

Guidelines for the Execution of Orders in Financial Instruments – Execution Policy

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1. INTRODUCTION

In accordance with the Austrian Securities Supervision Act 2018 (WAG 2018) DenizBank AG has established and implemented an Execution Policy which regulates the execution and transmission of client orders for the purchase or sale of financial instruments in the client’s best interest. In particular, the Execution Policy lists the execution venues and the material intermediaries where the client orders are regularly executed. The goal of DenizBank AG’s Execution Policy is to obtain the best possible result for clients on a consistent basis.

This information on the Execution Policy of DenizBank AG is exclusively aimed at informing clients and shall not constitute an agreement between DenizBank AG and its clients nor modify existing contracts.

DenizBank AG will inform its clients about material amendments to the Execution Policy. The current version of the Execution Policy will be available at DenizBank AG’s website www.denizbank.at.

DenizBank AG will regularly, at least annually, review the Execution Policy and assess the selected execution venues and intermediaries. Further, a review will be conducted if circumstances arise which suggest that the best possible result when executing client orders cannot be ensured at certain execution venues or with certain intermediaries. Execution venues within the European Union have to publish reports on the execution quality which are available on their websites (see Annex).

2. SCOPE OF APPLICATION

2.1. Personal Scope of Application

The execution policy of DenizBank AG applies to the settlement of purchase and sales orders with regard to financial instruments according to WAG 2018, executed by DenizBank AG on behalf of their customers (private and professional customers according to WAG 2018). The implementation of this execution policy is not intended for eligible counterparties.

2.2. Material Scope of Application

The execution policy comprises the order execution by DenizBank AG as well as the transfer of the orders to intermediaries for the purpose of execution. However, the execution policy does not apply to fixed-price transactions or to the issue and redemption of investment fund shares via a depositary bank.

3. INSTRUCTIONS OF THE CUSTOMER

The customer is entitled to give DenizBank AG instructions on the execution of an order. These can be both individual instructions or general instructions on the execution of the customer’s order/orders.

DenizBank AG emphasises that instructions of the customer will render the execution policy void so that the achievement of the objective optimum result is no longer guaranteed.

4. PROCESSING AND PLACING OF ORDERS

Customers of DenizBank AG are offered several possibilities for placing orders for the purchase or sale of financial instruments, e.g. in person or, as far as a corresponding agreement exists, by fax, e-mail or telephone.

offering (mostly the stock exchange of the country where the headquarters of the issuer are located). As regards smaller orders, individual cases allow for the decision between an inland execution and an execution on the local stock exchange, whatever is in the best interest of the customer (particularly in consideration of the expenses incurred).

In consideration of section 9, in the interest of the customer, DenizBank AG reserves the right to an off-exchange execution of orders if a better or equally good result will be achieved for the customer.

8.2. Bonds

This product class includes bonds (debenture bonds) such as government, bank and company bonds.

In most cases, orders are executed by means of fixed-price transactions. Unless a fixed price was agreed, DenizBank AG will intend to effect an order execution by means of a commission transaction via suitable intermediaries.

8.3. Certificates and Subscription Warrants

Insofar as the product is listed on the Wiener Börse (Vienna Stock Exchange), orders relating to certificates and subscription warrants will be executed there. In some cases, off-exchange trading is done directly with the issuer. Off-exchange execution is usually done when the liquidity on the Wiener Börse is insufficient.

Orders with regard to other certificates and subscription warrants are usually executed on the EUWAX, alternatively also in off-exchange trading directly with the issuer.

8.4. Derivatives

The term "derivatives" refers to options, futures, swaps and other non-securitised financial instruments according to WAG 2018. These include, for instance, derivative contracts in relation to securities, currencies, interest rates or interest earnings which can be effectively delivered or settled in cash, as well as – under certain conditions – derivative contracts in relation to goods (cf. § 1 Z 7 WAG 2018).

8.4.1. Derivatives Traded on the Stock Exchange

Transactions with derivatives that are traded on stock exchanges, multilateral trading facilities or organized trading facilities are usually executed by DenizBank AG as soon as possible on the respective stock exchange/multilateral trading facility/ organized trading facility (if necessary, via an intermediary) by means of an ordinary commission transaction.

8.4.2. Off-Exchange Derivatives (Over-the-Counter, OTC)

Transactions involving off-exchange derivatives are executed by means of fixed-price transactions. Updated prices (in consideration of the market situation) are provided on request.

8.5. Money Market Instruments

According to this execution policy, the term "money market instruments" refers to the instruments usually traded on the money market such as treasury bills, certificates of deposit and commercial papers with the exception of payment instruments. Time deposits are not included.

In this class, the transactions between the customer and DenizBank AG are settled by means of fixed-price transactions.

8.6. Investment Fund Shares

Customer orders in investment fund shares will be transferred by DenizBank AG to that depositary bank that will also handle the issue and redemption of the shares. This type of execution does not fall within the scope of the statutory regulations for a best possible execution according to WAG 2018.

