is also available on the internet at [www.bankenverband.de](http://www.bankenverband.de).

##### **(3) Validity of the By-laws of the Deposit Protection Fund**

Further details of protection are contained in Section 6 of the By-laws of the Deposit Protection Fund, which are available on request.

##### **(4) Transfer of claims**

To the extent that the Deposit Protection Fund or its mandatory makes payments to a customer, the respective amount of the customer's claims against the Bank, together with all subsidiary rights, shall be transferred simultaneously to the Deposit Protection Fund.

##### **(5) Disclosure of information**

The Bank shall be entitled to disclose to the Deposit Protection Fund or to its mandatory all the necessary information in this respect and to place documents at their disposal.

### **H Complaint Channels/Ombudsman Scheme**

#### **21 Complaints procedure and alternative dispute resolution**

##### **Customers have the following out-of-court options:**

Customers may address a complaint to the contact point specified by the Bank in its List of Prices and Services. The Bank will answer complaints in a appropriate manner, where payment service contracts are concerned, it will do so in text form ( e.g. by letter, telefax or email).

The Bank participates in the dispute resolution scheme run by the consumer arbitration body »The German Private Banks' Ombudsman« ([www.bankenombudsmann.de](http://www.bankenombudsmann.de)). Consumers may have any disputes with the Bank resolved by the Ombudsman. Where disputes concerning a payment services contract (Section 675f of the German Civil Code) are involved, customers who are not consumers also may request their resolution by the Ombudsman. Further details are contained in the »Rules of Procedure for the Settlement of Customer Complaints in the German Private Commercial Banking Sector«, which are available on request or can be downloaded from the Internet at [www.bankenverband.de](http://www.bankenverband.de).

Complaints should be addressed in text form (e.g. by letter, telefax or email) to the Customer Complaints Office (Kundenbeschwerdestelle) at the Association of German Banks (Bundesverband deutscher Banken), P.O. Box (Postfach) 040307, 10062 Berlin; fax: +49 (0)30 16633169; email: [ombudsmann@bdb.de](mailto:ombudsmann@bdb.de).

In addition, customers may make complaints at any time in writing or orally on the record to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin), Graurheindorfer Strasse 108, 53117 Bonn, about breaches by the Bank of the German Payment Services Supervision Act (Zahlungsdienststeaufsichtsgesetz – ZAG), Sections 675c – 676c of the German Civil Code (Bürgerliches Gesetzbuch – BGB) or Article 248 of the Act Introducing the German Civil Code (Einführungsgesetz zum Bürgerlichen Gesetzbuch – EGBGB).

The European Commission has set up a European Online Dispute Resolution (ODR) Platform at <http://ec.europa.eu/consumers/odr/>.

Consumers can use the ODR Platform for out-of-court resolution of a dispute arising from online contracts with a company domiciled in the EU.

**SPECIAL CONDITIONS  
FOR DEALINGS IN SECURITIES**

effective from 1 January 2018

The present translation is furnished for the customer's convenience only. The original German text of the Special Conditions for Dealings in Securities is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings or interpretations, the German text, construction, meaning or interpretation shall govern exclusively.

These Special Conditions shall govern the purchase or sale as well as the safe custody of securities, even if the corresponding rights are not represented by certificates (hereinafter: »securities«).

**A Securities transactions**
**1 Forms of securities transactions**
**1.1 Commission transactions/fixed-price transactions**

The Bank and the customer shall conclude securities transactions in the form of commission transactions (subsection 2) or fixed-price transactions (subsection 3).

**1.2 Commission transactions**

If the Bank executes orders placed by its customer for the purchase or sale of securities in the capacity of a commission agent, it shall conclude for the customer's account a purchase or sale transaction with another market participant or a Central Counterparty (execution transaction) or it shall engage another commission agent (intermediate commission agent) to conclude an execution transaction. In electronic trading on an exchange, the customer's order may also be executed directly against the Bank or the intermediate commission agent if the terms and conditions for trading on the exchange permit this.

**1.3 Fixed-price transactions**

If the Bank and the customer agree with each other on a fixed or determinable price for an individual transaction (fixed-price transaction), this shall result in a purchase contract; the Bank shall accordingly take delivery of the securities as purchaser from the customer or it shall deliver the securities as seller to the customer. The Bank shall charge the customer the agreed price plus – where interest-bearing bonds are concerned – accrued interest.

**2 Execution policy for securities transactions**

The Bank shall execute securities transactions on the basis of its execution policy<sup>1\*</sup> applicable at the time. The execution policy shall form part of the Special Conditions. The Bank shall be authorised to amend the execution policy in accordance with supervisory requirements. The Bank shall inform the customer of any amendments to the execution policy.

**B Special rules for commission transactions**
**3 Practices/notification/price**
**3.1 Application of legal provisions/practices/business conditions**

Execution transactions shall be subject to the legal provisions and business conditions (practices) for securities trading applicable at the execution venue; in addition, the General Business Conditions of the Bank's contracting party shall apply.

**3.2 Notification**

The Bank shall notify the customer without undue delay of the execution of the order. If the customer's order was executed directly against the Bank or the intermediate commission agent in electronic trading on an exchange, this need not be notified separately.

**3.3 Price of the execution transaction/remuneration/expenses**

The Bank shall charge the customer the price of the execution transaction; it shall be entitled to charge its remuneration. Any entitlement by the Bank to reimbursement of expenses shall be governed by the applicable statutory provisions.

\* Ausführungsgrundsätze für Geschäfte in Finanzinstrumenten

**4 Requirement of an adequate credit balance/securities holding**

The Bank shall be required to execute orders or to exercise subscription rights only to the extent that the customer's credit balance, a loan available for securities trading, or the customer's securities holding are adequate for execution. If the Bank does not execute all or part of the order, it shall advise the customer thereof without undue delay.

**5 Fixing of price limits**

The customer may, when placing orders, stipulate to the Bank price limits for the execution transaction (orders with price limits).

**6 Period of validity of customer orders unlimited in time**
**6.1 Orders without price limits**

An order without price limits shall be valid in accordance with the execution policy (section 2) for one trading day only; if the order for same-day execution is not received in time to allow it to be dealt with in the normal course of business, it shall be valid for the next trading day. If the order is not executed, the Bank shall advise the customer thereof without undue delay.

**6.2 Orders with price limits**

An order with price limits shall be valid until the last trading day of the current month (month-end). Unless it is executed on the same day, an order received on the last trading day of a particular month shall be valid in accordance with the execution policy (section 2) for the next month. The Bank shall advise the customer without undue delay of the period of validity of the customer's order.

**7 Period of validity of orders for the purchase or sale of subscription rights Orders without price limits for the purchase or sale of subscription rights shall be valid for the duration of trading in such subscription rights.**

Orders with price limits for the purchase or sale of subscription rights shall become void upon expiry of the penultimate day of trading in such subscription rights. The period of validity of orders for the purchase or sale of foreign subscription rights shall be determined according to the relevant foreign practices. The handling of subscription rights belonging to the customer's securities holding on the last day of trading in subscription rights shall be governed by section 15 (1).

**8 Expiration of pending orders**
**8.1 Dividend payments, other distributions, granting of subscription rights, capital increase from the issuer's funds**

In the event of dividend payments, other distributions, the granting of subscription rights or a capital increase from the issuer's funds, orders with price limits for the purchase or sale of shares at German execution venues shall expire at the close of business on the trading day on which the shares, including the aforementioned rights, are last traded if the rules and regulations of the execution venue provide for expiration. In the event of a change in the portion of paid-in capital of partly-paid shares or in the nominal value of shares or in the event of a share split, orders with price limits shall expire at the close of business on the trading day preceding the day as of which such shares are quoted with an increased portion of paid-in capital or with the changed nominal value or with a share split.

**8.2 Suspension of the quotation**

In the event that price determination does not take place at a German execution venue due to special circumstances affecting the issuer (suspension of the quotation), all customer orders for the securities concerned for execution at this execution venue shall expire if the terms and conditions of the execution venue provide therefor.

### 8.3 Execution of customer orders at foreign execution venues

The execution of customer orders at foreign execution venues shall be governed in this respect by the customs and practices of the foreign execution venues.

### 8.4 Notification

The Bank shall notify the customer without undue delay of the expiration of a customer order.

### 9 Liability of the Bank in commission transactions

The Bank shall be liable for the proper settlement of the execution transaction by its contracting party or the contracting party of the intermediate commission agent. If the Bank engages an intermediate commission agent, it shall be liable, until the conclusion of an execution transaction, only for the exercise of due care in the selection and instruction of such agent.

## C Settlement of securities transactions

### 10 Settlement in Germany as a general rule

The Bank shall settle securities transactions in Germany, unless the following conditions or an agreement to the contrary provide for acquisition of the securities abroad.

### 11 Acquisition in Germany

When settling a securities transaction in Germany, the Bank shall, if the securities are eligible for collective safe custody with the German central depository (Clearstream Banking AG), provide the customer with co-ownership of these collective securities deposits – collective securities account credit (GS-Gutschrift). If securities are not eligible for collective safe custody, the customer shall be provided with sole ownership of the securities. The Bank shall keep these securities for the customer physically segregated from its own holdings and from those of third parties (Streifbandverwahrung).

### 12 Acquisition abroad

#### 12.1 Acquisition agreement

The Bank acquires securities abroad if

- it executes abroad purchase orders in domestic or foreign securities in the capacity of a commission agent, or
- it sells the customer by way of a fixed-price transaction foreign securities which are not traded in Germany either on or off-exchange, or
- it executes purchase orders in foreign securities in the capacity of a commission agent or sells the customer by way of a fixed-price transaction foreign securities which, although traded on or off-exchange in Germany, are customarily acquired abroad.

#### 12.2 Engagement of intermediate depositories

The Bank shall arrange for securities acquired abroad to be held in safe custody abroad. It shall engage another domestic or foreign depository (e.g. Clearstream Banking AG) or shall entrust one of its offices abroad with such safe custody. The safe custody of the securities shall be subject to the legal provisions and practices of the place of deposit as well as the General Business Conditions applying to the foreign depository or depositories.

#### 12.3 Crediting on current securities account

The Bank shall in the proper exercise of its discretion and with due regard to the customer's interests secure the ownership or the coownership of the securities or any other equivalent legal position as customary in the country of deposit and hold this legal position in a fiduciary capacity for the customer. It shall credit the customer in this respect on current securities account (WR-Gutschrift), indicating the foreign country in which the securities are located (country of deposit).

### 12.4 Cover holding

The Bank need only fulfil the customer's delivery claims arising from the customer's credit on current securities account from the cover holding maintained by the Bank abroad. The cover holding shall comprise the securities of the same type held in safe custody for customers and the Bank in the country of deposit. A customer who has been credited on current securities account shall therefore bear proportionally any financial or legal prejudice, loss or damage affecting the cover holding caused by force majeure, riots, war, natural events or by reason of other interference by third parties abroad for which the Bank is not responsible or in connection with acts of domestic or foreign authorities.

### 12.5 Treatment of consideration

If, according to subsection (4), a customer has to bear any prejudice, loss or damage in respect of the cover holding, the Bank shall not be required to refund the purchase price to the customer.

## D Safe custody services

### 13 Securities account statement

The Bank shall issue a securities account statement at least once a year.

### 14 Redemption of securities/renewal of coupon sheets

#### 14.1 Securities held in safe custody in Germany

In the case of securities held in safe custody in Germany, the Bank shall attend to the redemption of interest and dividend coupons and redeemable securities upon their maturity. The counter-value of interest and dividend coupons and of matured securities of any kind shall be credited subject to actual receipt by the Bank, even if the instruments are payable at the Bank itself. The Bank shall procure new sheets of interest and dividend coupons (renewal of coupon sheets).

#### 14.2 Securities held in safe custody abroad

In the case of securities held in safe custody abroad, the duties referred to above shall be the responsibility of the foreign depository.

#### 14.3 Drawing and notice of repayment of bonds

In the case of bonds held in safe custody in Germany, the Bank shall monitor the date of redemption resulting from drawings and notices of repayment on the basis of the information published in the »Wertpapier-Mitteilungen«. If bonds held in safe custody abroad are redeemable by a drawing made on the basis of their certificate numbers (number drawing), the Bank shall, at its choice, either allot to the customers in respect of the securities credited to them on current securities account certificate numbers for drawing purposes or distribute the amount falling to the cover holding among the customers by an internal drawing. This internal drawing shall be made under the supervision of an independent controller; alternatively, it may be made by utilising the services of a computer, provided an impartial drawing is assured.

#### 14.4 Redemption in foreign currency

If interest and dividend coupons as well as matured securities are redeemed in foreign currency or in units of account, the Bank shall credit the amount collected to the customer's account in such currency, provided the customer has an account in such currency. Otherwise the Bank shall credit the customer accordingly in euros, unless an agreement to the contrary has been made.



## **15 Treatment of subscription rights/warrants/convertible bonds**

### **15.1 Subscription rights**

The Bank shall notify the customer of the granting of subscription rights if an announcement to this effect has appeared in the »Wertpapier-Mitteilungen«. Provided the Bank has not received any other instructions from the customer by expiry of the penultimate day of trading in such subscription rights, it shall sell at best all domestic subscription rights belonging to the customer's securities holding; the Bank may arrange for foreign subscription rights to be realized at best in accordance with the practices applying abroad.

### **15.2 Option and conversion rights**

The Bank shall notify the customer of the expiry of rights deriving from warrants or of conversion rights deriving from convertible bonds, requesting instructions, if the expiry date has been announced in the »Wertpapier-Mitteilungen«.

## **16 Communication of information**

If information concerning the customer's securities is published in the »Wertpapier-Mitteilungen« or if the Bank is provided with such information by the issuer or by its foreign depository/intermediate depository, the Bank shall inform the customer thereof, to the extent that such information may materially affect the customer's legal position and notification of the customer is necessary in order to safeguard the customer's interests. Thus, the Bank shall in particular make known information on

- statutory compensation and exchange offers,
- voluntary purchase and exchange offers,
- reconstructions.

The customer need not be notified if the Bank does not receive the information in time or the measures to be taken by the customer are financially unreasonable because the costs incurred are out of proportion to the customer's possible claims.

## **17 Duty to verify on the part of the Bank**

The Bank shall verify once only at the time of lodgement of securities certificates by reference to announcements in the »Wertpapier-Mitteilungen« whether the certificates are affected by notices of loss (stops), suspensions of payment and the like. Verification by the Bank as to whether securities certificates are the subject of invalidation proceedings by public notice shall also be conducted after lodgement.

## **18 Exchange, removal and destruction of certificates**

### **18.1 Exchange of certificates**

The Bank may, without prior notice to the customer, comply with a call for surrender of securities certificates announced in the »Wertpapier-Mitteilungen«, provided such surrender is manifestly in the customer's interests and does not involve an investment decision (e.g. following the merger of the issuer with another company or if the securities certificates are incorrect in content). The customer shall be advised thereof.

