



Corporate Clients

# Client Information on the Securities Business



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# What you should know about the securities business

To all clients, prospective clients, and interested parties,

You would like to carry out your securities business with Commerzbank in the future. Whether you are already doing business with Commerzbank or whether you are new to the Bank: you have made the right choice in cooperating with a highly professional financial services provider – an institution with extensive and relevant experience in all areas of the securities business and other financial instruments.

Yet to operate successfully and responsibly on the securities markets as well as on other related markets, you need more than the right partner. You also need detailed information and disclosure.

We have compiled the cornerstones of our investment services to you in this brochure. It provides you with information about strategies for, and the risks associated with investments in securities, as well as how we deal with potential conflicts of interest.

Moreover, we provide you with more detailed information – including the fees for our investment services, execution principles for orders, as well as excerpts from the various terms and conditions on the basis of which we provide securities/investment services.

We are fully aware that this information cannot replace a personal discussion with your client advisor, and we invite you to make an appointment. Your Relationship Manager is looking forward to discussing current opportunities available on the financial markets.

Yours sincerely,  
Commerzbank AG

# Commerzbank and its investment services

## General information

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Commerzbank is an important financial institution in Europe and one of the leading banks for private customers and corporate clients, backed by a nationwide branch network in Germany. Commerzbank is a strong and reliable partner to its corporate clients, both within Germany and internationally. The Bank is also an expert service provider for large and multinational corporations and institutional investors. Commerzbank offers products and services which are tailored to its clients' needs.

The Bank provides a variety of investment services to its clients, comprising the purchase, sale and safekeeping of securities and other financial instruments. Its focus is on providing investment advice, and on executing securities transactions, either as a commission agent or on a fixed-price basis. Commerzbank's other investment services include contract broking, investment intermediation, asset management, new issues and placements, as well as all ancillary investment services. The Bank is also active in the deposit-taking, lending, custody, guarantees, and current account/payments businesses. Some of these services and their characteristics are outlined on the following pages.

The Bank's Schedule of Prices and Services (Preis- und Leistungsverzeichnis) provides information concerning the costs and charges for these services. This brochure contains excerpts from the Schedule of Prices and Services. Furthermore, the Bank draws your attention to the fact that it has a proprietary interest in concluding trades with its clients. For more details in this respect, please refer to the section in this brochure which outlines how Commerzbank deals with conflicts of interest.

Please note that when securities are offered to the public, the prospectus may be obtained from the issuer, and is usually also available on the issuer's website.

We would also like to point out that recipients of income from foreign securities who are domiciled in Germany are obliged, pursuant to section 67 of the German Foreign Trade and Payments Ordinance (Außenwirtschaftsverordnung – "AWV") to report any individual receipts exceeding Euro 12,500. More detailed information is available from German Central Bank by calling +49 800 1234111 (toll-free within Germany).

## Provision of investment advice

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As part of its investment advisory services, Commerzbank provides individual recommendations to clients concerning financial instruments, including a variety of securities, such as equities, bonds, investment funds, certificates, as well as other assets such as entrepreneurial investments (closed-end

funds). Such recommendations provided as part of investment advice are tailored to the client's personal objectives and requirements. The Bank is obliged to verify which recommendations are suitable for each interested party, and whether they are in line with that party's theoretical knowledge and practical experience concerning the risk class assigned to the recommended product. For this purpose, the Bank will obtain sufficient information on clients' individual circumstances and investment objectives.

Where the Bank only provides information or analyses regarding certain securities or other investments to clients without expressing an individual investment recommendation, this will not constitute investment advice.

Within the scope of providing investment advice concerning investment funds and certificates, the Bank will also recommend products from the range of Commerzbank Group's own products. In this way, the Bank offers innovative products to its clients – for example, through regular new issues, especially involving certificates and other forms of structured investment. Specifically, when providing investment advice regarding other investment funds, the Bank selects recommendations from amongst the broad product range of its co-operation partner, Allianz Global Investors Kapitalanlagegesellschaft mbH. The Bank also offers products provided by qualified selected other distribution partners.

## No independent fee-based investment advice

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The Bank does not provide investment advice in the form of independent fee-based investment advice, but on a commission basis. The costs for providing advice (e.g. advisor salaries, etc.) are covered, for example, by the Bank's income generated when doing business with a client. These costs, which may vary depending on the product concerned, include sales commissions paid by providers of investment products, execution commissions, or trading income. No separate fee is charged for individual investment advice provided.

## Declaration of Suitability when providing investment advice

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Each time the Bank provides investment advice to a corporate client requiring maximum protection, the Bank prepares a written investment recommendation (referred to by law as a Declaration of Suitability ("*Geeignetheitserklärung*"). This declaration, which the Bank must provide to the client prior to entering into a transaction, comprises the financial instruments recommended; in addition, the Bank provides explana-

tions as to how the recommendation has been tailored to the client's requirements, objectives, and other characteristics.

In cases where a client decides to place an order after investment advice has been given by telephone, and it is impossible to provide the Declaration of Suitability in advance, the Bank may submit the Declaration after the trade has been concluded – provided that the client was given the opportunity to postpone the trade, and also provided that the client agrees with the ex-post submission.

## Execution-only business

The Bank also executes securities orders, or orders in other financial instruments, placed without the use of investment advice, and/or in the absence of a personalised recommendation issued by the Bank immediately prior to the transaction. At the time of order placement, the Bank must verify whether the client holds sufficient theoretical knowledge and practical experience concerning the product-specific risk class. This is designed to ascertain that the client is in fact able to adequately assess the risks associated with the transaction. This may result in the Bank advising the client of a potential lack of appropriateness. In such cases, the Bank will only execute the order if the client expressly re-affirms its execution request.

The client's experience in individual product-specific risk classes will automatically be determined on the basis of securities transactions executed with Commerzbank in the past. Clients may correct this information at any time, by informing Commerzbank of their practical experience in the securities business with other banks.

## Asset management

The Bank offers a professional asset management service to its clients. This requires a separate agreement with the Bank, in which the client sets out its investment strategy, plus any additional investment guidelines if applicable. The Bank supports clients with recommendations concerning the choice of investment strategy, taking the client's individual circumstances into consideration. For this purpose, the Bank will obtain sufficient information on clients' individual circumstances and investment objectives.

When managing client assets, the Bank takes investment decisions at its own discretion, observing the client's instructions and requirements. The Bank will provide clients with separate information on the management of their assets, especially by way of regular reports prepared specifically for this purpose.

## Financial analyses

The Bank prepares and disseminates financial analyses in various forms and formats: this includes recommendations for investments and investment strategies concerning specific issuers, or financial instruments of such issuers. In contrast to investment advice, financial analysis does not consider the individual circumstances of the recipients (such as clients).

Detailed duties apply to the distribution of financial analyses; in particular, Commerzbank must disclose its interests in relation to the recommended financial instrument. Furthermore, it must fulfil specific organisational requirements designed to safeguard the independence of those preparing financial analyses.

## Investment intermediation and contract broking

The Bank arranges transactions in financial instruments, or involving the purchase and sale of financial instruments, against commission.

## Notice regarding cross-selling

Where the Bank offers an investment service to its clients in conjunction with another product or service, it will inform clients whether the individual components may also be obtained separately – in which case the Bank will provide a separate indication of costs for each component.

If the overall risk of the package differs from the risks associated with individual products, the Bank will also inform clients requiring maximum protection about the individual components, the risks associated with each component, and the type of risks as well as cross-relationships.

## Notice concerning risks and price fluctuations of securities

Given their very specific characteristics, investments in securities are exposed to specific risks – including, in particular:

- market price risk (risk of falling share prices);
- credit risk (default or insolvency risk) of the issuer;
- risk of total investment loss.

The prices of securities on the financial markets are subject to fluctuations which the Bank cannot influence. Hence, clients cannot rescind individual securities trades. Returns (such as interest and dividends) and performance generated in the past are no indicator of future returns or performance.

### **Special notices concerning risks associated with the purchase and holding of financial instruments issued by credit institutions (such as shares, bonds, or certificates), and with the creation or purchase of claims against credit institutions (such as derivatives)**

As a matter of principle, shareholders and creditors are always exposed to the risk that obligations from a financial instrument or other claims are not honoured (credit risk of the issuer or counterparty). This risk materialises in the event of the issuer's insolvency (inability to pay/over-indebtedness). Special regulations apply to credit institutions. There is an additional risk of an authority imposing resolution measures upon the issuer or counterparty. Such measures may be ordered, for example, if a bank's assets fall short of its liabilities; if the bank is unable (or will be unable in the near future) to settle its liabilities when due; or if the bank needs exceptional financial support. The consequences of a resolution action may include a partial or full write-down of financial instruments issued by (or claims against) the bank, or it may require such instruments or claims to be converted into equity (shares, or other forms of equity instruments). Details regarding the consequences of resolution actions on liability are available on [www.commerzbank.de/banking-resolution](http://www.commerzbank.de/banking-resolution)

## Financial commission business/transactions entered into with the Bank as counterparty

Orders for the purchase or sale of financial instruments are executed in the form of commission business, or as transactions where the Bank is the counterparty.

Within the scope of commission business, the Bank executes a purchase or sale at an execution venue, in the role of commission agent acting in its own name and for the client's account, or instructs an interim commission agent with order execution.

Where the Bank is the counterparty, the client enters into a contract with the Bank for the purchase or sale of securities or financial instruments (fixed-price transaction, e.g. as a limit trade or a direct transaction).

## Orders in the securities business

The Bank generally accepts securities orders, applications, or other instructions in the securities business (or in the business with other financial instruments) at its branches during opening hours, or by telephone. To the extent agreed upon between the Bank and the client, orders, applications or instructions may alternatively be placed using electronic channels established by the Bank for this purpose. Clients are able to use Commerzbank's online banking service for numerous securities transactions.

Clients generally receive a settlement note for every transaction executed, through which the Bank informs clients about key transaction details. Unless agreed upon otherwise, the Bank settles transactions via the client's securities account or cash settlement account as the case may be.

## Transaction reporting to securities supervisory authorities

The Bank must generally report transactions in securities or other financial instruments to the securities supervisory authority. The purpose of these reports is to enable the supervisory authority to effectively monitor the capital markets, and to identify any infringements (against the prohibition of insider trading, for example).

Reporting obligations will be extended from 2018 onwards, to include client details, i.e. the client's first name and name or company name, and/or the client's legal representative. In addition, the client's individual identification code must be reported:

- for **natural persons**, identification generally consists of the name, first name, and date of birth;
- for **legal entities** and companies, the Legal Entity Identifier (LEI) will be used.

## Client's duty to cooperate

For orders in securities or other financial instruments to be accepted and executed from 2018 onwards, cooperation

from clients is required in the cases outlined below, in order to permit orderly reporting.

**The client and/or order originator is a natural person:**

For clients who (also) hold the citizenship of one of the following countries, the law requires a specific ID (such as the tax ID number), as an exception to the rule for clients or originators:

Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom, as well as non-EU countries.

1. Please notify your bank accordingly if you are a citizen of one of the above-named countries.
2. The Bank will then record the details required for your personal ID.

**The client and/or order originator is a legal entity or a company:**

In this case, the client will need to apply for a Legal Entity Identifier (LEI) from a Registration Agent. Issuance of an LEI entails costs. The Bank will only be able to execute orders once a client has notified the Bank of its LEI.

**Apply for your LEI in just two steps**

- Please visit [www.gleif.org](http://www.gleif.org) to apply for your individual LEI. You will also find more information about the LEI there.
- Please inform your advisor once you have received your LEI assignment information by e-mail.

## Recording of electronic communications and telephone calls

Commerzbank is legally obliged to record all electronic communications and telephone conversations which may lead to an order being placed. In trading operations, calls will be recorded automatically, as has been the case to date. In all other business areas, clients will be informed about the duty to record calls prior to each phone conversation – generally by way of a recorded message that will be played with every call. Clients may suppress this message for 180 days using a keystroke. They may also object to the recording, in which case no topics may be discussed over the phone which are specifically related to a financial instrument, and which may lead to an order being placed.

The Bank will retain the entire electronic communications

and the telephone recordings for a period of five years. In individual cases, supervisory authorities may instruct that this period be extended to seven years. Clients may demand that the Bank provides a copy of recorded telephone conversations conducted with them.

## Order log

The Bank will prepare a memo of personal client contacts which may lead to an order being placed, and will retain this memo for a period of five years. In individual cases, supervisory authorities may instruct that this period be extended to seven years. Clients may demand that the Bank provides them with a copy of such memos.

## Client classification

The Bank notifies clients of their classification, and of any changes thereto. Clients may have the right to demand a different classification – for instance, clients classified as professional clients may agree with the Bank that they be downgraded to a corporate client requiring maximum protection. A different classification is generally associated with a higher or lower level of protection.

## Product approval process

The Bank will offer clients only financial instruments for which it has carried out a product approval process. It will also ascertain the proper handling of conflicts of interest. In particular, the Bank will ensure that the structure and characteristics of a financial instrument have no negative impact upon clients.

