



# Execution policy

Effective from  
15 February 2024

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# Execution policy

Effective from 15<sup>th</sup> February 2024

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## I. GENERAL PROVISIONS

### 1. Introduction

This Execution Policy of UniCredit Bank Hungary Zrt. (hereinafter: the “Bank”) sets out the fundamental principles for executing orders placed by the Bank’s retail and professional clients as defined in Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (hereinafter: “Investment Act”), on the purchase and sale of financial instruments, and also in accordance with Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (hereinafter the “Directive”). In this Execution Policy, the Bank determines the conditions to be applied between Bank and Client enabling the realisation of the best execution principles for the Client. In this Execution Policy, the Bank regulates the following in particular:

- definition of the best principles for execution of orders in the relationship between Bank and Client,
- the processes and reasonable measures applied by the Bank based on which the execution venues where and the partners through which the Bank fulfils the best execution policy, are defined, monitored and supervised
- execution venues determined in accordance with the above
- the regulations applicable to orders placed by the Client and warnings as to the consequences thereof.

In order to ensure the best execution principle, the Bank is able to consider the execution venues available to the Bank for the performance of Client orders. This means that the Bank considers only the Hungarian or foreign execution venues/partners in which the Bank is a direct participant or with whom has a contractual relationship to execute orders, respectively.

Structure of the Execution Policy:

Part I of this Execution Policy describes the processes and the system of criteria based on which the Bank determines the execution venues where execution means the implementation of the best execution principle.

Part II defines, with regards to the instrument categories, which of the execution venues determined in Part I are the ones where the Bank provides the best execution of orders as defined by this Execution Policy.

The Execution Policy is an annex of the General Business Conditions on Investment Services and Ancillary Services.

Acceptance of the Execution Policy by retail and professional clients as defined in the Investment Act, is a precondition for executing orders. Unless this Execution Policy specifically regulates otherwise, its contents are to be applied to retail and professional clients alike.

This Execution Policy can be applied to acceptable partners only if special conditions have been agreed on with the Client separately.

This Execution Policy is to be applied for all of executing, order forwarding and own account trading activities, provided Clause 3.5 is to be applied with regard to own account trading. If the Bank qualifies as a systematic internaliser with respect to any kind of financial instrument in the course of its own account trading activities, the Commercial policy to be published on the following link is also applicable to its activities:

[https://www.unicreditbank.hu/en/individual/saving/bond-equity/mifid\\_info.html](https://www.unicreditbank.hu/en/individual/saving/bond-equity/mifid_info.html)

The Bank is not obligated to apply the regulations of this Execution Policy in case of closing/terminating positions.

The Bank maintains the right to diverge from the contents of the Execution Policy in case of unusual market conditions or market disturbances, provided that it continues to consider client interests, as well.

If a client of the Bank does not accept the provisions of this regulation, the Bank may not accept or execute any order placed by such a client on financial instruments. If a client withdraws acceptance, no new orders may be accepted, however, after the withdrawal the Bank shall continue to accept orders to close open positions resulting from the client's previously placed orders and sell instruments purchased and execute them in compliance with the client's instructions. The provisions of the General Business Conditions on Investment Services and Ancillary Services are to be applied to the acceptance of the Execution Policy, including the acceptance of any amendments thereof.

**1.1. Execution venues, performing (executing) partners**

In the application of this Execution Policy, Execution Venues are:

- trading venues, i.e. domestic and foreign regulated market (stock exchange), multilateral trading facility (MTF), organized trading facility (OTF), or third country legal entity which performs a function similar to the institutions above.
- other execution venue, such as partners in a contract-based relationship with the Bank listed in the annex (market makers, systematic internalisers, liquidity suppliers, or third country legal entities that perform a function similar to the institutions listed above).

Based on this Execution Policy, the Bank has the opportunity to perform client orders against its own account.

The Bank is entitled to employ performance partners to perform Client orders, as well, the list of which partners is included in the annex of this Execution Policy.