### **18.2 Removal and destruction following loss of securities status**

If the securities certificates held in safe custody for the customer lose their status as securities following extinction of the rights they represent, they may be removed from the customer's securities account for destruction. Certificates held in safe custody in Germany shall, where possible, be placed at the customer's disposal if so requested. The customer shall be advised of the removal, possible delivery and possible destruction of the certificates. If the customer fails to give any instructions, the Bank may destroy the certificates after expiry of a period of two months after dispatch of such advice to the customer.

## **19 Liability**

### **19.1 Safe custody in Germany**

If securities are held in safe custody in Germany, the Bank shall be liable for any fault on the part of its employees and the persons it engages in the fulfilment of its duties. If the customer has been credited on collective securities account, the Bank shall also be liable for fulfilment of the duties of the Clearstream Banking AG.

### **19.2 Safe custody abroad**

If securities are held in safe custody abroad, the Bank's liability is limited to the exercise of due care in the selection and instruction of the foreign depository or intermediate depository engaged by it. In the case of intermediate safe custody by the Clearstream Banking AG or another domestic intermediate depository as well as safe custody by one of its offices abroad, the Bank shall be liable for any fault on their part.

## **20 Miscellaneous**

### **20.1 Requests for information**

Foreign securities which are acquired or sold abroad or which a customer entrusts to the Bank for safe custody in Germany or abroad are usually subject to foreign law. Rights and duties of the Bank or the customer are therefore also determined by this law, which may also provide for disclosure of the customer's name. The Bank shall furnish corresponding information to foreign authorities and other offices where it is obligated to do so; it shall advise the customer thereof.

### **20.2 Lodgement/transfer**

These Special Conditions shall also apply if the customer physically lodges domestic or foreign securities with the Bank for safe custody or arranges to have securities account credit balances transferred from another depository. If the customer requests safe custody abroad, the customer shall be credited on current securities account as provided for in these Special Conditions.

### **20.3**

In the event that capital measures are implemented (e.g. consolidation of several shares into one share; share swaps), it is possible that fragmented securities can appear in the client's portfolio. To the extent that such securities can be converted into cash, the Bank shall consolidate the fragmented securities of all affected clients and sell them in accordance with the Basic Principles for Execution of Securities. This applies to all fragmented securities except for investment fund share fragments (unless these are shares in exchange traded funds – ETF). The income thus generated shall be credited to clients by the Bank (less the agreed-upon fee). In the case of fragmented securities that cannot be sold, the associated accounts can only be closed after an order for the removal of such securities has been issued by the client.

**SPECIAL CONDITIONS  
FOR FORWARD TRADING**

effective from 11 June 2012

These Special Conditions apply to transactions on options and futures exchanges and to off-exchange forward transactions in foreign currency and precious metals (referred to in the following as »transactions«). They do not apply to off-exchange transactions for which the application of the Master Agreement for Financial Derivatives Transactions, or another master agreement which combines all the transactions documented under it into a single contract, has been agreed. Transactions in which the rights are represented by certificates (e.g. in the case of warrants) are subject to the Special Conditions for Dealings in Securities.

**Transactions on options and futures exchanges**
**1. Execution of the transactions**
**(1) Transactions in contracts on Eurex Deutschland**

The Bank shall execute all orders relating to options and futures contracts admitted to trading on Eurex Deutschland in the capacity of a commission agent in its own name and for the customer's account on Eurex Deutschland. The Bank may also engage another commission agent (intermediate commission agent) to execute the order. When the transaction is effected on Eurex Deutschland (execution transaction), a corresponding transaction shall be simultaneously effected between the customer and the Bank. Any transactions with the customer in contracts which are admitted to trading on Eurex Deutschland shall be governed by the trading and clearing conditions and by the exchange rules of Eurex Deutschland.

**(2) Transactions on foreign futures and options exchanges**

Orders to conclude transactions on foreign futures and options exchanges shall be executed by the Bank in the capacity of a commission agent in its own name and for the customer's account. The Bank may also engage an intermediate commission agent to conclude the execution transaction. It shall only be liable for the careful selection of the parties entrusted with the execution of the customer's order abroad; should performance be impaired, the Bank shall assign to the customer its claims against the parties involved. Execution transactions in contracts which are traded on foreign futures and options exchanges shall be subject to the legal regulations and business conditions (practices) applicable to such exchanges; they shall be governed, in addition, by the General Business Conditions of the Bank's counterparty. This shall also apply to the contents and the settlement of the execution transactions, e.g. in respect of their exercise date, the term or margin requirements, and also in respect of the suspension or discontinuance of the settlement of the transactions by the clearing houses existing at the exchange and by any other parties entrusted by the Bank with the execution of the customer's order.

**2. Price of the transaction/remuneration/expenses**

The Bank shall charge the customer the price of the execution transaction; it shall be entitled to charge its remuneration. Any entitlement by the Bank to reimbursement of expenses shall be governed by the applicable statutory provisions.

**3. Selection of the place of execution**

If orders can be executed on several exchanges, the Bank shall, in the absence of other instructions determine the place of execution with due regard to the customer's interests and shall inform the customer without undue delay of the place of execution.

**4. Fixing of price limits**

The customer may, when placing orders, stipulate to the Bank price limits for the execution transaction (orders with price limits).

**5. Period of validity of orders unlimited in time**

An order to conclude transactions on futures and options exchanges which has been given without expressly stating the period of validity shall be valid only for the day on which the order has been given.

**6. Suspension of trading**

If trading in certain contracts is partly or completely suspended at the instigation of the exchange management and if all orders in such contracts are cancelled, all customer orders in the contracts concerned for execution on this exchange shall become void; the Bank shall advise the customer thereof without undue delay.

**Off-exchange transactions**
**7. Trading for own account**
**(1) Execution of the transactions**

In the case of off-exchange transactions in foreign currency and precious metals, the Bank shall conclude the transaction with the customer in the capacity of a dealer in its own name and for its own account.

**(2) Price of the transaction**

The Bank may determine the price at its reasonable discretion (Section 315 of the German Civil Code), unless a fixed price has been agreed.

**Rules governing exchange and off-exchange transactions**
**8. Non-execution due to a lack of cover**

The Bank shall be entitled not to execute the order if the customer's credit balance or a loan available for forward trading are not adequate for execution. If the Bank does not execute all or part of the order, it shall advise the customer thereof without undue delay.

**9. Collateral**
**(1) Lien under the General Business Conditions**

The securities, chattels and claims of the customer against the Bank subject to the Bank's lien under Section 14 of its General Business Conditions (lien under the General Business Conditions) shall secure in an unrestricted manner any existing and future, including any contingent or unmatured, claims of the Bank against the customer arising from the transactions. If security has been agreed separately, the Bank's claim shall be secured by this as well, provided that the declaration regarding the purpose of the security also covers the transactions (other security).

**(2) Maintenance of sufficient assets as security**

The Bank may require the customer to maintain assets at the Bank which, by virtue of the lien under the General Business Conditions and other security, at the same time serve as security for all the Bank's claims arising from the transactions. Security must be provided from time to time in such an amount as the Bank considers necessary according to its assessment of the exposure to interest, exchange rate and price risks (exposure to loss) from transactions with the customer. In the case of a change in the assessment of the risk or in the value of the assets maintained with the Bank, the Bank may at any time demand that the customer shall provide additional assets as security or provide first-time security for as yet unsecured risks within a reasonable period of time, which time period – in view of the peculiar nature of the transactions – may be very short, possibly hours.

**(3) Separation or separate accounting of assets**

In view of the exposure to loss from the transactions, the Bank may at any time post assets of the customer in separate accounts or separate them otherwise. The Bank's lien under the General Business Conditions on these and any other assets of the customer shall not be affected thereby. All assets shall therefore continue to serve as security both for any claims arising from the transactions and for any other claims arising from the business relationship. The customer may dispose of the separately accounted or otherwise separated assets only with the Bank's consent.

#### **(4) Security to be provided for transactions on Eurex Deutschland**

For any order to conclude transactions on Eurex Deutschland, security must be provided in the minimum amount resulting from the method of calculation applied by Eurex Deutschland.

#### **(5) Interim credits or debits under outstanding transactions**

If preliminary gains resulting from the daily valuation of transactions are credited by the Bank – to a separate account, if appropriate – prior to final settlement or closing out of such transactions, the customer may dispose of them only with the Bank's consent. If losses result from such a valuation, the Bank shall debit the customer's account accordingly. The Bank shall inform the customer of the entries at regular intervals. The Bank shall be authorised to debit the customer's current account to balance such debit entries, even if this leads to credit being availed of.

### **10. Consequences of a lack of security; insolvency; claims to settlement of losses**

#### **(1) Premature termination and closing out**

If the Bank requests additional security and if such security is not provided within the period allowed by the Bank or if the provision of additional security is refused, the Bank may – provided that it has threatened to do so – terminate all or part of the transactions and contractual relationships underlying the open positions without allowing a period of time or close out all or part of the open positions resulting from such transactions by way of an offsetting transaction. The same shall apply if the customer does not comply with his obligation to settle preliminary losses resulting from the daily valuation of the transactions.

#### **(2) Premature termination in the event of insolvency**

In the event of insolvency, all the Bank's transactions with the customer and the contractual relationships underlying the transactions concluded for the customer shall terminate without notice. A case of insolvency shall be deemed to exist if an application for the Institution of bankruptcy or other insolvency proceedings against the assets of a party is filed and this party has either filed the application itself or is insolvent or otherwise in a position which justifies the institution of such proceedings.

#### **(3) Settlement claims**

If the Bank has closed out or terminated transactions pursuant to subsection 1 above or to transactions have been terminated due to insolvency pursuant subsection 2 above, instead of settlement only claims for non-settlement may be asserted. These claims shall be based on the difference between the agreed prices and the market or stock exchange prices applying to a transaction with the agreed settlement period on the date of termination or closing out and shall be denominated in each case in euros.

### **11. Exercise of options by the customer**

#### **(1) Latest exercise date**

The customer's declaration that he wishes to exercise an option must be received by the Bank not later than on the date it has notified to the customer. Any declaration by the customer that is received by the Bank after such date shall be considered for the next banking day, provided that the option can still be exercised then.

#### **(2) Bringing the exercise date forward in the case of conversion offers or take-over bids**

If, when conversion, take-over or purchase offers are made or when such bids are invited, the term of the option is shortened in accordance with market practice, the customer's declaration that he wishes to exercise the option must be received by the Bank by the date stated in the Bank's notice of the shortening of the term.

#### **(3) No particular information duties**

Subject to the aforesaid, the Bank shall not be obliged to draw the customer's attention to the imminent expiration of the option and the deadline for his declaration.

### **12. Exercise of option rights by the Bank vis-à-vis the customer**

#### **(1) Conferment of authority upon the Bank**

By writing an option (entering into an option writer position), the customer shall irrevocably authorise the Bank, releasing the Bank from the restrictions imposed by Section 181 of the German Civil Code, to receive on his behalf the Bank's declaration of exercise of the option. The Bank shall inform the customer of the exercise without undue delay.

#### **(2) Withdrawal from the customer's securities account; procurement of the underlying items; costs; claim for damages**

If a call option written by the customer is exercised, the Bank shall be authorised to purchase for his account any part of the underlying items (securities, foreign currency, precious metals, etc.) that is not available in the customer's securities or cash account. Should the bank not be in a position or procure the underlying items by way of purchase by such time as the Bank itself is obliged to make delivery on account of the claim made against it under an option written on behalf of the customer, the Bank shall be authorised to procure the required underlying items in some other way – for example, by way of a security loan – in order to bridge the period of time during which the delivery problems persist. The cost incurred thereby as well as any further damage caused by the delay shall also be borne by the customer.

### **13. Drawing for allocation of exercised options**

The exercised options allocated to the Bank on a random basis shall be distributed by the Bank to its customers who have written such options through a neutral drawing carried out within the Bank.

### **14. Settlement of deliverable futures contracts**

In the case of futures contracts to be settled through delivery the customer may demand to make or take delivery of the underlying items, provided that he has not closed out the transactions by way of an offsetting transaction. The instruction to the Bank to make or take delivery must be received by the Bank not later than on the date that has been notified therefor by the Bank to the customer. If the Bank has not received timely instructions or the customer has not provided the securities or funds required for delivery by such date, the Bank shall endeavour to close out the futures contract immediately for the customer's account in order to avoid settlement through delivery.

### **15. Settlement of forward transactions in foreign currency**

#### **(1) Duty of cooperation by the customer**

In the case of forward transactions in foreign currency, the customer must inform the Bank by a date notified to him (usually two banking days before the due date) that the currency to be procured by him (euros or foreign currency) will be available as agreed on the due date. Such notice shall be unnecessary if the customer has an adequate credit balance on one of his accounts with the Bank on the relevant date pursuant to sentence 1.

#### **(2) Failure to inform the Bank**

If the customer fails to inform the Bank in time and if the amount owed in euros or foreign currency is not available on one of the customer's accounts with the Bank on the relevant date pursuant to subsection 1 sentence 1 above, the Bank shall be authorised to purchase – with due regard to the customer's interests – the currency to be delivered by the customer for his account on a foreign exchange or over-the-counter market on the due date or to sell – with due regard to the customer's interests – the currency to be delivered to the customer on a foreign exchange or over-the-counter market on the due date.

## BASIC PRINCIPLES FOR EXECUTION OF SECURITIES UNICREDIT BANK AG

effective from 1 August 2021

### 1 Preliminary principles

#### 1.1 Introduction

This document determines the best execution policy (referred to hereafter as the »Best Execution Policy«) for UniCredit Bank AG (referred to hereafter as »the Bank«). For the Bank's foreign branches, the respective amendments stipulated in the country specific terms apply, or, as the case may be, a separate best execution policy applies. The information on »Best Execution Policy for Transactions in Financial Instruments« is part of the General Business Conditions and the Special Conditions for the Securities Business of Bank.

Detailed information on the product types described below (referred to hereafter as »asset classes«) is available in the brochures »Basic information on investments in securities« and »Basic information on futures contracts – fundamental principles, business context, opportunities, risks«. These brochures are available free of charge at the Bank's branches.

This Policy is supplemented by annexes which provide further details of the Policy as it applies to different asset classes. The annexes should be read in conjunction with this policy. It will be demonstrated to the client, on his request, that we executed orders in accordance with our Best Execution Policy.

Requests for clarification of the information contained in the Best Execution Policy, as well as requests to demonstrate compliance should be addressed to [info@hvb.de](mailto:info@hvb.de) or contact your advisor.

#### 1.2 Scope

The Best Execution Policy is applicable to the execution of orders from the Bank's retail or professional clients for the purchase or sale of financial instruments.

Where best execution applies, the Bank will take all sufficient steps to obtain the best possible result for its clients, on a consistent basis, taking into account the execution factors set out in Section 1.3.