## Target market

The Bank is obliged to determine a target market for each financial instrument, taking information provided by the manufacturer of the financial instrument into consideration. It will also use information provided by its clients. The Bank will consider all target market criteria when providing investment advice, which may lead to restrictions concerning its recommendations. The Bank's recommendation may diverge from the target market in substantiated, exceptional circumstances, in which case the Bank will inform clients accordingly. In the execution-only business, the Bank will only verify the target market criteria of client category, knowledge and

experience, and distribution strategy; clients must verify the remaining target market criteria themselves, for example, using the respective Key Information Document provided by the manufacturer. Moreover, where a client is outside the target market, the Bank may reject order execution, or may give a warning to the client.

## Costs of investments in securities and financial instruments

Investments in securities or financial instruments involve costs. For details, please refer to the information about "Costs of investments in securities and financial instruments" on pages 16 et seq.

## Regular reports

The Bank provides clients with an annual costs report, which summarises all costs incurred in connection with (ancillary) investment services or financial instruments. In addition, the Bank furnishes a list of financial instruments held in custody, at least once every quarter, to all clients for whom it keeps financial instruments in custody accounts. This overview of assets includes information on the current market value of financial instruments. Where no market value can be determined, the Bank will provide information on the estimated value of the client's holdings.

Furthermore, the overview of assets provides information as to whether the client's holdings are protected by regulatory rules. The overview of assets may also provide information as to which holdings form part of securities financing transactions (e.g. securities lending, securities repurchase transactions (e.g. securities lending, securities repurchase transactions), or loans collateralised by securities (Lombard loans)), or identify assets with restricted right of title, due to a collateral interest (including blocks on disposal or pledges).

## Notification of losses

The Bank will notify corporate clients requiring maximum protection, with respect to custody accounts serving as loan collateral or transactions involving contingent liabilities, when a loss of 10 per cent – compared with the original value – has occurred. It will provide further notification when further losses have been incurred, in 10 per cent intervals, i.e. when reaching loss thresholds of 20 per cent, 30 per cent, or – for example – 40 per cent.

## Custody

Commerzbank offers the safekeeping of securities (custody services). In this regard, securities held within a custody account enjoy protection of title under the German Securities Trading Act (*Wertpapierhandelsgesetz – "WpHG"*). The Bank provides clients with a list of financial instruments held with it at least on a quarterly basis. Custody services for securities are provided in accordance with the Special Conditions for Securities Trading (*Sonderbedingungen für Wertpapiergeschäfte*).

In accordance with this, domestic securities eligible for collective custody are generally held with the German Securities Depository (Clearstream Banking AG, Frankfurt/Main). Securities of the same class together form a collective custody position, to which the respective client holds joint ownership. In this way, clients are protected from attachment by third parties, especially in the event of the Bank's (or the securities depository's) insolvency.

In accordance with the German Securities Deposit Act (*Depotgesetz – "DepotG"*), the Bank maintains an omnibus custody account with the German Securities Depository for the purposes of securities safekeeping and transaction settlement. Securities holdings of all of the Bank's clients are posted to this omnibus account. Client assets are protected extensively by law. Specifically, the omnibus custody account is maintained as an agent account, meaning that the securities held in that account cannot be held liable for the Bank's liabilities. In the event of the Bank's insolvency, each client (as a joint owner) is entitled to demand the transfer of its securities holdings to a custody account with another bank, independently from the Bank's other clients (the concept of segregation pursuant the German Insolvency Regulation (*Insolvenzordnung – "InsO"*)).

Alternatively, clients may apply to the Bank for the opening of an Individual Segregated Account with the German Securities Depository, in order for their securities holdings to be posted separately from those of other clients. In this scenario, clients will also have joint ownership in the collective custody position, and may demand segregation of their securities holdings in the event of the Bank's insolvency – just as with the omnibus custody account. Maintaining an Individual Segregated Account involves additional costs (for details, please refer to the Schedule of Prices and Services); in individual cases, longer processing times may occur.

Foreign securities are normally held in custody with a third-party depository in the relevant home market of the securities involved, or in the country where the purchase was executed. Securities are generally held in collective cus-



# Strategies for, and risks associated with investments in securities

today, without being segregated from the holdings of other clients. The laws of the respective foreign country apply to such securities, which may also affect the client's rights. For instance, these legal rules may require the Bank to disclose the client's name or other details to authorities, trading venues, securities issuers, or other entities (cf. section 20 of the Special Conditions for Securities Trading).

Commerzbank maintains business relationships with depositors in all major capital markets. Clients are notified of the country where their securities are held in the securities settlement note. Clients will either have title, or rights similar to title, to the securities which are held in custody by the Bank (cf. section 12 of the Special Conditions for Securities Trading). This means that they are protected by the relevant foreign legislation from their security holdings being seized by third parties, especially in the event of the Bank's (or the securities depository's) insolvency.

If the Bank has claims against the client, securities held in the client's custody account will serve as collateral (lien pursuant to section 14 of the General Terms and Conditions). Moreover, any third-party depository may have liens or similar security rights over the client's securities as long as the purchase price for these securities (or fees for their safekeeping) has not been paid.

The Bank's liability with respect to client securities held with it is regulated by section 19 of the Special Conditions for Securities Trading. For securities held in foreign custody, the Bank's liability is generally limited to the careful selection and instruction of the foreign depository entrusted.

## Investment income tax

The Bank is obliged to withhold investment income tax, solidarity surcharge (*Solidaritätszuschlag*), and – where applicable – church tax (collectively referred to as "taxes") from the client's taxable investment income, and transfer the amounts withheld to the tax authorities. Where investment income is not received in cash (in whole or in part), and any cash investment income is insufficient to cover the taxes payable (e.g. in the case of bonus shares, flat-rate advance distributions by investment funds, or custody account transfers against payment involving a change of creditor), the Bank is entitled to debit the client's account. Clients are only entitled to object to such a debit, prior to cash receipt of investment income, to the extent that such a debit would cause a drawdown of a current account overdraft facility.

The Bank is obliged to report any taxes which it cannot transfer to the tax office at its respective place of business. In such cases, clients should check – if appropriate, together with a tax advisor – whether they are obliged to state investment income in their income tax return.

## Protection of client assets

Commerzbank is a member of the deposit guarantee scheme of German banks (Entschädigungseinrichtung deutscher Banken GmbH). Clients' claims from securities transactions are thus secured in the event of a pay-out (e.g. upon the Bank's insolvency).

Client funds, such as the proceeds of securities sales, are held by the Bank as credit balances (deposits), which are protected by the deposit guarantee scheme of German banks, up to an amount of Euro 100,000. For details, please refer to the "Depositor Information Sheet" (*Informationsbogen für Einleger*) which the Bank provides to each client.

In addition, the Bank is a member of the Joint Fund for Securing Customer Deposits (*Einlagensicherungsfonds*) of the Association of German Banks. The Joint Fund secures credit balances resulting from funds left in an account or from temporary situations deriving from normal banking transactions, and which a credit institution is required to repay under applicable legal and contractual conditions. This comprises balances on current accounts, term deposit accounts and savings accounts, including registered savings bonds. The Joint Fund does not cover any claims for which the Bank has issued bearer securities, such as bearer bonds or bearer certificates of deposits. Likewise, the protection does not apply to promissory note loans or registered bonds which were (or will be) acquired by companies, institutional investors or sub-sovereign entities after 30 September 2017. This last restriction does not apply to natural persons or foundations. More details on the Joint Fund for Securing Customer Deposits are provided in section 20 of the General Terms and Conditions.

## Contractual framework

The business relationship is established under the laws of the Federal Republic of Germany. The contractual framework for investment services is the Custody Agreement, including the special conditions agreed therein (General Terms and Conditions, Special Conditions for Securities Trading, Execution Policy, Price Schedule for Investment Services), entered into between the client and the Bank. These terms and conditions are printed in this brochure.

The Custody Agreement is concluded by way of the client's written application for the opening of a custody account, and by Commerzbank's acceptance of this Agreement, and the subsequent opening of such custody account for the client. As a framework agreement, the Custody Agreement pro-

vides the legal framework for individual investment services provided on the basis of the various terms and conditions. The Bank settles all transactions (including the purchase or sale of securities, as well as payments such as purchase prices or income payments) through credit or debit entries on the custody account and/or the cash settlement account, as the case may be. The Custody Agreement has no minimum contract term; it can be terminated by the client at any time, and by the Bank subject to certain notice periods (cf. sections 18 and 19 of the General Terms and Conditions). A separate agreement will be entered into for asset management.

### General information about Commerzbank AG

Your contractual counterparty in the securities business is: Commerzbank AG  
Kaiserplatz  
60311 Frankfurt/Main, Germany  
You can contact your local branch, or visit Commerzbank's website on [www.commerzbank.de](http://www.commerzbank.de).

Clients may communicate with Commerzbank AG in German and English. Unless agreed upon otherwise, the German version of any contracts shall be definitive for all purposes; where any texts are provided in other languages, this is for convenience only.

Commerzbank AG is regulated by the following institutions:

- German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "BaFin" – [www.bafin.de](http://www.bafin.de)), Graurheindorfer Strasse 108, 53117 Bonn; and Marie-Curie-Strasse 24-28, 60439 Frankfurt/Main, Germany
- European Central Bank, Sonnemannstrasse 22, 60314 Frankfurt/Main, Germany

In its Corporate Clients business, Commerzbank AG generally distinguishes clients with respect to four different risk appetite levels: low, medium, high, and very high risk appetite. For the purposes of providing investment advice, advisors use each client's risk appetite as a guideline for the recommendation of individual securities and financial instruments in order to structure the client's portfolio. Safety-oriented investors with a focus on consistent performance with low price fluctuations are classified as clients with a "low risk appetite". Safety-oriented investors looking for higher returns than those available on money-market instruments, for example, and who are prepared to accept somewhat higher price fluctuations, are classified as clients with a "medium risk appetite". A "high risk appetite" is assigned to opportunistic investors prepared to accept significant potential losses in order to generate high performance. This category also includes speculative positions, looking for additional profits, as well as trades involving theoretically unlimited losses. Commerzbank classifies investors as having a "very high risk appetite" as those looking to capture above-average profit potential whilst accepting the total loss of the invested capital, plus any margin calls which they might incur in connection with the security or financial instrument involved.

### Appetite for risk in the corporate clients business

<b>Low risk</b>	Safety-oriented; looking for consistent performance with low price fluctuations
<b>Medium risk</b>	Safety-oriented; looking for regular income combined with the dynamics of a structured investment, accepting a higher risk level
<b>High risk</b>	Opportunistic; predominantly looking for high-volatility investments and/or speculative gains, accepting the total loss of the invested capital
<b>Very high risk</b>	Opportunistic; looking for above-average profit potential whilst accepting the risk of total loss, as well as potential margin calls

**Note:** the shorter the investment horizon, the more safety-oriented the investment strategy should be. The longer your planning horizon, the more benefit can be drawn from strategies offering higher opportunities – but also involving higher risks.

# Handling conflicts of interest

Each individual investment strategy is implemented by selecting suitable securities and financial instruments. At Commerzbank, investors have the full range of different securities and other financial instruments at their disposal. The wide variety of different types of securities can be divided into product-specific risk groups. In this context, each product-specific risk category always comprises securities and financial instruments having a similar risk potential. Commerzbank considers clients' individual knowledge and experience regarding each of these categories. This brief summary information about strategies for, and risks associated with securities investments cannot replace individual investment advice. Our client advisors will be happy to discuss requirements at any time. Moreover, the brochure "Basic information on securities and other capital investments", which is available at all branches, contains more detailed descriptions of financial instruments and the associated opportunities and risks.

As a financial services provider with global activities and the most diverse range of businesses, Commerzbank faces actual and potential conflicts of interest on a regular basis. Such conflicts of interest may arise between clients, between clients and Commerzbank, clients and staff, staff and Commerzbank, as well as between the Bank's Group entities or business segments.

As a matter of principle, the Bank conducts its business in a manner designed to avoid conflicts of interest. This principle is enshrined in the Code of Conduct, which is binding upon senior management and all of the Bank's employees.

The majority of conflicts can be neutralised at an early stage, through appropriate organisational measures, including the establishment of areas of confidentiality, the separation of functions, disclosing the conflict to the client, and obtaining the consent of the parties involved.

Whenever a conflict of interest is unavoidable, it will be handled fairly; this applies both to conflicts of interest between the Bank and its clients, as well as to those arising between clients.

The Compliance department is one of those whose task it is to ensure the Bank handles conflicts of interest fairly. Compliance is an independent unit reporting directly to senior management; its duties include ensuring that the Bank deals appropriately with conflicts of interest.