**1.2. Information of Clients**

The latest information regarding the quality of performance as required by the Investment Act and the Directive for each execution venue in this Execution Policy – including the announcement determined in § 63 (5) of the Investment Act – is available at the links below:

- [https://www.unicreditbank.hu/hu/maganszemelyek/megtakaritasok/reszvenyek/tudnivalok\\_a\\_mifidrol.html](https://www.unicreditbank.hu/hu/maganszemelyek/megtakaritasok/reszvenyek/tudnivalok_a_mifidrol.html)
- [https://www.unicreditbank.hu/en/corp/deposit\\_investment/mifid\\_info.html](https://www.unicreditbank.hu/en/corp/deposit_investment/mifid_info.html)

When specifically requested by the Client, the Bank proves in writing, by demonstrating that the provisions included in the Execution Policy have been applied, that

it performed the client order in accordance with the provisions of the Execution Policy.

If the Client submits a reasonable and proportionate request for receiving information regarding the Execution Policy and the solutions, and also regarding how the Bank reviews them, the Bank shall reply unambiguously within a reasonable timeframe. Upon justifiable request by the Client or by a potential Client, the Bank shall provide information in addition to the provisions of this Execution Policy on the organizations that perform the forwarded or placed orders.

The Bank shall inform its Clients if it receives or may receive an incentive from any of the execution venues. Furthermore, the Bank may not accept any fee, discount or non-financial advantage as a compensation for forwarding Client orders to a specific execution venue. In addition to this, if the Bank charges more than one participant in a transaction, the Bank shall inform the Client of the value of the financial or non-financial advantages, i.e. incentives received.

If the Bank requests that the Client select an execution venue, it shall inform Clients in order to prevent Clients from selecting an execution venue as opposed to another execution venue solely based on the price policy employed by the Bank.

The Bank shall notify its clients in accordance with the Bank's General Business Conditions on Investment Services and Ancillary Services on any amendment to this Execution Policy, and the effective date thereof.

**2. Satisfaction of the principle of best execution**

The Bank is required by the Investment Act and the Directive to establish execution rules to execute Client orders on financial instruments in a manner that the Bank must take all sufficient steps to obtain, when executing orders, the best possible result for the client while performing the order relating to the financial instrument. The Bank shall fulfil this obligation by considering the criteria determined by legislation, their relative importance, and also the market information available to the Bank based on its internal processes, and by determining the execution venues where the execution of orders may take place. In cases when the Client gives specific instructions, the Bank shall comply with the best execution principle by executing the order following the instructions of the Client.

Typically, the actions taken in compliance with these rules result in the most favourable outcome, however, they do not

guarantee that every single order will be closed with the most favourable outcome.

**2.1. Instructions of Client**

The Bank shall act primarily upon the instructions of the Client, and the Bank issues the following announcement in this regard, which shall govern every instruction given: **When issuing instructions, the Client shall be obligated to consider the fact that the instructions given by them may mean that the specific instructions given by the Client, with regard to the elements of the orders relating to the instructions, may prevent the Bank from taking the steps designed and established in this Execution Policy for achieving the most favorable outcome for orders. If the Client issues instructions, the Bank shall justifiably assume that the Client has issued its instructions based on this announcement.**

Based on the above, the following are to be applied to the execution of orders based on instructions: If the Client has issued unambiguous and explicit instructions with regard to the execution of the order, and if it can be accomplished by the Bank, the Bank shall execute the order in accordance with these instructions. In this case, the Client’s instructions also mean the most favorable execution of the order, independently of the fact that it differs from the provisions of the Execution Policy.

If the Client gives unambiguous and specific instructions related to one or more circumstances out of the criteria taken into consideration during the assessment of the most favorable execution, the Bank shall execute the order with consideration of such Client instructions. With regard to the other conditions of the order not affected by the instructions provided by the Client, the Bank shall apply the provisions of this Execution Policy, however, with regard to the circumstance affected by the specific instruction provided by the Client.

The fact that the Client has issued instructions related to only a part of the order, does not relieve the Bank from its obligations regarding best execution related to the other parts of the order not affected by the instructions.

Any instruction of the Client regarding the execution of the order, or any condition, circumstance of executing the order shall be considered by the Bank only in the course of executing of that particular order. If the Client wishes to apply its instructions provided in relation to the execution of the order, or to any condition, circumstance of executing the order in further transactions, the Client shall issue unambiguous and specific instructions to the Bank separately for every

single order.

