

Information on our Execution policy

Preamble

The following information on execution policy is to be understood as constituting the principles according to which Capital Bank – GRAWE Gruppe AG places orders when buying or selling financial instruments.

Capital Bank – GRAWE Gruppe AG makes every effort to record and forward orders without delay. If, at the request of the client, the order is placed outside the bank's premises, then the client shall make a note that forwarding of the order can take more than one working day.

Capital Bank – GRAWE Gruppe AG shall carry out clients' instructions to buy or sell financial instruments either as a broker (commission business) or enter into a fixed-price trade with the client.

Up-to-date "Information on the execution policy" are available for download under www.capitalbank.at.

Commission business

Executing commission trades

Executing trades or instructing a sub-broker

Capital Bank – GRAWE Gruppe AG shall execute trades on behalf of its clients to buy or sell financial instruments both inside and outside Austria as a broker. For this purpose, Capital Bank – GRAWE Gruppe AG enters into a transaction to buy or sell on behalf of the client with another market participant (execution business) or alternatively, the bank instructs another broker (sub-broker) to execute the trade.

Applicability of statutory regulations/practices/terms and conditions of business

Execution trades are subject to the statutory regulations and terms and conditions (practices) that govern securities trading at the place of execution; furthermore, the General Terms and Conditions of the contractual partner of Capital Bank – GRAWE Gruppe AG shall also apply.

Price of execution trades/fees/disbursements

Capital Bank – GRAWE Gruppe AG shall charge the client the price of executing the trade; the bank is entitled to make a charge for its fee and its disbursements, including any third-party costs.

Combination of orders

Capital Bank – GRAWE Gruppe AG reserves the right to combine orders from clients with the orders of other clients or even with business that the bank is carrying out on its own behalf. Orders may only be combined if there is the expectation that this is not disadvantageous for the client. In principle, however, it should be noted that occasionally, the combination of orders in this way can be disadvantageous for a specific individual order.

The place and method of executing commission trades

Priority of client's instructions

Instructions from clients are always given priority. When executing an order to buy or sell, Capital Bank – GRAWE Gruppe AG shall carry out the instructions of the client. Instructions must be given in writing.

The client's attention is specifically drawn to the fact that when the client places instructions, Capital Bank – GRAWE Gruppe AG shall execute the order according to the instructions and to this extent is not obliged to execute the order in accordance with the principles of executing orders to obtain the best possible result. Capital Bank – GRAWE Gruppe AG shall generally dissuade the client from placing such instructions.

Principles for obtaining the best possible execution

Orders placed for financial instruments issued by Austrian and German issuers and traded on a recognised stock market within the meaning of § 2 Line 32 BWG in Germany or Austria shall likewise be executed on one of these recognised stock markets.

If financial instruments issued by other foreign issuers (foreign financial instruments) are traded on a recognised stock market within the meaning of § 2 Line 32 BWG abroad, the trades shall likewise be executed on a stock market recognised in that country. In this case, the trade is executed at the relevant main place of trading or on another regulated market. The main place of trading is deemed to be the stock market specified by the issuer and where a large volume of trading takes place, unless in the execution on a recognised stock market within the meaning of § 2 line 32 BWG in or outside Austria is advisable in the client's interest.

If a financial instrument is not traded in Austria or Germany, then the trade is executed on the relevant main place of trading, on another regulated market or on a multilateral trading facility (MTF). If the bank does not have the necessary membership (direct participation in a regulated market), then Capital Bank – GRAWE Gruppe AG shall use the services of a trading partner (sub-broker) to execute the trade abroad.

The purchase and sale of investment fund units shall take place in the same way as the purchase and sale of real estate investment funds, in principle via the relevant custodian bank, the investment trust, the transfer agent or a third provider of the (real estate) investment funds, because the price of these securities is regulated either by the Investmentfondsgesetz (InvFG) [Investment Fund Act] or the Immobilien-Investmentfondsgesetz (ImmoInvFG) [Real Estate Investment Fund Act].

Additionally, there is the option of forwarding the order to a secondary market, which means that the obligation incumbent on Capital Bank – GRAWE Gruppe AG to execute the trade according to the aforementioned principles of best possible execution ceases to apply.

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Places of execution

Capital Bank – GRAWE Gruppe AG makes use of the following places of execution to obtain the best possible result when buying or selling financial instruments:

Financial instruments - Group	Place of execution	Additional option
Austrian shares or other equity securities	XETRA Vienna	XETRA Frankfurt, German trading floors*
German shares or other equity securities	XETRA Frankfurt	German floor trading, XETRA Vienna
Shares or other equity securities from countries other than Germany and Austria	Main place of trading (home-country stock market)	XETRA Frankfurt, German trading floors, XETRA Vienna
Fixed-interest securities**	Over-the-Counter (OTC) trade	Main place of trading, fixed-price trades
Derivates	Main futures and options exchange	Subsidiary futures and options exchange, OTC contract
Certificates and option warrants	EUWAX/issuer	Other stock markets, OTC trades
Investment fund units	Investment trusts, custodian bank, transfer agents	Stock exchange

*Stock exchanges in Frankfurt, Berlin, Munich, Stuttgart, Hamburg, Dusseldorf, Hanover

**It is pointed out that fixed-interest securities are, in principle, not traded on a stock market.

For executing orders to buy or sell for investors who have been rated as “**Retail Clients**”, the following criteria have been taken into consideration and weighted as follows:

Factors taken into consideration	Weighting given
Price	high
Costs	high
Speed	high
Likelihood of execution and settlement	medium
Volume of the order	low
Nature of the order	low

A major factor in obtaining the best possible result is the total remuneration associated with executing the order. Correspondingly - taken from our past experience - the major determiner when choosing places of execution and when weighting the various factors has been overall remuneration.

