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# BEST EXECUTION POLICY

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## 1\_General information

CMTA AG provides services to its clients that are classified as “execution of orders” within the meaning of Sections 62ff. of WAG 2018 (Austrian Securities Supervisory Law), Delegated Regulation 2017/565, and relevant regulatory administrative practice (e.g. ESMA guidelines) and accordingly trigger the duty of best execution. In this Best Execution Policy, CMTA AG has defined and put into writing principles on how orders are executed or forwarded in accordance with the applicable requirements of WAG 2018, Delegated Regulation 2017/565, and applicable regulatory administrative practice in the interests of the best possible result for Clients.

The Client's consent to this Best Execution Policy is required in order to execute Client orders. If Clients do not give such consent, CMTA AG will no longer accept and execute orders from those Clients.

If significant changes are made to this Best Execution Policy during an ongoing business relationship with Clients, CMTA will so notify those Clients.

## 2\_Scope of application

The execution policy applies in the context of providing the investment services that are provided to professional Clients and that fall under the best-execution requirement as governed by WAG 2018. As set forth in Section 66 WAG 2018, the Best Execution Policy does not apply to applicable counterparties.

In addition, CMTA AG points out that, following clarification by the regulatory authorities, the best-execution requirement does not apply where professional Clients request a quote for a specific financial instrument from CMTA AG on their own initiative (request for quote). Therefore, CMTA AG is not obligated in such cases to apply the principles of this Best Execution Policy to achieve the best possible result.

## 3\_Process and types of execution

In the run-up to the actual execution of an order, CMTA AG and Clients first contact each other regarding the purchase or sale of financial instruments. It is irrelevant for subsequent steps whether Clients contact CMTA AG or CMTA AG approaches Clients itself. If the Client is interested in a transaction, CMTA AG will propose conditions to the Client under which it can set up a transaction. If the Client agrees to these conditions, CMTA AG will arrange the transaction accordingly. CMTA arranges transactions in three different ways, i.e., through three different services. These services, each of which is considered “execution of orders” under the relevant regulatory requirements and which are all classified as “execution of orders” in this Best Execution Policy, are described below.

### 3\_1\_Trading for own account

CMTA AG may act as the Client's direct counterparty. Thus, if a Client wishes to sell, CMTA AG acquires the financial instruments in question, whereas if the Client wishes to buy it sells the financial instruments.

## 3\_2\_Acceptance and transmission of orders (“transaction brokerage”)

As an alternative to trading for its own account, CMTA AG can also arrange transactions for Clients by identifying trading partners with whom the Clients can perform the transactions on the specified conditions. CMTA AG thus brokers a transaction for the Client. CMTA's primary effort is to respond to the Client's interest in a transaction by trading for its own account. Only if CMTA AG is unable to perform a trade for its own account (for instance due to a lack of suitable own-account trading opportunities or Client trading connections) or if the Client does not wish to transact directly with CMTA AG will CMTA AG broker a transaction for the Client as described in this paragraph.

## 3\_3\_Naming

The transaction comes about directly between the Client and trading partner, with CMTA AG not forwarding the orders but rather bringing Clients and trading partners together by naming them. The interacting parties review their respective execution guidelines in the course of conducting their business. CMTA AG itself never becomes a party to these transactions. The Clients and trading partners conclude the transaction directly with each other at a fixed price. With regard to facilitating contact with Clients, CMTA AG points out that this is not a service covered by the best-execution requirement. Therefore, if CMTA AG receives an order from the Client and arranges suitable trading partners for that Client, the principles of this Best Execution Policy do not apply to this service.