**3. System of criteria determining the best execution**

In order for the Bank to determine which execution venue qualifies as the venue where best execution is ensured in terms of this Execution Policy with regard to the orders placed by the Client, the Bank establishes its system of criteria in accordance with the provisions of the Directive.

To prioritize this system of criteria, the following conditions are considered initially:

- the Client’s categorization in terms of the transaction in question, according to the Investment Act (retail or professional client)
- the characteristics of the order
- the characteristics of the financial instrument which is the subject of the order
- the features of a regulated market, multilateral trading system (MTF), organized trading system (OTF), systematic internaliser, market maker or other person or organization established to ensure liquidity, or a third-country person or organization with a similar function to whom the order may be forwarded.

In order to select the most favorable execution based on the above, the Bank has considered the following, listed in relative order of importance: Based on the assessment of the execution venues carried out on the basis of these criteria, the Bank selects the execution venues where the execution results in the fulfillment of the best execution principle with regard to the types of financial instruments determined in Part II of this Execution Policy:

- Price of the financial instrument (net)
- Costs related to executing the order
- The time required by execution (swiftness)
- Probability of the order being executed (performed) and settled
- Type of the order
- Volume of the order
- All other considerations that may be relevant in achieving the most favorable outcome during performance (especially if special criteria are to be considered beside the generally provided information, with regard to the specific Client order).

In case of retail Clients, price and cost have the greatest significance.

Bank ensures the fulfilment of the above by acting in accordance with the provisions of Clauses 3.1-3.4.

The criterias' relative order of importance is determined by the Markets department of the Bank.

### 3.1. Deleted provision

### 3.2. Price

In case of execution at trading venues, it considers the pricing mechanisms applied there.

In case of execution outside trading venues, the Bank considers the price that is determined on the basis of the market information available to it as a reasonable price to determine the price that ensures the best possible result.

If the Bank engages an execution partner, then it shall consider the costs of employing that partner when determining the price.

### 3.3. Costs

Costs are determined in their entirety, according to the total cost concept, based on the following considerations:

#### 3.3.1. Direct execution by Bank at a trading facility

In addition to the fees and commissions charged by the Bank, costs include the charges of third parties (e.g. the fees of the trading venue or the market maker or the fees of the executing partner) and other fees paid to third parties (e.g. taxes and rates, stamp duty, clearing and processing fees) to the extent they are directly incurred by the Client.

#### 3.3.2. Indirect execution by an intermediary (e.g. broker)

In certain cases, instead of initiating execution of the order directly at the execution venue, the Bank engages an intermediary to do this in return for a commission. In such cases the commissions charged by the intermediary shall be included among the costs listed in the previous clause.

#### 3.3.3. Fixed-rate deals

In the case of fixed-rate contracts, the price includes the historical cost (i.e. price) of the financial instrument transaction costs.

#### 3.3.4. Total Costs Concept

The Bank takes into account every fee, commission, cost that is directly related to the execution of a particular order and which is to be borne by the Client when determining the most favorable execution opportunity for the Client, applying the total cost concept. Fees charged and costs incurred at each

execution venue may vary. These fees and costs are contained item by item in the relevant list of conditions of the Bank, which is available at the website [www.unicreditbank.hu](http://www.unicreditbank.hu), and is also included in the relevant agreements between Bank and Client.

With regard to the most favorable execution of the order, the Bank only considers the costs, fees and other payment obligations that are directly related to the transaction, and determines the total cost of the order on the basis of these. In the course of the most favorable execution, the Bank does not consider costs and commissions that are not directly related to the transaction.

#### 3.3.5. Application of differing fees and the conditions for accepting incentives

The Bank may apply different fees relating to execution at different execution venues. This is necessitated by the fees and costs of transactions at different trading venues, commissions when engaging third parties, public dues, duties, other compulsory fees payable in case of transactions in that particular market. Where the Bank indicates only one execution venue for any financial instrument, the costs incurred at different execution venues are not compared, and in such cases the relative speed of the execution, the probability of the execution, and the security of the settlement bears significance.

The Bank shall not make an unreasonable distinction between execution venues with the composition or imposition of its commission.

### 3.4. Further considerations for execution

In compliance with the statutory requirements, the Bank takes account of further considerations in the execution of orders:

#### 3.4.1. Speed of order execution

The speed of order execution means the length of time that elapses between the Bank's acceptance of the client's order and the time the order will be executed at an execution venue. The speed of execution depends heavily on the model applied in the selected execution venue.