The customer can direct the Bank to deviate from the Best Execution Policy in respect of specific execution factors, for example by specifying the execution venue on which an order is to be executed. In case of a customer instruction of this kind, the Bank meets its best execution obligation by executing the order accordingly. Consequently, the Best Execution Policy is not applicable in respect of the execution factors specified by the client. Orders issued on a discretionary basis or in similar form are also regarded as instructions, where a specific execution venue cannot be specified, so that the Bank will execute such orders at its own discretion but taking the client's best interest into account.

Please note: The Bank will execute orders in accordance with the client instructions it receives, and therefore cannot apply the Best Execution Policy in respect of the execution factors specified by the client. Clients giving instructions regarding execution factors act at their own risk, and will not be alerted to this fact by the Bank in each individual case. By following your specific instruction, we will have satisfied the obligation to provide you with best execution in relation to the relevant part of the transaction to which the Specific Instruction applied. The remaining portion of that order not covered by such instructions may still be applicable for best execution in accordance with the criteria laid out in this Best Execution Policy.

#### 1.3 Determining the client's interest

The Best Execution Policy allows the Bank to comply with its obligation to define order execution principles to achieve the best possible client outcome. Achieving the best possible outcome for the client and/or determining the best possible execution venue does not imply any guarantee that the best possible result will in

fact be achieved for each individual order. However, for certain asset classes the Bank uses an automatic execution technology (see 2.1) that compares the prices and, as the case may be, costs on different execution venues for an individual order.

The Bank developed its Best Execution Policy for financial instruments in its own discretion. When preparing the Best Execution Policy, the following aspects were taken into account:

- price - this is the price at which a financial instrument is purchased/sold
- costs - this includes implicit costs such as the possible market impact and explicit external costs, e.g. exchange or clearing fees and explicit internal costs which represents the Bank's own remuneration through commission or spread
- speed – time period it takes to execute a client transaction after its receipt
- likelihood of execution - the likelihood that the Bank will be able to completely execute a client order. In illiquid markets, the likelihood of execution will become a significant factor.
- likelihood of settlement - the likelihood that the settlement of the transaction takes place at value date
- order size - this is the size of the order to be executed and may affect the price and the likelihood of execution
- nature of the transaction – this is how the particular characteristics of a client transaction can affect how best execution is received. e.g. if an execution venue does not offer the order type the client requests
- qualitative factors related to the execution venues, like clearing schemes, circuit breakers, scheduled actions, the supervision of the trading by a trade supervision body etc. and
- any other consideration relevant to the execution of the transaction

For determining the relative importance of the factors mentioned above, the following criteria have been taken into account:

- The characteristics of the client including the categorization of the client as retail or professional
- The characteristics of the client order, including where the order involves a security financing transaction (SFT)
- The characteristics of financial instruments that are the subject of the transaction; and
- The characteristics of the execution venues to which the transaction can be directed.

When executing an order on behalf of a retail client, best execution is determined in terms of total consideration. Total consideration is representing the price of the relevant financial instrument and the costs related to execution, which include all expenses incurred which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

Execution of orders, sent by professional clients, will follow the rules, outlined for retail clients.

For professional clients, the achievement of the best possible result is also influenced by the other execution factors mentioned previously, even if price and cost are generally the most important factors. Speed of execution is also taken into account as another important execution factor, followed by likelihood of settlement. The other execution factors mentioned rank behind these, and are weighted in the assessment as determined for the relevant asset class.

The Bank takes into account the venues and intermediaries through which the financial instruments in question are traded in significant volumes when selecting the relevant execution venues. The Bank will not unfairly discriminate between execution venues or types (i.e. Brokers) but will make a decision on an execution venue based on a consideration of the execution factors. The asset class specific determinations in Section 2 will provide more information on the execution venues on which the Bank places significant reliance in a meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of client orders.

If the client's assessment of certain execution factors differs from the Bank's assessment when compiling the Best Execution Policy, and therefore wishes the transaction to be executed at a different execution venue than specified in the Best Execution Policy, the client is entitled to issue a specific instruction as to the preferred place of execution.

### 1.3.1 Price

To determine the advantages of an execution venue with regard to price, the Bank assesses the price formation mechanism of the trading venues. Price quality is particularly dependent upon the number of market participants, the availability of market makers, and whether a reference market is used. For certain asset classes the Bank uses an automatic execution technology (see 2.1) that compares the prices on different execution venues for an individual order.

### 1.3.2 Costs

Costs are determined as a part of the total amount payable, taking into account the criteria as outlined in 1.3.2.1 – 1.3.2.3

The consideration of costs in the total net consideration depends on the fee-model agreed with the client:

- If the client holds his securities account with the bank the standard price model of the bank will be used for calculation of the total net consideration. Categories of execution venues are formed and for each category a certain fee (consisting of an execution-lump sum and a transaction-fee) is charged; this fee will be considered for the purposes of the comparison of the venues
- If the client does not hold his security account with the bank and falls under a cost-regime, where external costs are debited 1:1 to clients, the determination of total consideration takes into account the actual amount of external costs and all costs debited by the Bank itself

#### 1.3.2.1 Direct execution by the Bank at an exchange

In addition to the Bank's commissions for instrument transactions, the costs include expenses of third parties (e.g. the exchanges or parties maintaining order books at exchanges/market makers – also including the costs of a central counterparty – and entities involved in clearing or settlement) as well as market access costs if these are charged to the client.

#### 1.3.2.2 Indirect execution through an intermediary

Instead of direct execution at an exchange described under subsection 1.3.2.1, the Bank can use an intermediary if this is in the client's interest. In this case, the costs include those of the intermediary, in addition to those mentioned under subsection 1.3.2.1. When executing client orders or when placing orders with

(or transmitting client orders to) other entities (including affiliates) for execution, the Bank will take all sufficient steps in order to obtain on a consistent basis the best possible result.

### 1.3.2.3 Special aspects of transactions executed against own books of the Bank

The Best Execution Policy is applicable only to a limited degree if the Bank offers execution against own books only, and enters into an agreement with the client regarding financial instruments at a fixed or definable price. In this case, the obligations of the Bank and the client are derived directly from the contractual agreement. In such a transaction with the Bank the Bank meets its best execution obligation by offering a fair price.

Asset classes, where the Bank offers trading against own books on a regular basis, are stated in Chapter 2 of the Best Execution Policy.

If the offer of the Bank to execute the order against own books is in competition with other execution venues, according to the respective asset class of this Best Execution Policy, the offer of the Bank will be treated for the comparison with other execution venues, like any external execution venue.

### 1.3.3 Other aspects of order execution

The Bank has also taken into account the following execution factors as required by law.

#### 1.3.3.1 Speed of execution

This refers to the interval between the time the order is accepted and the time the order is capable of being executed on the execution venue. The speed of an execution venue is determined to a large extent by the type of market model (e.g. auction procedure) it uses.

#### 1.3.3.2 Likelihood of execution and settlement

The likelihood of the order being executed on a trading venue depends mainly on the prevailing liquidity. In this respect, the Bank also takes into account the risk of partial execution which could have a direct impact on the overall cost of settlement. The Bank views the likelihood of settlement as being influenced by potential issues with the processing of transactions in financial instruments which may have a negative impact on delivery or payment.

#### 1.3.3.3 Order type and size

The Bank distinguishes orders by size to the extent that this affects the choice of execution venue in connection with price and costs.

It is possible to submit different order types to different execution venues. In addition to buy and sell orders, various limit orders and other order types exist (e.g. kill-or-fill). The client can specify an order type when issuing an order. However, specification of order type may mean that the order cannot be executed on certain execution venues.

### 1.3.4 Qualitative factors of execution venues

The Bank also took into account qualitative factors with regard to the selected execution venues. These include e.g.

- clearing schemes
- circuit breakers
- scheduled actions
- supervision of the trading by a trading monitoring agency
- the complaint management and complaint handling by the execution venue
- the Trading Times
- the reliability of service obligations
- the bindingness of quotes and other price information

- the choice of order functionalities and execution types
- the service and information offered to investors
- the type of the order book
- the counterparty risk of the trading partner
- the processing security

#### 1.4 Execution venues

Should the client wish to execute a transaction on a particular execution venue, this will be treated as a specific instruction

The Bank may use one or more of the following execution venue types when executing your order:

- Regulated Markets; e.g. London Stock Exchange, Xetra, New York Stock Exchange
- Other trading venues that are not Regulated Markets; Multilateral Trading Facilities (MTFs) and Organised Trading Facilities (OTFs), e.g. Euro-MTS, Brokertec.
- Systematic Internalisers (SI): (SIs) means investment firms which, on an organised, frequent, systematic and substantial basis, deal on own account by executing client orders outside a regulated market, an MTF or an OTF, without operating a multilateral system.
- Market Maker
- other liquidity providers
- As the case may be, the Bank may act as SI, Market Maker or other liquidity provider
- The Bank may use third parties, like investment firms, brokers and/or affiliates acting as a SI, Market Maker or other liquidity provider

The selection of offered execution venues per asset class is a result of a market analysis per asset-class. The Bank analyzed all execution venues it is connected to and other potential execution venues to identify such execution venues which it considers to be the most competitive execution venues to perform Best Execution for the client. The Bank employs the strategy to offer only execution venues which allow for a timely and comprehensive execution of client orders. The analysis and assessment will be performed on an ongoing basis at least on a yearly basis as outlined in chapter 4. The assessment may lead to the adoption of new execution venues or the deletion of an execution venue.

The Bank may execute all or part of your order outside of a Regulated Market or MTF/OTF. In accordance with regulatory requirements the Bank has requested the client's consent to execute such orders in this manner. The request to provide such consent is included in our client onboarding documentation which has previously been provided to you. In case that no consent form signed by the client has been received by the bank, the Bank will request this consent during the order capturing process. The execution of orders outside trading venues may cause as a consequence increased risks (e.g. increased counterparty risks, credit costs) which are taken into consideration in the assessment of execution venues (if applicable).

Requests for clarification of potential increased risks of an OTC execution, should be addressed to [info@hvb.de](mailto:info@hvb.de) or contact your advisor.

The Bank utilizes an intermediary in situations where it appears to be in the client's best interest to do so, in compliance with the Best Execution Policy. The Bank works with several different intermediaries. The Bank selects the intermediaries from among well-known international prime brokers, taking into account their execution policies and criteria such as direct market access for various trading venues and the presence of an electronic trading platform along with reliable settlement processes. In the past these intermediaries have offered rapid and reliable execution without any appreciable differences in quality. To achieve the most favorable execution conditions in the interest of the client,

the Bank will review the selection of intermediaries on a regular basis. In all other respects, the execution policies and practices or the respective intermediary will apply.

If unusual market conditions or market disruption necessitate execution to be effected in a different way, the Bank will execute the order acting in the customer's best interest.

#### 1.5 Capital market transactions

Instruments issued either during an initial public offering (IPO) or during a capital increase are allocated by the lead manager or another member of the respective syndicate if appropriate, who has been mandated by the issuer. As part of the allocation process, the lead manager will classify clients into categories. The clients will then receive a proportional allocation, which could range from zero to full allocation up to the original order size. Irrespective of the allocation process used, the bank will ensure that the allocation is handled fairly and in the interests of all customers and – where possible – is effected in tradable minimum sizes.

### 2 Execution of orders

#### 2.1 General Provisions

For asset classes, where execution venues are suitable and liquid, (equities, certain bonds, etc.) the Bank will utilize automatic execution technology (AET) to choose a venue in order to obtain the best possible result for the client.

The Bank will employ AET that seeks the best prices and liquidity for each individual order by comparing the prices, liquidity and costs of the execution venue to be compared for the relevant asset class by using system rules defined by the rules of the Best Execution Policy. The assessment and decision about the execution venue, the order is directed to, will consider the result of the AET and the other static factors relevant for the respective asset class and that are not evaluated for each individual order but monitored on a regular basis for the purpose of this Best Execution Policy.

The AET will be used for the entire asset classes listed below - except 2.3, 2.8, 2.9.

For other orders placed with the Bank, the Bank's decision for an execution venue considers strategies on handling the order by taking into account the execution factors as described for each asset class and any particular criteria or instructions provided. These factors are not evaluated for each individual order but are monitored on a regular basis for the purpose of this Best Execution Policy.

Where a client order is not executed promptly, the Bank will try to execute your transaction as soon as possible. These orders are continually monitored and once the requested price has been reached, the Bank will provide best execution either through execution on execution venue, against the books of the Bank or through a combination of both.

Financial instruments with the same characteristics are grouped in asset classes and are treated equally on the basis of these classes under the Best Execution Policy for Securities Transactions.

## 2.2 Equities Shares and Depositary Receipts

### 2.2.1 Domestic equities – shares and depositary receipts

Domestic equities are traded primarily in Germany, and are generally determined by the inclusion in any of the leading German Indices, like

- DAX®
- MDAX®
- SDAX®
- TecDAX®

There are several other products like domestic ETF-s, which are not part of an index, but fall under the rules, outlined in this chapter.

The following overview determines the execution venues, which will be taken into consideration for execution

Stock Exchange Xetra classic – XETR
Berlin Stock Exchange – XBER
Duesseldorf Stock Exchange – XDUS
Xetra Frankfurt 2 Stock Exchange –XFRA
Hamburg Stock Exchange – XHAM
Hannover Stock Exchange – XHAN
Munich Stock Exchange – XMUN
gettex – XMUN
Stuttgart Stock Exchange – XSTU
Internalization UniCredit Bank AG – UCDE
Morgan Stanley Europe S.E. – MESI

#### Retail Clients:

When executing an order on behalf of a retail client, best execution is determined in terms of total consideration. Total consideration is representing

- the price of the relevant financial instrument and
- The costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- The likelihood of execution in regard of the quoted volume.

Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the client. »Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

#### Professional Clients:

Execution for professional clients will follow the same rules outlined for retail clients.

The total consideration is determined by the order value (nominal x price) and all incurring internal and external costs.

The Bank cannot warrant that any given order will in fact be executed on the selected trading venue on the same trading day. Orders ,not executed on the same day of order capture, remain at the trading venues in question, unless the client has provided for the order to be cancelled in such cases (e.g. in case of same-day orders) or if this is the standard procedure for the order type in question.

### 2.2.2 Foreign equities – shares and depositary receipts

All equities with a Non-DE-ISIN fall under this category. So generally the home venues in the issuer's home country will be used. The selection of venues may be limited by place of custody or trading restrictions. The Bank will not execute orders on venues which create additional costs on client side for the transfer of securities. The respective foreign markets to which, the Bank is connected to may be found in Annex 1 »list of execution venues«.

If the respective financial instrument may also be traded in Germany, or if the Bank offers execution against own books, the Bank will decide about the execution venue by assessing the depository and cost situation, to achieve the best expected result for the client.

