

# Conditions governing the execution of orders



**Baader Bank Aktiengesellschaft**  
Weihenstephaner Strasse 4  
85716 Unterschleissheim  
Germany  
T 00800 00 222 337\*  
F +4989 5150 2442  
service@baaderbank.de  
<https://www.baaderbank.de>

\* Free telephone number from international and national landlines. Costs may be incurred for calls from other networks.

## 1. Placement of orders

### 1.1 Information to be provided

The client places orders/instructions with the Bank (e.g. transfers/remittances, orders) electronically (by fax or as scan order by eMail) or by telephone; these orders must contain the following information:

- Unambiguous identification of the client through indication of the client's account, the precise designation and number of the securities or contracts and, in the case of options or futures contracts, also the maturity of the contracts to be concluded and, in the case of an option, the type of option concerned (option to buy/sell) and the basic price
- Indication of the market (place of performance or „best execution“) in which the client wishes to be active
- The nature of the transaction (purchase or sale) and the execution price desired by the client („limit“, type of „limit“)
- The period for which the order is to remain valid if it is not only to be executed on the day of the order's placement or during the trading session taking place when the order is placed.

### 1.2 Placement of order by financial services provider/authorised representative

These terms and conditions also apply in the case that a financial services provider or authorised representative acts on behalf of the client and places electronic orders on behalf of the client. The client herewith undertakes to instruct such financial services provider, portfolio manager or authorised representative to observe and comply with the obligations assumed in and arising from this Agreement.

### 1.3 Non-acceptance of orders

The Bank reserves the right not to accept orders which do not contain all of the information specified above. Orders placed without explicit specification of the validity period shall only be valid for the trading day on which the order is placed. The Bank reserves the right to refuse to execute orders for a particular market or contract without being under any obligation to provide reasons for doing so. Should the Bank refuse to execute an order, this shall be promptly notified to the client.

### 1.4 Fax number for credit transfers, account transfers

The placement of general fax orders/instructions (e.g. credit transfers, account transfers) with the Bank must in all cases be made via the following fax number: +49 89 5150 2442

### 1.5 eMail address of the Bank

The placement of general orders/instructions in the form of a scanned document attached to an eMail (e.g. credit transfers, account transfers) must in all cases be made via the following eMail address: service@baaderbank.de

### 1.6 Fax number for orders

Orders/instructions issued to the Bank by fax (order for the purchase or sale of a financial instrument) must in all cases be made via the following fax address: +49 89 5150 1920

### 1.7 Mandates authorising drawings and dispositions

The client undertakes to ensure that the original documents used for transmitting orders/instructions electronically are signed before transmission in accordance with the mandates authorising drawings and dispositions as regulated in the account documents.

### 1.8 No investment advice

The client undertakes to place only such orders/instructions electronically in connection with which no individual advisory services, suggestions or recommendations are necessary or desired. The client shall therefore to the legally admissible extent bear any and all risks relating to the execution of the placed orders/instructions and any and all financial disadvantages which might arise therefrom.

### 1.9 Misuse of eMails

The client must give the Bank immediate notification if he/she suspects that his/her eMails are being intercepted and viewed, processed, destroyed and,

possibly, used for criminal purposes by third parties. In such case the Bank shall, where applicable, also be obligated in accordance with Article 33 of the General Data Protection Regulation to accordingly notify the supervisory authority with responsibility for data protection and any affected parties. The client shall be liable to the Bank for any costs incurred in connection therewith.

## 2. Execution of orders

### 2.1 General aspects

For the purposes of the execution of orders, the client authorises the Bank to act on his/her behalf in the securities and/or futures markets in which the client wishes to undertake transactions. The client undertakes to promptly confirm by signing any agreement which proves necessary for the Bank or, if applicable, additional contractors, in order to be able to perform said execution.

### 2.2 No prompt execution

The Bank shall endeavour to execute the electronically transmitted orders/instructions promptly. However, the Bank cannot guarantee prompt execution of the electronically transmitted orders/instructions. To the legally admissible extent this shall not entitle the client to assert any claims for damage or similar demands.

### 2.3 Non-acceptance of orders/instructions

The Bank shall in justified cases have entitlement not to accept orders/instructions placed electronically. The client shall be given prompt notification in the event that the Bank refuses to accept an order.

### 2.4 Currency accounts

Should the client place orders for the purchase of securities or contracts, or securities or contracts denominated in foreign currency or traded in foreign places of performance, the Bank shall, as appropriate set up corresponding currency accounts that are to be managed as sub-accounts of the current account.