#### 3.4.2. Probability of order execution

The probability that an order will be executed at a particular execution venue depends heavily on the liquidity of that execution venue. The Bank considers the risk of partial execution, which may have an indirect impact on execution costs.

**3.4.3. Type and volume of the order**  
The Bank takes the volume of the order into consideration if it has a bearing on the selection of the execution venue in respect of the price and the costs.

The Bank takes the type of the order into consideration if this type results in the exclusion of any execution venue.

**3.4.4. Order of execution**  
The Bank shall determine the order of executing the client's orders according to the following basic principles:

- completed orders shall be promptly and accurately recorded and allocated,
- otherwise comparable client orders shall be executed in the order they are taken and executed without delay (the exception to this are orders which are impossible to execute, see the execution of orders),
- the client shall be informed without delay if the Bank learns of any circumstance preventing the execution of the order.

The Bank shall not be required to promptly execute the client's order if,

- the client's order has a limit price (and at the time the order is made it cannot be executed at that price),
- among the current market conditions the order cannot be executed, or
- execution would interfere with the client's interests.

If the Bank is unable to execute the client's order, and the order refers to a share listed on a trading venue – unless the client's order qualifies as large volume in comparison to the usual market volumes of the particular market where the execution is to take place, as determined by Article 4 of MiFIR (Directive 600/2014/EU of the European Parliament and of the Council) – in the case of retail clients, such a limit price order shall be promptly made public in a way that is easily accessible for other market participants, thus facilitating the earliest possible execution of the order, unless the client has expressly instructed the Bank otherwise.

**3.4.5. Other provisions applied for achieving most favorable execution**  
In the case of one-off financial instruments unclassifiable in any of the established types, the market where the asset is to be traded shall be selected upon instructions from the client.

If the Bank is unable to execute the accepted orders at the specified markets for reasons of a banking holiday, technical difficulties or other factors preventing trade, it may use other markets, provided that it keeps its clients' interests in view.

If none of the markets used by the Bank are accessible, at the client's explicit request, other markets may be used.

If the order is received after the trading hours defined by the market concerned, the client may submit its order for the immediately following trading day or instruct the Bank to execute the order on a specified market. In connection with such client instructions, the Bank will not weigh up the various trading markets, even if in such markets the order will not or cannot be executed within a reasonable time. If the Bank executes the order on its own or has undertaken responsibility for monitoring the order, it shall do everything which can be expected of it to accurately credit the appropriate client's appropriate account on the settlement day, with any and all financial instruments and money owned by or due to the client and received during the execution of the order.

**3.5. Possibility of execution outside a trading venue**  
In accordance with this Execution Policy, the Bank has a possibility to execute Clients' orders outside of trading venues. This may occur only when the Client expressly consents to executing outside a trading venue in advance. The Client may provide such a consent either to any individual transaction to be concluded in the future or with reference to certain transactions. The Client may provide this consent to the Bank in the form of a general agreement, as well.

**With regard to execution outside trading venues, the Bank would like to draw the attention of its Clients to partner risks, based on which the settlement conditions provided by that particular trading venue shall not be applied.**

**If the Client requires further information regarding the relevant execution conditions, the Bank shall provide such information to the Client in the framework of supplementary information.**

Execution outside trading venues takes place primarily when the Bank is able to execute the transaction against its own account, as well. In this case it acts in accordance with the fair pricing principle.



**3.5.1. Request-for-quote trading (RFQ)**

It is classified as request-for-quote trading if the Bank, in relation to a particular financial instrument:

- quotes a price at the Client’s request, or
- regularly and continuously quotes prices to its Clients

and the Bank and the Client directly agree on the terms of the transaction (mainly: price/exchange rate and execution venue), and the Bank concludes the transaction at the price it quoted.

In this case the Client makes its decision on whether the price and the other conditions are suitable based on the Bank’s quote provided as above. If the Client accepts, a transaction under the best conditions in the legal relationship between Bank and Client will be generated. The Bank shall consider the market conditions and circumstances when quoting its price, and pricing, as fair price formation occurs in consideration of the available market information.