#### Conflicts of interest may arise, in particular:

- when providing investment advice or in asset management, from the Bank's own interest in generating revenue from selling financial instruments;
- when receiving inducements (such as placement and/or current sales commissions, or other benefits in kind) from third parties, or if the Bank provides such inducements to third parties;
- when obtaining discounts on the issue price of financial instruments from third parties, or if the Bank provides such discounts to third parties;
- from performance-related remuneration of employees;
- when granting inducements to employees or agents;
- from the Bank's other business activities, especially given the Bank's interest in generating proprietary trading profits, or in selling its own securities;
- from the Bank's interest in generating profits on fixed-price transactions;
- from Commerzbank's business relationships with issuers of financial instruments – for example, where a lending relationship exists, or where the Bank is involved in securities issues or business cooperations;
- from a stake held by Commerzbank AG in Steubing AG Wertpapierhandelsbank when forwarding or executing client orders;

- from the preparation of financial analyses concerning issuers whose securities are offered to clients for purchase;
- from obtaining information that is not publicly known;
- from personal relationships between the Bank's employees, its senior management or related parties and other companies or persons;
- from the engagement of such individuals in supervisory boards or advisory councils of other companies.

The Bank has taken organisational measures, including the ones listed below, to prevent conflicts of interest, or to deal with them in an appropriate manner:

- The Bank's departments and subsidiaries maintain an appropriate level of independence from each other.
- The flow of information between different areas of the Bank which may give rise to conflicts of interest is regulated.
- In certain cases, the Bank deals with potential conflicts of interest through prohibitions of certain transactions, of giving advice, or of publishing financial analyses.
- Information which may have a significant impact upon the price of securities (inside information), as well as employees who have access to such information, are included in an Insider List.
- Where the Bank prepares or disseminates financial analyses, it provides information concerning relevant potential conflicts of interest with respect to the issuers analysed, and/or their financial instruments.
- The Bank's employees must observe rules governing personal account dealing. For instance, employees who regularly have access to inside information must report their personal account transactions to the Compliance department.
- Transactions entered into by the Bank and its employees are monitored as to whether legal regulations for the prevention of market abuse are being complied with.
- The Bank's sales guidelines and remuneration systems have been designed, involving Compliance, in such a way as to prevent client interests from being compromised, especially when giving investment advice.
- Before launching any new products, or selecting products for sales activities, they will be examined regarding potential conflicts of interest.
- The Bank documents the acceptance and granting of inducements; an approval procedure ascertains that inducements are dealt with in line with legal rules.
- The Bank qualifies its staff through regular training measures.

In the event of any conflicts of interest which cannot be avoided despite all these measures, the Bank will disclose such conflicts of interest to affected clients prior to concluding a trade or giving advice.

#### We would like to draw your particular attention to the following aspects:

Conflicts of interest may arise, in particular, when the Bank offers securities (including its own shares, subordinated bonds, or similar securities) for the purpose of strengthening its equity.

When distributing securities, the Bank usually obtains inducements from fund management companies and securities issuers. These inducements include ongoing, portfolio-based sales commissions paid by fund management companies from management fees they charge to the Bank, as well as distribution fees paid by securities issuers, mainly in the form of placement fees. In addition, the Bank receives upfront subscription sales charges levied upon the sale of investment fund units or other securities.

The Bank discloses inducements it has received to clients. The Bank uses inducements and other incentives in order to provide its clients with efficient and high-quality infrastructure for the purchase and sale of financial instruments, and to facilitate access to a broad range of financial instruments. At the same time, such payments are used to cover expenses for advisory services which Commerzbank's clients use – or may use – at any time. In accordance with legal rules, the Bank always recommends those financial instruments which are suitable for the clients involved. However, this does not preclude that certain products are given preference in recommendations – such as the Group's own products or those of selected partners – always observing their specific suitability for the respective client. For instance, within the scope of advisory services regarding real estate funds and certificates, the Bank selects recommendations primarily from amongst the Group's own products. When providing investment advice regarding investment funds, the Bank particularly selects recommendations drawn from the broad product range of its cooperation partner, Allianz Global Investors Kapitalanlagegesellschaft mbH. In addition, the Bank also offers products provided by qualified selected other distribution partners.

Where the Bank distributes products, especially in connection with new issues, the fixed price payable by investors includes a margin that is calculated to cover the Bank's income, as well as its expenditure for issuance and distribution. This margin reduces the potential returns from the securities concerned. Moreover, the Bank may also receive inducements which are not related to specific products.

# Appeal proceedings and out-of-court dispute resolution

In addition, the Bank receives non-monetary inducements such as information material and – to some extent – technical services, as well as equipment for accessing information and data processing systems, plus training courses for the Bank’s staff. The Bank uses such inducements in order to provide high-quality services, as required by clients, and to continuously improve these services.

To some extent, the Bank pays performance-related commissions or fixed fees to introducing brokers or intermediaries who introduce the Bank to clients, or arrange specific transactions. Where the Bank itself acts as an intermediary, it may receive intermediation fees from third parties, especially where the intermediation of client relationships to third parties is concerned.

Where the Bank has no direct electronic access to a particular execution venue, it will forward buy or sell orders to a specialist financial services provider (financial intermediary), for execution. Steubing AG Wertpapierhandelsbank, in which Commerzbank holds a stake, is such a financial services provider. Any potential or existing conflict of interest is prevented or mitigated by the fact that relevant financial services providers are selected in accordance with the statutory obligation to act in the client’s best interests when forwarding orders to other financial services providers for execution.

## Particularities concerning asset management

Within the scope of asset management, asset managers take decisions, in their own discretion, for the purchase and sale of securities. In this context, the asset manager’s scope of discretion is specified in more detail by investment guidelines contractually agreed upon in advance with the client. Specifically, investment decisions are oriented upon an investment selection process designed to fit the client’s interests.

Irrespective of this, Commerzbank discloses inducements received in connection with asset management to clients, and will disburse such inducements to them. Only minor, non-monetary benefits received from third parties in connection with asset management may be retained by the Bank, provided that such inducements are suitable to improve the quality of the service offered to the client.

Examples for such minor, non-monetary benefits may include:

- participation in conferences;
- participation in seminars and other training events held on the benefits and characteristics of a certain financial instrument or a specific investment service;
- hospitality whose value does not exceed a reasonable *de minimis* threshold.

An additional conflict of interest which typically arises with regard to asset management services may result from the agreement of performance-based remuneration. In this context, it cannot be excluded that the asset manager accepts excessive risks, in order to maximise performance – and hence, remuneration. Investment guidelines agreed upon are one way in which risks can be reduced in this regard. The Bank has internal monitoring processes in place to verify whether investment decisions made are within the limitations set by way of contractually-agreed principles. Moreover, asset managers’ remuneration comprises other – especially fixed – components.

Commerzbank will be happy to provide more detailed client information on how it deals with conflicts of interest.

Clients may lodge complaints with the Bank personally (at a branch office), by post, by telephone or via the Bank’s own online portals. For more detailed information on how to lodge a complaint, and for details regarding the complaints-handling procedures, please refer to [www.commerzbank.de](http://www.commerzbank.de) as well as other specific Bank websites.

In addition, consumers have the option of contacting the ombudsman appointed by German private banks in order to resolve any dispute. More details are provided by the Procedural Guideline for Resolving Customer Complaints in the German Banking Sector (*Verfahrensordnung für die Schlichtung von Kundenbeschwerden im deutschen Bankgewerbe*), which is available from the Bank upon request. Such complaints must be addressed, in text form, to the Association of German Banks (*Bundesverband deutscher Banken e.V.*), PO Box 04307, 10062 Berlin, Germany.



# Costs of investments in securities and financial instruments

Investments in securities or financial instruments involve costs. The amount of such costs, and how they are spread across the term of the investment, depends upon the type of investment, besides other factors. The costs incurred for selected products, assuming a (nominal) investment of Euro 10,000 and an investment/holding period of five years, are shown on the following pages, which provide a representative overview of costs for individual products. Clients may request a detailed breakdown into individual specific cost items for each transaction.

## Corporate custody account

### Assumptions for cost calculations

Amount invested<sup>1</sup>: Euro 10,000

Holding period: 5 years

		Bonds	Equities	Exchange-traded funds (ETFs)	Money-market/fixed-income funds	Equity funds/mixed funds/funds of funds/VMM Fund family	Open-ended property funds hausInvest funds	Structured bonds and investment certificates <sup>2</sup>	Strategy index certificates, ETCs (usually collateralised commodity-linked bonds)	Leveraged products (including warrants)
Assumed execution venue/exchange		Stuttgart	Xetra	Xetra	Fixed price	Fixed price	Fixed price	Stuttgart	Stuttgart	Stuttgart
Costs	Costs of purchasing securities Euro	58,75	101,50	101,50	250,00	250,00	500,00	151,31	151,31	151,31
	Costs incurred during the holding period (p.a.) Euro	8,93	8,93	24,93	178,93	238,93	348,93 <sup>3</sup>	8,93	8,93	8,93
	of which: payments from third parties received by the Bank (p.a.) Euro	-	-	-	60,00	123,50	50,00	-	-	-
	Costs of selling securities Euro	58,75	101,50	101,50	-	-	-	151,31	151,31	151,31
Total costs	Total costs Euro	162,15	247,65	327,65	1.144,65	1.444,65	2.244,65	347,27	347,27	347,27
	Impact on yield % p. a.	-0,32	-0,50	-0,66	-2,29	-2,89	-4,49	-0,69	-0,69	-0,69
Detailed breakdown of total costs (including average costs per year)	Bank's service costs Euro	144,65	244,65	244,65	594,65	912,15	794,65	244,65	244,65	244,65
	% p. a.	0,29	0,49	0,49	1,19	1,82	1,59	0,49	0,49	0,49
	of which: payments from third parties received by the Bank Euro	-	-	-	300,00	617,50	250,00	-	-	-
	Third-party service costs Euro	17,50	3,00	3,00	-	-	-	22,62	22,62	22,62
	% p. a.	0,03	0,01	0,01	-	-	-	0,04	0,04	0,04
Product costs (after payments to the Bank)	Euro	-	-	80,00	550,00	532,50	1.450,00	80,00	80,00	80,00
	% p. a.	-	-	0,16	1,10	1,07	2,90	0,16	0,16	0,16
Total costs over time, and impact on yield	During year 1 (costs of purchasing securities, plus costs during the first year of the holding period) Euro	67,68	110,43	126,43	428,93	488,93	848,93	160,24	160,24	160,24
	%	-0,68	-1,10	-1,26	-4,29	-4,89	-8,49	-1,60	-1,60	-1,60
	Costs incurred from year 2 of the holding period (p.a.) Euro	8,93	8,93	24,93	178,93	238,93	348,93	8,93	8,93	8,93
	%	-0,09	-0,09	-0,25	-1,79	-2,39	-3,49	-0,09	-0,09	-0,09
	Costs incurred during the year of disposal (on top of costs incurred during the holding period) Euro	58,75	101,50	101,50	-	-	-	151,31	151,31	151,31
	%	-0,59	-1,02	-1,02	-	-	-	-1,51	-1,51	-1,51

<sup>1</sup> For funds, this is equivalent to the fund unit value/NAV (cost basis); for all other asset classes, it is based on the market value.

<sup>2</sup> This includes structured bonds (including certificates with protection of capital), reverse convertibles, as well as Delta-1, discount, bonus, and express certificates.

<sup>3</sup> This includes current product costs of 3.4% (Euro 340 in the case at hand), fund management costs (including transaction fees) of 1.2% (Euro 120), and real estate management costs of 2.2% (Euro 220).

# Standardised cost information for Derivatives

## General explanations:

- It is important to note that costs are not only incurred when **purchasing** an investment, but also **during the holding period**, and possibly also upon **disposal**. The overview includes a corresponding breakdown, which also indicates the **total costs** for an assumed five-year holding period.
- This shows service costs as well as product costs.
  - **Service costs** are costs charged for the Bank's services, or – where applicable – for services rendered by third parties (e.g. exchange fees). The Bank charges service costs on the basis of its Price List for Corporate Clients. In the case of fixed-price transactions, where the Bank buys or sells securities for its own account at a fixed price, the buying or selling price includes the costs for the Bank's trading services; the overview of costs also takes these costs into account. In connection with certain products, the Bank also receives **payments from third parties** (so-called inducements, which represent indirect service costs). Service costs and inducements are shown separately in the overview.
  - **Product costs** are incurred upon launch of products, or as part of their ongoing administration – for example, costs for managing a fund. These costs are part of the issuing price, or will be charged directly to the product, meaning that they are not directly payable by clients.
- The overview illustrates the impact of costs upon the **yield** of the investment. In this context, it should be noted that annual costs may differ over the term of the investment: as a result, the cost impact upon yield is often greater in the first year and in the year of disposal than in the intervening years.

## Special explanations:

- **Investment funds:** During the holding period, costs are incurred in the form of current administration costs, and costs for portfolio changes within the fund. Cost indications are based on current regulations, and on information provided by fund management companies. These costs fluctuate over time, and have been estimated on the basis of historical data. The overview does not include any performance-based fees for fund management, since these are not yet known. Any such performance-based fees would increase costs accordingly. The Bank receives current distribution commissions from fund management companies ("payments from third parties"). The amount of such commissions depends upon the agreement with the respective fund management company, and on the prevailing value of fund units held in the client's custody account.

