

# Erste Group Bank AG

Execution principles for  
the execution of client  
orders for private clients

# Table of contents

|          |                                                                                    |          |
|----------|------------------------------------------------------------------------------------|----------|
| <b>1</b> | <b>Execution principles for the execution of client orders for private clients</b> | <b>3</b> |
| 1.1      | Scope                                                                              | 3        |
| 1.2      | Execution principles                                                               | 3        |
| 1.3      | Execution principles per class of financial instrument                             | 4        |
| 1.3.1    | General                                                                            | 4        |
| 1.3.2    | Shares and Exchange Traded Funds (ETFs)                                            | 4        |
| 1.3.3    | Bonds                                                                              | 4        |
| 1.3.4    | Investment funds                                                                   | 4        |
| 1.3.5    | Certificates and warrants                                                          | 4        |
| 1.3.6    | Over-the-counter derivatives                                                       | 5        |
| 1.4      | Execution factors per class of financial instruments                               | 5        |
| 1.4.1    | General                                                                            | 5        |
| 1.4.2    | Shares                                                                             | 5        |
| 1.4.3    | Exchange Traded Funds (ETFs)                                                       | 5        |
| 1.4.4    | Bonds                                                                              | 6        |
| 1.4.5    | Investment funds                                                                   | 6        |
| 1.4.6    | Certificates and warrants                                                          | 6        |
| 1.4.7    | Over-the-counter derivatives                                                       | 6        |
| 1.5      | Primary market                                                                     | 6        |
| 1.6      | Intermediaries                                                                     | 6        |
| 1.7      | Costs and third-party fees                                                         | 7        |
| 1.8      | Explicit client instructions                                                       | 7        |
| 1.9      | Aggregation and allocation of orders                                               | 7        |
| 1.10     | System failures and other unforeseen events                                        | 7        |
| 1.11     | Review of the execution principles                                                 | 7        |
| <b>2</b> | <b>Appendix</b>                                                                    | <b>8</b> |
| 2.1      | Execution venues                                                                   | 8        |
| 2.1.1    | Execution Venues Aktien & ETFs Retail                                              | 8        |
| 2.1.2    | Execution Venues Bonds Retail                                                      | 10       |
| 2.1.3    | Executions Venues Certificates Retail                                              | 10       |
| 2.1.4    | Execution Venues Fonds OTC Retail                                                  | 11       |
| 2.1.5    | Execution Venues OTC Derivatives Retail                                            | 11       |
| 2.2      | Definition of financial instruments                                                | 11       |
| 2.3      | Glossary                                                                           | 12       |

# 1 Execution principles for the execution of client orders for private clients

This is a translation, only the German version of this policy is legally binding.

## 1.1 Scope

- a. This information on the execution principles for retail clients summarizes the measures taken by Erste Group Bank AG in accordance with the provisions of the Austrian Securities Supervision Act 2018 (WAG 2018). The following execution principles apply exclusively to retail clients within the meaning of the WAG 2018 (see Annex 2.3 for definition of retail client).
- b. The requirements of the WAG 2018 for best execution are an important part of investor protection. They apply to investment firms that manage client portfolios or accept, transmit or execute client orders for financial instruments against themselves (a list of financial instruments covered by the WAG 2018 can be found in Annex 2.2). Client orders for financial instruments that Erste Group Bank AG accepts or forwards for execution or transactions that Erste Group Bank AG executes as part of the management of the client portfolio are referred to below as order(s).
- c. According to WAG 2018, investment firms must take all reasonable steps to obtain the best possible result for their clients when executing client orders. The best possible result for a private client is determined by the overall assessment, which attaches the greatest importance to the price and costs of the financial instrument in connection with the execution. In doing so, investment firms must take into account all costs incurred by the client in connection with the execution, such as the costs of the execution venue, clearing and settlement fees, as well as any other fees.
- d. This Execution Policy forms an integral part of the account and securities account opening agreement between Erste Group Bank AG and the client. As a prerequisite for opening an account or securities account with Erste Group Bank AG, the client must acknowledge and agree to the content of this Execution Policy. Furthermore, the client shall always be deemed to have given his consent when placing orders with Erste Group Bank AG.
- e. The current version of the execution principles can be found at [www.erstegroup.com/en/legal-information/mifid](http://www.erstegroup.com/en/legal-information/mifid)

