

3. Information on our execution policy - Best Execution Policy

a. Preliminary remark

In compliance with the provisions of the WAG 2018 and the Delegated Regulation EU No. 2017/565, Schelhammer Capital Bank AG has established regulations on how it will execute orders of its customers to achieve the best possible result for its customers on an ongoing basis. These regulations are the content of the following Best Execution Policy. The Best Execution Policy is set out according to the current technical and organisational possibilities and applies to the processing of purchase and sales orders of financial instruments that are carried out by Schelhammer Capital Bank AG for small investors and professional customers. The Bank executes all orders within the meaning of the Best Execution Policy, but cannot guarantee that the best possible result is actually achieved for each individual order.

Schelhammer Capital Bank AG will execute customer orders for the purchase or sale of financial instruments either as commission agent (commission business) or as the sole counterparty (fixed-price business). If Schelhammer Capital Bank AG is not a stock exchange member itself, the customer order is forwarded to third parties in compliance with the execution principles of Schelhammer Capital Bank AG.

b. Commission business

Execution of a commission order

Execution transaction and/or engagement of an intermediate commission agent

Schelhammer Capital Bank AG carries out orders of its customers for the purchase and sale of financial instruments in Austria and abroad as a commission agent. For this purpose, Schelhammer Capital Bank AG enters into a purchase or sales transaction (execution transaction) with another market participant for the customer's account or it engages another commission agent (intermediate commission agent) for the conclusion of an execution transaction.

Applicability of legal provisions/customs/terms and conditions

The execution transactions are subject to the legal provisions and terms and conditions (customs) applicable at the execution venue for securities trading; the General Terms and Conditions of Schelhammer Capital Bank AG's contractual partners apply in addition.

Price of the execution transaction/fees/expenses

Schelhammer Capital Bank AG charges the customer for the price of the execution transaction; it is entitled to invoice its fees and its expenses including external costs.

Consolidation of orders

Schelhammer Capital Bank AG reserves the right to consolidate orders of customers with orders of other customers or also with transactions for own account. However, such consolidation will only be done if disadvantages for the customer are overall not expected. In principle, such a consolidation of orders may have disadvantages with regard to a specific order.

Priority of customer instructions

An instruction given by the customer always has priority. When executing a purchase or sales order, Schelhammer Capital Bank AG will comply with the customer's instructions. Instructions shall be issued in writing. It is expressly pointed out to the customer that, if he has issued instructions, Schelhammer Capital Bank AG will carry out the order according to such instructions and may be prevented from achieving the best possible result due to the resulting deviation from the execution principles. If the customer instruction only covers part of the order, the Bank will carry out the part of the order that is not covered by the instruction according to the applicable principles.

Criteria for the best possible order execution ("execution factors")

The following criteria are relevant and weighted for the execution of purchase and sales orders for investors classified as "**small investors**":

- Price (high weighting)
- Costs (high weighting)

For small investors, the total costs of the order are the only relevant criterion for the selection of the Best Execution venue. The total costs result from the price of the financial instrument, intra-company commissions and fees, execution venue fees, clearing and settlement fees and other fees paid to third parties (who may be involved in the execution of the order).

The following criteria are regarded as relevant to the execution of purchase and sales orders for investors classified as "**professional customers**" and weighted as follows:

- Price (high weighting)
- Costs (high weighting)
- Speed of execution (high weighting)
- Probability of execution and settlement (medium weighting)
- Scope and type of order (medium weighting)

Classes of financial instruments

Financial instruments with the same or similar characteristics are summarised to the following classes and treated equally in line with the execution policy per class.

- Equity - shares & depositary receipt/depositary certificate
- Exchange traded products (z. B. ETFs)
- Debt instruments (bonds)
- Securitised derivatives (warrants and certificates)
- Interest derivatives
- Credit derivatives
- Currency derivatives
- Structured financial instruments
- Equity derivatives
- Commodity derivatives
- CFDs
- Authorisation to issue
- Other instruments

Execution policy

Orders may be executed in regulated markets, via a multilateral trading facility (MTF), via a systematic internaliser or outside such trading venues. This information on the execution policy is followed by an overview of execution venues where Schelhammer Capital Bank AG usually executes orders.