- **Structured bonds, certificates, and leveraged products:** product costs for these products are shown as the difference between the product price and its so-called 'fair value'. Where the Bank receives payments from the issuer in individual cases, this will be disclosed in the product documentation.

## Please note the following assumptions and additional notes:

- The overview provides a cost estimate which is based on the assumptions set out below in particular. Actual costs may diverge from this estimate (e.g. in case of a different holding period).
- The overview shows representative cost amounts for individual products, which may be lower or higher in each specific case. The Bank will inform clients about specific costs which will be incurred prior to each order.
- The assumption is made that purchases or sales are transacted in line with the Bank's Execution Policy, based on the execution venue where orders for the respective product have predominantly been executed to date.
- The calculation of costs assumes that the price remains unchanged throughout the holding period, and upon disposal. These costs may be higher or lower depending on price developments.
- Due to minimum fee levels, percentage costs may be higher for smaller investment amounts.
- No sales costs are incurred for products with a fixed term which are held until maturity; total costs will decrease accordingly.
- The overview of costs is applicable for products held in collective custody. Where securities are held in other forms of custody (in particular, with international securities depositories), current costs incurred are usually higher, due to higher custody account fees.
- The assumption is made that transactions are settled in euros. Where foreign currency payments are necessary for transaction settlement (e.g. in case of an order execution in a country outside the euro area), additional costs will be incurred due to the exchange of currencies. Where the exchange involves pound sterling, Swiss francs, US dollars or Japanese yen, these costs are usually below 0.5 per cent, but may be significantly higher for other currencies. Costs may increase during periods of significant exchange rate fluctuations. For guidance, please refer to the overview on <https://www.commerzbank.de/en/hauptnavigation/kunden/kursinfo/devisenk/devisenkurse.html>.
- Personal taxes (such as investment income tax) were not taken into account.

concerning costs and related charges, pursuant to Article 24 (4) of Directive 2014/65/EU ("MiFID II") and section 63 (7) sentence 1 of the German Securities Trading Act ("WpHG")

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material; instead it is legally required information designed to inform you about the costs involved prior to entering into a contract.

## 1. Definition of costs when entering into a trade, according to MiFID II

In accordance with MiFID II, costs are equivalent to the difference between the fair value and the client's price at the time of entering into the trade. These costs are identical to the initial negative market value upon trade entry; they cover the Bank's expenses for structuring and selling the product, cost of equity, as well as Commerzbank AG's income.

## 2. Performance and cross-relationship with the costs of entering into the trade

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred, with such information being generally provided immediately prior to concluding a trade.

## 3. Explanations regarding standardised cost information

The costs shown are indicative. Costs which will actually be incurred upon entering into a trade may differ from this indication; in particular, they are influenced by factors such as the client's credit rating, market conditions prevailing on the trade date, and the existence of a Credit Support Annex.

## 4. Performance information

Note regarding performance information: Commerzbank AG does not disclose performance data for OTC derivatives given the fact that these are typically used for hedging underlying transactions. Performance data disclosed without taking the underlying transaction into consideration would yield erroneous results.

# Standardised cost information for Equity Derivatives

Option	Standardised cost based on a notional of: 1,000,000.00 EUR					
	0 to 3 Months		3 to 6 Months		6 to 12 Months	
	in EUR	%	in EUR	%	in EUR	%
<b>Single Stock Option Asia</b>						
HK	800	0.08%	1,300	0.13%	2,100	0.21%
Japan	1,800	0.18%	2,300	0.23%	3,600	0.36%
Singapore	1,800	0.18%	2,300	0.23%	3,600	0.36%
Other Asia	4,600	0.46%	5,600	0.56%	7,600	0.76%
<b>Index Option Asia</b>						
HSI/HSCEI	400	0.04%	400	0.04%	700	0.07%
NKY	400	0.04%	400	0.04%	700	0.07%
KOSPI2	400	0.04%	400	0.04%	700	0.07%
Other indices	800	0.08%	800	0.08%	1,800	0.18%
<b>Single Stock Option Europe - US</b>						
Blue Chip Europe	550	0.06%	1,300	0.13%	2,100	0.21%
Rest of Europe	800	0.08%	1,800	0.18%	3,600	0.36%
Blue Chip US	550	0.06%	800	0.08%	1,600	0.16%
Rest of US	800	0.08%	1,300	0.13%	2,600	0.26%
<b>Index Option Europe - US</b>						
SX5E	95	0.01%	95	0.01%	120	0.01%
DAX	95	0.01%	95	0.01%	120	0.01%
FTSE	95	0.01%	95	0.01%	120	0.01%
SPX	95	0.01%	95	0.01%	120	0.01%
Other indices	135	0.01%	135	0.01%	185	0.02%

Option	Standardised cost based on a notional of: 1,000,000.00 EUR					
	12 to 24 Months		24 to 36 Months		36 Months +	
	in EUR	%	in EUR	%	in EUR	%
<b>Single Stock Option Asia</b>						
HK	4,400	0.44%	6,900	0.69%	10,400	1.04%
Japan	5,800	0.58%	10,800	1.08%	14,400	1.44%
Singapore	5,800	0.58%	10,800	1.08%	14,400	1.44%
Other Asia	9,200	0.92%	13,000	1.30%	23,000	2.30%
<b>Index Option Asia</b>						
HSI/HSCEI	1,000	0.10%	1,000	0.10%	1,300	0.13%
NKY	1,000	0.10%	1,000	0.10%	1,300	0.13%
KOSPI2	1,300	0.13%	1,300	0.13%	1,800	0.18%
Other indices	2,900	0.29%	2,900	0.29%	2,900	0.29%
<b>Single Stock Option Europe - US</b>						
Blue Chip Europe	4,400	0.44%	6,900	0.69%	10,400	1.04%
Rest of Europe	5,800	0.58%	10,800	1.08%	14,400	1.44%
Blue Chip US	2,900	0.29%	5,400	0.54%	8,400	0.84%
Rest of US	5,800	0.58%	8,800	0.88%	12,400	1.24%
<b>Index Option Europe - US</b>						
SX5E	160	0.02%	185	0.02%	210	0.02%
DAX	160	0.02%	185	0.02%	260	0.03%
FTSE	160	0.02%	185	0.02%	260	0.03%
SPX	160	0.02%	185	0.02%	260	0.03%
Other indices	260	0.03%	285	0.03%	370	0.04%

## Standardised cost information for Interest Rate Derivatives

Swap	Standardised cost based on a notional of: 1,000,000.00 EUR					
	0 to 3 Months		3 to 6 Months		6 to 12 Months	
Maturity	in EUR	%	in EUR	%	in EUR	%
<b>Single Stock Swap</b>						
L2b Assets	1,800	0.18 %	1,800	0.18 %	2,000	0.20 %
Other	2,000	0.20 %	2,000	0.20 %	2,200	0.22 %
Wrong Way Risk	25,000	2.50 %	28,000	2.80 %	31,000	3.10 %
<b>Index Swap</b>						
L2b Assets	1,200	0.12 %	1,200	0.12 %	1,400	0.14 %
Other	1,500	0.15 %	1,500	0.15 %	1,700	0.17 %
<b>Custom Basket Swap</b>						
L2b Assets	1,500	0.15 %	1,200	0.12 %	1,400	0.14 %
Other	1,700	0.17 %	1,500	0.15 %	1,700	0.17 %
Maturity	12 to 24 Months		24 to 36 Months		36 Months +	
	in EUR	%	in EUR	%	in EUR	%
<b>Single Stock Swap</b>						
L2b Assets	2,400	0.24 %	3,000	0.30 %	3,500	0.35 %
Other	2,600	0.26 %	3,200	0.32 %	3,700	0.37 %
Wrong Way Risk	34,000	3.40 %	37,000	3.70 %	40,000	4.00 %
<b>Index Swap</b>						
L2b Assets	1,800	0.18 %	3,400	0.34 %	3,900	0.39 %
Other	2,100	0.21 %	3,700	0.37 %	4,100	0.41 %
<b>Custom Basket Swap</b>						
L2b Assets	1,800	0.18 %	3,400	0.34 %	3,900	0.39 %
Other	2,100	0.21 %	3,700	0.37 %	4,100	0.41 %

Maturity	Standardised cost based on a notional of: 1,000,000.00 EUR							
	2 years		3 years		4 years		5 years	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>IRS without floor</b>								
EUR	7,000	0.70 %	10,500	1.05 %	14,000	1.40 %	17,500	1.75 %
USD	7,000	0.70 %	10,500	1.05 %	14,000	1.40 %	17,500	1.75 %
GBP	7,000	0.70 %	10,500	1.05 %	14,000	1.40 %	17,500	1.75 %
CHF	7,000	0.70 %	10,500	1.05 %	14,000	1.40 %	17,500	1.75 %
<b>IRS with floor</b>								
EUR	7,000	0.70 %	10,500	1.05 %	14,000	1.40 %	17,500	1.75 %
USD	7,000	0.70 %	10,500	1.05 %	14,000	1.40 %	17,500	1.75 %
<b>Cross Currency Swap</b>								
EUR-USD	8,000	0.80 %	12,000	1.20 %	16,000	1.60 %	20,000	2.00 %
EUR-GBP	8,000	0.80 %	12,000	1.20 %	16,000	1.60 %	20,000	2.00 %
EUR-CHF	8,000	0.80 %	12,000	1.20 %	16,000	1.60 %	20,000	2.00 %
EUR-NZD	8,000	0.80 %	12,000	1.20 %	16,000	1.60 %	20,000	2.00 %
EUR-RUB	8,000	0.80 %	12,000	1.20 %	16,000	1.60 %	20,000	2.00 %
<b>IR Cap - ATM</b>								
EUR	6,500	0,65 %	9,750	0,98 %	13,000	1,30 %	16,250	1,63 %
USD	6,500	0,65 %	9,750	0,98 %	13,000	1,30 %	16,250	1,63 %
<b>Swaption - ATM</b>	<b>Client buys payer, phys. settled</b>				<b>Client sells receiver, phys. settled</b>			
	1x5y		1x10y		1x5y		1x10y	
	Amount	%	Amount	%	Amount	%	Amount	%
EUR	15,000	1,50 %	30,000	3,00 %	15,000	1,50 %	30,000	3,00 %
USD	15,000	1,50 %	30,000	3,00 %	15,000	1,50 %	30,000	3,00 %

# Standardised cost information for Commodity Derivatives

Standardised cost based on a notional of: 1,000,000.00 EUR						
Maturity	7 years		10 years		20 years	
IRS without floor	Amount	%	Amount	%	Amount	%
EUR	24,500	2.45 %	35,000	3.50 %	45,000	4.50 %
USD	24,500	2.45 %	35,000	3.50 %	45,000	4.50 %
GBP	24,500	2.45 %	35,000	3.50 %	45,000	4.50 %
CHF	24,500	2.45 %	35,000	3.50 %	45,000	4.50 %
IRS with floor						
EUR	24,500	2.45 %	35,000	3.50 %	45,000	4.50 %
USD	24,500	2.45 %	35,000	3.50 %	45,000	4.50 %
Cross Currency Swap						
EUR-USD	28,000	2.80 %	40,000	4.00 %	50,000	5.00 %
EUR-GBP	28,000	2.80 %	40,000	4.00 %	50,000	5.00 %
EUR-CHF	28,000	2.80 %	40,000	4.00 %	50,000	5.00 %
EUR-NZD	28,000	2.80 %	40,000	4.00 %	50,000	5.00 %
EUR-RUB	28,000	2.80 %	40,000	4.00 %	50,000	5.00 %
IR Cap - ATM						
EUR	22.750	2,28 %	32.500	3,25 %		
USD	22.750	2,28 %	32.500	3,25 %		

Standardised cost based on a notional of: 1,000,000.00 EUR		
IR Options (Kristall)	In currency	%
A	10,000	1.00 %
B	50,000	5.00 %
C	100,000	10.00 %
D	> 100,000	>10.00 %

\* The category depends on the input parameters of the option and will be relayed to the client before closing the transaction.