## 1.2 Execution principles

The following execution principles apply:

- a. Erste Group Bank AG shall take all reasonable steps to obtain the best possible result for the execution of client orders on a consistent, but not on a single order-by-order basis. Erste Group Bank AG places orders on execution venues that it considers suitable and, when selecting the execution venue, takes into account the execution factors that enable Erste Group Bank AG to achieve the best possible result for the client. The execution venues are Regulated Markets (RMs), Multilateral Trading Facilities (MTFs), Organized Trading Facilities (OTFs), Systematic Internalizers (SIs) or other liquidity providers.
- b. When executing client orders, Erste Group Bank AG takes into account the client's classification as a private client.
- c. If a client issues explicit instructions, Erste Group Bank AG will execute the client order in accordance with these explicit instructions (see section 1.8). The client should note that this may prevent Erste Group Bank AG from achieving the best possible result in respect of the aspects of the order to which the explicit instructions relate.
- d. Erste Group Bank AG forwards orders as a commission agent to an intermediary for execution (see section 1.6) or executes orders itself directly at an execution venue (see section 2.1) or against its own book. In specific business cases agreed with the client, Erste Group Bank AG may execute any non-tradable part of a stock exchange order (fractions<sup>1</sup>) against its own book.
- e. Erste Group Bank AG applies a standardized selection procedure when selecting intermediaries. Erste Group Bank AG regularly reviews whether the execution principles and procedures of the intermediaries are in line with the principles of best execution of orders in accordance with WAG 2018 and takes corrective measures if necessary (detailed information can be found in section 1.6).
- f. Erste Group Bank AG reviews its execution policy at least once a year (see section 1.11). Client are informed of any changes to this execution policy.
- g. Upon request, Erste Group Bank AG will demonstrate to its clients that their orders have been executed in accordance with Erste Group Bank AG's best execution policy or explicit client instructions.
- h. In the event of a mistrade, the respective mistrade policies of the relevant trading venues or brokers shall apply. For transactions executed through Erste Group Bank AG, the mistrade terms and conditions published there shall apply<sup>2</sup>.

1 Fractions of securities are units that are smaller than the smallest tradable unit of the respective security.

2 The current version can be found at: [www.erstegroup.com/de/legal-information/mifid](http://www.erstegroup.com/de/legal-information/mifid)

## 1.3 Execution principles per class of financial instrument

### 1.3.1 General

- a. The choice of an execution venue can have a direct impact on the best possible result that Erste Group Bank AG achieves when executing client orders.
- b. A list of the execution venues at which Erste Group Bank AG executes orders be found in Appendix 2.1, the selection criteria and risks are explained in more detail in paragraph 1.4. When selling, the depository determines at which execution venue or execution venues the sale can be executed
- c. If local rules stipulate that the executing entity (Erste Group Bank AG or an intermediary) has to execute across several local trading venues at the respective best possible price, the term execution venue is to be understood as a summary of all these trading venues. Such constellations are marked accordingly in Annex 2.1.

