Bernstein Bank GmbH

(“Best Execution Policy”)

1. Scope of Application

Bernstein Bank GmbH (hereinafter referred to as "**Institute**”) is legally obliged to process Client transactions in a professional and transparent manner and to offer the Client the best execution of his order ("Best Execution"). This applies to the trading, i.e. opening and closing or buying and selling, of financial contracts for differences ("CFDs"), options, shares and other financial instruments via the client's trading account

Best execution means that the Institute takes all necessary measures to achieve the best possible result when executing an order with the Client, taking into account various criteria relevant to execution. Although the Institute is obliged to provide clients with "best execution", this does not mean that the Institute has an obligation to advise its clients beyond the specific regulatory or contractual obligations agreed with them.

This document contains a summary of the "Best Execution Policy" applicable to the execution by the Institute of orders of all types of financial instruments on behalf of and for the account of retail investors and professional clients.

This disclosure of the "Best Execution Policy" is part of our business terms and conditions. If clients agree to the provisions of the business terms and conditions, they therefore also agree to the provisions of the current "Best Execution Policy".

These principles shall also apply if the Institute buys or sells financial instruments for the client's account in fulfilment of its obligations under an asset management mandate or as part of investment or contract brokerage or in conjunction with investment advisory.

The Institute shall inform the Client of any material changes to the rules or principles relating to order execution.

Full information on our trading conditions for CFDs, options, shares and other financial instruments will be provided to clients, depending on the product, in the following documents, which will be made available to clients at the time of conclusion of the contract:

- General Information and Risk Disclosure for CFD Transactions
- General Information and Risk Disclosure for Options Transactions
- General Information and Risk Disclousre for Shares Transactions
- Documents of the account holding institution.

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2. General Explanations

Our "Best Execution" principles include a sequence of procedures designed to ensure that the Institute achieves the best possible execution result for the client. The following criteria are taken into account:

- **t**ype of financial instrument (CFD, option, share, other financial instrument),
- the priorities indicated by the Institute's clients with regard to the execution of these transactions, and
- specifics regarding the respective market.

The objective of the Institute is to achieve a result that represents an optimal balance between various, sometimes irreconcilable, factors.

For private investors, the best possible result is determined on the basis of a comprehensive overall view. This overall view includes both the price of the financial instrument and the costs associated with its execution. Other factors must also be taken into account. For example, these include (but are not limited to) speed and probability of execution and settlement, size and type of order. For these other factors, the Institute determines, at its discretion, the importance of the criteria that must be considered in order to provide the client with the best possible result. In assessing the importance of these additional criteria, the Institute shall be guided by experience and market conditions, the size of client orders, the need for timely execution, the possibility of price improvement, market liquidity and a possible impact on the overall view.

It may therefore happen that the Institute considers the speed and probability of execution and settlement to be more important than other criteria, provided that they are crucial to achieving the best possible result.

The Institute shall monitor the effectiveness of the Best Execution Policy and whether changes need to be made to the order execution policy. In particular, an execution check will be carried out to ensure that these rules are monitored (e.g. by the internal auditing).

In addition, the Institute shall review the order execution rules and the best execution policy in all cases where significant changes occur that affect pricing or execution venues or affect the ability to continue to provide best execution.

3. Notes to CFDs, options, shares and other financial instruments

As a rule, the Institute acts on behalf of the Client within the framework of proprietary trading and not as an authorised representative. Therefore, the Institute is generally the sole execution venue for executing client orders. This means that the Client concludes his trading transaction with the Institute and not within the underlying market.

Price setting

In order to ensure the best possible execution, the Institute shall reasonably follow the market price (bid/ask prices) for the underlying reference product. For this purpose, the Institute uses different data sources which enable the market price to be determined.

In the case of CFDs, pricing is based on the market prices available to the Institute, on which a mark-up is added. The market price lies between the bid/ask prices shown by the Institute for the respective contract. As a rule, the market price is the arithmetic mean between the bid/ask price.

In the case of options for which there is an open underlying exchange (options) market, the Institute's prices will largely match the exchange-traded prices. However, prices may also be generated by our internally used Black-Scholes model. This model calculates the option price by taking into account the maturity, the price of the underlying market and the Institute's expectations regarding future volatility.