**3.6. Types of financial instruments**

In the application of this Execution Policy, the Bank categorizes financial instruments having identical conditions into types, and the provisions of this regulation determine uniform rules relating to these types, further ensuring equal treatment in respect of the instruments belonging to one instrument type.

**3.7. Scope of application**

These execution rules shall be applicable during the execution of orders placed by retail and professional clients on the purchase and sale of financial instruments.

The Bank shall act in accordance with Client instructions in case of every order where the execution venue cannot be determined unambiguously according to this Execution Policy (with special regard to individual transactions of the Client not included in this Execution Policy).

**3.8. Consolidation of orders, allocation, pairing**

The Bank retains the right to consolidate the client’s orders with other clients’ orders or the Bank’s own account transactions. Such consolidation can be performed only if it does not cause disadvantages to the client or clients in the aggregate.

However, the Bank draws attention to the fact that in certain cases the consolidation of an order with other orders and transactions may be disadvantageous for the individual order.

The Bank shall not perform re-allocation if it would be disadvantageous for its clients. In the course of a transaction performed for the Bank’s own account, the Bank shall ensure that the execution of the client’s order in concert with that of another client may not have detrimental consequences for the particular client.

If the Bank executes the client’s order together with a transaction performed for the Bank’s own account, and the execution is partial, then in the course of allocation, the deal made on the basis of the client’s order shall be executed first up to the available quantity.

If the Bank can provide authentic evidence of the fact that based on the order placed by the client without consolidation, the transaction performed for the investment company’s own account would have been performed either with less favourable conditions or not at all, the Bank can perform the allocation proportionately to its own account as well as the client’s account.

The Bank shall execute the orders with a view to the limit price and the historical order recorded in the register. If several client orders of the same type are consolidated and executed only in part, the allocation of such orders shall be made proportionately, unless an order excludes this. An order exceeding the usual market volume and consequently different from the current market price may be given preference in the course of allocation.

The Bank retains the right to pair a client order with another client order, based on its own decision, and fulfil both client orders in this way. Such pairing can be performed only if it can be expected not to cause disadvantages to the client or clients in the aggregate.

**3.9. Allocation (distribution) in case of securities offering**

In case of a public offering of securities or the listing thereof at trading venues, or if they are quoted as a result of capital increase, the allocation of shares shall be determined by the institution commissioned by the issuer to act as a lead arranger during the offering.

If the institution leading the offering fails to specify the allocation or the amount granted is too low, the Bank shall be entitled to determine the manner of allocation. Irrespective of the method of allocation, the Bank shall ensure that the allocation is performed in a fair way, with a view to the interests of every client.



#### 4. Selection process, procedures to analyze quality of execution, and their monitoring

With regard to certain instrument classes, Bank shall select execution venues in accordance with the provisions of Chapters I.2. and I.3. Following this, the Bank shall analyze the quality of execution conducted at the execution venues selected as per the above in relation to the instrument classes. In doing so, the Bank shall act as follows:

- The Bank shall determine the relevant execution venues relating to individual instrument groups based on the market analysis it has conducted. In the course of doing so, the Bank shall consider those execution venues where accessibility can be guaranteed for the Bank. During this analysis, the applied strategy of the Bank is to consider those execution venues which allow the Bank to conclude the transaction related to that particular instrument type. Out of these execution venue(s) shall be selected those execution venues which consistently ensure the most favorable execution relating to that particular instrument type.
- The Bank regularly assesses the quality of execution at the selected execution venues. In doing so, it uses the available market information to determine whether the conditions on which the selection of the execution venue were founded on are still valid, according to the system of criteria determined in Chapters I.2. and I.3.
- The Bank shall conduct the analysis and assessment at least once annually, using the method introduced in Chapter 5. The assessment may lead to the acceptance or the deletion of an execution venue, as well. Where the execution venues are modified, the Bank shall amend and publish this Execution Policy.
- The Bank may determine the following after conducting the above analysis:
  - it may conclude that only one execution venue is selected for that particular instrument type. In this case this execution venue is where the most favorable execution principle is fulfilled according to the provisions of Part I in consideration of the criteria determined in Chapters I.2 and I.3, and this venue is to be regarded as the default venue.
  - based on this analysis and assessment, the Bank may allow the execution to be carried out at multiple execution venues with regard to that particular instrument type. In this case, in order to fulfil the most favorable execution principle, the Bank may determine the order of the execution venues in consideration of the system of criteria determined in Chapters I.1 and I.3.
  - In case of financial instruments that can be traded at only one execution venue, the Bank shall forward the orders to the only available execution venue and it is to be regarded as the most favorable execution.