### 1.3.2 Shares and Exchange Traded Funds (ETFs)

- a. Orders in equities and ETFs are either forwarded directly or via intermediaries to the respective trading venues for execution or traded on own account via an internal execution venue (systematic internalization).
- b. Erste Group Bank AG generally executes orders in shares or ETFs as a commission agent. Since shares are in principle subject to the trading venue obligation pursuant to Article 23 of Regulation (EU) No 600/2014, Erste Group Bank AG executes orders in these financial instruments at those trading venues where the best possible result is regularly achieved. For certain specifically defined shares, Erste Group Bank AG may systematically execute client orders for its own account. The shares offered and current prices are quoted by Erste Group Bank AG itself and published on the website <https://www.erstegroup.com/en/legal-information/mifid/siquotes>. Erste Group Bank AG complies with the rules applicable to systematic internalization, whereby the principles of best execution are also ensured. The execution of an order against Erste Group Bank AG as systematic internalizer is accessible by placing an order via Erste Smart Order Routing ("ERSTE SMART"). If "ERSTE SMART" is selected, the order is executed against Erste Group Bank AG – provided that it can be traded immediately and at better or the same conditions (price + costs) for the client than at the calculated best possible execution venue.
- c. Erste Smart is also available for instruments in which Erste Group Bank AG is not a systematic internaliser. These orders are forwarded to an execution venue that is open at the time of the order.
- d. For orders over EUR 500,000 equivalent or in illiquid instruments where the order could influence the market price to the detriment of the client, it is permissible to use alternative trading venues and trading supplements in order to achieve the best possible

execution result (in particular with regard to costs and price). Such an execution venue may differ from the original trading venue when the order is placed.

- e. Client orders in fractional<sup>3</sup> shares or ETFs are always executed against Erste Group Bank AG.

### 1.3.3 Bonds

- a. Bonds are executed either as a commission transaction on a trading venue or on own account via an internal execution venue.
- b. At their internal execution point, Erste Group Bank AG offers fixed income securities (including zero-coupon bonds) directly at current market prices. The current market prices are quoted by Erste Group Bank AG. Erste Group Bank AG primarily offers its own bonds as well as bonds of selected issuers.
- c. If bonds are traded via a multilateral trading facility, the order is executed at the best possible price available via the multilateral trading facility.
- d. For orders over EUR 500,000 equivalent or in illiquid instruments where the order could influence the market price to the detriment of the client, it is permissible to use alternative trading venues and trading supplements in order to achieve the best possible result (in particular with regard to costs and price). Such an execution venue may differ from the original execution venue when the order is placed.

### 1.3.4 Investment funds

- a. The issue and redemption of units in domestic investment funds and real estate investment funds as well as units in foreign investment funds whose distribution is permitted in Austria via a custodian bank does not constitute best execution of client orders in the aforementioned sense under the WAG 2018 and is therefore not subject to the best execution principles.
- b. In addition, Erste Group Bank AG executes orders as commission agent for the purchase or sale of units in investment funds via a trading venue on the instructions of the client, which are subject to these execution principles.

### 1.3.5 Certificates and warrants

- a. Erste Group Bank AG offers the purchase of certificates and warrants as commission business on trading venues or outside trading venues.
- b. At their internal execution point, Erste Group Bank AG offers certificates directly at current market prices. The current market prices are quoted by Erste Group Bank AG. Erste Group Bank AG primarily offers its own certificates as well as certificates of selected issuers at its own internal execution venue.
- c. Erste Group Bank AG trades instruments directly with an issuer if the issuer offers a better overall result for the client or a higher likelihood of execution.

<sup>3</sup> Fractions of securities are units that are smaller than the smallest tradable unit of the respective security.

### 1.3.6 Over-the-counter derivatives

- a. These are over-the-counter (OTC) transactions agreed individually between the client and Erste Group Bank AG at a fixed price or traded on an MTF or OTF.
- b. Over-the-counter derivatives can be concluded on various underlyings, such as interest rates, currencies or commodities.
- c. The parameters of the client order executed outside a trading venue are evaluated by Erste Group Bank AG before the transaction is concluded. Erste Group Bank AG uses current reference prices and appropriate valuation methods.

## 1.4 Execution factors per class of financial instruments

### 1.4.1 General

- a. Erste Group Bank AG takes various factors into account when selecting the execution venue in order to achieve the best possible execution:
  - Price
  - Costs
  - Likelihood of execution
  - Other relevant factors.
- b. The best possible result for a private client is determined by the overall assessment, which primarily takes into account the combination of price and costs of the financial instrument in connection with the execution.
- c. The costs taken into account by Erste Group Bank AG include, for example, the costs of the execution venue, taxes, fees charged by intermediaries or clearing and settlement fees.
- d. Further information on the execution criteria, their significance and the description of the market environment for each product class are explained below. Execution criteria are weighted according to priority, meaning that criteria with a higher priority are described first.