For some financial instruments, at the time the client places an order with us, there may not be a functioning or open market, or a functioning or open exchange, on which the reference product is traded. In such cases, the Institute may determine a fair bid/ask price based on various factors. Factors include price movements in correlating markets, other market influences and client order flows.

4. Execution venues

Pursuant to Art. 64 para. 1 of MiFID II, an execution venue may be a trading venue (e.g. MTF, regulated market), systematic internaliser, market maker, other liquidity provider or an institution exercising a comparable function in a third country. The Institute shall evaluate the execution venues available for pricing and hedging trading transactions and for executing trading transactions. In doing so, the Institute evaluates the execution price and the execution costs as the most important factors for the choice of execution venue. However, the Institute shall also take into account the impact on other criteria, such as the speed of order execution, the probability of order acceptance on the different execution venues, the different order types, creditworthiness and execution principles of the counterparty.

For CFDs and Options transactions, the Institute will endeavour to hedge the risk as a proprietary trader in respect of the trades and may therefore decide to hedge some or all of the CFDs and Options in the underlying market. This approach is likely to result in lower overall execution costs and market price fluctuations for clients. If hedging is required in the underlying market, it may affect the price of the financial instrument that the Institute enters into with you.

In the case of transactions in shares and other financial instruments, execution may be carried out directly via the underlying execution venue. It may happen that a "Request for Quote" is available as an execution method for some shares, normally from the small and micro caps segment. With this execution method, the Client is exposed to the risk of delays in execution.

The Institute regularly checks whether the price feed and hedging execution venues used to set the prices for the products also continuously provide the best execution. The execution venues chosen by us allow us to always achieve the best possible result for the execution of client orders. These execution venues may change at our discretion.

5. Expiry of Client Orders

The process of client orders is designed in such a way that the chance of order acceptance is maximised and control over the most important execution factor, the execution price, lies with the Client. The Institute executes almost all client orders automatically. The Institute's commitment and liquidity on the underlying markets do not influence the execution quality. By avoiding a reference to the Institute's exposure and avoiding interaction with the underlying market, the costs incurred by clients are reduced, as the Institute does not necessarily pass on the effects of client orders on prices to the market and the likelihood of execution increases.

If circumstances so require, the order can be partially or fully hedged or forwarded to the reference market, e.g. in the case of large orders or according to the Institute's risk capacity. The corresponding execution price is passed on to the Client. In principle, the Institute does not partially execute orders if full execution would be possible.

Aggregation of client orders

Aggregation of client orders means that client orders can be aggregated with the instructions of other clients of the Institute. In the case of off-exchange orders, the Institute may combine client orders with its own orders to hedge other client transactions for execution as a single order.

The Institute shall apply these measures if it has reasonable grounds to believe that this procedure best serves the general interest of the Client. This means that while it is unlikely that this practice is generally detrimental, such a combination of client orders may have a detrimental effect on the execution price of certain orders once the instruction to conclude a trade has been executed on behalf of the client.

However, the aggregation of client orders has the advantage that, for example, the execution of many small orders one after the other indicates to the market a certain, possibly repetitive, pattern of behaviour. This could lead to a situation in which the Institute's clients achieve a worse execution result than with a aggregation of client orders.

Order allocation

If a aggregated client order is only partially executed on the market, the allocation shall be made by a proportional allocation to all client orders. The allocation shall be made on the basis of reasonableness and taking into account factors such as order type, price and quantity, where it appears appropriate to execute orders proportionally. In this way, an inappropriate preference of certain persons is avoided in the allocation.
If an off-exchange order is aggregated with orders resulting from hedging measures taken by the Institute, priority shall be given to the client order. However, if it is shown in a comprehensible manner that the aggregation of client orders with the Institute's orders has enabled execution on more favourable terms, the orders may also be allocated proportionally.

Priority of client-specific instructions

If the Client gives specific instructions, these will be given priority. Such instructions may include, for example, an indication of the price at which a transaction is to be concluded if the market moves to the disadvantage of the Client ("stop-loss order"). If a stop-loss order is established, the execution price obtained may be less favourable than the price at which the order is placed.

6. Professional Clients

If the Institute has classified clients as professional clients, the Institute will comply with the relevant provisions of the German Securities Trading Act (WpHG) and, where applicable, the European Securities and Markets Authority (ESMA) rules on whether the professional client can rely on the Institute to ensure the best execution of its order.

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