In case that an execution on German Markets is preferred, the rules as outlined under 2.2.1 apply.

### 2.3 Subscription rights

In addition to conventional subscription rights, this asset class includes tradable purchase rights and redemption rights. With regard to the limited subscription period, for subscription rights granted abroad, a greater weighting is given to the criteria of likelihood of execution and settlement and speed of execution. Orders for subscription rights held in Germany (including those held at foreign branches of CBF International) are submitted for execution to an appropriate German trading venue.

The following overview determines the execution venues, which will be taken into consideration for execution:

Xetra classic Stock Exchange – XETR
Berlin Stock Exchange – XBER
Duesseldorf Stock Exchange – XDUS
Stuttgart Stock Exchange – XSTU
Xetra Frankfurt 2 Stock Exchange –XFRA
Hamburg Stock Exchange – XHAM
Hannover Stock Exchange – XHAN
Munich Stock Exchange – XMUN

Orders for instruments held abroad (with the exception of foreign branches of CBF International) are submitted for execution on an execution venue or OTC in the country where the instruments are held by the depository. Details are provided to the customer on request when the order is submitted.

#### Retail Clients:

When executing an order on behalf of a retail client, best execution is determined in terms of total consideration. Total consideration is representing

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume. »Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the client.

Speed of Execution, Likelihood of Settlement and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the retail client.

**Professional Clients:**

Execution for professional clients will follow the same rules outlined for retail clients

The total consideration is determined by the order value (nominal x price) and all incurring internal and external costs.

**2.4 Debt Instruments**

This class includes interest-bearing securities as well as other securities with characteristics similar to bonds. The Bank distinguishes in regard of Nature of Order and Size of Order as stated in the following sections:

**2.4.1 Debt Instruments in Euro**

Bundesschatzbriefe issued by the federal government are executed with the Bundesbank as an over-the counter commission-based transaction as no alternative market is available.

The Bank executes orders in listed bonds on a suitable execution venue,

- if the nominal value of the order is below EUR 1.000.000 for bonds issued by the Federal Republic of Germany or the federal states
- or if the nominal value of the order is below EUR 250.000 for all other issuers
- and if those orders are settled via domestic custodian accounts.

If the volume of the order is above described thresholds or the orders could not be settled via domestic custodian accounts, the Bank will offer a fixed-price-transaction as outlined later in this section.

The following overview determines the execution venues, which will be taken into consideration for execution:

Berlin Stock Exchange – XBER
Duesseldorf Stock Exchange – XDUS
Xetra Frankfurt 2 Stock Exchange – XETR
Hamburg Stock Exchange – XHAM
Hannover Stock Exchange – XHAN
Munich Stock Exchange – XMUN
Stuttgart Stock Exchange – XSTU
Internalization UniCredit Bank AG – UCDE

**Retail Clients:**

When executing an order on behalf of a retail client, best execution is determined in terms of total consideration. Total consideration is representing

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

- the likelihood of execution in regard of the quoted volume. »Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the client.

Speed of Execution, Likelihood of Settlement, counterparty risk and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the retail client.

**Professional Clients:**

Execution for professional clients will follow the same rules outlined for retail clients.

The total consideration is determined by the order value (nominal x price) and all incurring internal and external costs. The total consideration and the weighted result of the assessment of static factors are used for the determination of the rating figure. The rating figure is composed of the sum of the weighted amounts of the total consideration and the assessment result of static factors.

The Bank cannot warrant that any given order will in fact be executed on the selected trading venue on the same trading day. Orders ,not executed on the same day of order capture, remain at the trading venues in question, unless the client has provided for the order to be cancelled in such cases (e.g. in case of same-day orders) or if this is the standard procedure for the order type in question.

For all other orders in this asset class (especially bonds held in non-domestic custodian accounts as well as orders above the thresholds in regard of volumes mentioned before), the Bank generally offers the purchase or sale of the securities directly with the Bank at prices that are in line with the market. The purchase or sale then occurs at a fixed price agreed with the Bank (fixed-price transaction). There is no obligation for the Bank to enter into a transaction of this kind. For fixed-price transactions, the Bank offers an immediate price commitment for the securities during its usual trading hours, taking into account the market conditions and acknowledging all costs associated with this form of execution. Moreover, in this case the Bank executes the transaction immediately and in full.

The Bank cannot warrant that any given order will in fact be executed on the selected trading venue on the same trading day. Orders ,not executed on the same day of order capture, remain at the trading venues in question, unless the client has provided for the order to be cancelled in such cases (e.g. in case of same-day orders) or if this is the standard procedure for the order type in question.

If no fixed-price transaction is agreed, instructions from the client are required with regard to the execution venue.



**2.4.2 Debt instruments in foreign currencies**

The most liquid trading for bonds in foreign currencies generally takes place over-the-counter (OTC). Consequently, the Bank generally offers the purchase or sale of the securities directly with the Bank at prices that are in line with the market. The purchase or sale then occurs at a fixed price agreed with the Bank (fixed-price transaction). There is no obligation for the Bank to enter into a transaction of this kind. For fixed-price transactions, the Bank offers an immediate price commitment for the securities during its usual trading hours, taking into account the market conditions and acknowledging all costs associated with this form of execution. If no fixed-price transaction is agreed, instructions from the client are required with regard to the execution venue.

**2.5 Investment fund shares**

The purchase and sale of shares in OGAW-investment-funds or Investmentaktiengesellschaften (investment share companies) or EU-OGAW-investment funds which are authorised for sale in Germany is handled through the relevant custodian bank pursuant to the provisions of Section 71 of the German Investment Code (KAGB). The purchase and sale of stakes in AIF is also affected through the relevant custodian bank. Therefore this execution behavior fulfils requirements with regards to best possible execution for the client.

Please note: On explicit client instruction, it is possible to execute orders in products, described before on other execution venues. The client will be informed, on request, by the Bank of the costs related to execution on such a venue.

Exchange Traded Funds (ETF-s) will fall under the rules set out in chapter 2.2.

**2.6 Participation Certificates**

The Bank will execute all orders in equity-like or bond-like participation certificates listed in Germany on an appropriate execution venue.

The following overview determines the execution venues, which will be taken into consideration for execution:

Xetra classic Stock Exchange – XETR
Berlin Stock Exchange –XBER
Duesseldorf Stock Exchange – XDUS
Xetra Frankfurt 2 Stock Exchange – XFRA
Hamburg Stock Exchange – XHAM
Hannover Stock Exchange - XHAN
Munich Stock Exchange – XMUN
Stuttgart Stock Exchange –XSTU

**Retail Clients:**

When executing an order on behalf of a retail client, best execution is determined in terms of total consideration. Total consideration is representing

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume. »Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the client.

Speed of Execution, Likelihood of Settlement, counterparty risk and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the retail client.

**Professional Clients:**

Execution for professional clients will follow the same rules outlined for retail clients.

The total consideration is determined by the order value (nominal x price) and all incurring internal and external costs.

The Bank cannot warrant that any given order will in fact be executed on the selected trading venue on the same trading day. Orders ,not executed on the same day of order capture, remain at the trading venues in question, unless the client has provided for the order to be cancelled in such cases (e.g. in case of same-day orders) or if this is the standard procedure for the order type in question.

For orders involving participation certificates not listed in Germany, an explicit instruction with regard to the execution venue is required from client.

**2.7 Securitized Derivatives – Warrants**

The Bank is prepared to buy or sell its own warrants at prices that are in line with the market.

The purchase or sale occurs at a fixed price agreed with the Bank (fixed-price transaction). During its usual trading hours, the Bank provides firm quotes on a continual basis and offers an immediate price commitment, taking into account the market situation and with disclosure of the costs associated with the execution of the transaction. Moreover, the Bank executes the transaction immediately and in full. There is no obligation for the Bank to enter into a transaction of this kind.

Orders in warrants of other issuers, listed in Germany, are executed in a commission-based transaction. This is also the case for the Bank's own warrants if a fixed-price transaction is not agreed. The Bank will execute these orders on an appropriate execution venue.

The following overview determines the execution venues, which will be taken into consideration for execution.

Issuers (connected via RTO's, e.g. Cats)
Stuttgart Stock Exchange – XSTU
Xetra Frankfurt 2 Stock Exchange – XFRA

**Retail Clients:**

When executing an order on behalf of a retail client, best execution is determined in terms of total consideration. Total consideration is representing

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume.

»Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the client.

Speed of Execution, Likelihood of Settlement and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the retail client.

#### **Professional Clients:**

Execution for professional clients will follow the same rules outlined for retail clients.

The total consideration is determined by the order value (nominal x price) and all incurring internal and external costs.

### **2.8 Securitized Derivatives –Certificates and structured Debt instruments**

Certificates and structured bonds (structured investment products) issued by the Bank are purchased or sold at a fixed price agreed with the Bank (fixed-price transaction). During its usual trading hours, the Bank provides firm quotes on a continual basis and offers an immediate price commitment, taking into account the market situation and with disclosure of the associated execution costs. Moreover, the Bank executes the transaction immediately and in full. The Bank ensures that the prices are in line with the market.

The Bank is also prepared to enter directly into direct purchases/sales of structured investment products of other issuers at prices that are in line with the market. These will be executed at a fixed-price transaction with the Bank. There is no obligation for the Bank to enter into a transaction of this kind. For fixed-price transactions, the Bank offers an immediate firm quote for these securities during its usual trading hours, taking into account the market situation and with disclosure of the associated costs execution of this transaction. Moreover, in this case the Bank performs immediate full execution of the transaction. If no fixed-price transaction can be arranged, the Bank will execute orders involving structured investment products at markets, selected by the Best-Execution Rules as outlined under 2.4 and 2.7.

### **2.9 Non-securitized financial instruments**

This asset class includes options, futures contracts, swaps and all other derivative contracts based on securities, currencies, interest rates or other derivative instruments, financial indices or benchmarks which are capable of delivery or cash settlement. These also include these same instruments when based on commodities that must be cash-settled, or can be cash-settled on request by one of the parties, derivative instruments for the transfer of credit risk and contracts for difference (CFDs). Also included are all of the above-mentioned instruments with reference to climate variables, freight rates, emission allowances, inflation rates and other official economic statistics that must be cash-settled, or can be cash-settled on request by one of the parties and all other derivative contracts with reference to assets, rights, obligations, indices and benchmarks that have the characteristics of other financial derivatives. Distinctions are made according to whether these instruments are traded on a regulated market or a multilateral trading facility (MTF), whether clearing and settlement take place through recognized clearing houses and whether margin

requirements apply.

Depending on the strategy of the bank or limitations by law or by authorities not necessarily all products are available for retail clients.

#### **2.9.1 Exchange-traded derivatives**

Due to the different terms of financial futures contracts at the various futures exchanges, an exchange must be specified by the customer for this product group.

After individual consultation and on the express instruction of the customer, the bank offers to request further price quotations in addition to the price quotations published by the stock exchange in the order book. For this purpose, the Bank consults liquidity providers and/or market makers authorised on the stock exchange.

On the basis of the information provided, the customer will then place the order for the corresponding exchange and the bank will execute it on the desired exchange in compliance with the customer's instructions.

A list of the exchanges where futures contracts can be executed through the Bank, along with other details, is available from the Bank.

#### **2.9.2 OTC derivative contracts and repo transactions**

In addition to the futures contracts, options, swaps and other derivatives mentioned in subsection 2.9, these include repo and buy/sell-back transactions.

Such transactions are entered into on an individual basis between the Bank and the client. An alternative execution venue is not available. The transaction is entered into directly with the Bank at pre-agreed terms. The Bank undertakes that the terms will be in accordance with the requested fairness of prices, as outlined in the regulatory requirements.

### **3 Final provisions**

Unless individual financial instruments clearly fall into a specific asset class, the client has to provide instructions regarding the venue on which they should be executed.

If due to public holidays, trading events or technical restrictions, the Bank cannot execute an order at the time it is placed on one of the trading venues stipulated in the Best Execution Policy, then the order can be executed on another execution venue, taking the client's best interests into account. If the execution venues selected by the Bank as appropriate alternatives are also unavailable, then client instructions regarding the execution venue are required.

If an order is received outside of the trading hours of the execution venue intended for the transaction in question, it will be placed on that venue on the next trading session. If the client wishes the order to be placed on the same day, then the client must provide instructions specifying a particular venue. The Bank will not switch the order to a different venue even if the order will not or cannot be executed on the selected execution venue over an extended period. For orders not executed immediately or on the first day on which they are valid, the Bank will manage the overall order process. If any capital measures are taken by the issuer that lead to the expiry of the order, the Bank will provide relevant information. The Bank has no further follow-up obligations, such as monitoring whether an order has already been executed. However, it will inform the customer of the status of the order on request.

In order to comply with the regulatory provisions, the Bank will monitor its execution quality and publish the results. Further, the Bank will publish on an annual basis the top 5 execution venues it uses for client orders across the various asset classes (including Bank in case of execution against its own books).

The Best Execution Policy is primarily supported by system technology. If software technology is temporarily unavailable, the Bank will determine a place of execution at its own discretion while taking the client's best interests into account.

The Best Execution Policy is reviewed regularly – at least once a year – and amended if necessary. Clients will be informed immediately of any significant changes to the Best Execution Policy by the appropriate means. The currently applicable version of the Best.

Execution Policy can be accessed on the Bank's website:  
[www.hvb.de/geschaeftsbedingungen](http://www.hvb.de/geschaeftsbedingungen)

The legality and adherence to the Best Execution Policy is subject to review by the responsible supervisory authorities.

#### **4 Monitoring**

The Bank has implemented a governance framework and control process through which it monitors the effectiveness of our order execution arrangements (including this Best Execution Policy), to identify and, where appropriate, correct any deficiencies. Through this governance framework and controls process the bank will assess whether the execution venues included in this Policy provide the best possible result for the client or whether the Bank needs to make changes to its Best Execution Policy. The Bank will review its order execution arrangements and Best Execution Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of client orders.

The Bank will perform the monitoring on the base on an ongoing monitoring of execution quality of exemplary single orders, representing the scope of the Best Execution Policy. In addition, the Bank will monitor the reports with regards to execution policy, execution venues are obliged to publish regularly. Furthermore, the Bank will analyze any other publication of the execution venues to identify changes in the assessment of factors, relevant for execution of orders.