Commodity Forward <sup>1</sup> & Commodity Swap <sup>2</sup>							
Standardised cost based on a notional of: 1,000,000.00 EUR							
Maturity	3 to 6 Months		7 to 12 Months		13 to 24 Months		
Underlying <sup>4</sup>	Minimum Costs in EUR	EUR	%	EUR	%	EUR	%
Commodity Underlying Group 1	250	8,900.00	0.89 %	18,300.00	1.83 %	31,200.00	3.12 %
Commodity Underlying Group 2	250	13,300.00	1.33 %	19,200.00	1.92 %	35,800.00	3.58 %
Commodity Underlying Group 3	250	17,600.00	1.76 %	29,000.00	2.90 %	40,400.00	4.04 %

Commodity Option <sup>3</sup>							
Standardised cost based on a notional of: 1,000,000.00 EUR							
Maturity	3 to 6 Months		7 to 12 Months		13 to 24 Months		
Underlying <sup>4</sup>	Minimum Costs in EUR	EUR	%	EUR	%	EUR	%
Commodity Underlying Group 1	250	11,400.00	1.14 %	21,900.00	2.19 %	30,000.00	3.00 %
Commodity Underlying Group 2	250	12,500.00	1.25 %	22,000.00	2.20 %	33,000.00	3.30 %
Commodity Underlying Group 3	250	22,600.00	2.26 %	33,200.00	3.32 %	37,200.00	3.72 %

<sup>1</sup> A type of Forward agreement whereby a floating price based on a single day observation of an underlying commodity is exchanged for a fixed price.

<sup>2</sup> A type of Swap agreement whereby a floating price based on the average of daily prices of an underlying commodity over a specified period is exchanged for a fixed price.

<sup>3</sup> A financial transaction whereby the buyer of the option has the right but not the obligation to buy or sell a Commodity instrument at a specific price at a specific date and time in the future.

<sup>4</sup> Commodity Underlying Groups

In order to illustrate different market characteristics among different commodity underlyings, we have grouped our traded underlyings in 3 groups of underlyings that are broadly similar with regards to market characteristics (volumes traded, bid offers, market depth, available tenors), which in turn results in different standard trading costs for each of the groups.

**Commodity Underlying Group 1:** Coffee - ICE, Corn - CBOT, Cotton - ICE, Wheat - CBOT, Cocoa - ICE, Soybeans - CBOT, Sugar - ICE, Rapeseed - Euronext, Milling Wheat - Euronext, Soybean Oil, Brent Crude Oil - ICE, WTI Crude Oil - NYMEX, Carbon - Spot EUA, ICE Low Sulphur Gasoil, Nymex NY Harbor ULSL, Natural Gas (Henry Hub) - NYMEX, Aluminium - LME, Copper - LME, Nickel - LME, Gold, Silver

**Commodity Underlying Group 2:** Soybean Meal, Cocoa - Euronext, Feed Wheat - ICE, Maize - Euronext, Robusta Coffee - ICE, White Sugar - ICE, Dated Brent, Dubai Crude, Carbon - Spot CER, Diesel 10ppm CIF Cargoes NWE, Diesel 10ppm CIF Cargoes NWE - UK spec, Diesel 10ppm CIF Med, Diesel 10ppm FOB Barges ARA, Gasoil 0.1% CIF Cargoes NWE, Gasoil 0.1% CIF MED, Gasoil 0.1% FOB Barges R'dam, Jetfuel CIF Cargoes NWE, Jetfuel FOB Barges ARA, Fuel Oil 3.5% FOB Barges ARA, Fuel oil 3.5% FOB MED Cargoes, Fuel Oil 1% FOB Barges, Fuel Oil 1% FOB NWE Cargoes, Fuel Oil Singapore 180cst, Fuel Oil Singapore 380cst, Naphtha CIF Cargoes NWE, Singapore Gasoil, Lead - LME, Zinc - LME, Palladium, Platinum

**Commodity Underlying Group 3:** Frozen Concentrate Orange Juice, Rubber (TSR20) - SGX, Coal Argus API2, Coal Argus API4, Phelix Baseload - EPEX, Carbon - Spot ERU, Carbon - Spot AEU - Aviation, Jet Fuel FOB MED Cargoes, Jet Kerosene 54 Gulf Coast, Kerosine Singapore, Fuel oil 3.5% CIF MED Cargoes, Fuel Oil 3.5% CIF NWE Cargoes, Fuel Oil No.6 3.0% FOB USGC Barges, Fuel oil 1% CIF Cargoes NWE, Fuel Oil 1% CIF MED Cargoes, Rheinschiene - HEL, Ultra Low Sulfur Diesel Gulf Coast, Alloy - LME, Iron Ore CFR Tianjin (China) 62%, Tin - LME



# Standardised cost information for FX Derivatives

FX Forward/NDF		Standardised cost based on a notional of: 1,000,000.00 EUR					
Maturity:		6 months		12 months		18 months	
Currency pair	Minimum cost in EUR	EUR	%	EUR	%	EUR	%
EUR/USD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/GBP	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CHF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/JPY	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/AUD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CAD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HKD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SEK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NOK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/DKK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NZD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SGD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/MXN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HRK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/BGN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CZK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HUF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/PLN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RON	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RUB	150	6,667	0.67%	13,333	1.33%	20,000	2.00%

FX Swap		Standardised cost based on a notional of: 1,000,000.00 EUR					
Maturity:		6 months		12 months		18 months	
Currency pair	Minimum cost in EUR	EUR	%	EUR	%	EUR	%
EUR/USD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/GBP	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CHF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/JPY	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/AUD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CAD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HKD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SEK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NOK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/DKK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NZD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SGD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/MXN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HRK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/BGN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CZK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HUF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/PLN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RON	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RUB	150	6,667	0.67%	13,333	1.33%	20,000	2.00%

FX Option		Standardised cost based on a notional of: 1,000,000.00 EUR					
Maturity:		6 months		12 months		18 months	
Currency pair	Minimum cost in EUR	EUR	%	EUR	%	EUR	%
EUR-USD	150	7,500	0.75%	15,000	1.50%	22,500	2.25%
EUR-GBP	150	7,500	0.75%	15,000	1.50%	22,500	2.25%
EUR-CHF	150	7,500	0.75%	15,000	1.50%	22,500	2.25%
EUR-G10	150	7,500	0.75%	15,000	1.50%	22,500	2.25%
EUR-EM	150	7,500	0.75%	15,000	1.50%	22,500	2.25%

# Standardised cost information for Bonds

FX Time Option Forward		Standardised cost based on a notional of: 1,000,000.00 EUR					
Maturity:		6 months		12 months		18 months	
Currency pair	Minimum cost in EUR	EUR	%	EUR	%	EUR	%
EUR/USD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/GBP	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CHF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/JPY	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/AUD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CAD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HKD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SEK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NOK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/DKK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NZD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SGD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/MXN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HRK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/BGN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CZK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HUF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/PLN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RON	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RUB	150	6,667	0.67%	13,333	1.33%	20,000	2.00%

FX Options (Kristall)		Standardised cost based on a notional of: 1,000,000.00 EUR	
Category*	in currency	%	
A	10,000	1.00%	
B	50,000	5.00%	
C	100,000	10.00%	
D	> 100,000	>10.00%	

\* The category depends on the input parameters of the option and will be relayed to the client before closing the transaction.

concerning costs and related charges, pursuant to Article 24 (4) of Directive 2014/65/EU ("MiFID II") and section 63 (7) sentence 1 of the German Securities Trading Act ("WpHG")

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material; instead it is legally required information designed to inform you about the costs involved prior to entering into a contract.

In the following, we inform you about the costs arising when you trade securities through us without these securities being held in safe custody with us.

If you maintain your securities custody account with us, and provided that you transact all your investment business (comprising purchases, custody and sales) with us, information on the aggregate costs incurred for such investments is provided above in this brochure.

## 1. Definition of costs when entering into a trade, according to MiFID II

In accordance with MiFID II, costs are equivalent to the difference between the mid-market price and the client's price at the time of entering into the trade.

## 2. Supplementary cost information

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred, with such information being generally provided immediately prior to concluding a trade.

## 3. Explanations regarding standardised cost information

Indicative maximum costs shown are non-binding and subject to change. Costs which will actually be incurred upon entering into a trade may differ from this indication; in particular, they are influenced by factors such as the client's credit rating, market conditions prevailing on the trade date, spread widening, and the existence of a Credit Support Annex.

# Standardised cost information for Repos

Secondary Market	Standardised cost based on a notional of: 1,000,000.00 EUR							
Bond Maturity	0 - 2 years		1 year	2 - 10 years		2 years	5 years	10 years
	EUR/USD/ GBP	%	Yield reduction p.a.	EUR/USD/ GBP	%	Yield reduction p.a.	Yield reduction p.a.	Yield reduction p.a.
<b>Buy/Sell Bond</b>								
ECB Core and SSA	1,500.00	0.1500%	-0.1500%	6,000.00	0.6000%	-0.3000%	-0.1200%	-0.0600%
ECB Periphery	3,000.00	0.3000%	-0.3000%	11,500.00	1.1500%	-0.5750%	-0.2300%	-0.1150%
IG Corporate	3,500.00	0.3500%	-0.3500%	17,500.00	1.7500%	-0.8750%	-0.3500%	-0.1750%
HY / EM / unrated	9,000.00	0.9000%	-0.9000%	25,000.00	2.5000%	-1.2500%	-0.5000%	-0.2500%
	EUR/USD/ GBP	%						
All syndicated new issuances	2,000.00	0.2000%						

Bond Maturity	20 years			30 years		
	EUR/USD/ GBP	%	Yield reduction p.a.	EUR/USD/ GBP	%	Yield reduction p.a.
<b>Buy/Sell Bond</b>						
ECB Core and SSA	11,500.00	1.1500%	-0.0575%	17,500.00	1.7500%	-0.0583%
ECB Periphery	20,000.00	2.0000%	-0.1000%	30,000.00	3.0000%	-0.1000%
IG Corporate	25,000.00	2.5000%	-0.1250%	30,000.00	3.0000%	-0.1000%
HY / EM / unrated	30,000.00	3.0000%	-0.1500%	30,000.00	3.0000%	-0.1000%

concerning costs and related charges, pursuant to Article 24 (4) of Directive 2014/65/EU ("MiFID II") and section 63 (7) sentence 1 of the German Securities Trading Act ("WpHG")

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material; instead, it is legally required information designed to inform you about the costs involved prior to entering into a contract.

## 1. Definition of costs when entering into a trade, according to MiFID II

In accordance with MiFID II, costs are equivalent to the difference between the theoretical mid-market rate based on broker quotations, including electronic trading platforms, and the client's rate, at the time of entering into the trade. These costs are identical to the initial negative market value upon trade entry; they cover the Bank's expenses for position management, cost of equity, as well as Commerzbank AG's income.

## 2. Performance and cross-relationship with the costs of entering into the trade

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred, with such information being generally provided immediately prior to concluding a trade.

## 3. Explanations regarding standardised cost information

The costs shown are indicative. Costs which will actually be incurred upon entering into a trade may differ from this indication; in particular, they are influenced by factors such as the collateral's quality, market conditions prevailing on the trade date, and spread widening.

# Price table for corporate clients

## Securities transactions

Standardised cost based on a notional of: 1,000,000.00 EUR				
Collateral / Maturity	1 month		3 months	
	EUR	%	EUR	%
<b>Repos</b>				
ECB Core and SSA	41.67	0.0042 %	125.00	0.0125 %
ECB Periphery	41.67	0.0042 %	125.00	0.0125 %
IG Corporate	41.67	0.0042 %	125.00	0.0125 %
<b>Securities Lending</b>				
ECB Core and SSA	41.67	0.0042 %	125.00	0.0125 %
ECB Periphery	41.67	0.0042 %	125.00	0.0125 %
IG Corporate	41.67	0.0042 %	125.00	0.0125 %
Collateral / Maturity	6 months		12 months	
	EUR	%	EUR	%
<b>Repos</b>				
ECB Core and SSA	400.00	0.0400 %	800.00	0.0800 %
ECB Periphery	400.00	0.0400 %	800.00	0.0800 %
IG Corporate	400.00	0.0400 %	800.00	0.0800 %
<b>Securities Lending</b>				
ECB Core and SSA	400.00	0.0400 %	800.00	0.0800 %
ECB Periphery	400.00	0.0400 %	800.00	0.0800 %
IG Corporate	400.00	0.0400 %	800.00	0.0800 %

Services/Conditions (valid from 1 January 2017)	Fees charged by Commerzbank	
	Commission	Minimum charge
<b>1. Custody and management of a securities account (excl. VAT)</b>		
Securities account balance up to EUR 5 million	0.075 % <sup>1</sup>	
In addition: securities account balance over EUR 5 million and up to EUR 15 million	0.050 % <sup>1</sup>	EUR 100.00 p.a.
In addition: securities account balance over EUR 15 million	0.010 % <sup>1</sup>	
Borrowers' note loans and similar non-valued securities	EUR 0.15 per item per day	
Commercial papers, certificates of deposits	EUR 0.05 per item per day	
<b>2. Commission per type of security (purchases and sales)</b>		
Shares, certificates, warrants, listed investment funds and exchange-traded funds, participation certificates	1.00 % of market value	EUR 25.00
Fixed-interest securities	0.50 % of market value	EUR 25.00
Subscription rights, partial rights and fractional shares (in Germany): market value > EUR 100	1.00 % of market value	EUR 9.90
<b>3. Rounding scale (rules for rounding up market values given in per cent for annuities and shares: EUR- denominated securities)</b>		
Up to a value of 25%		25% of nominal value
Up to a value of 50%		50% of nominal value
Up to a value of 100%		100% of nominal value
Over a value of 100%		Market value calculated
<b>Exception:</b> Charges are levied on the actual market value for zero-coupon bonds, interim certificates for companies in liquidation and subscription rights		
	Basic rate per order <sup>2</sup>	Variable component in % of market value
<b>4. Futures exchange transactions (options and futures)</b>		
Purchase or sale of covered options <sup>3</sup>	EUR 25.00	1.25 %
Sale of covered XTF futures	EUR 25.00	EUR 25.00 per contract
Purchase of share options	EUR 35.00	1.75 %
Purchase of index options	EUR 45.00	1.75 %
Uncovered call: share options <sup>4</sup>	EUR 55.00	2.25 %
Uncovered call: index options <sup>4</sup>	EUR 65.00	2.25 %
Share futures <sup>4</sup>	EUR 50.00	EUR 15.00 per contract
Futures and options on futures <sup>4</sup>	EUR 70.00	EUR 15.00 per contract

<sup>1</sup> Calculated with day accuracy for the given securities volume; billing is done quarterly. The minimum commission shall be calculated per each commenced quarter. shares (liquid funds or money market funds).