### 1.4.2 Shares

- a. Shares are primarily traded on a trading venue or on own account via an internal execution venue (systematic internalization). The following execution factors are used by Erste Group Bank AG in order to achieve the best possible result for the client:

| Factor                  | Description                                                                                                                                                                                                                                       |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs                   | Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes. |
| Price                   | Erste Group Bank AG compares which of the various trading venues regularly achieve the best possible result in terms of the traded price.                                                                                                         |
| Qualitative factors     | Erste Group Bank AG also considers qualitative factors such as secure and fast system connections, reliability of execution, reliability of clearing systems and available emergency procedures.                                                  |
| Likelihood of execution | In order to ensure the highest possible likelihood of execution, Erste Group Bank AG takes into account the different trading volumes at the respective execution venues to estimate the likelihood of execution.                                 |

### 1.4.3 Exchange Traded Funds (ETFs)

- a. ETFs are primarily traded on a trading venue. The following execution factors are used by Erste Group Bank AG in order to achieve the best possible result for the client:

| Factor                  | Description                                                                                                                                                                                                                                       |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs                   | Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes. |
| Price                   | Erste Group Bank AG compares which of the various trading venues regularly achieve the best possible result in terms of the traded price.                                                                                                         |
| Likelihood of execution | In order to ensure the highest possible likelihood of execution, Erste Group Bank AG takes into account the different trading volumes at the respective execution venues to estimate the best possible likelihood of execution.                   |

#### 1.4.4 Bonds

- a. Bonds are primarily traded via an internal execution venue or against the own book. As described in the section 1.3.3, when bonds are traded via a multilateral trading facility, the order is executed at the best possible price available via the multilateral trading facility.
- b. The following execution factors are used by Erste Group Bank AG to achieve the best possible result for the client:

| Factor              | Description                                                                                                                                                                                                                                       |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs               | Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes. |
| Qualitative factors | Erste Group Bank AG also considers qualitative factors such as secure and fast system connections, reliability of execution, reliability of clearing systems and available emergency procedures.                                                  |

#### 1.4.5 Investment funds

- a. Client orders in investment funds are primarily settled directly via the custodian bank or indirectly via a fund trading platform with the respective investment company.
- b. If client instructions expressly instruct the order to be placed at a trading venue specified by the client, the order will be forwarded to the trading venue instructed by the client for execution.

#### 1.4.6 Certificates and warrants

- a. Certificates and warrants are traded via trading venues or directly with the issuer, as this achieves the best overall price for the client.
- b. Erste Group Bank AG annually compares the total costs incurred for order execution at the various execution venues in order to regularly achieve the best possible result on a regular basis.

| Factor              | Description                                                                                                                                                                                                                                       |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs               | Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes. |
| Qualitative factors | Erste Group Bank AG also considers qualitative factors such as secure and fast system connections to execution venues and intermediaries, reliability of execution, reliability of clearing systems and available emergency procedures.           |

#### 1.4.7 Over-the-counter derivatives

- a. The parameters of the client order are evaluated by Erste Group Bank AG before the transaction is concluded. Erste Group Bank AG uses current reference prices and appropriate valuation methods and provides information about any risks, such as the counterparty's default risk.

### 1.5 Primary market

- a. Erste Group Bank AG offers shares, bonds, warrants and certificates of its own and selected third-party issues (by way of commission business) for subscription or purchase at a fixed (issue) price.

### 1.6 Intermediaries

- a. If Erste Group Bank AG does not use direct market access, Erste Group Bank AG uses intermediaries to execute the respective client orders.
- b. Erste Group Bank AG only selects intermediaries that offer a high quality of service and effective arrangements for the best possible execution of orders in order to ensure the best possible execution on a consistent basis.
- c. The choice of intermediaries can have an impact on the execution price and the execution costs and thus on the total costs. The total cost of execution is therefore an important criterion in the selection process for intermediaries.



