

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

„The present translation is furnished for the customer’s convenience only. The original German text of the “Guidelines for the Execution of Orders in Financial Instruments – Execution Policy” shall be binding in all respects. In the event of any divergence between the English and the German wording, constructions, meanings, or interpretations, the German wording, construction, meaning or interpretation shall govern exclusively.”

### **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](http://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. The requirements which WAG 2018 places on the best possible order execution are an important element investor protection. They apply to investment firms that manage customer portfolios, or accept, forward, or execute client orders through financial instruments

#### **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 depository 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.

Orders without amendments on the part of the customer will be executed at best and good for day in consideration of the trading times of the respective execution venue.

If orders are received by DenizBank AG after the daily closing time (5 p.m.) as well as if orders are submitted after close of trading at the respective execution venue, processing on the same day cannot be guaranteed. In this case, orders including the amendment "good for day" will cease at the end of the day, whilst orders with a time limit of more than one day will be processed and executed on the next banking day.

Customer orders placed outside the trading hours of DenizBank AG, on Saturdays, Sundays and holidays, cannot be processed and transferred for execution until the next banking day. DenizBank AG will process such orders according to the chronological sequence of their receipt.

## 5. ORDER TYPES

In principle, the following execution amendments are used (this is not a definitive list). If the order does not state a respective amendment (partial execution), the amendment applies to the execution of the entire order:

At best	Also "at market". Bearing the "at best" amendment, the entire order will be executed as soon as possible and at the best possible price.
Limit Order	A purchase limit (or sales limit) serves to limit the purchase price (or sales price) and thus the investment. Any purchases above (or sales below) the price limit will not be executed.
Stop Market Order	With a stop-loss market order (or stop-buy order), the customer commissions DenizBank AG with the best possible sale (or purchase) of securities in the event that the market price reaches or falls below (or exceeds) the stop price. The actual price achieved can significantly differ from the selected stop price.
Stop Limit Order	With a stop-loss limit order (or stop-buy limit order), the customer commissions DenizBank AG to sell (or purchase) securities up to a limit defined by the customer in the event that the market price reaches or falls below (or exceeds) the stop price. Partial executions are thus possible.
Market to Limit Order	With a market-to-limit order, the customer defines that their order is first executed at best. In the event of partial execution, however, a price limit corresponding to the market price of the first partial execution will be added to the remaining parts. Thus, the customer ensures that the remaining partial executions will not be effected worse than the first partial execution. If the market price of the first partial execution will not be achieved during the validity period, the remaining parts will be deleted. This order supplement is only valid on XETRA-Vienna and XETRA-Frankfurt.
Order subject to a time limit	The customer can limit the validity of their order by means of a time limit. Several options are available: Good-for-day: The order is only valid during the current day. Good-till-date: The order is valid until the specified date. Good-till-cancelled: The order remains valid until it is executed or cancelled.
Auction Only Order	With the Auction Only amendment, the customer defines that the order can only be executed in auctions. Possible options: Opening Auction Only: The order can only be executed in opening auctions. Midday Auction Only: The order can only be executed in midday auctions. Closing Auction Only: The order can only be executed in closing auctions.

All Or None (AON) Order	With an AON order, the customer defines that their order must only be executed in whole. If a complete execution is not achieved until the end of the validity period, the order will be cancelled. (Caution: The customer will not be informed about the order cancellation.)
Fill Or Kill (FOK) Order	With a FOK order, the customer defines that their order must be executed immediately and in whole. If immediate and complete execution is not possible, the order will be cancelled. (Caution: The customer will not be informed about the order cancellation.)
Immediate Or Cancel (IOC) Order	With an IOC order, the customer defines that their order must be executed immediately in whole or in part. In this case, partial executions are possible. Non-executed parts of an IOC order will be cancelled. (Caution: The customer will not be informed about the order cancellation.)

The availability of the above-mentioned order amendments depends on different factors (e.g.: execution venue, order volume, financial instrument). Especially in the case of off-exchange orders, many of the above-mentioned order amendments are not available. Whether an order amendment commissioned by the customer is available for the respective order must be discussed and agreed with the corresponding account manager.

DenizBank AG reserves the right to adjust the customer's order amendment to the execution provisions valid at the respective stock exchange centre, if the customer commissions an order amendment which is not possible according to the provisions of the respective stock exchange centre and respective order. The order will be adjusted in such a way that the modified order amendment will, within the framework of the existing regulations, correspond best to the order amendment originally commissioned by the customer.

An order amendment can occasionally constitute an explicit instruction according to section 3.

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

## 6. TYPE OF EXECUTION

In general, customer orders are executed by DenizBank AG as a commission agent (ordinary commission or commission with self-contracting) or at a price agreed with DenizBank AG (a so-called fixed-price transaction).

In the case of fixed-price transactions, a purchase agreement is concluded between the customer and DenizBank AG. The seller undertakes to transfer the volume agreed, whilst the purchaser undertakes to pay the price agreed with regard to the financial instruments. If a fixed-price agreement is concluded, DenizBank AG will only consider a price appropriate to the market condition. Any other obligations of DenizBank AG in relation to §§ 62-64 WAG 2018 ("best possible execution") are not provided for. DenizBank AG is not obliged to the conclusion of an order by means of a fixed-price transaction or self-contracting.