<sup>2</sup> In the case of partial settlement, the basic fee needs to be paid only for the first transaction on the given trading day.

<sup>3</sup> In the case of covered transactions, the countervalue of the option is accounted for separately, fully and in the same amount: in the case of sold call options and purchased put options, this corresponds to the number of underlying shares; in the case of sold put options, this consists of revenues equivalent to the underlying

<sup>4</sup> In this case, an obligation arises to provide collateral (as per the rules of the given stock exchange), on top of which the Bank charges a markup of at least 40 per cent.

## 5. Fund transactions

The Bank offers purchases of units in investment funds at a fixed price. This price includes an income component for the Bank, which is based on the fund's front-end loan fees (usually up to 5%). Units in investment funds are sold or re-

turned via the investment trust at their repurchase price without commission. The costs for buying/selling units in investment funds via stock exchanges are the same as the charges for buying and selling shares.

## 6. Asset management

The fees for asset management services will be agreed on the basis of individual agreements. As a rule, the Bank charges a lump sum fee for such services, possibly coupled with a profit share. These fees – like all asset management services – are subject to VAT.

## 7. Settlement fees

### A. Order settlement using Xetra:

Fee for use of Xetra	EUR 1.50 per settlement
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Clients are only charged the minimum fee and the stock exchange fee once for partial executions relating to share transactions on the same day. Each partial execution is viewed as a separate settlement in the case of partial executions on different days.

### B. Order settlement for foreign equities via Clearstream Banking:

Settlement fee for foreign securities traded in Germany	EUR 2.00
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Settlement fee for foreign shares and annuities traded abroad	EUR 2.00
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Settlement fee for foreign investment funds traded abroad	EUR 2.00
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### Note:

The fees for using Xetra and settling orders involving foreign equities via Clearstream Banking AG are paid to the Bank, which uses them to pay the associated third-party costs and expenses it incurs.

## 8. Limit fee for all stock exchanges

<b>Per class for each order:</b> In the case of non-execution, this fee is charged either immediately or on a monthly basis, depending on the term of the order.	EUR 5.00
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<b>Per class for each limit amendment:</b> Regardless of whether the order was executed.	EUR 5.00
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## 9. Over-the-counter redemption to credit an account

Only if the Bank is not the paying agent; any third-party expenses are invoiced separately:

Securities	0.25% of the redemption amount	min. EUR 15.34
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Interest coupons and dividend coupons	0.25% of the gross amount	min. EUR 7.67
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## 10. Conversion rate for foreign currency transactions for corporate clients

In the case of Client transactions in foreign currencies, the Bank charges purchases and sales of foreign currency at the buying and selling rate set at 1.00 p.m. (Frankfurt local time) on the trading day in question (settlement date) unless other arrangements have been made. The rates are published by Reuters and on the Bank's website. Purchases and sales of foreign currency which the Bank is unable to complete by the settlement date as part of its ordinary business are charged using the relevant rate on the next settlement date.

When the buying or selling rate is calculated, the rates on the international foreign exchange market for the currency in question are taken into account. Where orders on commission are executed for securities quoted in a foreign currency and traded at a domestic stock exchange, the currency conversion is performed by the relevant broker based on the foreign currency exchange rate of their choice.

## 11. Instructions regarding benefits received from or granted to third parties

### Payments to the Bank by third parties

In recognition of the Bank's services related to the sales of securities, the Bank receives volume-dependent payments from third parties ("sales commission"). These payments are related to the Bank's transactions with its Clients regarding investment units, bond certificates, structured bonds, and (in the case of new issues) shares. They are made by the issuers (or other offerors) whose securities are traded through the Bank: investment management companies under German law ("Kapitalverwaltungsgesellschaft"), international investment companies, sellers of certificates, bonds, etc., but under certain circumstances also group companies belonging to the Commerzbank Group.

The sales commission may take the form of a one-time payment or of an ongoing remuneration.

One-time commission fees (placement commission) are incurred when placing certificates or structured bonds, and upon new issues or placements of shares or other securities. The issuers or offerors of these securities pay the placement commission to the Bank in the form of a onetime, volume-dependent commission, usually at a rate of 0.5 to 2 per cent. Alternatively, the issuer or offeror may grant the Bank an appropriate discount (disagio) on the price of the given security. In addition, and depending on the specific type of investment product, the Bank receives what is known as the agio (issue premium),

which forms a part of the purchase price, is listed in the product information, and is paid directly by the Client.

An ongoing sales commission is being generated by selling investment certificates, bond certificates and structured bonds, and paid by the issuers of these securities in the form of a recurring, portfolio-dependent commission. The usual rate of this commission is e.g. in the case of pension funds between 0.1 and 0.9 per cent p.a., in the case of equity funds between 0.5 and 1.1 per cent p.a., in the case of open-ended property funds between 0.2 and 0.8 per cent p.a., and in the case of certificates and structured bonds between 0.1 and 1.5 per cent p.a.

The Bank shall inform the Client of the details regarding the sales commission for specific securities upon request. In the case of investment advisory services, the Bank will do so even without being asked, before entering into any security transaction.

### Payments to referrers and brokers

If a third-party referrer or broker enables the Bank to establish a business relationship or provide an individual securities service, the Bank will in individual cases pass on the commission paid by the Client to this referrer or broker in part or in full. The Bank is happy to provide further details on request.

## 12. Additional information

### 1. Third-party expenses and taxes

To the extent that the expenses and outlays which the Bank is being charged by third parties (such as brokerage) must be compensated under the law, the Bank passes them on to the Client at cost. The same applies to any taxes which the Bank must pay to the tax authorities for account of the Client.

### 2. Additional expenses

Securities transactions may give rise to additional costs and taxes other than those charged by the Bank.

### 3. Direct debit of costs

Costs to be borne by the Client (which will be listed in the securities statement or other billing documents) are charged against the designated account.

The same applies to taxes on capital gains which the Bank must withhold under the law or which the Client must make available to the Bank under the law.



# General Business Conditions

(As amended on 1 October 2017)

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.

## I. Basic rules governing the relationship between the Customer and the Bank

### 1. Scope of application and amendments of these General 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 (such as securities transactions, payment services and savings accounts) 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 General Business Conditions) also secures the claims of such foreign offices.

#### (2) Amendments

Any amendments of 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. The amendments shall be deemed to have been approved by the Customer, unless the Customer has indicated disapproval before their proposed date of entry into force. Upon the offer of such amendments the Bank shall expressly draw the Customer's attention to this implied approval.

If the Customer is offered amendments of special conditions governing payment services (e.g. General Conditions for Payment Services), the Customer may also terminate the payment services framework contract ("Zahlungsdienstleistungsvertrag") free of charge with immediate effect before the proposed date of entry into force of the amendments. Upon the offer of such amendments the Bank shall expressly draw the Customer's attention to this right of termination.

### 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 business persons 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 private 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 are 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 General Business Conditions), the principles of contributory negligence shall determine 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 public authorities).

### 4. Set-off limitations on the part of the Customer

The 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.

### 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's office keeping the account of such Customer or before any other competent court; the same applies to legal entities under public law and special funds under public law. The Bank itself may be sued by such Customers only before the court having jurisdiction for the Bank's office keeping the account of such Customer.

#### (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 special fund under public law.

## II. Keeping accounts

### 7. Periodic balance statements for current accounts

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

Unless otherwise agreed upon, 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 General 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 correctness 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. Upon the issuing of such a 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) Before 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 initiate 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 submits 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 condition that the Bank shall obtain the amount. Such 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 as well as cheques are paid if the debit entry has not been cancelled prior to the end of the second bank working day after it was made. Cheques payable in cash are paid once their amount has been disbursed 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 dispositions 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 upon.

### (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 relevant payment services framework contract.

## III. 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 is also mandatory 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. Further notification requirements may arise from other legislation, in particular from the German Money Laundering Act.

### (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. First and foremost, the Customer must ensure the correctness and completeness of his orders and the information the Customer provides within his orders, particularly the account number and bank code number ("Bankleitzahl") or IBAN (International Bank Account Number) and BIC (Bank Identifier Code) as well as the currency. 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 considers necessary 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 notifications received from the Bank

The Customer must immediately examine account statements, securities transaction settlements, custodian account statements and declaration of profits, other statements, advices of the 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 custodian account statements are not received. The duty to notify the Bank also exists if other advices expected by the Customer are not received (e.g. securities transaction settlements, account statements after execution of Customer orders or regarding payments expected by the Customer).

## IV. Cost of Bank Services

## 12. Interest, charges and expenditures

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

The amount of interest and charges for the customary services which the Bank provides to private consumers, including the amount of any payments in addition to the remuneration agreed upon for the principal service, is set out in the "Price Display - Standard rates for private banking" ("Preis- und Leistungsverzeichnis") and the "List of Prices and Services" ("Preis- und Leistungsverzeichnis"). If a private consumer makes use of a service included therein, and unless otherwise agreed between the Bank and the private consumer, 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 private consumer in addition to the remuneration agreed for the principal service must be expressly concluded by the Bank with the private 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 private consumer 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 private consumers

The amount of interest and charges for the customary banking services which the Bank provides to Customers who are not private consumers is set out in the "Price Display - Standard rates for private banking" ("Preis- und Leistungsverzeichnis") 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 private consumers (e.g. business customers).

If a Customer who is not a private 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).

### **(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 shall be deemed to have been approved by the Customer, unless the Customer has indicated disapproval before their proposed date of entry into force. The Bank shall expressly draw the Customer's attention to this consequent approval in its offer. If the Customer is offered the changes, the Customer may also terminate the agreement affected by the changes free of charge with immediate effect before the proposed date of entry into force of the changes. The Bank shall expressly draw the Customer's attention to this right of termination in its offer. If the Customer terminates the agreement, the adjusted charge shall not be applied to the terminated agreement.

The aforementioned arrangement shall only apply to private consumers if the Bank intends to adjust the charges for prin-

cipal services which are typically used by private consumers within the framework of the business relationship on a permanent basis. Any agreement on the adjustment of a charge that concerns a payment made by the private consumer in addition to the remuneration agreed for the principal service must be expressly concluded by the Bank with the private consumer.

### **(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 private consumer loan agreements and payment services contracts with private consumers for payments within the European Economic Area (EEA) in an EEA currency**

The interest and costs (charges, out-of-pocket expenses) for private consumer loan agreements and payment services contracts with private consumers for payments within the European Economic Area (EEA)<sup>1</sup> in an EEA currency<sup>2</sup> shall be determined by the relevant contractual arrangements and Special Conditions as well as the additional statutory provisions.

## **V. Security for the Bank's claims against the Customer**

### **13. Security for the Bank's claims against the Customer**

#### **(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 business 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 may also demand that the Customer provide or increase that security at maturity of the debt resulting from such liability.

#### **(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

<sup>1</sup> Current EEA member countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom.

<sup>2</sup> EEA currencies at present: Euro, Bulgarian lev, Croatian Kuna, Czech krona, Danish krone, Hungarian forint, Icelandic króna, Norwegian krone, Polish zloty, pound sterling, Romanian leu, Swedish krona, Swiss franc.

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 private 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 General 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. Agreement on the lien**

#### **(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 business relationship (e.g. credit balances).

#### **(2) Secured claims**

The lien serves to secure all existing, future and contingent claims arising from the banking business 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 secure the debt resulting from this liability when due.

#### **(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 safe 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 redebits 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 redebiting 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 value-added tax law

If the transaction of realisation is subject to value-added tax, the Bank shall provide the Customer with a credit entry for the proceeds, such entry being deemed to serve as invoice for the supply of the item given as security and meeting the requirements of value-added tax law ("Umsatzsteuerrecht").

## VI. Termination

## 18. Termination rights of the Customer

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

Unless the Bank and the Customer have agreed to a term or a diverging termination provision, the Customer may at any

time, without notice, terminate the over-all business relationship or particular business relations (e.g. agreement authorizing the Customer to draw cheques on the Bank).

