EXECUTION POLICY & CLIENT INFORMATION
FUTURES,CFD-&FOREX

Client information on the services of FXFlat Bank GmbH within the framework of the Trading account

1. GENERAL

The following presentation serves to classify the services of FX-Flat Bank GmbH (hereinafter: the Bank) and is intended to provide the client with an introductory overview. The Bank offers its Clients the execution of orders in the area of contracts for difference (CFD) and futures on financial instruments, indices, interest rates, currencies and other underlyings, as well as in the area of spot foreign exchange transactions (FOREX). In this context, either execution transactions are concluded with foreign banks acting as market makers for the account of the client, or intermediate commission agents and other third parties domiciled in Germany or abroad are commissioned by the Bank to do so. In this respect, the Bank will only be liable for the careful selection of the intermediate commission agent or other third parties. In this context, the financial assets of the client are deposited in the name of the bank in a collective escrow account of Sparkasse Hilden-Ratingen-Velbert.

The client's electronic connection to the Bank is based on a separate agreement between the client and the provider of the connection software; the Bank therefore does not provide the client with connection software and hardware. The Bank does not offer investment advice (execution only). The Bank receives fees for its services. The Bank is entitled to quote the fees listed in the List of Prices and Services to the client as a total price comprising the execution price and the commission, to collect these fees by debiting the collective escrow account and to pass on the execution price to the market maker, intermediate commission agent or other third party and to retain the commission. Alternatively, the market maker, intermediate commission agent or other third party is entitled to add the fee to which the Bank is entitled to the price of the execution transaction and to transfer the portion of the fee to which the Bank is entitled to the Bank. The Bank is entitled to receive the commissions in this way.

2. MARGIN CALLS

When concluding transactions in certain financial instruments, the investor may be required to make further payments to offset losses from the transaction (margin call). In particular, transactions with leveraged financial instruments (e.g. futures, spot exchange transactions, contracts for difference - CFD) involve the risk of losing more than the original capital invested in the event of a loss.

2.1. Margin call according to Client status

2.1.1. No margin call for private clients when trading in CFDs and futures

For clients who are not classified as professional clients within the meaning of the WpHG, a margin call liability is excluded for transactions that are aimed at trading CFDs or futures.

2.1.2. Margin call for professional clients

Professional clients within the meaning of the WpHG are required to make margin call in CFD, futures or spot exchange transactions to the extent of the trading conditions. If the client's credit balance is not sufficient to settle a required margin call, the client will immediately pay the difference into the collective escrow account for the benefit of the Bank.

2.2. Margin call liability according to account model

Insofar as the following provisions relate to the "Professional Plus" service package, these provisions will only apply to users of this package with a contract concluded by 23.11.2022. Provisions on the "Professional Classic" service package apply without restriction to all professional clients.

2.2.1. Initial or subsequent "Professional Classic Account" with margin calls

For so-called Professional Clients and so-called Eligible Counterparties, if the account package "Professional Classic Account" is selected or if the trading assets exceed EUR 100,000, there is a margin call commitment, i.e. the Professional Client must settle all claims arising from the transaction carried out for him, including all fees, even if they exceed the assets held by him in the collective escrow account with the Bank. The client will be informed by the Bank of his classification as a Professional Client and of his allocation to the "Professional Classic Account". A Professional Client that is initially not subject to margin calls may become a Professional Client subject to margin calls if his trading assets exceed EUR 100,000; conversely, a Professional Client may again become a Professional Client not subject to margin calls by reducing his trading assets in a timely manner.

2.2.2. The regrouping of "Professional Plus Account" (without margin calls) into "Professional Classic Account" (with margin calls) - avoidance option

An "Initial Margin Call" arises if the Professional Classic Account service package is selected or if a deposit is made in the context of the establishment of a commercial relationship to a collective escrow account prior to the issue of the first order for this collective escrow account in the amount of more than EUR 100,000. Several individual deposit transactions will be deemed to constitute one deposit and the amount of EUR 100,000 will be exceeded if EUR 100,000 is credited to the fiduciary bank, notwithstanding any immediate deduction of fees by the fiduciary bank. The client will be informed about the assignment to the service package "Professional Classic" in deviation from a choice of the service package "Professional Plus" by email and/or mailbox. If the "Professional Plus" service package is applied, the duty to make additional contributions arises if the total assets (equity) in the client's collective escrow account exceed EUR 100,000 at the end of the day and the client does not transfer the total assets below EUR 100,000 to the target account by means of a transfer order within 24 hours of receiving the information email about the regrouping into the "Professional Classic" service package. The end-of-day balance shown in the trading system under "Equity" or "Available balance" is decisive for the total assets, both for exceeding and for falling short within 24 hours. The client will be informed of the imminent occurrence of the margin call and the imminent different allocation to the "Professional Classic" service package by email and/or postbox message, together with a reference to the possibility of avoiding the margin call by means of a transfer order to the target account.