### 2.5 Conversion of foreign currency

Should the client place an order with the Bank, for the execution of which it is necessary for the Bank to purchase foreign currency balances or on the execution of which a foreign currency balance is to be credited to the client, the Bank shall be entitled, but not obligated, to convert the required sum or the sum to be credited into the agreed main currency and, as appropriate, to debit or credit the client's main currency account with the Bank. Said conversion shall be performed on the basis of the exchange rate applicable on the trading day following the day on which the client's order is executed.

Should a euro or foreign currency account of the client have a debit balance and the other account has a credit balance, the Bank shall at any time be entitled, but not obligated, to transfer the credit balance in the euro or foreign currency account and credit it to the account having the debit balance.

### 2.6 Clearing member

The following shall apply unless agreed otherwise in the Clearing Framework Agreement:

The Bank uses the services of a clearing member for the execution of transactions in financial instruments. Such clearing member generally executes the client's transactions in its own name and for the account of the Bank. A clearing member is an institution holding a clearing licence which permits it to participate in the clearing system for transactions involving securities and futures transactions concluded in the respective markets or transactions relating to share issue rights. The Bank performs an internal checking and rating of each clearing member before commissioning its services.

In the statements on transactions in financial instruments the Bank shall give the client notification of which clearing member it has commissioned for the transaction in question. The client shall have no entitlement to having transactions executed by a particular clearing member. The Bank may at any time terminate its cooperation with a clearing member within the framework of the contractual agreements with such clearing member or to commission the services of other clearing members for the execution of transactions in financial instruments.

## 2.7 Fulfilment of the contracts („settlement“), exercising of options and/or option certificates

The client may only exercise option rights if he/she has previously made either the purchase price to be paid or the underlying asset to be furnished available to his/her current account or securities account held with the Bank. Should the client wish to exercise his/her option rights during the term of the contract, he/she shall accordingly place an order with the Bank to this effect. Should the client's counterparty demand the exercising of an option, the Bank may, in the case of options not covered by deposited securities, cover the respective securities in the market for the account of the client and provide these to the counterparty. The sums of money incurred through such covering shall be cleared by the Bank with the margins deposited by the client.

Should the client still have open positions on expiry of a futures transaction, the Bank shall, unless it has received any instruction to the contrary two days before the last trading day, have entitlement to close such positions and notify the client by way of entering into corresponding countertrades.

For the purposes of exercising options and/or option certificates, the client must issue corresponding instructions to the Bank no later than two days prior to the final maturity date of such options or option certificates. The client shall independently familiarize himself/herself as to the contract, option and option certificate conditions as well as other applicable terms and conditions relating to the securities or futures contracts acquired by him/her. The Bank will not assume any liability in this respect.

As regards futures contracts which are to be fulfilled by way of delivery, the Bank will await the client's instructions as to whether the actual delivery is to be effected. Should the client not have given such instructions by the aforementioned point in time or not have acquired the securities or resources required for such delivery, the Bank shall endeavour to promptly cover the futures contract in order to avoid settlement through actual delivery. In the case of foreign currency forward transactions the client must provide the Bank with proof, no later than 12:00 midday on the second bank workday before maturity of the foreign currency forward transaction in question (the Frankfurt am Main trading centre shall be decisive in this respect), to the effect that the currency to be purchased by him/her (euro or foreign currency) will be available as agreed on the maturity date. Said proof shall not be necessary if the client has a corresponding credit balance at this time in one of his/her accounts (sub-accounts) with the Bank.

Should this not be the case, the Bank shall have entitlement to purchase or sell as appropriate the necessary sum of currency in the interests of the client in a foreign exchange market for the account of the client.

Should the Bank not have closed an open position of the client, it shall be the responsibility of the client to fulfil this by the maturity date of a contract or – depending on the respective terms – let the contract expire. The client shall reimburse the Bank for any costs, or financial damage in addition thereto, sustained by the latter in the execution due to a lack of instructions on the part of the client. Any sums outstanding as result of said obligation of remuneration shall be subject to interest in favour of the Bank, notwithstanding the assertion of further damages, at the interest rates for debit/credit balances agreed in line with the respectively valid version of the schedule of prices and services. The client herewith authorises the Bank to debit such due amounts – including any penalties set by a stock exchange – to his/her current account.