When executing orders to buy or sell for investors who have been rated as “**Professional Clients**”, the following criteria have been taken into consideration and weighted as follows:

Factors taken into consideration	Weighting given
Price	high
Costs	high
Speed	high
Likelihood of execution and settlement	medium
Volume of the order	medium
Nature of the order	low

Information

Capital Bank - GRAWE Gruppe AG shall inform the client immediately regarding the execution, the place of execution and the manner of execution.

Monitoring of principles

The selected places of execution chosen in accordance with these principles shall be reviewed annually by Capital Bank – GRAWE Gruppe AG. Furthermore, the bank will carry out a review if there is any reason to believe that any of the major criteria in favour of a certain place of execution no longer apply. Capital Bank - GRAWE Gruppe AG shall inform the client immediately if there are any major changes to the selected places of execution.

Deviation from the execution policy without instructions from the client

Capital Bank – GRAWE Gruppe AG reserves itself the right, if it is in the interest of the client, even without instructions from the client, to deviate from the bank's execution policy.

System failures and other events

In the case of unforeseen events (e.g. any manner of technical problems), Capital Bank – GRAWE Gruppe AG may be obliged to choose types of order execution that differ from those laid down in its execution policy. Even in these cases, Capital Bank – GRAWE Gruppe AG will endeavour when providing its service to obtain the best possible result for the client.

Fixed-price trades

If a fixed price is agreed between the client and Capital Bank - GRAWE Gruppe AG for the purchase or sale of financial instruments (fixed-price trades), then a sales contract shall come into existence. Correspondingly, Capital Bank – GRAWE Gruppe AG shall take possession of the financial instruments from the client in the capacity of buyer or the bank will provide to the financial instruments to the client in the capacity of seller. If a fixed-price trade is entered into, the market situation must be taken into account. The regulations governing commission business shall not apply. Capital Bank – GRAWE Gruppe AG shall calculate vis-à-vis the client the agreed price; in the case of interest-bearing bonds, plus accrued interest. It is expressly pointed out that the implementation of fixed-price trades is possible with all types of financial instruments.

Main intermediate commission agents of Capital Bank – GRAWE Gruppe AG

For the execution of commission orders in the different financial instrument groups, Capital Bank – GRAWE Gruppe AG mainly avails itself of the following intermediate commission agents for stock exchanges in which it is not a member and performs over the counter trades mainly with the following trading partners:

Financial instruments group	(Intermediate) commission agent / trading partner
Austrian shares or other equity securities (Vienna stock exchange)	Direct stock exchange membership
German shares or other equity securities (German stock exchanges)	HSBC Trinkaus & Burkhardt AG, Düsseldorf Lang & Schwarz Broker GmbH, Düsseldorf
Shares or other equity securities from countries other than Germany and Austria (other foreign stock exchanges)	HSBC Trinkaus & Burkhardt AG, Düsseldorf Erste Group Bank AG, Vienna Raiffeisen Centrobank AG, Vienna
Derivatives (Vienna stock exchange or foreign stock exchanges)	Austria: direct stock exchange membership Foreign country: HSBC Trinkaus & Burkhardt AG, Düsseldorf
Certificates and option warrants	Stock exchange Austria: direct membership in stock exchange Stock exch. foreign country: HSBC Trinkaus & Burkhardt AG, Düsseldorf OTC Austria and foreign countries: issuers
Investment fund units	Austria units: relevant KAG / deposit bank / transfer agents as well as Erste Group Bank AG, Vienna Raiffeisen Bank International AG, Vienna Foreign units: B. Metzler seel. Sohn & Co. KGaA, Frankfurt Erste Group Bank AG, Vienna Raiffeisen Bank International AG, Vienna, as well as relevant KAG / depository bank / transfer agents
Fixed-interest securities (over the counter)	In its capacity as issuer and/or broker for Austrian and foreign stocks: BNP Paribas, Frankfurt Banca IMI Spa, Milan Barclays Bank PLC, Frankfurt Bayerische Landesbank, Munich UniCredit Bank AG, Munich Citigroup Global Markets Deutschland AG, Frankfurt Commerzbank AG, Frankfurt Credit Suisse AG, Zurich Deutsche Bank AG, Frankfurt Banque Internationale à Luxembourg, Luxembourg Erste Group Bank AG, Vienna Goldman Sachs International, London HSBC Trinkaus & Burkhardt AG, Düsseldorf JPMorgan Chase Bank, Frankfurt ING Financial Markets, Amsterdam KBL European Private Bankers SA, Luxembourg Landesbank Baden-Württemberg, Stuttgart Merrill Lynch Capital Markets Bank, Frankfurt Morgan Capital Advisors LLP, London Morgan Stanley & Co Intl. PLC, London Österreichische Volksbanken AG, Vienna RBC Europe Ltd, London Royal Bank of Scotland PLC, London Raiffeisen Bank International AG, Vienna UBS Ltd, Frankfurt Zürcher Kantonalbank, Zurich, as well as other issuers / brokers in Austria and foreign countries