In general, the professional Client can apply to be classified as a private Client with effect for the future and thus change to a margin-free account model; however, FXFlat is not required to conclude or change the contract.

2.3. Duty of the client to check his email account and mailbox

The client is required to constantly check not only the mailbox of the trading system, but also the email account specified by the client and the email account used for correspondence with the Bank.

2.4. Margin call liability also for positions concluded and orders placed before regrouping

All open positions and orders which were concluded prior to the application of the "Professional Classic" service package with the associated margin call fall within the scope of the "Professional Classic" service package, i.e. they are subject to a margin call if the closing of these positions takes place after the application of the "Professional Classic" service package. For the margin requirement, therefore, it is not the entering into the position or the order (regrouping into the absence of a margin requirement) that matters, but the closing of the position.

All open positions and orders which were concluded prior to the application of the "Professional Plus" service package with the associated exemption from margin calls continue to fall within the scope of the "Professional Classic" service package and are therefore subject to margin calls even if these positions are closed after the application of the "Professional Plus" service package. This means that it is not the entry of the position or order that is relevant for the margin liability (regrouping into margin liability), but the closing of the position.

3. SERVICE AND CONTRACT-RELATED INFORMATION

3.1. Essential characteristics of the service

Commission services are offered in connection with the conclusion of a CFD transaction (contract-for-difference) or a spot exchange transaction: This means the conclusion of a transaction by the Bank with third parties for the account of the client on an order-by-order basis or the commissioning of intermediate commission agents to conclude such transactions (commission business). The Bank will conclude the execution transactions for commission orders with the counterparties named in the current execution policy or appoint them as intermediate commission agents in accordance with its execution policy; since each of these is a market maker for CFD contracts and spot exchange transactions and the client selects this market maker as the counterparty for the execution transaction when placing the order, the notice of the execution of an order for one of these classes of financial instrument will also be deemed to be the designation of the counterparty. The client bears the credit risk of the commercial partner or a third party. The Bank will not be liable for the execution of the concluded transactions by the counterparty or the third party. Orders are usually placed by the client through the electronic trading system provided. A deposit into a collective escrow account is required to trade.

In the case of futures transactions, the order is usually executed through the involvement of a third party who has access to the futures exchanges or who in turn involves third parties. In this context, the content and settlement of the execution transactions is determined by the statutory requirements of the so-called central counterparty. The transfer of the statutory position arising from the execution transaction concluded by the Bank itself or the assumption of transactions concluded for the account of the Bank (so-called "give-up transaction") will be effected by the automatic - i.e. without any further action on the part of the client - creation of a mirror-image, identical statutory position between the Bank and the client. The parties therefore agree that the statutory relationship between the Bank and the client will be governed as appropriate by the statutory provisions, contracts and General Terms and Conditions of the central counterparty in whose settlement system the transaction was entered; these will take precedence over the provisions of the order, the transaction, the contract specifications, the other information and notices published in the trading system as well as these GTC and the framework agreement. This also applies to the content and settlement of the contracts or transactions, e.g. with regard to the time of exercise, the term or the requirement of collateral (margin and margin call) as well as the suspension or discontinuation of the settlement of transactions by the central counterparty existing at the execution venue and by other intermediate commission agents or third parties commissioned by the Bank to execute the order. To the extent that the Bank has appointed intermediary commission agents or other third parties to execute orders and these have imposed duties on the Bank that go beyond the rules and regulations of the central counterparty (e.g. higher collateral requirements than those of the central counterparty), these duties apply in addition to the overriding law.

In the case of future transactions, the client also bears the credit risk of the commercial partner or the commissioned third party. The Bank is not liable for the fulfilment of the concluded transactions by the counterparty or third parties. Orders are usually placed by the client through the electronic trading system provided. A deposit into a collective escrow account is required to trade.

In the case of CFDs, spot foreign exchange transactions and future transactions, the deposit must be sufficient in relation to the current position value, which depends on the current price of the underlying security, and other claims on an ongoing basis to avoid a forced closure of the position or realisation of the securities holdings. The virtual account displayed in the electronic trading platform is decisive for the adequacy of the funds maintained by the client. All of the client's assets in the collective escrow accounts are pledged for all claims of the Bank against the client arising from all business areas of the entire commercial relationship and serve as collateral. For the provision of the trading system, the conclusion of transactions with third parties, the General Terms and Conditions will apply as amended from time to time. A CFD transaction, a spot exchange transaction or a future transaction is ultimately a speculation on the future execution of the security or underlyings (shares, indices, currencies, etc.) or of currencies with a partial advance duty on the part of the client depending on the current level of the underlying in relation to the contract value, which the Bank concludes with third parties in the name and for the account of the client. This means that CFD transactions, future transactions or spot foreign exchange transactions are associated with risks for the client.