## 4\_Financial instruments

CMTA AG offers the services or execution modes named above for the following categories of financial instruments:

| <b>Debt instruments</b>                             | <b>CFI Code</b> |
|-----------------------------------------------------|-----------------|
| Bonds                                               | DB****          |
| Convertible bonds                                   | DC****          |
| Bonds with warrants attached                        | DW****          |
| Medium-term notes                                   | DT****          |
| Money market instruments                            | DY****          |
| Structured instruments (capital protection)         | DS****          |
| Structured instruments (without capital protection) | DE****          |
| Mortgage-backed securities                          | DG****          |
| Asset-backed securities                             | DA****          |
| Municipal bonds                                     | DN****          |
| Depository receipts on debt instruments             | DD****          |
| Others (miscellaneous)                              | DM****          |

## 5\_Trading venues

When necessary, orders are executed by CMTA AG in the context of “acceptance and transmission” within the meaning of section 3\_2 at trading venues within the meaning of Section 63 (4) WAG 2018, and only if the trading partners which CMTA AG transmits its Clients’ orders to qualify as systematic internalizers, market makers, or other liquidity providers within the meaning of Section 63 (4) WAG 2018. By contrast, if orders are transmitted to other trading partners, no trading venue within the meaning of Section 63 (4) WAG 2018 is involved in execution of the order.

When orders are executed through “trading for own account” within the meaning of section 3\_1, execution is by performing a direct, bilateral fixed-price transaction with CMTA AG. Consequently, no trading venue within the meaning of Section 63 (4) WAG 2018 is involved for this type of execution.

CMTA AG selects any trading venues which it forwards its Clients’ orders to (as part of acceptance and transmission) based on the associated results for Clients, particularly transaction costs, probability, and speed of execution and settlement. In addition, CMTA AG first consults the appropriate license information in the trading venue’s home country to ensure that the operator of the trading venue has the necessary operating licenses.

None of the trading partners which CMTA currently forwards its Clients’ orders to currently qualify as trading venues within the meaning of Section 63 (4) WAG 2018. The reason for this is that orders are forwarded only in the course of brokering transactions, and in this process it is only outside of trading venues that orders are forwarded to trading partners that do not qualify as trading venues. If trading partners which CMTA forwards its Clients’ orders to qualify as trading venues in the future, CMTA will indicate the relevant information on the particular trading venue in the following table.

| Name | Trading venue selection date by CMTA AG | Trading venue licensing agency / authority | Financial-instrument categories | Transaction types | Other information |
|------|-----------------------------------------|--------------------------------------------|---------------------------------|-------------------|-------------------|
|      |                                         |                                            |                                 |                   | -                 |
|      |                                         |                                            |                                 |                   |                   |
|      |                                         |                                            |                                 |                   |                   |
|      |                                         |                                            |                                 |                   |                   |

Please note that orders are thus regularly executed outside of trading venues within the meaning of Section 1 No. 26 WAG 2018. Since CMTA does not currently forward Client orders to any trading venues (nor thus to any trading venues), it has already so notified Clients as part of Client onboarding, and the Clients have already given advance general express consent to their orders being executed outside of trading venues.

Executing orders outside of trading venues has certain consequences. For example, it is possible for there to be reduced market transparency or trackability of market prices or values for transactions outside of trading venues. In addition, certain regulations may not apply to transactions outside of trading venues. However, the specific consequences of executing transactions outside of trading venues depend heavily on circumstances such as the financial instrument in question, the particular counterparty, intermediaries

involved, and also the available settlement options. CMTA will take these circumstances into account when executing Client orders and will upon request provide Clients with additional information on the consequences of executing a (specific) order outside of trading venues.

## 6\_Ensuring the best possible execution

CMTA AG ensures the best possible execution of its Clients' orders regardless of whether it acts as the Client's counterparty itself or arranges a counterparty for the Client.

### 6\_1\_Best possible execution when using own-account trading

CMTA AG and its Clients agree on the terms of the transaction to be arranged (through own-account trading or by brokerage) before determining whether CMTA will act as a counterparty itself or find one for the transaction. If CMTA AG subsequently acts as a counterparty for its Clients, the transactions will be fixed-price transactions based on the pre-agreed terms.