## 2.8 Short sales

The client may not enter into what are known as short positions by way of short sales, e.g. sell securities that are not in his/her deposit. Any provision to the contrary shall only apply if the parties have concluded a divergent agreement in text form to this effect prior to conclusion of such transaction. Should such a transaction nevertheless be executed without such a prior agreement having been concluded, the Bank shall, for the purposes of closing the positions, have entitlement to purchase a corresponding number of securities for the account of the client or to cancel such transaction.

## 2.9 Mistrade regulations

For the purposes of executing commission orders placed by clients, the Bank uses electronic trading systems or order routing systems operated by third parties. The agreements concluded in respect of the use of such electronic systems provide for a reversal option in favour of the Bank's trading partner in respect of the transactions concluded between the latter and the Bank for the event that the trading partner has erroneously concluded the transaction at a price which materially and clearly deviates from the fair market price („reference price“) prevailing when the transaction is effected („mistrade“). This can in particular be the result of a technical malfunction of the trading system or an operating error. Entering the volume incorrectly does not constitute a mistrade. In such case the right of the trading partner

to withdraw from or cancel the contract vis-à-vis the Bank will also have an effect vis-à-vis the client, who in this case shall have no entitlement to assert any claims against the Bank or the latter's trading partner. Should the Bank already handed out the proceeds from the execution transaction to the client, the Bank may in such case have entitlement to reverse this transfer. A cancellation request must meet the necessary requirements and be submitted in time. It should be noted that the mistrade regulations agreed with the respective trading partners may deviate from one another. The client can view the relevant agreements at [www.baaderbank.de/Kundenservice/Formularcenter/Kundeninformationen-198](http://www.baaderbank.de/Kundenservice/Formularcenter/Kundeninformationen-198). These apply to every transaction that the Bank, as the client's commission agent, does with the trading partner and are explicitly included in the relationship between the Bank and the client. Any deadlines for notification of a cancellation request relate to the contractual relationship between the Bank and the respective trading partner. Consequently, the Bank and its contractual partners cannot guarantee that these deadlines can also be met in relation to the client. The mistrade regulation set down in this provision shall also apply in the event that the Bank has executed the client's commission order by telephone.

## 2.10 Compliance with stock exchange regulations

When trading securities and/or undertaking futures transactions on the stock exchange via trading systems, the client must observe and comply with the rules and regulations applicable in the respective stock exchanges, including foreign stock exchanges. The respectively applicable versions of the stock exchange rules and regulations are available on the websites of the respective stock exchanges. The stock exchange rules and regulations include a prohibition on entering opposite commission orders concerning the same security (what is known as crossing) as well as a prohibition on transactions which, following agreement between two trading participants, are effected by entering opposite orders (known as pre-arranged trades). In the event of a violation of the stock exchange rules and regulations, the Bank is obligated to promptly send the client in question a warning in text form, with details of the violation and drawing attention to the fact that, should a further violation be committed, the client will, by way of a partial termination in accordance with Section 19 (3) of the General Terms and Conditions of Business, be excluded for at least 20 trading days from using the order routing system. The Bank shall notify the management of the respective stock exchange accordingly.

## 2.11 Forged order

The Bank shall have entitlement to debit the client/securities account even if the signatures on the electronically transmitted orders/instructions are forged. The client shall bear any losses or damages sustained unless these are caused by the Bank. Specific attention is drawn in this respect to the Bank's General Terms and Conditions of Business and to the Terms and Conditions for Credit Transfers. The Bank shall to the legally admissible extent be released from any and all liability and from any and all third-party claims for damages/compensation arising from improper use of the aforementioned transmission system, in particular any forging of signatures or any other form of forgery or falsification of the original documents.

## 2.12 Disclosure of identity to supervisory authorities

The client herewith authorises the Bank and, if applicable, the additional contractors to disclose his/her identity to the supervisory authorities, if this is required of the Bank or the additional contractors.

## 2.13 Client's confirmation before forwarding of order/instruction

The Bank reserves the right in individual cases to request the client's prompt confirmation before passing on an order/instruction but shall be under no obligation to do so. To the legally admissible extent, delays arising in such cases shall not entitle the client to assert any claims for damages or similar demands. Should it not be possible to contact the client, the Bank will not execute the electronically transmitted order/instruction. Should it have any questions or require information, the Bank will endeavour to contact the client under the telephone or mobile number indicated on the „Fax order/ instruction“ application form (form no. 35.000). The client shall give the Bank prompt notification in the event of any change of telephone or fax number.