## 1.7 Costs and third-party fees

In general, different fees may be charged for the execution of client orders, which are explained below.

- a. Trading venue fees: These are the published fees of the respective trading venue, which are incurred for direct market access, but also for execution via an intermediary.
- b. Intermediary commissions: If Erste Group Bank AG does not have direct market access, fees are charged by the intermediaries that provide market access.
- c. Settlement fees: Settlement fees are fees charged by external settlement and depositary agents that may be incurred for the settlement or safekeeping of executed financial instruments.
- d. Exchange taxes: These can be incurred both for a trading venue and only for individual financial instruments.
- e. Erste Group Bank AG fees: These are shown as own expenses.

## 1.8 Explicit client instructions

- a. If the client gives explicit instructions in relation to the execution venue or other aspects of the order, Erste Group Bank AG will execute the order in accordance with those explicit client instructions. The client should note that this may prevent Erste Group Bank AG from achieving the best possible result in respect of those aspects of the order to which the explicit instructions relate.
- b. In the absence of explicit instructions from the client, Erste Group Bank AG shall execute the order in accordance with its best execution policy.

## 1.9 Aggregation and allocation of orders

- a. Erste Group Bank AG reserves the right to combine orders from clients with orders from other clients. Orders will only be combined if this combination is not expected to be disadvantageous for the client.

## 1.10 System failures and other unforeseen events

- a. In the event of unforeseen events (e.g. system failures), Erste Group Bank AG may be forced to choose other types of order execution than those specified in the best execution policy. Even in these cases, Erste Group Bank AG will try to achieve the best possible execution. In the event of trading restrictions, individual stock exchanges may no longer be available for ordering.

## 1.11 Review of the execution principles

- a. Erste Group Bank AG takes all appropriate precautions to achieve the best possible result in the execution of client orders on a consistent, but not on a single order-by-order basis.
- b. The selection of execution venues based on these principles is reviewed annually by Erste Group Bank AG. In addition, a review is carried out if there are indications that key criteria in favour of a particular execution venue are no longer valid.
- c. Erste Group Bank AG has developed procedures and methods to review the execution quality achieved. The basis for the review is the execution factors per class of financial instruments mentioned in section 1.4. The best possible execution venue for a specific financial instrument is based on a numerical scoring model. The individual execution factors are assessed with different weightings and evaluated using the scoring model. The execution venue with the highest score is generally determined as the best possible execution venue.
- d. Erste Group Bank AG reviews the appropriateness of the price of over-the-counter derivatives. Erste Group Bank AG regularly incorporates external market data into the valuation methods and review processes developed for this purpose.

