



## Order Handling Policy

### 1. Introduction

The Order Handling Policy (hereinafter referred to as “Order Handling Policy” or “Policy”) sets out MAINFIRST BANK AG’s (“MAINFIRST” or “Bank”) background information on order handling providing the best possible result when accepting an order and executing a transaction for Professional Clients as required according to the Markets in Financial Instruments Directive 2014/65/EU, related technical standards respective national law and additional guidance by national regulatory bodies (together “MiFID II”). The policy covers also the arrangements taken regarding the Markets in Financial Instruments Regulation 600/2014 (“MiFIR”).

### 2. Scope and Capacity

MAINFIRST participates on different regulated marketplaces and facilities. A summary is available on [www.mainfirst.com](http://www.mainfirst.com). MFB regularly evaluates which regulated marketplaces, third party liquidity providers (TPLs), multilateral trading facilities (MTFs), Organised Trading Facility (OTF) or Systematic Internalisers (SIs) are used for order execution in financial instruments.

The Order Handling Policy (hereinafter referred to as “Policy”) applies to all orders received from clients by MAINFIRST for execution as principal or agent in respect of financial instruments governed by Annex I, Section C, MiFID II, and services governed by Annex I, Section A, MiFID II (together the “Services”).

The Policy also applies to orders received by MAINFIRST SCHWEIZ AG or MAINFIRST SECURITIES US INC. within their function as introducing brokers, and afterwards transferred to the Bank for execution.

The Policy shall be seen in conjunction with the MAINFIRST Best Execution Policy published on [www.mainfirst.com](http://www.mainfirst.com) and details aspects of the policy.

### 3. Obligation

Under MiFID II and MiFIR MAINFIRST will take all sufficient steps to execute such transactions in financial instruments on terms most favourable to clients on a consistent basis (“Best Execution” or “Best Execution obligation”). As a consequence, MAINFIRST monitors on a regular basis not only the execution quality obtained but also the quality and appropriateness of its execution arrangements and policies on an ex ante and ex post basis to identify circumstances under which changes might be appropriate.

## 4. General principles

MFB will take all reasonable steps to ensure:

- (1) That all orders that are executed on behalf of clients are promptly, accurately and fairly recorded and allocated.
- (2) That all comparable client orders are carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interest of the client require otherwise.
- (3) That the settlement process works as smooth as possible.
- (4) That information relating to client, pending and executed orders is not misused by any employee.
- (5) That MFB does not receive any remuneration, discount or any non-monetary benefit for routing an order to a particular regulated market place or trading venue based on inducement rules as stated in the MAINFIRST Code of Conduct.
- (6) That the client is informed on request regarding execution venue and execution quality.

Please note that whenever MFB receives a specific execution instruction from the client MFB will execute the order according to the specific instruction given by client. Otherwise we execute based on MAINFIRST Best Execution Policy

## 5. Aggregation and allocation of orders

MFB will only carry out client orders or transactions in aggregation with another clients order if the following conditions are met:

- (1) That the client has not explicitly excluded all or individual orders from aggregation.
- (2) That it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of the client whose order is to be aggregated.
- (3) That it is disclosed to each client whose order is to be aggregated that the effect of the aggregation may work to its disadvantage in relation to a particular order.

MFB monitors, assesses and reviews on an annual basis or ad hoc the effectiveness of its order handling arrangements in order to identify and, where appropriate, correct any deficiencies and improve the quality of execution service to clients.

## 6. Prior express consent to execute orders outside a trading venue

order handling or/and best execution.

Frankfurt am Main, 1. April 2019

**MAINFIRST BANK AG**

EU legislation requires MAINFIRST to obtain client's prior express consent before executing any order outside a trading venue<sup>1</sup>.

Where the Bank trades on an over-the counter basis (OTC) is obliged to:

- (1) Verify if the client has not explicitly excluded all or individual orders from OTC trading.
- (2) Verify the fairness of the price proposed to the client by gathering available market data.
- (3) Provide appropriate information about trades carried out with third parties outside a market place/trading venue, where a client requests that information.

Only orders regarding instrument which are permitted to be traded on a trading venue are affected by this consent. If an instrument cannot be traded on a trading venue the bank does not need any permission to execute on an OTC basis.

If MAINFIRST trades OTC there may be consequences such as counterparty risk etc., which could be disadvantageous for the client.

## **7. Prior express instruction not to make public limit orders, which are not immediately executed**

Under MiFID II (in addition to, as is currently the case, shares admitted to trading on a regulated market) MAINFIRST is now required to make public client limit orders in respect of shares traded on a trading venues which are not immediately executed under prevailing market condition, unless a client expressly instructs otherwise. By agreeing the express consent form regarding this item, the client instructs us not to make public such limit orders.

If there is no instruction MAINFIRST believes that it is in the best interest of the client if the Bank uses its discretion to decide if such order should be made public or not, while safeguarding the interest of the client. When an order is placed with the Bank and cannot be immediately executed MAINFIRST will not publish the client limit order, whilst it remains unexecuted, unless the Bank believes it is in the interest of the client to do so.

## **8. Monitoring and Reviews**

MFB monitors, assesses and reviews on an annual basis or – if needed - ad hoc the effectiveness of its order handling arrangements in order to identify and, where appropriate correct any deficiencies and improve the quality of execution service to clients.

In order to maintain this client order handling policy in line with client demands and in compliance with applicable rules and regulations MFB will review the policy at least annually and whenever there is a material change that affects

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<sup>1</sup> In accordance with Art. 27 par. 5 of Directive 2014/65/EU (MiFID II); means outside a regulated market or MTF