The execution venues best suited for the relevant class of financial instruments is selected, in addition to the "execution factors" set out in 2.2., also in consideration of the following qualitative factors, which are also weighted:

- Clearing system of the trading venue (high weighting)
- Trading times (high weighting)

Execution venues

The following execution venues are generally intended for the relevant class of financial instruments. Due to the availability of clearing systems and volatility disruptions as well as auctions to increase liquidity, priority is given to the regulated markets and the MTFs. OTC trading is considered as alternative execution venue due to the related counterparty risk. To compare several OTC trading venues, at least three comparison prices are obtained and documented for each transaction with OTC executions in individual cases (if this number of OTC quotes is available).

| Asset class | intended execution venue | Alternative execution venue |
|---|--------------------------|-----------------------------------|
| Equity - shares & depositary receipt/depositary certificate | Regulated market | OTC, systematic internaliser |
| Exchange traded products (such as ETFs) | Regulated market | OTC, systematic internaliser |
| Debit instruments (bonds) | MFT, regulated market | OTC, systematic internaliser, OTF |
| Securitised derivatives (warrants and certificates) | Regulated market | OTC, systematic internaliser |
| Interest derivatives | Regulated market | OTC |
| Credit derivatives | Regulated market | OTC |
| Currency derivatives | Regulated market | OTC |
| Structured financial instruments | MFT, regulated market | OTC, systematic internaliser, OTF |
| Equity derivatives | Regulated market | Regulated market |
| Commodity derivatives | Regulated market | OTC |
| CFDs | Not defined | Not defined |
| Authorisation to issue | Not defined | Not defined |
| Other instruments | Not defined | Not defined |

Execution venues in detail

Equity - shares & depositary receipt/depositary certificate and exchange traded products (such as ETFs)

Orders related to these instruments are primarily executed at the relevant home exchange or, if the home exchange is not the main marketplace, at the main marketplace, as a cost-effective execution is usually possible there due to high liquidity.

The home exchange describes the exchange of first listing; this is most often the/an exchange of the state where the issuer has its registered office. The main marketplace is such exchange where the largest trading volume is achieved in the long term.

Austrian shares

Orders related to shares whose home exchange is in Austria are primarily executed via XETRA Vienna. If the share is not listed there, they are executed at another stock exchange according to the criteria listed in 2.2.

German shares

Orders related to shares whose home exchange is in Germany are primarily executed via XETRA Frankfurt. If the share is not listed there, they are executed at another German stock exchange.

US-American shares

Orders related to shares whose home exchange is in the USA are primarily executed via the New York Stock Exchange (NYSE) or the Nasdaq. If the share is not listed there, they are executed at another US-American stock exchange.

Other foreign shares

Other foreign shares are primarily executed via the relevant home exchange or, if the home exchange does not correspond to the main marketplace, at the main marketplace.

Debt instruments (bonds) and structured financial instruments

Shares of domestic and foreign issuers of this class are primarily executed via a multilateral trading facility (MTF), as the best prices and highest volumes are usually traded there. If this option is not available, the order is executed via a systematic internaliser or at a regulated market according to the criteria listed in 2.2.

Securitised derivatives (warrants and certificates)

Certificates and warrants are primarily executed via the relevant home exchange or, if the home exchange does not correspond to the main marketplace, at the main marketplace.

Exchange-traded derivatives

Exchange-traded derivatives are primarily traded via the main futures market of the country where the base value of the derivative has its registered office.

Investment funds and real estate investment funds

The purchase and sale of investment fund shares and of real estate investment fund shares is generally made via the relevant custodian bank, the investment company, the transfer agent or a third-party provider of the (real estate) investment fund, as the price is formed according to the Austrian investment fund act (InvFG) and/or the Austrian real estate investment fund act (ImmInvFG). According to the WAG 2018, these are not executions of customer orders in terms of the execution policy.

On grounds of cost, sales orders related to shares of all classes of financial instruments are executed either in the country where the depositary is situated or at such trading venue via which the security was acquired.

Notification

Schelhammer Capital Bank AG will inform the customer immediately about the execution, the execution venue and the type of execution.

Review of the principles

For the selection of execution venues and policies made according to these principles, Schelhammer Capital Bank AG will regularly review whether the execution venues including the execution policy guarantee the best possible result for the customer. In addition, it will perform a review if it is suspected that essential criteria that haven't spoken in favour of a specific execution venue do no longer apply. Schelhammer Capital Bank AG will inform the customer about significant changes to the selection of execution venues. Schelhammer Capital Bank AG will inform its customers about the quality of the execution on a quarterly basis. Likewise, an annual summary of the top five execution venues with regard to the execution quality will be provided.

Deviation from the execution policy without the customer's instruction

Schelhammer Capital Bank AG reserves the right to deviate from the execution policy even without the customer's instruction if this is in the customer's best interest. Schelhammer Capital Bank AG generally reserves the right to carry out high-volume customer orders in shares or equity-like securities via one of its intermediaries at an MTF (multilateral trading facility) or off-market if this achieves a better or equivalent result for the customer.