## 2 Appendix

### 2.1 Execution venues

#### 2.1.1 Execution Venues Aktien & ETFs Retail

| Country                | Execution Venue                        | Connection                                              |
|------------------------|----------------------------------------|---------------------------------------------------------|
| Austria                | Erste Group                            | Own connection Erste Group <sup>4</sup>                 |
| Austria                | Vienna Stock Exchange                  | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany                | Frankfurt Stock Exchange               | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany                | Xetra Frankfurt                        | Own connection Erste Group <sup>4</sup> or intermediary |
| Croatia                | Zagreb Stock Exchange                  | Own connection Erste Group <sup>4</sup>                 |
| Netherlands            | MTF Bloomberg Trading Facility         | Own connection Erste Group <sup>4</sup>                 |
| Poland                 | Warsaw Stock Exchange                  | Own connection Erste Group <sup>4</sup>                 |
| Slovenia               | Ljubljana Stock Exchange               | Own connection Erste Group <sup>4</sup>                 |
| Romania                | Bucharest Stock Exchange               | Own connection Erste Group <sup>4</sup>                 |
| Serbia                 | Belgrade Stock Exchange                | Own connection Erste Group <sup>4</sup>                 |
| Slovak Republic        | Bratislava Stock Exchange              | Own connection Erste Group <sup>4</sup>                 |
| Czech Republic         | Prague Stock Exchange                  | Own connection Erste Group <sup>4</sup>                 |
| Hungary                | Budapest Stock Exchange                | Own connection Erste Group <sup>4</sup>                 |
| Worldwide              | Issuers                                | Own connection Erste Group <sup>4</sup> or intermediary |
| Australia              | Australian Securities Exchange         | Intermediaries                                          |
| Belgium                | Euronext Brussels                      | Intermediaries                                          |
| Bosnia and Herzegovina | Banja Luka Exchange                    | Intermediaries                                          |
| Brazil                 | B3                                     | Intermediaries                                          |
| Bulgaria               | Bulgarian Stock Exchange               | Intermediaries                                          |
| Chile                  | Bolsa de Comercio de Santiago de Chile | Intermediaries                                          |
| Denmark                | NASDAQ OMX-Copenhagen                  | Intermediaries                                          |
| Germany                | Berlin Stock Exchange                  | Intermediaries                                          |
| Germany                | Düsseldorf Stock Exchange              | Intermediaries                                          |
| Germany                | Gettex Exchange                        | Intermediaries                                          |
| Germany                | Hamburg Stock Exchange                 | Intermediaries                                          |
| Germany                | Hannover Stock Exchange                | Intermediaries                                          |
| Germany                | Munich Stock Exchange                  | Intermediaries                                          |
| Germany                | Stuttgart Stock Exchange               | Intermediaries                                          |
| Germany                | Tradegate                              | Intermediaries                                          |

<sup>4</sup> This includes connections through Erste Group Bank AG Bank AG, its subsidiaries and branches including but not limited to Ceska Sporitelna A. S., Slovenska Sporitelna A. S., Erste Befektetési Zrt., Banca Comerciala Romania S. A., Erste Bank a. d. Novi Sad, Erste&Steiermärkische Bank d. d., Erste Securities Polska S. A. and their EU branches and subsidiaries.



| Country       | Execution Venue                             | Connection     |
|---------------|---------------------------------------------|----------------|
| Germany       | Lang & Schwarz Exchange                     | Intermediaries |
| Germany       | Traderebel                                  | Intermediaries |
| Estonia       | NASDAQ OMX-Tallinn                          | Intermediaries |
| Finland       | NASDAQ OMX-Helsinki                         | Intermediaries |
| France        | NYSE EuronextParis                          | Intermediaries |
| Greece        | Athens Stock Exchange                       | Intermediaries |
| Great Britain | London Stock Exchange                       | Intermediaries |
| Hong Kong     | Hong Kong Stock Exchange                    | Intermediaries |
| India         | Bombay Stock Exchange                       | Intermediaries |
| Indonesia     | Indonesia Stock Exchange                    | Intermediaries |
| Ireland       | Irish Stock Exchange                        | Intermediaries |
| Italy         | Borsa Italiana                              | Intermediaries |
| Japan         | Tokyo Stock Exchange                        | Intermediaries |
| Canada        | Summarized according to 1.3.1c <sup>5</sup> | Intermediaries |
| Latvia        | NASDAQ OMX-Riga                             | Intermediaries |
| Lithuania     | NASDAQ OMX-Vilnius                          | Intermediaries |
| Luxembourg    | Borse de Luxembourg                         | Intermediaries |
| Malaysia      | Bursa Malaysia                              | Intermediaries |
| Mexico        | Mexican Stock Exchange                      | Intermediaries |
| Netherlands   | Euronext Amsterdam                          | Intermediaries |
| Norway        | Euronext Oslo Bors                          | Intermediaries |
| Philippines   | Philippine Stock Exchange                   | Intermediaries |
| Portugal      | NYSE Euronext – Lisbon                      | Intermediaries |
| Sweden        | NASDAQ Stockholm                            | Intermediaries |
| Switzerland   | BX Swiss                                    | Intermediaries |
| Switzerland   | SIX Swiss Exchange                          | Intermediaries |
| Singapore     | Singapore Stock Exchange                    | Intermediaries |
| Spain         | Bolsa de Madrid                             | Intermediaries |
| South Africa  | Johannesburg Stock Exchange                 | Intermediaries |
| South Korea   | Korea Exchange                              | Intermediaries |
| Taiwan        | Taiwan Stock Exchange                       | Intermediaries |
| Thailand      | The Stock Exchange of Thailand              | Intermediaries |
| Turkey        | Borsa Istanbul                              | Intermediaries |
| USA           | Summarized according to 1.3.1c <sup>6</sup> | Intermediaries |