#### 5. Monitoring and review of the Execution Policy

The Bank possesses a suitable control process to monitor and assess the efficiency of the provisions of this Execution Policy using a process in accordance with the provisions of Clause I.4, especially the execution performance of the execution venues, and to identify any deficiencies that may occur for each type of instrument. By way of this control process, the Bank assesses whether the execution venues determined in this Execution Policy actually fulfil the system of criteria for the most favorable execution principle determined herein. Based on its result, and – if no extraordinary situation arises – at least once annually, the Bank shall assess this Execution Policy and its order execution mechanism in an internal process, considering whether the obligations determined in the Investment Act and the Directive are being met, and shall initiate additions or amendments when experiencing any deficiency or change, without delay (ordinary review).

Apart from the annual ordinary review, review is also conducted if substantial changes occur which affect the ability of the Bank to consistently execute with the best possible result, which is based on the engagement of the venues determined in this Execution Policy (extraordinary review). The Bank performs an assessment when material changes occur and considers altering the relative importance of the factors necessary to fulfil the requirement relating to the overall most favorable execution.

Material change – in the meaning of the Directive – is such an event that may affect the factors of most favorable execution, such as cost, price, speed, probability of execution and performance, the size and type of the order, or any other factor relating to the execution of the order.

During the review, the Bank monitors, according to the provisions of its internal rules, whether the reasons on which the most favorable execution principle is grounded, are present.

The Bank also reviews the Execution Policy and takes the necessary measures if such a factual change occurs that affects the fulfilment of the obligations determined by the Investment Act and the Directive. This may occur in the course of either ordinary or extraordinary review.

The Bank shall consider the criteria it determined in its internal procedure, including especially:

- the fulfilment of the criteria considered during the selection process and determined in Clause I.3,
- analyses the information available in connection with the quality of the execution and the selected Execution partners.

In doing so, the Bank shall check whether any change has occurred compared to the provisions of the Execution Policy based on the criteria that were considered during the

selection, and whether it is necessary to amend it to fulfil the most favorable execution principle, During the supervision, the Bank shall act according to its internal procedures.

## II. RULES RELATED TO THE EXECUTION OF ORDERS

### 1. Introduction

In the meaning of the provisions of this Execution Policy, and on the basis of the criteria determined in part I General Provisions, the Bank shall allocate an execution venue to each order as determined in Part II to ensure the achievement of the most favorable execution principle, depending on the characteristics of each order.

In this part II, the Bank shall determine those instrument classes whose financial instruments the Bank shall perform orders on for the Client, including forwarding of the orders and own account trading.

For certain orders the Bank may be unable to specify an execution venue if it wishes to comply with the provisions of these rules. The Bank shall accept such orders only if the client clearly specifies the execution venue. If the order is executed in the execution venue specified by the client, the Bank shall not be held accountable for ensuring the most favorable outcome achievable by selecting the execution venue. The Client shall submit its instructions on the selected execution venue separately for each order.

The Bank – confirming the provisions of Clause I.2.1 – calls attention to the fact that if the client instructs the Bank to act in conflict with the provisions of this Execution Policy, in respect of the content of such instruction, the Bank shall not apply the procedures set out in or implemented on the basis of these rules – which are intended to achieve the most favorable outcome for the Client. The Bank shall call the Client's attention to the fact that executing the order according to the Client's instructions may prevent the Bank from executing the order in the way that is the most favourable for the Client. The Bank shall not be required to inform the client of the related impacts of the Client's instructions.

### 2. Equities and equity funds

This instrument type includes equities, such as the equities listed on regulated markets (stock exchange), equities traded

at other trading venues, and other equities, and also equity funds traded at stock exchanges (e.g. ETF).

#### 2.1. Venue of execution

In the case of domestic and foreign shares, the Bank shall execute the orders on a stock exchange (in regulated markets) where it is a direct or indirect participant.