## 7. WEIGHTING OF THE EXECUTION ASPECTS

In order to achieve the best possible execution result for the customer, the following aspects are relevant:

- Price of the financial instrument
- Costs connected to the order execution
- Speed of the execution
- Probability of the execution and settlement of the order
- Nature and scope of the order

As regards private and professional customers, the best possible result is **primarily** determined by the total consideration. The total consideration consists of the price of the financial instrument and all costs related to the order execution, in particular own and third-party expenses.

Apart from that, the probability of the execution and settlement of the order as well as the speed of the execution are taken into consideration, whilst justifiably time lags must be accepted.

- Price of the financial instrument: The price (market price) crucially depends on the price quality of the execution venue. The price quality can be determined on the basis of the long-term liquidity and other criteria of the execution venue (e.g. availability of binding prices by market makers or specialists). In the event of a commission transaction with self-contracting, the price is not worse for the customer than the exchange price or market rate officially determined, if need be, at the time of execution.
- Costs: The costs include the explicit costs from the customer's point of view, i.e. particularly the fees, commissions and expenses (including possible third-party expenses such as broker or brokerage expenses) of execution, clearing and settlement. Furthermore, implicit costs such as market impact or spread are taken into consideration for major orders.
- Speed of the execution: Refers to the period of time from the acceptance of the order to the feasibility at the execution venue. The execution speed is significantly determined by the market model.
- Probability of the execution and settlement: The probability of the order execution at an execution venue significantly depends on the liquidity at this execution venue. The risks of partial executions that may directly affect the total costs of the execution are also seen in this perspective by DenizBank AG. The execution probability significantly depends on the security of the execution at the respective execution venue as well as on the risks of the execution of the individual execution transactions which may lead to impairment of the delivery of financial instruments.
- Nature and scope of the order: An order might not be feasible at all execution venues due to its nature and/or scope.

## 8. EXECUTION VENUES AND INTERMEDIARIES

For the purpose of execution, DenizBank AG transfers orders in regulated markets to intermediaries. The execution venues and intermediaries are carefully selected by DenizBank AG. In order to meet the interests of the customers, the execution and settlement quality of the intermediaries selected is checked on a regular basis.

Orders in regulated markets in Turkey will be transferred to Deniz Yatirim A.S and DenizBank A.S. Orders in other regulated markets will primarily be transferred to Raiffeisen Bank International AG, Erste Group Bank AG and Steubing AG.

Customer orders are always executed according to the present execution policy. However, this does not involve a guarantee that the best possible result is actually achieved for each individual order.

Customers may place orders for the purchase and sale of the following product classes:

### 8.1. Shares and Securities Equivalent to Shares

Apart from shares, participation certificates, profit participation rights, depositary receipts and, due to their property with regard to the order execution, exchange traded funds (ETFs) are assigned to this product class. Customer orders are executed in the form of ordinary commission transactions, if possible also with self-contracting.

DenizBank AG disposes of direct stock exchange connectivity (by means of intermediaries). A list of all execution venues can be found in the annex.

The process for the selection of the execution venues can be described as follows:

- For domestic shares (with domestic quote), the Wiener Börse (Vienna Stock Exchange) offers the best price quality on average.
- For foreign shares, in particular for major orders, the best possible result on average is guaranteed by the local stock exchange of the security. The increased liquidity of the local stock exchange compared to other execution venues is crucial. The term "local stock exchange" refers to the stock exchange of the first public 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 WienerBörse 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).

## **12. TOP 5 REPORTING AND REPORT REGARDING EXECUTION QUALITY**

DenizBank AG publishes once a year for all executed customer orders and categories of financial instruments, the five execution venues that are most important on the basis of trading volume

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**Annex:** List of the execution venues



**Annex:**  
**LIST OF THE EXECUTION VENUES:**

Financial Instruments	Country	Execution Venue	Routing
Shares certificates Profit participation rights Depository receipts Similar financial instruments	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
	Steubing AG	Electronically	
	Switzerland	SIX Structured Products	Electronically / by phone
		Berner Börse (Berne Exchange)	Electronically / by phone
		Swiss Exchange	Electronically
	Czech Republic	Prague Stock Exchange	Electronically
	Turkey	Istanbul Stock Exchange	Electronically / by phone
	Italy	Milan Stock Exchange, Borse Italiana	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
	Slovakia	Bratislava Stock Exchange	Electronically
	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	
Croatia	Zagreb Stock Exchange	Electronically	
Poland	Warsaw Stock Exchange	Electronically	
Romania	Bukarest Stock Exchange	Electronically	

	Slovenia	Ljubljana Stock Exchange	Electronically
	Slovakia	Bratislava Stock Exchange	Electronically
	Hungary	Budapest Stock Exchange	Electronically
Investment funds	Austria	Erste Group Bank AG	Electronically
	Germany	Steubing AG	Electronically
over-the-counter derivatives		Denizbank AG	Electronically
Bonds		Off-exchange, Erste Group Bank AG, Raiffeisenbank International, Steubing AG	Electronically / by phone