**Annex 1**
**List of used execution venues, Intermediaries,  
Systematic Internaliser, Liquidity provider**

1.	Australian Stock Exchange	Australia
2.	Euronext Brussels	Belgium
3.	Nasdaq OMX Copenhagen	Denmark
4.	Berlin Stock Exchange	Germany
5.	Düsseldorf Stock Exchange	Germany
6.	Frankfurt Stock Exchange	Germany
7.	Xetra classic Stock Exchange	Germany
8.	Xetra Frankfurt 2 Stock Exchange	Germany
9.	Hamburg Stock Exchange	Germany
10.	Hannover Stock Exchange	Germany
11.	Munich Stock Exchange	Germany
12.	Gettex	Germany
13.	Stuttgart Stock Exchange	Germany
14.	Nasdaq OMX Helsinki	Finland
15.	Euronext Paris	France
16.	Athens Stock Exchange	Greece
17.	London Stock Exchange	Great Britain
18.	Hong Kong Stock Exchange	Hong Kong
19.	Jakarta Stock Exchange	Indonesia
20.	Irish Stock Exchange	Ireland
21.	Borsa Italiana	Italy
22.	Tokyo Stock Exchange	Japan
23.	Toronto Stock Exchange	Canada
24.	Luxembourg Stock Exchange	Luxemburg
25.	New Zealand Stock Exchange	New Zealand
26.	Euronext Amsterdam	Netherlands
27.	Oslo Bors	Norway
28.	Xetra Vienna	Austria
29.	Warsaw Stock Exchange	Poland
30.	Euronext Lisbon	Portugal
31.	Nasdaq OMX Stockholm	Sweden
32.	SIX Swiss	Switzerland
33.	SIX Structured Products Exchange	Switzerland
34.	Singapore Stock Exchange	Singapore
35.	Madrid Stock Exchange	Spain
36.	Johannesburg Stock Exchange	South Africa
37.	Stock Exchange of Thailand	Thailand
38.	Prague Stock Exchange	Czech Republic
39.	Istanbul Stock Exchange	Turkey
40.	Budapest Stock Exchange	Hungary
41.	NASDAQ	USA
42.	New York Stock Exchange	USA
43.	Morgan Stanley & Co Intl. PLC	Intermediary
44.	Jefferies International Limited	Intermediary
45.	ICF Bank AG Wertpapierhandelsbank	Intermediary
46.	Wood & Company Financial Services	Intermediary
47.	KBL European Private Bankers	Intermediary
48.	UniCredit Bank AG	Liquidity Provider
49.	Morgan Stanley Europe S.A.	Liquidity Provider
50.	Issuers ( connected via RTO's e.g. Cats)	Liquidity Provider
51.	Tradegate MTF	Liquidity Provider

**UNICREDIT BANK AG MILAN BRANCH ITALIAN  
SCHEDULE (THE » ITALIAN SCHEDULE « )**

Effective from November 2018

**1. Best Execution**

- 1.1 Where you have been categorized as a professional client and where executing transactions with, or transmitting orders to, UniCredit Bank AG, Milan Branch, we will execute your transactions in accordance with the UniCredit Bank AG, Milan Branch Best Execution Policy (as amended from time to time). The latest version of such Best Execution Policy is available upon request or on our website (<http://www.ib-italy.unicreditgroup.eu>) and enclosed herein below.

**2. Miscellaneous**

- 2.1 In addition to the provisions stated in the General Business Conditions, we also have the duty to treat all your information as private and confidential and to act in compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation).

**UNICREDIT BANK AG MILAN BRANCH  
EXTERNAL EXECUTION TRANSMISSION POLICY**

Effective from December 2021

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## 1. Preliminary principles

### 1.1 Introduction

This document determines the Best Execution Policy (referred to hereafter as the »Best Execution Policy«) for UniCredit Bank AG Milan Branch (referred to hereafter as »the Bank«). The information on »Best Execution Policy for Transactions in Financial Instruments« is part of the General Business Conditions and the Special Conditions for the Securities Business of Bank.

Detailed information on the product types described below (referred to hereafter as »asset classes«) is available in the MiFID Starter Package».

This Policy is supplemented by annexes which provide further details of the Policy as it applies to different asset classes. The annexes should be read in conjunction with this Policy.

It will be demonstrated to the Client, on his request, that we executed orders in accordance with our Best Execution Policy.

Requests for clarification of the information contained in the Best Execution Policy, as well as requests to demonstrate compliance should be addressed to [info@hvb.de](mailto:info@hvb.de) or contact your advisor.

### 1.2 Scope

The Best Execution Policy is applicable to the execution of orders from the Bank's professional clients for the purchase or sale of financial instruments.

Where Best Execution applies, the Bank will take all sufficient steps to obtain the best possible result for its clients, on a consistent basis, taking into account the execution factors set out in Section 1.3.

The customer can direct the Bank to deviate from the Best Execution Policy in respect of specific execution factors, for example by specifying the execution venue on which an order is to be executed. In case of a customer instruction of this kind, the Bank meets its Best Execution obligation by executing the order accordingly. Consequently, the Best Execution Policy is not applicable in respect of the execution factors specified by the Client. Orders issued on a discretionary basis or in similar form are also regarded as instructions, where a specific execution venue cannot be specified, so that the Bank will execute such orders at its own discretion but taking the Client's best interest into account.

Please note: The Bank will execute orders in accordance with the Client instructions it receives, and therefore cannot apply the Best Execution Policy in respect of the execution factors specified by the Client. Clients giving instructions regarding execution factors act at their own risk, and will not be alerted to this fact by the Bank in each individual case. By following your specific instruction, we will have satisfied the obligation to provide you with Best Execution in relation to the relevant part of the transaction to which the Specific Instruction applied. The remaining portion of that order not covered by such instructions may still be applicable for Best Execution in accordance with the criteria laid out in this Best Execution Policy.

### 1.3 Determining the Client's interest

The Best Execution Policy allows the Bank to comply with its obligation to define order execution principles to achieve the best possible Client outcome.

Achieving the best possible outcome for the Client and/or determining the best possible execution venue does not imply any guarantee that the best possible result will in fact be achieved for each individual order. However, for certain asset classes, the Bank uses an Automatic Order Router (AOR, see 2.1) that compares the prices and, as the case may be, costs on different execution venues for an individual order.

The Bank developed its Best Execution Policy for financial instruments in its own discretion. When preparing the Best Execution Policy, the following aspects were taken into account:

- price - this is the price at which a financial instrument is purchased/sold
- costs - this includes implicit costs such as the possible market impact and explicit external costs, e.g. exchange or clearing fees and explicit internal costs which represents the Bank's own remuneration through commission or spread
- speed - time period it takes to execute a Client order after its receipt
- likelihood of execution - the likelihood that the Bank will be able to completely execute a Client order. In illiquid markets, the likelihood of execution will become a significant factor.
- likelihood of settlement - the likelihood that the settlement of the transaction takes place at value date
- order size - this is the size of the order to be executed and may affect the price and the likelihood of execution
- nature of the transaction - this is how the particular characteristics of a Client transaction can affect how Best Execution is received, e.g. if an execution venue does not offer the order type the Client requests
- qualitative factors related to the execution venues, like clearing schemes, circuit breakers, the supervision of the trading by a trade supervision body etc. and
- any other consideration relevant to the execution of the transaction

For determining the relative importance of the factors mentioned above, the following criteria have been taken into account:

- the characteristics of the Client including the categorization of the Client as retail or professional
- the characteristics of the Client order, including where the order involves a security financing transaction (SFT)
- the characteristics of financial instruments that are the subject of the transaction; and
- the characteristics of the execution venues to which the transaction can be directed.

When executing an order on behalf of the Client, Best Execution is determined in terms of total consideration. Total consideration is representing the price of the relevant financial instrument and the costs related to execution, which include all expenses incurred which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Client.

The Bank takes into account the venues and intermediaries through which the financial instruments in question are traded in significant volumes, among those it has access, to when selecting the relevant execution venues. The Bank will not unfairly discriminate between execution venues or Brokers but will make a decision on an execution venue based on a consideration of the execution factors. The asset class specific determinations in Section 2 will provide more information on the execution venues on which the Bank places significant reliance in a meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of Client orders.

If the Client's assessment of certain execution factors differs from the Bank's assessment when compiling the Best Execution Policy, and therefore wishes the transaction to be executed at a different execution venue than specified in the Best Execution Policy, the Client is entitled to issue a specific instruction as to the preferred place of execution.

### 1.3.1 Price

To determine the advantages of an execution venue with regard to price, the Bank assesses the price formation mechanism of the execution venues. Price quality is particularly dependent upon the number of market participants, the availability of market makers, and whether a reference market is used. For certain asset classes, the Bank uses an Automatic Order Router (see 2.1) that compares the prices on different execution venues for an individual order.

### 1.3.2 Costs

Costs are determined as a part of the total amount payable, taking into account the criteria as outlined in 1.3.2.1 and 1.3.2.2.

#### 1.3.2.1 Direct execution by the Bank on an execution venue

In addition to the Bank's commissions for instrument transactions, the costs include expenses of third parties (e.g. the venues or parties maintaining order books at exchanges/market makers – also including the costs of a central counterparty - and entities involved in clearing or settlement) as well as market access costs if these are charged to the Client.

#### 1.3.2.2 Indirect execution through an intermediary

Instead of direct execution described under sub-section 1.3.2.1, the Bank can use an intermediary if this is in the Client's interest or if it has no direct access to a specific venue. In this case, the costs include those of the intermediary, in addition to those mentioned under subsection 1.3.2.1.

When executing Client orders or when placing orders with (or transmitting Client orders to) other entities (including affiliates) for execution, the Bank will take all sufficient steps in order to obtain on a consistent basis the best possible result.

#### 1.3.2.3 Special aspects of transactions executed against own books of the Bank

The Best Execution Policy is applicable only to a limited degree if the Bank offers execution against own books only, and enters into an agreement with the Client regarding financial instruments at a fixed or determinable price. In this case, the obligations of the Bank and the Client are derived directly from the contractual agreement. In such a transaction the Bank meets its Best Execution obligation by offering a fair price.

Asset classes, where the Bank offers trading against own books on a regular basis, are stated in Chapter 2 of the Best Execution Policy.

If the offer of the Bank to execute the order against own books is in competition with other execution venues, according to the respective asset class of this Best Execution Policy, the offer of the Bank will be treated for the comparison with other execution venues, like any external execution venue.

### 1.3.3 Other aspects of order execution

The Bank has also taken into account the following execution factors as required by law.

#### 1.3.3.1 Speed of execution

This refers to the interval between the time the order is accepted and the time the order is capable of being executed on the execution venue. The speed of an execution venue is determined to a large extent by the type of market model (e.g. auction procedure) it uses.

#### 1.3.3.2 Likelihood of execution and settlement

The likelihood of the order being executed on an execution venue depends mainly on the prevailing liquidity. In this respect, the Bank also takes into account the risk of partial execution which could have a direct impact on the overall cost of settlement.

The Bank views the likelihood of settlement as being influenced by potential issues with the processing of transactions in financial instruments which may have a negative impact on delivery or payment.

#### 1.3.3.3 Order type and size

The Bank distinguishes orders by size to the extent that this affects the choice of execution venue in connection with price and costs.

It is possible to submit different order types to different execution venues. In addition to buy and sell orders, various limit orders and other order types exist (e.g. Fill-Or-Kill). The client can specify an order type when issuing an order. However, specification of order type may mean that the order cannot be executed on certain execution venues.

#### 1.3.4 Qualitative factors of execution venues

The Bank also takes into account qualitative factors with regard to the selected execution venues. These include e.g.:

- clearing schemes
- circuit breakers
- supervision of the trading by a trading monitoring agency
- the complaint management and complaint handling by the execution venue
- the Trading Times
- the reliability of service obligations
- the bindingness of quotes and other price information
- the choice of order functionalities and execution types
- the service and information offered to investors
- the type of the order book
- the counterparty risk of the trading partner
- the processing security

### 1.4 Execution venues

Should the Client wish to execute an order on a particular execution venue, this will be treated as a specific instruction.

The Bank may use one or more of the following execution venue types when executing your order:

- Regulated Markets; e.g. London Stock Exchange, Xetra, New York Stock Exchange
  - Other execution venues that are not Regulated Markets;
  - Multilateral Trading Facilities (MTFs) and Organised Trading Facilities (OTFs), e.g. Euro-MTS, Brokertec.
  - Systematic Internalisers (SI): (SIs) means investment firms which, on an organised, frequent, systematic and substantial basis, deal on own account by executing Client orders outside a regulated market, a MTF or an OTF, without operating a multilateral system.
  - Market Maker
  - Other liquidity providers
- As the case may be, the Bank may act as SI, Market Maker or other liquidity provider

The Bank may use third parties, like investment firms, brokers and/or affiliates acting as a SI, Market Maker or other liquidity provider.

The selection of offered execution venues per asset class is a result of a market analysis per asset-class. The Bank analyzed all execution venues it is connected to and other potential execution venues to identify which it considers to be the most competitive ones to perform Best Execution for the Client. The Bank employs the strategy to offer only execution venues which allow for a timely and comprehensive execution of Client orders. The analysis and assessment will be performed on a regular basis at least yearly as outlined in chapter 4. The assessment may lead to the adoption of new execution venues or the deletion of an execution venue.



The Bank may execute all or part of your order outside of a Regulated Market or MTF/OTF. In accordance with regulatory requirements the Bank has requested the Client's consent to execute such orders in this manner. The request to provide such consent is included in our Client onboarding documentation which has previously been provided to you. In case that no consent form signed by the Client has been received by the Bank, the latter will request this consent during the order capturing process. The execution of orders outside execution venues may cause as a consequence increased risks (e.g. increased counterparty risks, credit costs) which are taken into consideration in the assessment of execution venues (if applicable).

Requests for clarification of potential increased risks of an OTC UniCredit Bank AG execution, should be addressed to info@hvb.de or contact your advisor.

The Bank utilizes an intermediary in situations where it appears to be in the Client's best interest to do so, in compliance with the Best Execution Policy. The Bank works with several different Intermediaries. The Bank selects the intermediaries from among well-known international prime brokers, taking into account their execution policies and criteria such as direct market access for various execution venues and the presence of an electronic trading platform along with reliable settlement processes. In the past these intermediaries have offered rapid and reliable execution without any appreciable differences in quality. To achieve the most favorable execution conditions in the interest of the Client, the Bank will review the selection of intermediaries on a regular basis. In all other respects, the execution policies and practices or the respective intermediary will apply.

If unusual market conditions or market disruption necessitate execution to be effected in a different way, the Bank will execute the order acting in the customer's best interest.

## 1.5 Capital market transactions

Instruments issued either during an initial public offering (IPO) or during a capital increase are allocated by the lead manager or another member of the respective syndicate if appropriate, who has been mandated by the issuer. As part of the allocation process, the lead manager will classify clients into categories. The clients will then receive a proportional allocation, which could range from zero to full allocation up to the original order size. Irrespective of the allocation process used, the Bank will ensure that the allocation is handled fairly and in the interests of all customers and – where possible – is effected in tradable minimum sizes.

## 2 Execution of orders

### 2.1 General provisions

For asset classes, where execution venues are suitable and liquid, (equities, bonds, ETP, certificates/warrants), the Bank will utilize an Automatic Order Router (AOR) to choose a venue in order to obtain the best possible result for the client.