### (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) Legal termination rights

Legal 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 over-all business relationship or particular business relations for which neither a term nor a diverging termination provision has been agreed (e.g. agreement authorizing the Customer to draw cheques on the Bank). 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 custodian 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 private consumer loan agreement, the Bank may only terminate the agreement as provided therein.

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

Termination of the over-all business relationship 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 General 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 features of a particular case (Section 323 (2) and (3) of the German Civil Code).

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

Where the German Civil Code contains specific provisions for the termination of a private 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

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 in the event of termination of an agreement authorizing the Customer to draw cheques on the Bank).

## VII. 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 transac-

tions 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 other creditors as natural persons and as 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.

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.

# Special Terms and Conditions for Securities Transaction

(as of 6 June 2012)

## (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.

## VIII. Ombudsman Scheme

### 21. Out-of-court dispute resolution

The Bank participates in the dispute resolution scheme run by the consumer arbitration body "The German Private Banks' Ombudsman" ([www.banken-ombudsmann.de](http://www.banken-ombudsmann.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 at the Bundesverband deutscher Banken (Association of German Banks), Postfach (P.O. Box) 040307, 10062 Berlin; fax: +49 (0)30 16633169; email: [ombudsmann@bdb.de](mailto:ombudsmann@bdb.de).

Commerzbank AG

These special terms and conditions apply to purchases, sales and safe custody of securities, even in cases where the rights are not evidenced by certificates (hereinafter referred to as "securities").

## Securities transactions

### No. 1 Forms of securities transactions

#### (1) Commission transactions/fixed-price transactions

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

#### (2) Commission transactions

If the Bank executes orders placed by its Client for the purchase or sale of securities in the capacity of a commission agent, it will conclude for the Client's account a purchase or sale transaction with another market participant or a Central Counterparty (execution transaction) or engage another commission agent (intermediate commission agent) to conclude an execution transaction. Within the scope of electronic trading on an exchange, the Client'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.

#### (3) Fixed-price transactions

If the Bank and the Client agree to a fixed or determinable price for an individual transaction (fixed-price transaction), this results in a purchase contract; accordingly, the Bank then either takes delivery of the securities as purchaser from the Client or delivers the securities to the Client as seller. The Bank will charge the Client the agreed price plus - in the case of interest-bearing bonds - any accrued interest.

### No. 2 Transaction execution principles for securities transactions

The Bank executes securities transactions on the basis of its transaction execution principles applicable at the time. The transaction execution principles are part of the Special Terms and Conditions. The Bank is entitled to amend the transaction execution principles in accordance with supervisory requirements. The Bank will inform the Client of any amendments to the transaction execution principles.

## Special rules for commission transactions

### No. 3 Practices/notification/price

#### (1) Application of legal provisions/practices/business conditions

Execution transactions are subject to the legal provisions and business conditions (practices) for securities trading applicable at the execution venue; in addition, the general terms and conditions of the Bank's contracting party also apply.

#### (2) Notification

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

#### (3) Price of the execution transaction/charges/expenses

The Bank charges the Client the price of the execution transaction; it is entitled to charge a fee. Any possible entitlement on the part of the Bank to have its expenses reimbursed shall be governed by the legal regulations.

### No. 4 Requirement of an adequate credit balance/securities holding

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

### No. 5 Fixing of price limits

When placing orders, the Client may stipulate price limits to the Bank for the execution transaction (orders with price limits).

### No. 6 Period of validity of Client orders unlimited in time

#### (1) Orders without price limits

In accordance with the transaction execution principles (No.2), an order without price limits is only valid for one trading day; 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 will be valid for the next trading day. If the order is not executed, the Bank will inform the Client of this without undue delay.



## (2) Orders with price limits

An order with price limits is 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 will be valid for the next month in accordance with the transaction execution principles (No.2). The Bank will notify the Client of the period of validity of the Client's order without undue delay.

## (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.

## No. 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 are valid for the duration of trading in such subscription rights. Orders with price limits for the purchase or sale of subscription rights 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 are determined based on the relevant foreign practices. The handling of subscription rights belonging to the Client's portfolio on the last day of trading in subscription rights is governed by No. 15 (1).

## No. 8 Expiration of pending orders

### (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 expire at the close of business on the trading day on which the shares, including the aforementioned rights, are last traded (assuming 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 the nominal value of shares and in the event of a share split, orders with price limits expire at the close of business on the trading day preceding the day on which such shares are quoted with an increased portion of paid-in capital or with the changed nominal value or with a share split.

### (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 Client orders for the securities concerned to be executed at this execution venue expire if the terms and conditions of the execution venue provide for this.

### (3) Execution of Client orders at foreign execution venues

The execution of Client orders at foreign execution venues is governed in this respect by the customs and practices of said foreign execution venues.

### (4) Notification

The Bank will notify the Client of the expiration of a Client order without undue delay.

## No. 9 Liability of the Bank in commission-transactions

The Bank is 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, the Bank is only liable for the exercise of due care in the selection and instruction of said agent until the conclusion of an execution transaction.

## Settlement of securities transactions

## No. 10 Settlement in Germany as a general rule

The Bank settles securities transactions in Germany, unless the following conditions or another overriding agreement to the contrary provide for acquisition of the securities abroad.

## No. 11 Acquisition in Germany

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

## No. 12 Acquisition abroad

### (1) Acquisition agreement

The Bank delivers securities abroad if: it executes purchase orders in domestic or foreign securities abroad in the capacity of a commission agent

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

### (2) Engagement of intermediate depositories

The Bank will arrange for securities acquired abroad to be held in safe custody abroad. It will engage another domestic or foreign depository (e.g. Clearstream Banking AG) or entrust one of its offices abroad with safe custody here. The safe custody of the securities is subject to the legal provisions and practices of the place of deposit as well as the general terms and conditions governing the foreign depository or depositories.

### (3) Crediting on current securities account

In the proper exercise of its discretion and with due regard to the Client's interests, the Bank will secure ownership or co-ownership 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 Client. It will provide the Client with credit on his current securities account (WR-Gutschrift) in this respect, indicating the foreign country in which the securities are located (country of deposit).

### (4) Cover holding

The Bank need only fulfil the Client's delivery claims arising from the Client's credit on current securities account from the cover holding maintained by the Bank abroad. The cover holding comprises the securities of the same type held in safe custody for Clients and the Bank in the country of deposit. Clients who have been credited on their current securities account 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.

### (5) Treatment of consideration

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

## Safe custody services

## No. 13 Securities account statement

The Bank issues a securities account statement at least once a year.

## No. 14 Redemption of securities/renewal of coupon sheets

### (1) Securities held in safe custody in Germany

Interest and dividend coupons and redeemable securities upon their maturity. The countervalue of interest and dividend coupons and of matured securities of any kind are credited subject to actual receipt by the Bank, even if the instruments are payable at the Bank itself. The Bank will procure new sheets of interest and dividend coupons (renewal of coupon sheets).

### (2) Securities held in safe custody abroad

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

### (3) Drawing and notice of repayment of bonds

In the case of bonds held in safe custody in Germany, the Bank monitors the date of redemption resulting from drawings and notices of repayment on the basis of the information published in the "Wertpapier-Mitteilungen" announcements. If bonds held in safe custody abroad are redeemable by a drawing made on the basis of their certificate numbers (number drawing), the Bank has the choice of either allocating certificate numbers to Clients in respect of the securities credited to them on their current securities account for drawing purposes or distributing the amount attributable to the cover holding among the Clients by means of internal drawing. Any such internal drawing is made under the supervision of an independent auditing authority. Alternatively, it may be made by utilising the services of a computer, provided an impartial drawing is assured.

### (4) Redemption in foreign currency

If interest coupons, dividend coupons and matured securities are redeemed in foreign currency or in units of account, the Bank will credit the amount collected to the Client's account in this currency, provided the Client has an account in said currency. Otherwise, the Bank will credit the Client accordingly in euros, unless another overriding agreement has been reached.

## No. 15 Treatment of subscription rights/warrants/convertible bonds

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### **(1) Subscription rights**

The Bank will notify the Client of the granting of subscription rights if an announcement to this effect has appeared in the “Wertpapier-Mitteilungen” announcements. Provided the Bank has not received any other instructions from the Client by the end of the penultimate day of trading, it will sell all domestic subscription rights belonging to the Client’s securities holding in the market; the Bank may arrange for foreign subscription rights to be realised in accordance with the practices applying abroad in the respective market.

### **(2) Option and conversion rights**

The Bank will notify Clients of the expiry of rights deriving from warrants or of conversion rights deriving from convertible bonds and request instructions if the expiry date has been announced in the “Wertpapier-Mitteilungen” announcements on securities.

## No. 16 Communication of information

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If information concerning the Client’s securities is published in the “Wertpapier-Mitteilungen” announcements on securities or if the Bank is provided with such information by the issuer or by its foreign depository/intermediate depository, the Bank will inform the Client of this to the extent that such information may materially affect his legal position and notification is necessary in order to safeguard his interests.

The Bank will therefore in particular provide information on the following:

- statutory compensation and exchange offers
- voluntary purchase and exchange offers
- reorganisation

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

## No. 17 Duty to verify on the part of the Bank

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The Bank verifies once only at the time of lodgement of securities certificates by reference to notifications made in the “Wertpapier-Mitteilungen” announcements 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 is also conducted after lodgement.

## No. 18 Exchange, removal and destruction of certificates

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### **(1) Exchange of certificates**

The Bank may, without providing Clients with prior notice, comply with a call for surrender of securities certificates published in the “Wertpapier-Mitteilungen” announcements, provided such surrender is manifestly in the Clients’ 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). Clients will be notified of this.

### **(2) Removal and destruction following loss of securities status**

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

## No. 19 Liability

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### **(1) Safe custody in Germany**

If securities are held in safe custody in Germany, the Bank is liable for any fault on the part of its employees and the persons it engages in the fulfilment of its duties. Where Clients have been credited on their collective securities account, the Bank is also liable for fulfilment of the duties of Clearstream Banking AG.

### **(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 it engages. In the case of intermediate safe custody by Clearstream Banking AG or another domestic intermediate depository as well as safe custody by one of its offices abroad, the Bank is liable for any fault on their part.

## No. 20 Miscellaneous

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### **(1) Requests for information**

Foreign securities which are acquired or sold abroad or which a Client entrusts to the Bank for safe custody in Germany or abroad are generally subject to foreign law. The rights and duties of the Bank or the Client are therefore also determined by this law, which may also provide for disclosure of the Cli-

ent’s name. The Bank will provide foreign authorities and other offices where it is obligated to do so with corresponding information. It will also inform the Client of this.

### **(2) Lodgement/transfer**

These Special Conditions also apply if the Client 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 Clients request safe custody abroad, they will be credited on their current securities account as governed by these Special Conditions.

# Special Terms and Conditions for Commerzbank Online Banking Securities Transactions

(as of 1 April 2016)

The following special terms and conditions apply to Commerzbank online banking securities transactions in addition to Commerzbank's standard terms of business for online banking:

## 1. Description of services

Online users can make the following declarations of intent to the Bank in connection with securities transactions through online banking as part of an existing business relationship:

- Issuing orders to buy or sell securities via the custody account maintained at the Bank in accordance with No. 2 of these Terms and Conditions. In addition, online users can also call up the following information in connection with securities transactions conducted via online banking:
  - Current custody account balance
  - Custody account transactions
  - Order book display

The Bank does not provide individual investment advice tailored to the personal needs of online users for securities transactions conducted via its online banking service. Online users reach independent investment decisions potentially on the basis of information and research studies provided by the Bank. Should online users desire individual advisory services, they can consult their Relationship Manager. Where securities transactions are conducted via online banking, the Bank will only review the respective online user's order in accordance with § 31 (5) of the German Securities Trading Act (WpHG) to make sure the order is appropriate and, if applicable, advise said user that the order is not appropriate before it is executed. The countervalue for securities will only be settled through accounts that the Bank has designated for online banking.

## 2. Knowledge level

Based on the Client's information in accordance with § 31 (5) of the German Securities Trading Act (WpHG), the online user is allocated a personal knowledge level. Clients can only issue orders within their own knowledge level, which is communicated to them. Any orders that exceed this knowledge level will not be accepted by the system. If online users do not provide any information or only offer incomplete information in accordance with § 31 (5) of the German Securities Trading Act (WpHG), the Bank will only accept orders for the purchase of securities within the lowest knowledge level.

## 3. Issuing an order

Orders to buy or sell securities are not finalised until the Client has confirmed to the Bank the return message from the Bank by entering their access PIN or using a photo transaction number (TAN) and thereby releasing the transaction.

## 4. Changing or deleting an order

Orders to buy or sell securities can only be changed or deleted by online users after they have been issued if the original order has not yet been executed. The system informs online users as to whether an order change or order deletion can still be accepted.