System failures and other incidents

If unforeseen incidents occur (such as technical issues of any kind), Schelhammer Capital Bank AG may be forced to select other types of order execution than the ones established in the execution policy. In such cases, the Bank will also attempt to achieve the best possible result for the customer when rendering the service.

c. Fixed-price business

If the customer and Schelhammer Capital Bank AG agree on a fixed price for the purchase or sale of financial instruments (fixed-price business), a contract is concluded. Accordingly, Schelhammer Capital Bank AG takes over the financial instruments from the customer as the purchaser or it delivers the financial instruments to the customer as the seller. If a fixed-price transaction is concluded, the market situation must be taken into account. Schelhammer Capital Bank AG charges the customer for the agreed price, plus any accrued interest for interest-bearing debt instruments (accrued interest). Schelhammer Capital Bank AG undertakes to make sure, by taking the regulation on the achievement of the best possible execution into account, that an equivalent result is usually achieved that would also be achieved by Schelhammer Capital Bank AG through the execution of the order as commission agent. It is expressly pointed out that the performance of fixed-price transactions is possible for all kinds of financial instruments.

d. Regulated markets where Schelhammer Capital Bank AG can trade

| | |
|-----------------------------|--|
| Germany, Xetra Frankfurt | XETR |
| Germany, regional exchanges | XFRA, XSTU, XBER, XHAM, XDUS, XHAN, XGAT, XMUN |
| Belgium, Brussels | XBRU |
| Denmark, Copenhagen | XCSE |
| Finland, Helsinki | XHEL |
| France, Paris | XPAR |
| Greek, Athens | XATH |
| Ireland, Dublin | XDUB |
| Italy, Milan | XMIL |
| Luxembourg | XLUX |
| Malta | XMAL |
| Netherlands, Amsterdam | XAMS |
| Norway, Oslo | XOSL |
| Austria, Vienna | XVIE |
| Portugal, Lisbon | XLIS |
| Sweden, Stockholm | XSTO |
| Switzerland | XSWX, XVTX, XBRN (Bern) |
| Spain, Madrid | XMCE |
| Great Britain, London | XLON |
| Australia | XASX |
| Hong Kong | XHKG |
| Japan, Tokio | XTKS |
| Singapore | XSES |
| Canada, Toronto | XTSE |
| USA | XNYS, XNMS |
| Dubai | XDFM |
| Bosnia-Herzegovina | XBLB (Banja Luka), XSSE (Sarajevo) |
| Croatia, Zagreb | XZAG |
| Montenegro, Podgorica | XMNX |
| Poland, Warsaw | XWAR |
| Romania, Bucharest | XBSE, XRAS |
| Russia, Moscow | MISX |
| Serbia, Belgrade | XBEL |
| Slovenia, Ljubljana | XLJU |
| Czech Republic, Prague | XPRA |
| Turkey, Istanbul | XIST |
| Hungary, Budapest | XBUD |
| South Africa, Johannesburg | XJSE |

For the execution of commission orders in the various asset classes, Schelhammer Capital Bank AG always employs Schelhammer Capital Bank AG as intermediate commission agent. Schelhammer Capital Bank AG mainly employs the following intermediate commission agents for stock exchanges where it is not a member, and mainly trades with the following trading partners off-market:

| Asset class | (Intermediate) commission agent / trading partner |
|---|---|
| Austrian shares and equity-like securities (Vienna Stock Exchange) | Direct Stock Exchange membership |
| German shares and equity-like securities (German stock exchanges) | HSBC Trinkaus & Burkhardt AG, Düsseldorf JPMorgan Chase Bank, Frankfurt Morgan Stanley Bank AG, Frankfurt |
| Shares and equity-like securities from other foreign countries (other foreign stock exchanges) | HSBC Trinkaus & Burkhardt AG, Düsseldorf Erste Group Bank AG, Wien Raiffeisen Centrobank AG, Wien JPMorgan Chase Bank, Frankfurt Morgan Stanley Bank AG, Frankfurt |
| Derivatives traded at the stock exchange | HSBC Trinkaus & Burkhardt AG, Düsseldorf |
| Certificates and warrants | On market Austria: Direct Stock Exchange membership On market abroad: HSBC Trinkaus & Burkhardt AG, Düsseldorf OTC/off-market Austria and abroad: Issuers |
| Investment fund units | Domestic units: relevant investment company/custodian 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 European Bank for Financial Services GmbH (ebase) Erste Group Bank AG, Vienna Raiffeisen Bank International AG, Vienna as well as relevant investment company/custodian bank/transfer agents |
| Bonds (off-market) | In their function as issuer and/or broker for domestic and foreign securities: Banca IMI Spa, Milan Bayerische Landesbank, Munich Bank of America Merrill Lynch Intl. Ltd, Frankfurt UniCredit Bank AG, Munich Citigroup Global Markets Deutschland AG, Frankfurt Commerzbank AG, Frankfurt Credit Suisse AG, Zürich 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 Lloyds Bank PLC, London Morgan Capital Advisors LLP, London RBC Europe Ltd, London Royal Bank of Scotland PLC, London Raiffeisen Bank International AG, Vienna Wells Fargo Securities Intl. Ltd, London Zürcher Kantonalbank, Zürich as well as Further issuers/brokers from Austria and abroad |

e. Reporting Top 5 trading places

Once a year Schelhammer Capital Bank AG publishes the 5 at a time most important volume weighted venues for all executed client orders divided into different classes of financial instruments.

The publication is done through the homepage of the bank.