## 2.14 Cancellation of the order

The Bank will debit the client's current account on having purchasing financial instruments. The Bank reserves the right not to execute orders to purchase financial instruments, whether wholly or in part, or to cancel orders which have been executed, if the current account does not have an adequate credit balance or the client does not have an adequate credit line, as referred to below. This provision shall apply correspondingly to options for which the option premiums do not have to be paid in full („futures-styled options“).

### 2.15 Complaints by the client

The Bank shall notify the client or, as applicable, the latter's representative/financial services provider, of any order it executes. The client must assert any complaints to the Bank promptly, i.e. as a rule by the start of the next trading session following the receipt of notice of execution or, for example, information received earlier by the client by telephone or electronically. Should a complaint not be made promptly as specified, the notice of execution shall be deemed to have been approved.

## 3. Risks entailed in the execution of orders, limitation of the Bank's liability

### 3.1 No execution of order

The client is aware of the fact that orders might not be executed due to market conditions and/or the applicable market regulations at the respective places of performance. In such case, the liability of the Bank for execution of the orders shall be excluded to the legally admissible extent.

With regard to over-the-counter trading, the Bank is entitled to adjust it at any time at its own discretion and to suspend it temporarily or permanently. The client is not entitled to access over-the-counter trading.

### 3.2 Misuse

The client herewith declares that he/she is aware of the possibility of misuse arising in the transmission of orders/instructions placed electronically, for example misuse in the form of forgery and falsification by means of shadowless copying, forgery of signatures or alterations to the original document. The client shall ensure that no transmission errors, misunderstandings, misuse or mistakes occur when placing an order/instruction electronically. The Bank is neither able to check the authenticity of orders/instructions received electronically nor to verify the conformity thereof with the original document.

### 3.3 Risks entailed in transmission by eMail

The Bank draws the client's attention to the following, non-exhaustive list of risks which can arise in the transmission of orders/instructions by eMail:

- Orders/instructions transmitted by eMail may be intercepted and viewed, processed, destroyed and possibly used for criminal purposes by unknown third parties. This may take place for an undefined period of time without being detected.
- The authenticity of the sender (= client) is not guaranteed where orders/instructions transmitted by eMail are concerned.
- eMails might not be sent or the transmission thereof delayed due to possible technical problems, or they might not be received by the intended recipient for other reasons (e.g. spam filter).

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You will find further information on the topic of Internet security at the following websites: [www.bsi-fuer-buerger.de](http://www.bsi-fuer-buerger.de) and [www.polizei-beratung.de](http://www.polizei-beratung.de)

### 3.4 Prompt notification of the Bank

The client shall give the Bank prompt notification if he/she suspects that his/her electronically placed orders/instructions are being intercepted and viewed, processed, destroyed or possibly used for criminal purposes by unknown third parties.

### 3.5 Bank secrecy and Data Protection

There is the possible risk that the provisions of the General Data Protection Regulation and bank secrecy as per Section 2.1 of the Bank's General Terms and Conditions of Business might be violated where electronically transmitted orders/instructions are concerned. The Bank will accept no liability for any damage arising as result thereof, except if such damage is the result of acts of intent or gross negligence. This limitation of liability shall not apply in the case of personal injury, injury to health or loss of life for which the Bank can be held responsible.

### 3.6 Orders bound by deadlines

The client is aware that, due to the possibility of technical problems, eMails are not suitable for transactions that must be executed by a specific deadline, e.g. credit transfers.

### 3.7 Computer viruses

The Bank will accept no liability for any damage or losses caused by computer viruses contained in files the client transmits by eMail, except in the case of damage resulting from acts of intent or gross negligence. This limitation of liability shall not apply in the case of personal injury, injury to health or loss of life for which the Bank can be held responsible.

### 3.8 In connection with the execution of orders, the Bank shall in particular not be liable in the following cases

- in the event of disruptions in the functioning of the markets at the places of performance where the client wishes to be active such as, for example, strikes, lockouts, failure of the stock exchange listing, etc., in the event of incidents affecting the transmission or execution of orders in these markets such as, for example, the failure of the communications systems used by the Bank or by the additional contractors,
- in the case of decisions of the supervisory authorities which result in the Bank being unable to meet its obligations vis-à-vis the client.

### 3.9 All of the aforementioned limitations on liability shall not apply in the case of personal injury, injury to health or loss of life for which the Bank can be held responsible.