CMTA AG ensures the best possible execution for its Clients' benefit when contracting for this type of fixed-price transaction by performing an own-account trade only if this achieves the best possible result for its Clients compared to the other execution options it offers (brokerage and naming). When making this assessment CMTA AG takes the following factors into account:

- Transaction costs associated with execution of the order
- Speed of execution
- Probability of execution and settlement
- Other relevant aspects (e.g. service quality, security, appropriate jurisdiction, etc.)

The price/rate of the financial instruments does not need to be taken into account because CMTA AG and the Client set the terms of the transaction and only afterward decide whether it will facilitate the transaction through own-account trade or brokerage. Consequently, the purchase price remains the same regardless of whether own-account trading or brokerage is used.

When deciding whether own-account trading achieves the best possible result for Clients, CMTA weights the above factors as follows: As the first step, the costs associated with executing the order are key for determining the best possible result for Clients. Therefore, own-account trading achieves the best possible result for Clients if it involves lower transaction costs than brokerage. If the determination cannot be made (or is not sufficiently clear) based on transaction costs, CMTA AG uses the speed of execution allowed by the particular order execution method as a decision-making factor in a second step. Own-account trading achieves the best possible result for Clients if it allows faster execution compared to brokerage.

In addition, CMTA AG ensures the best possible execution for an own-account trade by concluding such transactions only on market-compliant terms and informing Clients that other execution methods are also possible and that CMTA AG offers brokerage and naming as described above as such other execution methods.

CMTA AG has defined procedures for identifying, avoiding, and (if need be) for managing relevant conflicts of interest in connection with executing orders by trading for its own account. These procedures include tools for recognizing conflicts of interest, specific trading principles serving to avoid conflicts of interest, guidelines for managing conflicts of interest, and clearly defined responsibilities when dealing with conflicts of interest. Details of the procedures can be found in CMTA AG's Policy on Conflicts of Interest.

If CMTA AG performs an OTC transaction through own-account trading, CMTA AG is obligated to ensure that the price it offers the Client is fair. CMTA AG meets this obligation by basing the trade on a market price or value for the financial instrument in question, if such exists. If no sufficiently meaningful market price or value can be determined due to a lack of sufficient market liquidity or for other reasons, CMTA AG will be guided by quotes from other trading participants for the particular financial instrument or sufficiently comparable financial instruments. CMTA AG passes on to Clients the fair price so determined, less a standard margin.

When trading for its own account, CMTA AG also takes into account the resulting consequences for Clients, in particular any associated risks for Clients. Among other things, CMTA AG takes into account the associated change in counterparty risk for Clients compared to order execution by way of brokerage.

When trading for own account in transactions with its Clients, CMTA AG fulfills:

- Its obligations under Art. 66 (3) (e) Delegated Regulation 2017/565 by providing a copy of this Best Execution Policy to its Clients (the relevant information is found in section 5 in particular);
- Its obligation under Art. 68 Delegated Regulation 2017/565 by complying with the principles set out in section 8 of this Best Execution Policy;
- Its obligation under Art. 69 Delegated Regulation 2017/565 by complying with the principles set out in section 8 of this Best Execution Policy;
- (Note: The obligation under Art. 70 Delegated Regulation 2017/565 is not currently relevant for CMTA AG's operations because CMTA's Clients do not issue limit orders.)

## 6\_2\_Best execution when using transaction brokerage

If CMTA AG cannot directly act as counterparty for its Clients for any reason, it will arrange for Clients to conclude a transaction with a counterparty on the agreed terms.

When accepting and transmitting an order from its Clients, CMTA AG ensures the best possible execution for its Clients by only accepting and transmitting an order to certain trading partners if this achieves the best possible result for its Clients (i) as compared to the other execution options it offers (brokerage and naming) and (ii) as compared to accepting and transmitting the order to other trading partners. When making this assessment CMTA AG takes the following factors into account:

- Transaction costs associated with execution of the order
- Speed of execution
- Probability of execution and settlement
- Other relevant aspects (e.g. service quality, security, appropriate jurisdiction, etc.)