The Bank will employ AOR that seeks the best prices and liquidity for each individual order by comparing the prices, costs and liquidity of the execution venues to be compared for the relevant asset class, by using system rules defined by the rules of the Best Execution Policy. The assessment and decision about the execution venue, the order is directed to, will consider the result of the AOR and the other static factors relevant for the respective asset class and that are not evaluated for each individual order but monitored on a regular basis for the purpose of this Best Execution Policy.

The AOR will be used for the entire asset classes listed below except 2.3, 2.5 and 2.7.

In case the AOR cannot be used, the Bank will send the order to the »preferable market« that usually coincides with the most liquid

one for that instrument. Following a client request or if the AOR cannot fulfill the order at the conditions set by the client, the Bank can be also executed over-the-counter (OTC) on its own book.

For other orders placed with the Bank, the Bank's decision for an execution venue considers strategies on handling the order, by taking into account the execution factors as described for each asset class and any particular criteria or instructions provided. These factors are not evaluated for each individual order but are monitored on a regular basis for the purpose of this Best Execution Policy.

Where a Client order is not executed promptly, the Bank will try to execute it as soon as possible.

These orders are continually monitored and once the requested price has been reached, the Bank will provide Best Execution either through execution on execution venue, against the books of the Bank or through a combination of both.

The Bank can also agree with the Client to exclude certain execution venues from the execution strategy.

Financial instruments with the same characteristics are grouped in asset classes and are treated equally on the basis of these classes under the Best Execution Policy for Securities Transactions.

## 2.2 Equities – Shares, Depositary Receipts and Exchange Traded Products

### 2.2.1 Domestic Equities – Shares, Depositary Receipts and Exchange Traded Products

Domestic equities are traded primarily in Italy, and are generally determined by the listing on Borsa Italiana markets.

The following overview determines the execution venues, which will be taken into consideration for execution:

Borsa Italiana – XMIL
Aquis Exchange Europe – AQEU
CBOE Europe (CXE) – BCXE
CBOE Europe (DXE) – CCXE
Bloomberg MTF Europe – BTFE (solo per prodotti indicizzati quotati)
Internalizzatore Sistemático UniCredit Bank AG – UCDE

On Client request, the order can be also executed on Hi-MTF via broker.

The selection of venues may be limited by place of custody or trading restrictions. The place of custody is the one of the »preferable market« that usually coincides with the most liquid one for that instrument.

When executing an order on behalf of the Client, Best Execution is determined in terms of total consideration. Total consideration is representing:

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the Client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume. Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the Client.

»Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Speed of Execution, Likelihood of Settlement and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the Client.

The Bank executes orders in ETP products on a suitable execution venue based on certain thresholds in regard of volumes, defined with each Client. Above these thresholds, the Bank can offer the purchase or sale of the securities in »high-touch« modality, taking into account all the available options or venues.

The Bank cannot warrant that any given order will in fact be executed on the selected execution venue on the same trading day.

**2.2.2 Foreign Equities – Shares, Depository Receipts and Exchange Traded Products**

All equities with a Non-IT -ISIN fall under this category. The selection of venues may be limited by place of custody or trading restrictions. The place of custody is the one of the »preferable market« that usually coincides with the most liquid one for that instrument. The respective foreign markets to which, the Bank is connected to may be found in Annex 1 »list of interconnected execution venues«.

**2.3 Subscription rights**

In addition to conventional subscription rights, this asset class includes tradable purchase rights and redemption rights. With regard to the limited subscription period, for subscription rights granted abroad, a greater weighting is given to the criteria of likelihood of execution and settlement and speed of execution. Orders for subscription rights held in Italy (including those held at foreign branches of CBF International) are submitted for execution to an appropriate Italian execution venue. The following overview determines the execution venues, which will be taken into consideration for execution:

Borsa Italiana – XMIL
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On Client request, the order can be also executed on Hi-MTF via broker.

Orders for instruments held abroad (with the exception of foreign branches of CBF International) are submitted for execution on an execution venue or OTC in the country where the instruments are held by the depository. Details are provided to the Client on request when the order is submitted.

When executing an order on behalf of the Client, Best Execution is determined in terms of total consideration. Total consideration is representing:

- the price of the relevant financial instrument and the costs related to execution, which include all expenses incurred by the Client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume. Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the Client.

»Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Speed of Execution, Likelihood of Settlement and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the Client.

**2.4 Debt instruments**

This class includes interest-bearing securities as well as other securities with characteristics similar to bonds. The Bank distinguishes in regard of Nature of Order and Size of Order as stated in the following sections.

**2.4.1 Debt instruments listed on domestic markets (included branded issues)**

The Bank executes orders in listed bonds on a suitable execution venue based on certain thresholds in regard of volumes, defined with each Client.

Above these thresholds, the Bank can offer the purchase or sale of the securities on Bloomberg MTF or over-the-counter (OTC) directly with the Bank at prices that are in line with the market and agreed with the Client.

There is no obligation for the Bank to enter into an OTC transaction. In addition, for these kind of trades, the Bank offers an immediate price commitment for the securities during its usual trading hours, taking into account the market conditions and acknowledging all costs associated with this form of execution. Moreover, in this case the Bank executes the transaction immediately and in full.

If no trade on Bloomberg is performed and no OTC transaction is agreed, instructions from the Client are required with regard to the execution venue.

The following overview determines the execution venues, which will be taken into consideration for execution:

Borsa Italiana – XMIL
Internalization UniCredit Bank AG – UCDE
Bloomberg MTF – BTFE

On Client request, the order can be also executed on Hi-MTF via broker.

The selection of venues may be limited by place of custody or trading restrictions. The place of custody is the one of the »preferable market« that usually coincides with the most liquid one for that instrument.

When executing an order on behalf of the Client, Best Execution is determined in terms of total consideration. Total consideration is representing:

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the Client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume. Although the likelihood of execution is not a direct part of the definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the Client.

»Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Speed of Execution, Likelihood of Settlement and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the Client.

The Bank cannot warrant that any given order will in fact be executed on the selected execution venue on the same trading day.

#### 2.4.2 Debt instruments listed on foreign markets

The most liquid trading for bonds listed in foreign markets can take place via Bloomberg MTF or over-the-counter (OTC). Consequently, the Bank can offer the purchase or sale of the securities on Bloomberg MTF or OTC directly with the Bank at prices that are in line with the market and agreed with the Client. There is no obligation for the Bank to enter into an OTC transaction. In addition, for this type of trades, the Bank offers an immediate price commitment for the securities during its usual trading hours, taking into account the market conditions and acknowledging all costs associated with this form of execution. If no trade on Bloomberg is performed and no OTC transaction is agreed, instructions from the Client are required with regard to the execution venue.

#### 2.5. Listed mutual funds

Orders in listed mutual funds are executed on the market where the instrument is listed. The Bank cannot warrant that any given order will in fact be executed on the selected execution venue on the same trading day.

Exchange Traded Funds (ETF-s) will fall under the rules set out in chapter 2.2.

#### 2.6. Certificates and Covered Warrants

The Bank will execute all orders in equity-like or bond-like participation certificates listed in Italy on an appropriate execution venue.

The following overview determines the execution venues, which will be taken into consideration for execution:

Borsa Italiana – XMIL
Internalization UniCredit Bank AG – UCDE

The selection of venues may be limited by place of custody or trading restrictions. The place of custody is the one of the »preferable market« that usually coincides with the most liquid one for that instrument.

When executing an order on behalf of the Client, Best Execution is determined in terms of total consideration. Total consideration is representing:

- the price of the relevant financial instrument and
- the costs related to execution, which include all expenses incurred by the Client which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- the likelihood of execution in regard of the quoted volume. Although the likelihood of execution is not a direct part of the

definition of the term total consideration, the Bank will consider it in this context as the Bank deems it a material part of the price that is relevant for the Client.

»Nature of order« and »Size of order« are taken into consideration in the assessment of the »likelihood of execution«, since the check of the current price of the execution venue includes the depth of the order book (size) as well as the side (bid/ask) and the suitability of the execution venue for the relevant order (e.g. due to used limit types).

Speed of Execution, Likelihood of Settlement and other relevant aspects for the transaction may be taken into account only insofar as they are instrumental and relevant in delivering the best possible result in terms of the total consideration to the Client.

The Bank cannot warrant that any given order will in fact be executed on the selected execution venue on the same trading day.

For orders involving certificates or warrants not listed in Italy, an explicit instruction with regard to the execution venue is required from Client, but the Bank reserves the right to accept or reject the order.

#### 2.7. Non-securitized financial instruments

This asset class includes options, futures contracts, swaps and all other derivative contracts based on securities, currencies, interest rates or other derivative instruments, financial indices or benchmarks which are capable of delivery or cash settlement. These also include these same instruments when based on commodities that must be cash-settled, or can be cash-settled on request by one of the parties, derivative instruments for the transfer of credit risk and contracts for difference (CFDs). Also included are all of the above-mentioned instruments with reference to climate variables, freight rates, emission allowances, inflation rates and other official economic statistics that must be cash-settled, or can be cash-settled on request by one of the parties and all other derivative contracts with reference to assets, rights, obligations, indices and benchmarks that have the characteristics of other financial derivatives.

Distinctions are made according to whether these instruments are traded on a regulated market or a multilateral trading facility (MTF), whether clearing and settlement take place through recognized clearing houses and whether margin requirements apply.

##### 2.7.1. Exchange-traded derivatives

Due to the different terms of financial futures contracts at the various futures exchanges, an exchange must be specified by the customer for this product group.

The Bank only executes on IDEM (Italian Derivatives Market) the following contracts:

- Futures, minifutures and options on S&P/MIB index;
- Futures and options on single stocks.

Orders on derivatives listed abroad are executed on the foreign derivatives exchanges through Munich headquarters.

##### 2.7.2. OTC derivatives contracts and repo transactions

In addition to the futures contracts, options, swaps and other derivatives mentioned in subsection 2.7, these include repo and buy/sell-back transactions.

Such transactions are entered into on an individual basis between the Bank and the Client. An alternative execution venue is not available. The transaction is entered into directly with the Bank at pre-agreed terms. The Bank undertakes that the terms will be in accordance with the requested fairness of prices, as outlined in the regulatory requirements.

### 3. Final provisions

Unless individual financial instruments clearly fall into a specific asset class, the Client has to provide instructions regarding the venue on which they should be executed.

If due to public holidays, trading events or technical restrictions, the Bank cannot execute an order at the time it is placed on one of the execution venues stipulated in the Best Execution Policy, then the order can be executed on another execution venue, taking the Client's best interests into account. If the execution venues selected by the Bank as appropriate alternatives are also unavailable, then Client instructions regarding the execution venue are required.

If an order is received outside of the trading hours of the execution venue intended for the transaction in question, it will be placed on that venue on the next trading session. If the Client wishes the order to be placed on the same day, then the Client must provide instructions specifying a particular venue. The Bank will not switch the order to a different venue even if the order will not or cannot be executed on the selected execution venue over an extended period. For orders not executed immediately or on the first day on which they are valid, the Bank will manage the overall order process. If any capital measures are taken by the issuer that lead to the expiry of the order, the Bank will provide relevant information. The Bank has no further follow-up obligations, such as monitoring whether an order has already been executed.

However, it will inform the customer of the status of the order on request.

In order to comply with the regulatory provisions, the Bank will monitor its execution quality and publish the results.

Further, UniCredit Bank AG will publish on an annual basis the top 5 execution venues it uses for Client orders across the various asset classes (including UniCredit Bank AG in case of execution against its own books).

The Best Execution Policy is primarily supported by system technology. If software technology is temporarily unavailable, the Bank will determine a place of execution at its own discretion while taking the client's best interests into account. The Best Execution Policy is reviewed regularly - at least once a year - and amended if necessary. Clients will be informed immediately of any significant changes to the Best Execution Policy by the appropriate means.

The legality and adherence to the Best Execution Policy is subject to review by the responsible supervisory authorities.

### 4. Monitoring

The Bank has implemented a governance framework and control process through which it monitors the effectiveness of our order execution arrangements (including this Best Execution Policy), to identify and, where appropriate, correct any deficiencies.

Through this governance framework and controls process the Bank will assess whether the execution venues included in this Policy provide the best possible result for the Client or whether the Bank needs to make changes to its Best Execution Policy. The Bank will review its order execution arrangements and Best Execution Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of Client orders.

The Bank will perform the monitoring on the base on an ongoing monitoring of execution quality of exemplary single orders, representing the scope of the Best Execution Policy. In addition, the Bank will monitor the reports with regards to execution Policy, execution venues are obliged to publish regularly. Furthermore, the Bank will analyze any other publication of the execution venues to identify changes in the assessment of factors, relevant for execution of orders.

### Annex 1

List of interconnected execution venues, Intermediaries, Systematic Internaliser, Liquidity provider

1. Borsa Italiana (MTA; AIM ITALIA - Mercato Alternativo del Capitale; SEDEX; MOT/EuroMOT, IDEM; ETFplus; ExtraMOT; EuroTLX, AfterHour)	Italy
2. Australian Securities Exchange	Australia
3. Vienna Stock Exchange	Austria
4. Euronext Brussels	Belgium
5. Toronto Stock Exchange and Canada Venture	Canada
6. Nasdaq OMX Copenhagen	Denmark
7. Nasdaq OMX Helsinki	Finland
8. Euronext Paris	France
9. Xetra Germany, Frankfurt and local Markets	Germany
10. Athens Stock Exchange	Greece
11. Hong Kong Stock Exchange	China
12. Irish Stock Exchange	Ireland
13. Euronext Amsterdam	The Netherlands
14. Oslo Borse	Norway
15. Warsaw Stock Exchange	Poland
16. Euronext Lisbon	Portugal
17. Tokio Stock Exchange	Japan
18. Singapore Stock Exchange	Singapore
19. Johannesburg Stock Exchange	South Africa
20. Madrid Stock Exchange	Spain
21. Nasdaq OMX Stockholm	Sweden
22. Virtex and Swiss Exchange	Switzerland
23. London Stock Exchange	UK
24. Budapest Stock Exchange	Hungary
25. Nyse	USA
26. Nasdaq	USA
27. Amex	USA
28. USA OTC	USA
29. Aquis Europe	Europe
30. CBOE Europe (CEUX and CHIX)	Europe
31. Bloomberg MTF Europe	Europe
32. Systematic Internaliser UCB AG	Europe
33. Morgan Stanley	Intermediary
34. Equita SIM	Intermediary
35. UBS	Intermediary

**UNICREDIT BANK AG, LONDON BRANCH SCHEDULE**

effective from January 2022

**1. SCOPE AND APPLICATION**

- 1.1 The document entitled 'Information Concerning Financial Instruments' governs the business relationship between you and UniCredit Bank AG (the **Bank**).
- 1.2 The UniCredit Bank AG London Branch Schedule (the **London Branch Schedule**) forms part of the 'Information Concerning Financial Instruments', and must be read in conjunction with the respective document. The purpose of this Schedule is to supplement and, where explicitly indicated, amend certain terms contained in the 'Information Concerning Financial Instruments' in respect of business falling within its scope.
- 1.3 The provisions of the London Branch Schedule apply in respect of all business carried out by London Branch.
- 1.4 For the avoidance of doubt, where the Bank provides services to you from both Germany and the UK, the London Branch Schedule applies only in relation to the services provided by London Branch.