<sup>5</sup> For the marketplace Canada or Canada/USA, our intermediary can (partially) execute both in Canada and on US stock exchanges due to its setup for Canadian share orders in the case of a dual listing. This procedure is in line with the principles of best execution and ensures best execution.

<sup>6</sup> For the US marketplace, our intermediary executes in accordance with local regulations at the national best possible price across multiple US trading centers.

### 2.1.2 Execution Venues Bonds Retail

| Country        | Execution Venue                | Connection                                              |
|----------------|--------------------------------|---------------------------------------------------------|
| Austria        | Erste Group                    | Own connection Erste Group <sup>4</sup>                 |
| Austria        | Vienna Stock Exchange          | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany        | Frankfurt Stock Exchange       | Own connection Erste Group <sup>4</sup> or intermediary |
| Netherlands    | MTF Bloomberg Trading Facility | Own connection Erste Group <sup>4</sup>                 |
| Netherlands    | MTF MarketAxess NL             | Own connection Erste Group <sup>4</sup>                 |
| Czech Republic | Prague Stock Exchange          | Own connection Erste Group <sup>4</sup>                 |
| Worldwide      | Issuers                        | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany        | Berlin Stock Exchange          | Intermediaries                                          |
| Germany        | Düsseldorf Stock Exchange      | Intermediaries                                          |
| Germany        | Gettex Exchange                | Intermediaries                                          |
| Germany        | Hamburg Stock Exchange         | Intermediaries                                          |
| Germany        | Hannover Stock Exchange        | Intermediaries                                          |
| Germany        | Munich Stock Exchange          | Intermediaries                                          |
| Germany        | Stuttgart Stock Exchange       | Intermediaries                                          |
| Germany        | Tradegate                      | Intermediaries                                          |
| Germany        | Lang & Schwarz Exchange        | Intermediaries                                          |
| Germany        | Traderebel                     | Intermediaries                                          |
| Italy          | Borsa Italiana                 | Intermediaries                                          |
| Luxembourg     | Borse de Luxembourg            | Intermediaries                                          |
| Switzerland    | BX Swiss                       | Intermediaries                                          |
| Switzerland    | SIX Swiss Exchange             | Intermediaries                                          |

### 2.1.3 Executions Venues Certificates Retail

| Country        | Execution Venue           | Connection                                              |
|----------------|---------------------------|---------------------------------------------------------|
| Austria        | Erste Group               | Own connection Erste Group <sup>4</sup>                 |
| Austria        | Vienna Stock Exchange     | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany        | Frankfurt Stock Exchange  | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany        | Xetra Frankfurt           | Own connection Erste Group <sup>4</sup> or intermediary |
| Czech Republic | Prague Stock Exchange     | Own connection Erste Group <sup>4</sup>                 |
| Worldwide      | Issuers                   | Own connection Erste Group <sup>4</sup> or intermediary |
| Germany        | Berlin Stock Exchange     | Intermediaries                                          |
| Germany        | Düsseldorf Stock Exchange | Intermediaries                                          |
| Germany        | Gettex Exchange           | Intermediaries                                          |
| Germany        | Hamburg Stock Exchange    | Intermediaries                                          |
| Germany        | Hannover Stock Exchange   | Intermediaries                                          |
| Germany        | Munich Stock Exchange     | Intermediaries                                          |