## 5. Maximum order amount

When conducting securities transactions via online banking, online users can only buy securities up to an agreed maximum amount per order. This is done for security reasons. For each securities transaction, the Bank reviews the extent to which the maximum amount has been used, based on the most recently available securities price in the system or the limit specified by the Client. If online users wish to exceed the maximum amount per order, they can contact their Relationship Manager and issue an order outside the online banking system.

## 6. Execution venue

When online users issue an order, an execution venue is proposed in line with the Bank's transaction execution principles. Online users also have the option of specifying a different execution venue; in such a case, the Bank will not execute the order in accordance with its transaction execution principles. Online users conduct securities transactions with the Bank as commission transactions (see No. 7 of these Terms and Conditions) or fixed-price transactions (see Nos. 8 and 9 of these Terms and Conditions).

## 7. Price of commission transactions

If online users instruct the Bank to execute securities orders as a commission transaction, a market value for the securities is displayed for the online users to see. The amount displayed is based on the latest available price from the Bank's databases and serves solely as a non-binding benchmark for the Client. The actual price of the transaction will not be determined until the order is executed at the trading venue in line with the price setting rules applicable at that venue. The final settlement amount also includes the Bank's fees and any third party costs charged to the Bank, insofar as these must be refunded in accordance with legislation.

## 8. Issuing orders as fixed-price transactions

If the Client and the Bank agree on a fixed price for a transaction, an over-the-counter contract of sale is established between the Client and the Bank. For this purpose, the Bank cites price indications for the securities, which are continuously updated. Online users can request a fixed-price transaction to the Bank based on these price indications. If the Bank accepts this request, it displays a statement of acceptance for the online user.

## 9. Correction of fixed-price transactions by the Bank (mistrade rule)

The Bank has a contractual right of cancellation if the over-the-counter contract of sale was based on a price that was not in line with market conditions (mistrade). A mistrade exists if the price clearly differs appreciably from the fair market reference price prevailing at the time the fixed-price transaction was concluded. Possible causes of a mistrade include errors/flaws in the technical system of the Bank or its contractual partners or errors/mistakes made when entering a price indication. The average price for the last three transactions involving the security in question completed in an exchange-based or over-the-counter trading system prior to the fixed-price transaction in question will be deemed the reference price for the security. If no average price can be determined, the Bank will determine the reference price according to its best judgement using generally recognised valuation methods in line with market conditions. The following differences are considered clear and appreciable differences from the fair market reference price for transactions:

- (1) For unit-quoted securities: for a reference price above EUR 0.40, a difference of at least 10% or more than EUR 2.50; for other reference prices, a difference of at least 25% or more than EUR 0.10.

(2) For securities that are quoted as a percentage: for a reference price of 101.50% or more, a difference of at least 2.5 percentage points; for a reference price from 60% to less than 101.50%, a difference of at least 2 percentage points; for a reference price from 30% to less than 60%, a difference of at least 1.25 percentage points; for a reference price of less than 30%, a difference of at least 1 percentage point. The Bank asserts its respective right of cancellation on the day of the mistrade. The Bank will waive its right of cancellation if the amount of damage is less than EUR 500.00. The Client has no claim for compensation for any damages suffered as a result of relying on the cancelled fixed-price transaction.

## 10. Information and research studies

The information, securities master data and securities prices that are made available by the system are obtained by the Bank from publicly available sources and from third parties that it considers reliable. The Bank cannot assume any guarantee for the accuracy or completeness of said information. Research studies, if they contain expressions of opinion, reflect the assessment of one of the Bank's research teams. They do not involve an individual investment recommendation, and they do not replace the investment advice provided by a Relationship Manager.

### Special obligations on the part of online users

- When conducting securities transactions via online banking, online users agree not to exceed their account balance or lines of credit they have been granted. Users also agree to promptly reduce any overdrafts resulting from the execution of securities orders.
- Before releasing an order, online users must be certain that they have correctly entered the securities identification number, the number of units, the validity and any limits on the amount of the order in the system.
- When downloading research studies, online users must pay attention to the date the studies were prepared. Any events that occurred after this date are not taken into account in the study. If online users need additional current information, they can contact their Commerzbank Relationship Manager. The "General Terms and Conditions of Business" and the "Special Terms and Conditions for Securities Transactions" also apply.

# Execution principles for orders in financial instruments by Commerzbank AG

Status as of 1 January 2018

## A. Preliminary remark

Commerzbank AG (hereinafter referred to as “the Bank”) enables its customers to execute orders for the purchase or sale of financial instruments (such as equities).

Customers may give the Bank instructions at which execution venue (e.g. Frankfurt Stock Exchange) or on which additional terms and conditions (e.g. a price limit) an order is to be executed. Such instructions shall override the provisions of these execution principles. A discretionary order represents an instruction (cf. Section D).

**Notice: Orders based on firm instructions may not necessarily lead to the best possible results being achieved.**

An order lacking any specific instruction is referred to as an order without instructions. The following provisions apply to an order without instructions so as to achieve the best possible result for the customer when executing the order.

## 1. Scope of application

These principles apply to the execution of orders placed by a private or professional customer (hereinafter referred to as “the Customer”) as contemplated by the German Securities Trading Act (Wertpapierhandelsgesetz). “Execution” in this sense means that – on the basis of the Customer’s order – the Bank enters into a corresponding transaction with another party for the Customer’s account (commission transaction). To the extent that these execution principles allow orders to be executed neither on an exchange<sup>1</sup>, an exchange-like execution venue<sup>1</sup> nor by concluding a transaction with a systematic internaliser<sup>2</sup> (collectively referred to below as the “Execution Venue”) the Bank will obtain the Customer’s prior consent.

If the Bank and Customer enter directly into a securities transaction (fixed-price transaction) Section C shall apply.

## 2. Objective of the order execution

Customer orders are normally executed on various domestic or foreign Execution Venues. The Bank itself may likewise constitute an Execution Venue. Section B contains a description of the execution channels and Execution Venues in the relevant classes of financial instrument that, as a rule, carry expectations of best possible execution in the interests of the Customer and via which channels and Execution Venues the Bank will execute the Customer’s orders.

In determining specific Execution Venues with regard to an order, the Bank will assume that the Customer primarily intends to achieve the best possible price – taking into account all costs in connection with the execution of the transaction. Moreover, those Execution Venues will be taken into consideration at which full execution is probable and possible on a timely basis (likelihood and speed of execution). Furthermore, within the scope of the standards outlined above, the Bank will take into account other criteria of relevance, especially secure and certain settlement of the order, the value thereof and the nature of the order placed.

## 3. Forwarding of orders

If the Bank has no direct electronic access to an Execution Venue it will not execute the Customer’s order itself. In this case, the Bank will need instructions from the Customer concerning the Execution Venue. Then the Bank will forward this order for execution to a specialised financial services provider with direct access to the Execution Venue.

An overview of the Execution Venues to which the Bank forwards Customer orders via a financial services provider is published on the internet under the designation “Overview of Execution Venues” (www.commerzbank.de/geschaeftsbedingungen).

## 4. Exceptional market conditions

In the event of exceptional market conditions or market disturbances, the Bank may be unable to forward or place the orders in accordance with the provisions under Section A 2) above of these execution principles. In such cases, the Bank will require specific instructions from the Customer. In individual cases, the Bank may decline to accept the order if it is impossible to process and settle the transaction on a timely basis. The execution of orders already forwarded to the Execution Venues varies according to the provisions prevailing at such Execution Venues.

## 5. Execution Venues

An overview of the current Execution Venues for orders without instructions is published on the internet under the designation “Overview of Execution Venues” (www.commerzbank.de/geschaeftsbedingungen). The Bank will make this overview available to the Customer upon request. The Bank may modify the selection of the execution venues listed in the overview; the latter is not the subject matter of the contractual arrangement in place between the Bank and the Customer.

## 6. Custodians abroad

When purchasing a financial instrument at a non-German Execution Venue, the financial instrument will be taken into custody by a foreign custodian assigned to the Execution Venue. In divergence from the above-mentioned principles for selecting Execution Venues, the sale of financial instruments is only possible in the particular country where the instruments are held.

## 7. Special features relating to asset management

Asset management (portfolio management) is subject to separate execution principles.

## B. Execution principles in different classes of financial instruments

### 1. Equity instruments

**In particular shares and subscription rights, bonds, securitised derivatives (certificates (Zertifikate) including other structured bonds, warrants) and other exchange traded financial instruments such as Exchange Traded Funds (ETFs), Exchange Traded Commodities (ETCs) or Exchange Traded Notes (ETNs).**

When executing orders without instructions regarding Execution Venues, the Bank will use only those Execution Venues to which it has electronic access. If, in the process, a financial instrument is traded on different Execution Venues at the same time, the Bank will determine the Execution Venue at which the best result can foreseeably be achieved for the Customer and will place the order at that particular Execution Venue. To this end, the Bank will carry out a systematic

comparison of current prices, costs and market liquidity (via “ComBest”). Thereafter, the Bank places the order at the Execution Venue that holds expectations of the best possible execution at the relevant point in time. ComBest also takes into account the prices and costs of selected financial instrument offered by the Bank itself, i.e. considering the Bank itself as a possible Execution Venue. To the extent that in this comparison the Bank offers the best possible result as an Execution Venue for the Customer, a fixed-price transaction will be concluded between the Customer and the Bank (fixed-price transaction, cf. Section C).

**Notice: ComBest enables best possible execution to be achieved for the Customer on a regular basis.**

An order without instructions regarding an Execution Venue can be placed with unlimited status only for the current day of trading.

An instruction from the Customer regarding an Execution Venue is required if the order is provided by the Customer outside the trading hours of the Execution Venues or if the order volume substantially exceeds the available market liquidity.

## 2. Investment fund units (excluding Exchange Traded Funds)

The acquisition and sale of units in investment funds admissible for distribution in Germany and which are issued and redeemed by the custodian in conformity with the German Capital Investment Code (Kapitalanlagegesetzbuch) are not subject to the provisions for best execution. For this reason, ComBest does not apply to such cases.

The Bank sells investment fund units at a fixed price corresponding to the issue price determined in accordance with the rules of the German Capital Investment Code (Kapitalanlagegesetzbuch). In such cases, the purchase price will not exceed the issue price determined according to the provisions of the German Capital Investment Act (Kapitalanlagegesetzbuch). Sell and/or redemption orders are forwarded to the capital investment company/custodian bank.

If trading in investment funds takes place at an Execution Venue to which the Bank has access, it also accepts instruction-linked orders for execution at that venue.

<sup>1</sup> Regulated market, multilateral trading system or organised trading system.

<sup>2</sup> A systematic internaliser is an investment firm that systematically trades for its own account on a regular basis by executing customers’ orders. Commerzbank may also execute orders as a systematic internaliser in selected financial instruments.



### 3. Financial derivatives (interest, credit, currency, equity, commodity derivatives as well as derivatives of emission allowances)

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The Bank executes orders for financial derivatives, which are traded under standardised conditions on an options and futures exchange at the relevant futures exchange. If a contract is offered at more than one futures exchange, the Bank always requires instructions from the Customer in relation to the Execution Venue.

Financial derivatives traded only off-exchange are concluded by the Bank individually with the Customer (fixed-price transaction; cf. Section C).

### 4. Contracts for Differences (CFD)

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The Bank reserves the right to decide whether to offer contracts for differences to its Customers. To the extent that the Bank offers contracts for differences, it will execute these exclusively by way of a fixed-price transaction.

### 5. Emission allowances

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The Bank will execute orders relating to emission allowances exclusively in accordance with specific instructions from the Customer.

#### **C. Fixed-price transactions**

With regard to a fixed-price transaction, the Bank and the Customer will enter into a purchase agreement for financial instruments at a fixed or determinable price.

According to the relevant contractual arrangements, the Bank and the Customer are obliged to deliver the financial instruments owed and to pay the purchase price for them, as the case may be. This will apply if the Bank offers securities for subscription, or if it and the Customer enter into mutual agreements concerning financial instruments not tradable on an Execution Venue.

The Bank will meet its requirements relating to the best execution of fixed-price transactions by offering a price that corresponds to market prices, taking into account the costs and fees incurred.

#### **D. Discretionary orders**

The issue of a discretionary order by the Customer to the Bank constitutes an instruction. A discretionary order is an order to be executed on a piecemeal basis where the Bank executes the order in financial instruments taking into account the prevailing market conditions. The order can also be executed at Execution Venues not published in the Bank's overview of execution venues ("Overview of Execution Venues") as part of the Bank's online banking service ([www.commerzbank.de/geschaeftsbedingungen](http://www.commerzbank.de/geschaeftsbedingungen)) (e.g. interbank trading).

#### **E. Supplementary information**

The Bank will monitor and review the implementation and effectiveness of the execution principles. A review will be performed annually or whenever the Bank identifies any material changes that require the execution principles to be adjusted accordingly.



**Imprint**

Client Information on the Securities Business  
Corporate Clients

This client information remains in force until it is superseded by more recent information; it is available in German and English.

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Dated: January 2018

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