**2. INTERPRETATION**

- 2.1 Unless otherwise stated, all defined terms have the meanings set out in the 'Information Concerning Financial Instruments', save that any reference to a provision of an EU regulation in the 'Information Concerning Financial Instruments' is to be read and construed as a reference to the provision of the EU regulation as incorporated into UK law by the UK European Union (Withdrawal) Act 2018 and as amended or replaced from time to time, where applicable. For example, any reference to the EU Markets in Financial Instruments Regulation 600/2014 (**MiFIR**) should be read, where appropriate, as a reference to MiFIR as incorporated into UK law and amended under The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, as amended. Any reference to a provision of an EU directive (for example, the EU Markets in Financial Instruments Directive 2014/65/EU (MiFID II)) is to be read as a reference to the provision of such relevant UK legislation and the UK Prudential Regulation Authority (**PRA**) or the UK Financial Conduct Authority (**FCA**) rules as may give effect to that directive, where applicable.
- 2.2 For the purposes of the London Branch Schedule:
- (a) »TPR« means the UK temporary permissions regime entered into by the Bank from IPCD (as defined below);
  - (b) »IPCD« or »implementation period completion date« means the end of the implementation period at 11:00pm (London time) on 31 December 2020; and
  - (c) »post-authorisation« means the period beginning on the day of the Bank's exit from the TPR as a result of the approval of the Bank's application for authorisation in the UK by the PRA.
- 2.3 Please note the required disclosures in paragraphs 3-7 below, each of which apply to London Branch. Where different disclosures apply to London Branch during the TPR and post-authorisation, this is specified below accordingly.

**3. REGULATORY STATUS DISCLOSURE**

Disclosure regarding the Bank's regulatory status in the UK during TPR and post-authorisation is set out below in paragraphs (a) and (b).

**(a) During TPR**

During the TPR, the following regulatory status disclosure applies to the Bank in the UK from IPCD:

Authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in Germany and regulated by BaFin and the European Central Bank. Deemed authorised by the Prudential Regulation

Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

**(b) Post-authorisation**

Post-authorisation, the following regulatory status disclosure will apply to the Bank in the UK:

Authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in Germany and regulated by BaFin and the European Central Bank. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

**4. UK CLIENT MONEY RULES DISCLOSURES**

- 4.1 When in the TPR, London Branch is required under FCA's Client Asset Sourcebook (CASS) Chapter 14 (the Temporary permissions regime – client assets rules) to disclose to you information on the treatment of your assets held at the London Branch on our insolvency. As such, if we hold your assets, the following will apply:

In the event of our insolvency, the Bank's failure would be administered under German law. English law could apply with respect to the assets of the London Branch.

In the event that the UK branch is subject to the jurisdiction of the English court, it is possible that assets that we hold in safe custody in the London Branch could be treated differently from assets belonging to other customers of other branches of the Bank. As a result, your assets may be treated differently to other customers of the Bank's other branches based on: how the English court chooses to resolve the UK branch; differences between applicable insolvency laws; and the different client asset protections and financial compensation schemes that may be available to the customers of our other branches.

The deposit and investment protection provided by the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds Bundesverband deutscher Banken e.V.) will not apply to your assets and/or deposits held in London Branch. Instead, the depositor and investor protections of the UK Financial Services and Compensation Scheme will apply, where relevant.

- 4.2 London Branch holds your cash as banker and not as a trustee under CASS Chapter 7 (the **Client Money Rules**). If London Branch fails, the Client Money Distribution and Transfer Rules (the FCA rules which set out the rights of clients for whom a firm holds money under the Client Money Rules in the event that firm fails set out in CASS 7A) will not apply to such cash and you will not be entitled to share in any distribution under the Client Money Distribution and Transfer Rules.

**5. THE UK FINANCIAL SERVICES COMPENSATION SCHEME DISCLOSURES**

The UK Financial Services Compensation Scheme (the **FSCS**) disclosures provided below in paragraphs 5.1 and 5.2 apply in respect of London Branch during the TPR and post-authorisation

**5.1 Depositor protection**

- (a) London Branch is a participant in the FSCS. The FSCS depositor compensation scheme is available to eligible claimants. The

FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. This means it can pay compensation if a firm like us is unable, or likely to be unable, to pay claims against it.

- (b) Further information regarding the compensation provided by the FSCS (including the amounts covered and eligibility to claim) is set out in Appendix 1 to this London Branch Schedule. The following are not eligible deposits: own funds and debt securities issued by the Bank and any liabilities arising out of own acceptances and promissory notes.

## 5.2 Investor protection

- (a) The FSCS also protects money and investments owed to or belonging to the client and held by London Branch in connection with investment business. Protected investment business includes, but is not limited to, instances where London Branch provides services to you such as: dealing as agent or principal, arranging or bringing about deals in investments, advising on investments. »Investments« broadly means a security or a contractually-based investment.
- (b) In addition to deposit protection, you will currently be eligible under the FSCS for investment protection of up to a maximum of £85,000 per person if you are an eligible claimant.
- (c) Individuals and small businesses are generally eligible claimants. Investments by persons set out below in (i)-(x) are generally not eligible for FSCS investment protection:
- (i) firms authorised in the UK or overseas;
  - (ii) other financial institutions including collective investment schemes, alternative investment funds (AIF), AIF managers or depositories of an AIF;
  - (iii) pension and retirement funds (with certain exceptions);
  - (iv) governments and provincial, regional, local and municipal authorities;
  - (v) directors of the Bank (with certain exceptions);
  - (vi) corporates in the same group as the Bank (subject to certain conditions);
  - (vii) persons that, in the FSCS' opinion, are responsible for, or have contributed to the bank's default;
  - (viii) certain large companies (i.e., that satisfy two or more of the following requirements: (i) turnover of more than £10.2 million; (ii) balance sheet total of more than £5.1 million; or (iii) more than 50 employees), large partnerships (i.e., with net assets of more than £1.4 million) and large mutual associations (i.e., with net assets of more than £1.4 million);
  - (ix) persons whose claim arises from transactions in connection with which they have been convicted of an offence of money laundering; or
  - (x) protected debt management business, unless the person is a natural person.

## 6. CONSUMER PROTECTION DURING THE TPR

- 6.1 To the extent that, during the TPR, the Bank or its affiliates may provide services to you from outside the United Kingdom, the consumer protections which apply to you under local law may be different from the UK consumer protections applicable to UK firms.

## 7. COMPLAINTS HANDLING

- 7.1 During the TPR and post-authorisation, London Branch is required to provide information to eligible complainants about the Financial Ombudsman Service. As such, the following applies:

If you are an eligible complainant (as defined in the FCA Handbook) you may have the right to refer your complaint to the Financial Ombudsman Service. The Financial Ombudsman Service is a free and independent statutory dispute-resolution scheme for financial services. Details of who are eligible complainants can be obtained from the Financial Ombudsman

Service. The Financial Ombudsman Service's website is at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) and they can be contacted at:

The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR  
United Kingdom  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Telephone: 0800 023 4567

## 8. APPLICATION OF THE 'INFORMATION CONCERNING FINANCIAL INSTRUMENTS'

- 8.1 Where you receive services from London Branch and the London Branch Schedule applies, the following sections set out in the 'Information Concerning Financial Instruments' apply where relevant:

- (a) Introduction
- (b) General Information on the Bank
- (c) Information for professional Clients and eligible Counterparties
- (d) Customer Classification
- (e) General Information on Customer orders in financial Instruments (with Exception of OTC-Derivatives)
- (f) General Information on Closing of Transactions in OTC-Derivatives
- (g) Investment Advice
- (h) Transactions without Advice
- (i) Complaints Management
- (j) Information for Retail Clients with Receivables from Banks
- (k) Act to Implementing the Second Shareholders Rights Directive (ARUG II)
  - (l) An Excerpt from the Schedule of Fees and Services
- (m) Special Conditions for Dealings in Securities (SOB)
- (n) Special Conditions for Forward Trading
- (o) Basic Principles for Execution of Securities UniCredit Bank AG
- (p) Conflicts of Interest Policy

## 9. LANGUAGE OF COMMUNICATION

- 9.1 Where you receive services from London Branch and the London Branch Schedule applies:

- (a) London Branch will provide documents and other information to you in English; and
- (b) where any sections of the 'Information Concerning Financial Instruments' are a translation from the original German text, the English translation of the relevant sections is binding in all respects; in the event of any divergence between the English and the German text, construction, meaning or interpretation, the English text, construction, meaning or interpretation shall prevail at all times.

## 10. CONTRACTUAL RECOGNITION OF BAIL-IN

- 10.1 Notwithstanding any agreement, arrangement or understanding between us, each of the Bank and you acknowledges and accepts that any liability of either of us under or in connection with our agreements in place between from time to time, as amended may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
  - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (iii) a cancellation of any such liability; and
- (b) a variation of any term of our agreements to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

»**Bail-In Action**« means the exercise of any Write-down and Conversion Powers.

»**Bail-In Legislation**« means any law or regulation relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including applicable legislation implementing the EU Bank Recovery and Resolution Directive.

»**Resolution Authority**« means any body which has authority to exercise any Write-down and Conversion Powers.

»**Write-down and Conversion Powers**« means in relation to any Bail-In Legislation, the powers described as such in relation to that Bail-In Legislation.

## 11. GOVERNING LAW AND JURISDICTION

11.1 Where you receive services from London Branch and the London Branch Schedule applies, the 'Information Concerning Financial Instruments' (including this London Branch Schedule) and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, the laws of England and Wales.

11.2 You irrevocably submit to the exclusive jurisdiction of the English courts in respect of any dispute or other matter arising out of or in relation to the 'Information Concerning Financial Instruments' (including, without limitation, any dispute in relation to the existence or enforceability of the 'Information Concerning Financial Instruments', or relating to any non-contractual obligations arising out of or in connection with the 'Information Concerning Financial Instruments').

## ANNEX 1 TO THE LONDON BRANCH SCHEDULE INFORMATION SHEET

### Basic information about the protection of your eligible deposits

Eligible deposits in UniCredit Bank AG London Branch are protected by:	the Financial Services Compensation Scheme (»FSCS«) <sup>1</sup>
Limit of protection:	£85,000 per depositor per bank <sup>2</sup>
If you have more eligible deposits at the same bank:	All your eligible deposits at the same bank are »aggregated« and the total is subject to the limit of £85,000. <sup>2</sup>
If you have a joint account with other person(s):	The limit of £85,000 applies to each depositor separately. <sup>3</sup>
Reimbursement period in case of bank's failure:	20 working days <sup>4</sup>
Currency of reimbursement:	Pound sterling (GBP, £)
To contact UniCredit Bank AG London Branch for enquiries relating to your account:	UniCredit Bank AG London Branch Moor House 120 London Wall EC2Y 5ET London United Kingdom
To contact the FSCS for further information on compensation:	Financial Services Compensation Scheme 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU Tel: 0800 678 1100 or 020 7741 4100 Email: <a href="mailto:ICT@fscs.org.uk">ICT@fscs.org.uk</a> <a href="http://www.fscs.org.uk">http://www.fscs.org.uk</a>
More information:	
Acknowledgement of receipt by the depositor:	

### Additional information

#### 1 Scheme responsible for the protection of your eligible deposit

Your eligible deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your bank, building society or credit union should occur, your eligible deposits would be repaid up to £85,000 by the Deposit Guarantee Scheme.

#### 2 General limit of protection

If a covered deposit is unavailable because a bank, building society or credit union is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers a maximum of £85,000 per bank, building society or credit union. This means that all eligible deposits at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with £80,000 and a current account with £20,000, he or she will only be repaid £85,000.

In some cases eligible deposits which are categorised as »temporary high balances« are protected above £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits connected with certain events including:

- certain transactions relating to the depositor's current or prospective only or main residence or dwelling;
- a death, or the depositor's marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
- the payment to the depositor of insurance benefits or compensation for criminal injuries or wrongful conviction.

More information can be obtained under <http://www.fscs.org.uk>

#### 3 Limit of protection for joint accounts

In case of joint accounts, the limit of £85,000 applies to each depositor.

However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of £85,000.

#### 4 Reimbursement

The responsible Deposit Guarantee Scheme is the Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU, Tel: 0800 678 1100 or 020 7741 4100, Email: [ICT@fscs.org.uk](mailto:ICT@fscs.org.uk). It will repay your eligible deposits (up to £85,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 working days from 1 January 2024 onwards, save where specific exceptions apply.

Where the FSCS cannot make the repayable amount available within 7 working days, it will, from 1 June 2016 until 31 December 2023, ensure that you have access to an appropriate amount of your covered deposits to cover the cost of living (in the case of a depositor which is an individual) or to cover necessary business expenses or operating costs (in the case of a depositor which is not an individual or a large company) within 5 working days of a request.

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under <http://www.fscs.org.uk>.



## Other important information

In general, all retail depositors and businesses are covered by Deposit Guarantee Schemes. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your bank, building society or credit union will also

inform you of any exclusions from protection which may apply. If deposits are eligible, the bank, building society or credit union shall also confirm this on the statement of account.

## Exclusions List

A deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, bank building society or credit union.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
  - credit institution
  - financial institution
  - investment firm
  - insurance undertaking
  - reinsurance undertaking
  - collective investment undertaking
  - pension or retirement fund<sup>1</sup>
  - public authority, other than a small local authority.
- (4) It is a deposit of a credit union to which the credit union itself is entitled.

- (5) It is a deposit which can only be proven by a financial instrument<sup>2</sup> unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which existed in the UK, Gibraltar or a Member State of the EU on 2 July 2014).
- (6) It is a deposit of a collective investment scheme which qualifies as a small company.<sup>3</sup>
- (7) It is a deposit of an overseas financial services institution which qualifies as a small company.<sup>4</sup>
- (8) It is a deposit of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company<sup>5</sup> refer to the FSCS for further information on this category.
- (9) It is not held by an establishment of a bank, building society or credit union in the UK or, in the case of a bank or building society incorporated in the UK, it is not held by an establishment in Gibraltar.