| Country       | Execution Venue                             | Connection     |
|---------------|---------------------------------------------|----------------|
| Germany       | Stuttgart Stock Exchange                    | Intermediaries |
| Germany       | Tradegate                                   | Intermediaries |
| Germany       | Lang & Schwarz Exchange                     | Intermediaries |
| Germany       | CATS MTF Börse Stuttgart                    | Intermediaries |
| Germany       | Traderebel                                  | Intermediaries |
| France        | NYSE EuronextParis                          | Intermediaries |
| Great Britain | London Stock Exchange                       | Intermediaries |
| Italy         | Borsa Italiana                              | Intermediaries |
| Canada        | Summarized according to 1.3.1c <sup>5</sup> | Intermediaries |
| Netherlands   | Euronext Amsterdam                          | Intermediaries |
| Switzerland   | BX Swiss                                    | Intermediaries |
| Switzerland   | SIX Swiss Exchange                          | Intermediaries |

#### 2.1.4 Execution Venues Fonds OTC Retail

| Country   | Execution Venue      | Connection                                              |
|-----------|----------------------|---------------------------------------------------------|
| Worldwide | Investment companies | Own connection Erste Group <sup>4</sup> or intermediary |

#### 2.1.5 Execution Venues OTC Derivatives Retail

| Country         | Execution Venue | Connection  |
|-----------------|-----------------|-------------|
| OTC-Derivatives |                 | Erste Group |

## 2.2 Definition of financial instruments

Source: MiFID II (Directive 2014/65/EU), Annex I Section C

- transferable securities
- money market instruments
- units in undertakings for collective investment
- options, futures, swaps, forward rate agreements and all other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivative instruments, financial indices or measures that can be effectively delivered or settled in cash.
- options, futures, swaps, forwards and all other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties without a default or other termination event.
- options, futures, swaps and all other derivative contracts relating to commodities which can be physically settled, provided that they are traded on a regulated market, an MTF or an OTF, with the exception of wholesale energy products traded on an OTF, which must be physically settled.
- options, futures, swaps, forwards and any other derivative contracts relating to commodities which can be physically settled, which are not otherwise referred to in point 6 of this Section and which are not for commercial purposes and which have the characteristics of other derivative financial instruments.
- derivative instruments for the transfer of credit risks
- financial contracts for differences

10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties without a default or other termination event, and all other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this section and which have the characteristics of other derivative financial instruments, taking into account, inter alia, whether they are traded on a regulated market, an OTF or an MTF.
11. emission allowances consisting of units recognized as complying with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

## 2.3 Glossary

### Execution venue

Included:

- Trading venues (RM, MTF, OTF)
- Systematic internalizers (SI)
- Securities trader
- Other liquidity providers

### Regulated Market (RM)

A multilateral system operated and/or managed by a market operator that brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments within the system and under its non-discretionary rules in a way that results in a contract in respect of financial instruments that have been admitted to trading under the rules and/or systems of the market, and has been authorized and is functioning properly.

### Trading venue

A trading venue is a regulated market, an MTF or an OTF.

### Multilateral Trading Facility (MTF)

A multilateral system operated by an investment firm or market operator that brings together multiple third-party buying and selling interests in financial instruments within the system and under non-discretionary rules in a way that results in a contract, but which is not a regulated market.

### Organized Trading Facility (OTF)

A multilateral system operated by an investment firm or market operator that brings together multiple third-party buying and selling interests in debt securities, structured finance products, certificates or derivatives within the system in a way that results in a contract, and which is not a regulated market or MTF.

### Retail client

Is a client who is not a professional client or an Eligible Counterparty.

### Professional client

A professional client is a client who has sufficient experience, knowledge and expertise to be able to make his own investment decisions and appropriately assess the associated risks.

### Systematic Internalizer (SI)

An investment firm which, on an organized and systematic basis, frequently deals on own account on a substantial scale when executing client orders outside a regulated market or an MTF or OTF without operating a multilateral system.

### Securities dealer (Market Maker)

A company that continuously makes offers to buy and sell financial instruments on the financial markets and trades in these instruments for its own account and using its own capital at the quoted buying and selling prices.

### Intermediary

An intermediary is a company that forwards orders to specific execution venues for execution.

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