Insofar as an execution cannot be settled via the depositary bank, orders will be executed as follows:

- Orders in listed fund shares will be transferred to a regulated market for the purpose of execution, and carried out according to the principles stated in section 8.1.
- Insofar as the customer has agreed to an off-exchange execution, non-listed fund shares will be executed in

interbank trade with a trading partner who offers the conclusion of transactions with regard to the respective security (e.g. market maker).

9. EXECUTION OUTSIDE A REGULATED MARKET, A MULTILATERAL TRADING FACILITY OR AN ORGANIZED TRADING FACILITY

If required, the execution policy of DenizBank AG stipulates an execution outside a regulated market, a multilateral trading facility (MTF) or an organized trading facility (OTF) for the above-mentioned product classes (OTC or off-exchange trading).

For such execution of the customer orders, DenizBank AG obtains the customer's general and explicit consent (which shall apply to all orders of the customer) by means of an account and deposit contract.

DenizBank AG is exempted from the obligation to obtain an explicit consent if the financial instrument, which is subject matter of the customer order, is not approved for trade on a regulated market or multilateral trading system (e.g. bonds, investment funds, OTC-structured products).

10. COMBINATION OF ORDERS

DenizBank AG reserves the right to process and execute a customer order or transaction for their own account together with another customer order (so-called block orders), if this is required due to the nature of the order or reasonable for the customer, and insofar as it is not to be expected that the combination of the orders and transactions will have an overall adverse impact for each customer whose order is being combined.

According to the statutory provisions of WAG 2018, we point out that such combination may occasionally be adverse with regard to a certain order.

11. EXCEPTIONAL OCCURRENCES

If DenizBank AG is unable to execute an order in the event of exceptional occurrences such as severe price fluctuations during the day, computer breakdowns, system or liquidity bottlenecks, DenizBank AG is entitled to select an execution type deviating from the execution policy, whilst preserving the customer's interests (e.g. execution at an alternative execution venue).

Version as of January 2018

Annex: list of the execution venues

LIST OF THE EXECUTION VENUES:

Financial Instruments	Country	Execution Venue	Routing	
Shares Participation certificates Profit participation rights Depository receipts Similar financial instruments	German-speaking countries			
	Austria	Wiener Börse (Vienna Stock Exchange)	Electronically	
	Germany	Xetra Frankfurt		Electronically
		Frankfurt Stock Exchange		Electronically / by phone
		Stuttgart Stock Exchange		Electronically / by phone
		München Stock Exchange		Electronically / by phone
		Berlin Stock Exchange		Electronically / by phone
		Düsseldorf Stock Exchange		Electronically / by phone
		Hannover Stock Exchange		Electronically / by phone
		Hamburg Stock Exchange		Electronically / by phone
	Switzerland	SIX Structured Products Exchange		Electronically / by phone
		Berner Börse (Berne Exchange)		Electronically / by phone
		Swiss Exchange		Electronically
	CEE and the Mediterranean region			
	Russia	MICEX		Electronically / by phone
	Czech Republic	Prague Stock Exchange		Electronically
	Turkey	Istanbul Stock Exchange		Electronically / by phone
	Western Europe			
	Italy	Milan Stock Exchange		Electronically
	Great Britain	LSE		Electronically
		Virt-x		Electronically
	Ireland	Irish Stock Exchange		Electronically
	France	Euronext Paris		Electronically
	The Netherlands	Euronext Amsterdam		Electronically
	Belgium	Euronext Brussels		Electronically
	Portugal	Euronext Lisbon		Electronically
	Sweden	OMX Nordic Exchange Stockholm		Electronically
	Finland	OMX Nordic Exchange Helsinki		Electronically
	Norway	Oslo Stock Exchange		Electronically
	Denmark	OMX Nordic Exchange Copenhagen		Electronically
	Spain	Madrid Stock Exchange		Electronically
	Greece	Athens Stock Exchange		By phone
	Other			
USA	New York Stock Exchange		Electronically	
	American Stock Exchange		Electronically	
	Nasdaq / NMS		Electronically	
Australia	Australian Securities Exchange		Electronically	
Canada	Toronto Stock Exchange		Electronically	

	Hong Kong	Hong Kong Stock Exchange	Electronically / by phone
	Singapore	Singapore Exchange	Electronically / by phone
	Japan	Tokyo Stock Exchange	Electronically / by phone
	New Zealand	New Zealand Stock Exchange	Electronically / by phone
Certificates and subscription warrants (from third-party issues)	Austria	Issuer (mostly Raiffeisen Centrobank)	
		Wiener Börse Exchange (Vienna)	Electronically
	Germany	Issuer (mostly) Raiffeisen Centrobank	Electronically
		Frankfurt Stock Exchange	Electronically
		EUWAX (Segment der Börse Stuttgart)	Electronically / by phone
	Czech Republic	Prague Stock Exchange	Electronically
Listed derivatives	Austria	Wiener Börse	Electronically
	Germany	EUREX	Electronically
	USA	GLOBEX	Electronically
	Turkey	TurkDex	By phone
Bonds		Off-exchange	Electronically / by phone