The orders are executed on the domestic exchange of the particular security which provides the highest liquidity, speed and cost efficiency for the client. The **domestic exchange** is in each case the exchange where the issuer comes from, or if there are several such exchanges, then the leading stock exchange (regulated market). A particular equity is traded in a market other than the domestic one if the client clearly instructs so. Preference is given to markets where the Bank is a direct participant.

In the case of orders pertaining to securities traded in markets where the Bank is not a direct participant, the Bank shall use intermediaries (execution partners), who execute the orders on their own markets.

In the case of standardized execution venues (regulated market, MTF) where the Bank is a direct participant, the orders are promptly entered in the electronic trading system during trading hours. Orders received after the official hours of the trading time shall be forwarded to the trading platforms on the next business day.

The Bank accepts orders for the purchase and sale of equity instruments in regulated markets (stock exchanges) / MTFs, and their purchase and sale at limit or market prices outside trading facilities.

In the case of market-price share-purchase orders to be executed at trading facilities, the Bank may require that the Client provide the coverage for the purchase at a value increased by the maximum value of the price-fluctuation band as determined in the effective regulations of the trading facility, and that the Client pay the brokerage fee at the same time.

If a particular financial instrument cannot be traded on the stock exchange or on the MTF at the time of giving the order, or unexpected events take place during trading, the Bank shall not post further orders to the stock exchange (trading platform) before order is restored. In connection with the orders that have already been posted, the Bank shall take the required actions to execute the orders after the order of trading is restored.

**2.2. Domestic shares (shares listed on BSE)**

Unless requested otherwise by the Client, shares listed on the Budapest Stock Exchange are traded on the Budapest Stock Exchange (BSE), which is the execution venue providing the best expected prices at the lowest costs.

As the Bank considers speed and cost-efficiency as well as the highest liquidity when executing these equities, it gives purchase and sale orders via the electronic stock exchange system of the BSE.

**2.3. Foreign shares**

Foreign shares are basically traded in the domestic regulated market for each share, i.e. the local stock exchange. The Bank executes orders for these shares with the assistance of intermediaries, who ensure the best possible price and the most favorable execution and are members in or have access to the particular stock markets (regulated markets), however, based on the action of the intermediaries, in accordance with the above criteria, execution may take place via other markets, as well.

**3. Government securities, corporate bonds, other debt securities**

This type of instruments includes government bonds, interest-bearing and discount treasury notes, corporate / bank bonds and other debt securities

With regard to these instruments, the Bank shall execute these transactions concluded with the Client against its own account – unless regulated otherwise by this Execution Policy – considering the fact that, in this regard, the Bank shall be able to ensure the best expected price and lowest cost by executing against its own account.

**3.1. Hungarian government securities, corporate bonds, other debt securities**

Orders given in the course of the primarily distribution are executed outside of trading venue and in accordance with the issuance documentation of the respective

government securities and corporate bonds. Secondary market orders on retail Hungarian government bonds<sup>1</sup> and corporate / bank bonds are executed to clients directly from the Bank’s own account. The Bank considers this to be the most favourable for the client, as this is the way to ensure best execution considering the volume of orders, settlement costs and the speed of settlement. Deals shall be made at a fixed price established jointly by the Bank and the client. Secondary market orders on Hungarian government bonds other than retail government bonds are executed against UniCredit Bank GmbH’s own account.

**3.2. Foreign government securities, corporate bonds, other debt securities**

Similarly, to Hungarian government bonds, orders on foreign government bonds and corporate / bank bonds are primarily also fulfilled from the Bank’s own account. The Bank considers this to be the most favorable for the client, as this is the way to ensure best execution considering the volume of orders, settlement costs, the speed of settlement and pricing.

**3.3. Certificates issued by UniCredit Bank GmbH (its former name: UniCredit Bank AG) and UniCredit SpA**

Subscriptions and sale and purchase transactions on the secondary market of a particular certificate are performed outside a trading venue according to the provisions of the Base Prospectus and the Final Terms. For subscriptions the fees indicated in the Final Terms and on the subscription form shall be applicable. Sale and purchase transactions on the secondary market are performed on the rate quoted by UniCredit Bank GmbH, as concerns the fees of the transaction, the actual list of conditions shall be applicable.