The price/rate of the financial instruments does not need to be taken into account because CMTA AG and the Client set the terms of the transaction and only afterward decide whether it will facilitate the transaction through own-account trade or brokerage, and which trading partner to transmit the order to. Consequently, the purchase price remains the same regardless of whether own-account trading or brokerage is used, and regardless of the respective trading partner used.

When deciding whether own-account trading achieves the best possible result for Clients, CMTA weights the above factors as follows: As the first step, the costs associated with executing the order are key for determining the best possible result for Clients. Therefore, accepting and transmitting an order to certain trading partners achieves the best possible result for Clients if it involves lower transaction costs compared to brokerage or accepting and transmitting the order to other trading partners. If the determination cannot be made (or is not sufficiently clear) based on transaction costs, CMTA AG uses the speed of execution allowed by the particular order execution method as a decision-making factor in a second step. Accepting and transmitting an order to certain trading partners achieves the best possible result for Clients if it allows faster execution compared to brokerage or accepting and transmitting the order to other trading partners.

CMTA currently transmits its Clients' orders exclusively to trading partners that do not qualify as trading venues within the meaning of Section 63 (4) WAG 2018. If trading partners that CMTA forwards its Clients' orders to qualify as trading venues in the future, CMTA will provide the appropriate information on the trading venues for the individual classes of financial instruments in the following table.

| Class of financial instruments | Facilities/trading venues |
|--------------------------------|---------------------------|
|                                |                           |

Upon request CMTA AG will provide Clients with information about the facilities which it forwards orders to for execution.

## 7\_Priority of Client instructions

Clients have the option of issuing instructions to CMTA regarding performance of the services specified in section 3. This is possible both for individual transactions and in general. Such instructions take precedence over the principles of this Best Execution Policy in any case. If an order is executed in accordance with express Client instructions, the obligation to achieve the best possible result is deemed to have been satisfied in accordance with the scope of the instruction.

## 8\_Consolidating Client orders

Client orders can be consolidated in order to keep costs low or to allow execution to occur in the first place. Such consolidation is done only if:

- it is unlikely that consolidating the orders will be disadvantageous overall for the Clients concerned; and
- Clients whose orders are to be consolidated with others are notified that such consolidation may be

disadvantageous with respect to a particular order.

CMTA AG determines the volume and price of consolidated orders in such a way that Clients affected by the consolidation are entitled to the volume of financial instruments corresponding to their transaction at the price corresponding to their transaction or the price corresponding to their transaction for the financial instruments corresponding to their transaction, and that no other disadvantages arise from the consolidation.

If there is partial execution of consolidated orders, CMTA AG will allocate the partial execution to the Clients affected by the consolidation in proportion to their transaction volumes weighted by the respective transaction price.

The principles described above generally also apply if CMTA AG consolidates its own orders with those from Clients. Contrary to the above principles, however, CMTA AG gives priority to executing its Clients' transactions over executing its own transactions.

## 9\_Allocation rules

Should partial execution occur in the course of consolidating equivalent Client orders, it must be clarified with the Client in advance whether such partial execution is desired. A percentage allocation is then made, taking into account the relevant Client criteria (e.g. full execution only; in certain steps; any nominal value possible). The allocation a Client receives is agreed with the Client before the securities-related service is provided in each case.

## 10\_Reviewing our own principles

CMTA AG regularly reviews the effectiveness of the principles in this Best Execution Policy in order to achieve the best possible results on a consistent basis. The Best Execution Policy must be reviewed at least annually. In any case, if there is a suspicion that the best possible results are no longer being consistently achieved, the Best Execution Policy will be reviewed immediately and adjusted if necessary.