For further information about exclusions, refer to the FSCS website at [www.FSCS.org.uk](http://www.FSCS.org.uk)

<sup>1</sup> Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

<sup>2</sup> As listed in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, read with Part 2 of that Schedule

<sup>3</sup> Under the Companies Act 1985 or Companies Act 2006

<sup>4</sup> See footnote 3

<sup>5</sup> See footnote 3

**CONFLICT OF INTEREST POLICY OF UNICREDIT BANK AG**

General rules for addressing conflicts of interest

Last updated: 8 July 2019

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## 1 Introduction

UniCredit Bank AG (hereinafter referred to as »the Bank«) provides services to retail and corporate customers, as well as to financial institutions. It is the duty of the Bank to respect the interests of all its customers and to avoid conflicts where possible. In accordance with the requirements of the German Securities Trading Act (hereinafter referred to as »WpHG«), Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 (»EC/2017/565«), the German Investment Services Conduct of Business and Organisation Regulation (»WpDVerOV«), the EBA Guidelines on internal governance (»EBA/GL/2017/11«) and Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (»Benchmark Regulation«), this policy sets out the measures taken by the Bank to identify and manage conflicts of interest. Details will be provided to you on request.

This Conflict of Interest Policy is also available in its most recent version on the Bank's website at <https://www.hypovereinsbank.de/portal?view=/de/footer/rechtliche-hinweise.jsp>

Conflicts of interest within the meaning of this policy may arise between the interests of a customer on the one hand, and the interests of

- the Bank,
- other legal entities within UniCredit Group,
- members of the Bank's Management Board,
- employees of the Bank and UniCredit Group and its employees,
- contractually tied agents or other persons and parties related to the Bank on the other hand.

Furthermore, such conflicts may occur between diverging interests of two or more of our customers in the context of services rendered by the Bank to those customers.

In particular, conflicts of interest may arise

- in the areas of investment advice and portfolio management, from the Bank's own interest in the sale of financial instruments, especially of UniCredit Group's own products;
- from the execution by the Bank of securities orders (and financial instruments) without any legal instructions;
- from insurance brokerage activities as a tied agent;
- from inducements (e.g. selling commissions/portfolio-based commissions) received from or provided to third parties in connection with investment services and ancillary investment services rendered to our customers;
- from the performance-related remuneration of employees and agents;
- from the business relations of the Bank with issuers of financial instruments, e.g. in case of a creditor/debtor relationship, advice on a corporate finance strategy, participation in offerings or cooperation arrangements;
- from the provision of investment recommendations on financial instruments offered to our customers for purchase as well as from the provision of investment strategy recommendations (hereinafter referred to as »investment recommendations« in general);
- from the Bank's activities as an administrator (»administrator« refers to the person who exercises control over the provision of a reference value) for relevant reference values within the meaning of the Benchmark Regulation as conflicts of interest may arise between managers, employees, persons controlled by it, contributors and users;
- from obtaining and using information which is not publicly available;
- from personal account dealings in financial instruments by the Bank's employees;
- from operating a systematic internaliser;
- primary dealer for investment auctions and repurchases of state, supranational and agency issuers;

- within the scope of Investment Banking, conflicts of interest may arise, for example, between the Bank and the customer or between different customers if the Bank is mandated by customers who have diverging business interests, i.e. interests that are in conflict with one another;
- in the course of rendering advisory and/or financing services to customers pursuing the acquisition or divestment of companies or assets, for example if different investors seek to acquire the same target company;
- from personal relations of the Bank's employees or members of its Management Board, or parties related to such persons;
- from above-mentioned persons acting as members of supervisory boards and advisory boards.

## 2 General provisions

In order to avoid diverging interests from having a detrimental impact on our customers' interests while providing e.g. advisory services, order execution, portfolio management or the preparation of investment recommendations, the Bank has obligated itself and its employees to comply with the applicable laws and regulations and meet high ethical standards. We expect, at all times, integrity, diligence and honesty, lawful and professional behaviour, adherence to market standards, and in particular the consideration of our customers' interests. These interests always have priority over the interests of the Bank and its employees.

Within the Bank, an independent compliance function operates under the immediate responsibility of the Management Board. It is headed by a specifically appointed chief compliance officer. Responsibilities of this compliance function include, among other things, the early identification, prevention and management of conflicts of interest, as well as the prevention of the misuse of inside information and market abuse.

In identifying conflicts of interest resulting from rendering (ancillary) investment services or other potentially conflict-relevant services, we will take into account, among other things, whether we, our employees or any third parties directly or indirectly linked to us by control

- are likely to realise a financial gain or avoid a loss at our customers' expense,
- have an interest in the outcome of a service provided to customers or of a transaction carried out on their behalf which diverges from the customers' interest with regard to the outcome,
- have a financial or other incentive to favour the interests of a customer or a group of customers over the interests of other customers,
- pursue the same business as customers,
- receive or might receive in the future from a third party an inducement, be it in the form of commissions, fees or other cash or non-cash benefits, in relation to a service rendered to a customer, other than the standard commission or fee in favour of the Bank for that service.

For the early identification and prevention of conflicts of interest, the Bank takes the following measures, among others:

- establishment of organisational procedures for the protection of customers' interests in the course of investment advice, securities' offerings and portfolio management;
- regulations for the acceptance and granting of inducements, as well as for their disclosure and, if the acceptance of inducements paid to the Bank is not justified, for their disbursement to the customer;
- regulations on sales targets and remuneration. The Bank is required to design, implement and monitor sales targets in such a way that the interests of our customers are not adversely affected. To this end, the Bank maintains a sales targets register, which facilitates the detection, documentation and monitoring of potential conflicts of interest caused by sales targets in the context of

- investment advice rendered. The compensation systems of the Bank are designed to ensure that the remuneration of its employees does not interfere with its customers' interests;
- establishment of areas of confidentiality by implementation of information barriers, segregation of responsibilities and/or physical separation (»Chinese Walls«);
  - maintenance of an »insider list« and a »watch list« which facilitate the monitoring of sensitive information inflow, as well as the prevention of abuse of insider information and other compliance-relevant information;
  - maintenance of a »restricted list« of issuers and securities related to them, which serves to avoid potential conflicts of interest within UniCredit Group by restrictions on its sales, trading, research and other market-based business activities;
  - as part of its Investment Banking activities, the Bank has established a conflict of interest management process with the objective of identifying, documenting and eliminating potential conflicts at the earliest possible stage by means of a dedicated conflict register;
  - if the Bank is acting as an administrator within the meaning of the Benchmark Regulation (see chapter 1), it will take appropriate steps to avoid or settle any conflicts of interest;
  - the Bank maintains a register for the logging of outside business interests and additional occupations of its employees;
  - in order to avoid conflicts of interest of its management or staff holding mandates with companies outside UniCredit Group (e.g. a seat on a supervisory board), the Bank has established regulations and a formal internal approval process for such activities;
  - specific regulations are in place with respect to the Bank's shareholdings in other companies in order to prevent conflicts of interest within the Bank;
  - the Bank has established internal guidelines on pricing, placement and allocation of issuances;
  - the Bank conducts regular control activities through the compliance function (e.g. on-going monitoring of the Bank's proprietary business and personal account dealings of its employees);
  - in addition, the Bank conducts risk-oriented review and control activities through the compliance function focussing on the implementation of and adherence to regulatory requirements;
  - the Bank maintains policies and procedures in relation to investment recommendations designed to prevent or manage conflicts with the interests of those persons to whom investment recommendations are disseminated. The disclosure of conflicts of interests is contained either directly in the disclaimer section of each investment recommendation or can be accessed via a link embedded in the recommendation;
  - the Bank has dedicated processes for the assessment and approval of new products;
  - the Bank provides regular training to its employees;
  - the Bank has in place internal operating instructions, compliance guidelines and policies (e.g. guidelines for gifts and entertainment, guiding principles for personal securities dealings and personal real estate transactions);
  - the Bank restricts the internal information flow according to the »need-to-know principle«, for example through constraints on IT access rights;
  - the Bank maintains a whistleblowing system which enables UniCredit Bank AG's employees – also anonymously – to call its attention to fraudulent behaviour and financial crime, among other things;
  - the Bank has defined an escalation process for identified conflicts of interest, in case no mutual consent on the management of such conflicts can be reached between the involved internal parties, as well as for potential reputational risk, which may entail escalation up to board level.

The Bank has established organisational and administrative arrangements deemed to be sufficient to ensure that the risk of interference with a customer's interests is managed and avoided in most cases. Where the measures to prevent or manage a

conflict are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the customer will be avoided, the Bank will abstain from the transaction causing the conflict. In very limited circumstances, the Bank will disclose to the customer the general nature and sources of the conflict of interest, as well as the resulting risks and the steps undertaken to mitigate such risks, before undertaking business on his/her behalf, so that the customer can take the decision in respect of the service offered on an informed basis. Disclosure will only take place if no other possibility to solve the identified conflicts of interest exists. If a customer classification pursuant to WpHG exists, such disclosure will take into account the customer's classification as a retail customer, a professional customer or an eligible counterparty. It is to be made in a meaningful, but anonymised manner in order to maintain business secrecy, banking secrecy and, where applicable, German data protection law vis-à-vis other customers.

Under chapter 3, you will find more detailed information

### 3 Specific information

#### 3.1 Inducements

Inducements within the meaning of this policy are any fees, commissions or other monetary benefits, as well as all non-monetary benefits and the provision of analyses/investment research.

In case one-off or on-going monetary inducements are received by the Bank in relation to services provided to its customers, it will inform the concerned customers, on an individual basis, before each transaction is concluded and at least once a year, about the actual amount of the inducements received or granted. The Bank discloses both monetary inducements (e.g. commissions and followup commissions) and non-monetary inducements (e.g. invitations to training events) to the customer. Non-monetary benefits received or provided by the Bank in connection with services rendered to the customer will be specified and disclosed separately. Non-monetary inducements consist of product information materials, analyses, training events, customer events or technical support. The Bank will provide more detailed information concerning monetary and nonmonetary inducements to its customers upon request.

In relation to the brokerage of financial instruments and custody accounts, the Bank may receive one-off or on-going payments from third parties, e.g. from financial investment management companies. The customer will be informed about the specific payments in due time before the respective transaction has been concluded. For insurance brokerage activities, remuneration in favour of the Bank is included in the insurance premium

#### 3.2 HVB Portfolio Management

Under a HVB portfolio management agreement, the customer delegates the administration of securities, accounts and commodities, including decisions regarding the purchase and sale of financial instruments, commodities and foreign exchange, to the Bank as his/her asset manager. This means that, within the framework of the investment principles and based on a specific investment profile agreed upon with the customer, the Bank takes decisions about the purchase and sale of financial instruments, commodities and foreign exchange without obtaining the customer's separate approval for each transaction.

This situation may heighten an existing or create a new conflict of interest. The Bank counters the resulting risks through appropriate organisational, procedural and contractual measures.

It may be in the Bank's interest to purchase financial instruments in the context of HVB portfolio management if the Bank has special benefits arising from such a purchase.

To address this risk,

- HVB portfolio management is organisationally segregated from investment banking, trading desk and proprietary trading;
- HVB portfolio management is independent in its investment decisions;
- in relation to HVB portfolio management services, the Bank may not accept or retain benefits by any third party; non-monetary benefits may exceptionally be accepted only if they are minor, are capable of enhancing the quality of the service, are of a scale and nature not to impair the best interest of the customer, and are clearly disclosed to the customer before the service is provided;
- the Bank will disburse any monetary benefit paid by any third party in the context of HVB portfolio management services to the entitled customers as soon as reasonably possible after receipt; the Bank will inform its customers about any fees, commissions or monetary benefits transferred to them, such as through the periodic reporting statements provided to the customers;
- HVB portfolio management will not purchase financial instruments issued by UniCredit Group except derivatives used for risk hedging.

Another typical conflict of interest in the context of HVB portfolio management may arise from performance-related remuneration agreements. In this context, there could be the risk that the Bank employee responsible for portfolio management would incur disproportionate risks in order to achieve the highest possible performance which, in turn, will result in increased remuneration. This factor is accommodated by:

- organisationally segregating investment advice and HVB portfolio management;
- not allocating the resulting profits to the portfolio management unit;
- an internal allocation and performance monitoring of all asset management portfolios;
- a detailed risk- and performance controlling of the portfolio management strategy/model portfolios.

In order to generate high transaction-related provisions, it may be in the Bank's interest to generate a high transaction turnover in HVB portfolio management or to select execution venues delivering the highest provisions. To counter this risk, the following measures are applied:

- only a flat rate price model is offered (no transaction-related provisions);
- in order to achieve the best possible execution of a customer's orders, execution principles for transactions in financial instruments have been defined and implemented.

### 3.3 Resolution of Banks and Creditor Participation (bail-in)

In response to experiences during the 2008 financial crisis, many states adopted rules and regulations according to which banks in danger of default can be duly resolved in future without cost to taxpayers. This leads to shareholders and creditors of banks possibly having to participate in their losses in the event of a bank's resolution. The objective is to facilitate the resolution or winding-up of a bank without the use of public funds.

The legal basis for the relevant resolution procedure and measures is the Bank Recovery and Resolution Directive (»BRRD«), Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (»SRM Regulation«) and – for Germany – the Act on the Recovery and Resolution of Institutions and Financial Group (Sanierungs- und Abwicklungsgesetz, »SAG«).

If all conditions for resolution are fulfilled, the responsible national resolution authority can adopt – already prior to an insolvency – extensive resolution actions that may have an adverse impact on the Bank's shareholders and creditors, for example in the form of a creditor participation, also referred to as a »bail-in«.

Those potentially affected by a bail-in are shareholders and creditors of the Bank, i.e. persons who hold financial instruments issued by the Bank (e.g. equities, bonds or certificates) or, as a contractual partner of the Bank, have contractual receivables against the Bank (e.g. certain deposits or individual transactions under a Master Agreement for Financial Derivatives Transactions).

Whether a shareholder or creditor will be affected by the resolution action of the bail-in will depend on the scope of the measure ordered and on the class to which the creditor's financial instrument or debt receivable is assigned. Within the scope of a bail-in, financial instruments and receivables are assigned to different classes and drawn on for liability according to a statutory ranking (referred to as a liability cascade).

Further details on the possible resolution actions, in particular on the bail-in and the liability cascade, can be obtained from the »Note on resolution of banks and creditor participation (bail-in)«, which is available as a printable version in any branch of the Bank and also on the Bank's internet website ([www.hypovereinsbank.de/bankenabwicklung](http://www.hypovereinsbank.de/bankenabwicklung)), as well as on the internet website of the German Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority, »BaFin«). [https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Merkblatt/BA/mb\\_haftungskaskade\\_bankenabwicklung.html](https://www.bafin.de/SharedDocs/Veroeffentlichungen/DE/Merkblatt/BA/mb_haftungskaskade_bankenabwicklung.html).

The Bank manages the possible conflict of interest resulting from its own interest in the issuance and sale of products to which the bail-in may be applicable and the potentially ensuing shareholder or creditor participation in the Bank's resolution through such measures as disclosure to the investors, a suitability assessment, a preliminary approval process for new products, as well as by appropriate training of sales staff responsible for customer relationship management.