**4. Investment funds units**

The investment fund units traded by UniCredit Bank are issued, redeemed and reclassified on the basis of the current prospectus and operating rules pertaining to the particular fund. The Bank shall act in line with the prospectus and operating rules both in respect of the settlement days and the applied net asset value. In terms of the fees charged for trading, current business terms and conditions shall prevail.

Transactions shall be fulfilled in compliance with the provisions of the prospectus and operating rules.

<sup>1</sup> Retail Hungarian government bonds are: government bonds named as FIX MÁP, PMÁP, BMÁP, 1MÁP and MÁP Plusz

The Bank may use an intermediary if required to execute the order. All orders relating to the subfunds of onemarkets Fund is executed by UniCredit Bank GmbH acting as UniCredit Bank's broker.

### 5. Derivative transactions

This type of instruments comprises derivative contracts such as options, futures, forward rate agreements, swaps and other derivative agreements. These financial instruments are related to securities, currencies, interest rates or yields and other derivative instruments, financial indices or financial indicators, and materialize in a physical form or as cash.

In addition, this instrument type comprises commodity market products, which may include forward swap and option transactions for the value of the commodity. Since in case of the financial instrument types listed above, only standardized and non-standardized transactions differ with regard to the procedure that achieves the most favorable execution

principle, therefore the provisions of Clauses 5.1 and 5.2 are to be applied for all the instrument types mentioned.

#### 5.1. Domestic standardized (stock market) derivatives

Domestic standardised derivatives are traded in the Budapest Stock Exchange (BSE), where the best expected price is provided at the lowest costs.

As for domestic standardized derivatives, in addition to the highest liquidity, the Bank takes speed and cost-efficiency into account, therefore it gives purchase and sale orders via the electronic stock exchange system of the BSE.

#### 5.2. Non-standardized derivative agreements

Orders on non-standardized (OTC) derivative instruments are executed against the own account of the Bank, in consideration of the fact that in this regard the Bank is able to provide the expected best price and the lowest cost in general by executing against its own account. During the execution of these transactions, the Bank ensures the realisation of the most favorable execution principle by reasonable pricing.

## III. CLOSING PROVISIONS

The Bank's current Execution Policy is available at the Bank's branches or can be downloaded at [www.unicreditbank.hu](http://www.unicreditbank.hu). In case of any discrepancies between the Hungarian text of the Execution Policy and the present English text, the Hungarian version shall prevail.

Effective date of modifications: 15 February 2024

Budapest, 15 February 2024

UniCredit Bank Hungary Zrt.

ANNEX

List of execution venues<sup>2</sup>:

Class of instruments	Execution venue	Designation of execution (performance) partner
Shares, ETF issued in Hungary, listed on BSE	BSE	-
Shares, certificates, ETF listed in foreign trading venues	UniCredit Bank GmbH Prague Stock Exchange Warsaw Stock Exchange Zagreb Stock Exchange Ljubljana Stock Exchange Belgrade Stock Exchange	UniCredit Bank GmbH Patria Finance AS Pekao Investment Banking Zagrebacka Banka DD UniCredit Bank Serbia Jsc.
Other OTC shares, certificates	UniCredit Bank GmbH	UniCredit Bank GmbH
Auction and subscription orders relating to Hungarian government securities	UniCredit Bank Hungary	UniCredit Bank GmbH
Hungarian government securities	UniCredit Bank Hungary	UniCredit Bank GmbH
Hungarian bonds, other debt securities	UniCredit Bank Hungary	-
Investment units traded by the Bank	UniCredit Bank Hungary	-
Investment units of subfunds of onemarkets Fund traded by the Bank	UniCredit GmbH	UniCredit Bank GmbH
Other investment units (not including ETF)	UniCredit Bank Hungary	-
Derivative transactions (futures, options) traded on BSE	BSE	-
Derivative transactions traded at foreign trading venues	UniCredit Bank GmbH	-
Derivative transactions (currency, interest, etc.) not traded at trading venues	UniCredit Bank GmbH UniCredit Bank Hungary	UniCredit Bank GmbH

<sup>2</sup> It is indicated, if relevant, for which client category and which financial instrument the execution venue/partner is to be considered an execution venue. In other cases, the execution venue/partner in question is to be engaged for all instrument categories and for both retail and professional clients.