3.2. Orders to conclude CFD trading transactions, future transactions and spot foreign exchange transactions

A CFD or futures contract, like a spot foreign exchange transaction, is a contract for difference that targets the price movement of the underlying asset. It is aimed solely at settling in money the difference between the stated prices of the contract at the time of opening and at the time of closing. By operating the Trading System, the client gives the Bank an order to open or close a contract with third parties acting as market makers or to further instruct third parties accordingly; the Bank will endeavour to execute this order.

The Bank does not offer investment advice. The claims and demands between the Bank and the client arise from the statutory and economic position between the Bank and the market maker or the commissioned third party. During trading hours, the market makers or exchanges generally quote prices which are communicated to the client by the Bank in the electronic trading system and at which the client can place orders for openings and closings, provided that the price is reached again. An advance payment in the form of a deposit into the collective escrow account (margin) is required to open a contract, and during the term of the contract the client is required to maintain a sufficient amount of these funds at all times. These deposits of the client are used by FXFlat to settle margin and settlement claims of the market maker or commissioned third parties, to cover commission fees and other claims against the client. As the contract value evolves in line with the execution of the underlying asset, further payments may be required to avoid a forced closure. The virtual account shown on the electronic trading platform will be decisive for the adequacy of the funds maintained by the client in the collective escrow account. In addition, the Bank is entitled, at its due discretion, to order compulsory closures irrespective of the reported Client assets and the reported margin calculation. The client is continuously informed in the electronic trading system about the value of the contract and the status of his transaction. The Bank will endeavour, without being required to do so, to inform the client of an impending forced closure. The client is required to constantly monitor its business activities and the fulfilment of the contracts. If the client does not make any further payments or if these are not made on time, the contract will be compulsorily terminated, even if this means a loss for the client.

3.3. Overnight positions are not possible for spot foreign exchange transactions.

If a spot foreign exchange transaction is open at that time, the Bank initiates the forced closure and closes the position without further warning or notice to the client. The client may also be required to pay additional premiums as a result of such forced closure.

Margin calculation and forced closures for orders to conclude CFD and spot FX transactions and futures transactions are executed on an aggregated basis. This means that in the event of a shortfall in the account due to a spot FX transaction, the CFD position may also be forcibly closed and vice versa.

In the case of future transactions, the following special features also apply:**The client must close each futures contract by the time announced and published in the trading system.**If a futures contract is open at that time, the Bank will initiate the forced closure and liquidate the futures position without further warning or notice to the client. The client may be required to pay additional premiums as a result of such forced closure. Margin calculation and forced closures for orders to conclude CFD and spot FX transactions and futures transactions are executed on an aggregated basis. This means that in the event of a shortfall in the account due to a futures, a forced closure of the CFD position may also occur and vice versa.

3.3.1. No investment advice/information on the appropriateness test

The Bank executes the client's orders (without prior investment advice). The Bank may only offer its non-advised investment services to Clients if they are appropriate for the clients. In this context, the Bank is required to check whether an investment service is suitable for the client. An investment service is suitable for the client if it meets the client's investment objectives, the resulting investment risks are financially acceptable to the client and the client is able to understand the resulting investment risks on the basis of his experience and knowledge. In order to be able to execute this examination within the context of the establishment of the commercial relationship, the Bank requires information from the clients about their knowledge and experience with regard to transactions in financial instruments and investment services, about their investment objectives, their risk tolerance and their financial circumstances. Before executing an order and carrying out a transaction, the Bank is required to check, on the basis of the information available to it, whether the client has sufficient theoretical knowledge and practical experience to be able to adequately assess the risks associated with the specific order or the intended transaction. The review may result in the client pointing out what it considers to be a possible lack of appropriateness of the order or transaction. The order or transaction will then only be executed with the express consent of the client. Experience and knowledge of the client are determined on the basis of the information provided by the client when establishing the commercial relationship and on the basis of the orders and transactions carried out. To the extent that general price and market information is made available to the client by the Bank, this information is exclusively for the purpose of providing information on data from third parties which has not been subjected to any verification by the Bank. This data is subject to the client's own assessment. The client has no right or duty to obtain price or market information relevant to him.

3.3.2. Type, frequency and timing of client information on transactions, fiduciary accounts, costs and products/client duty to control all communication channels

The client receives information on order executions, trades, fees, securities account balances, costs of order executions, realised and pending profits and losses, entries and status of the trade balance (virtual account and securities account) and margin requirements online via the electronic trading system. In addition, the client will receive a balanced end-of-day report the next day by email and/or mailbox from the electronic trading system, listing the information presented in the electronic trading system at the end of the previous day, as well as a financial report in the same manner and scope within two weeks after the end of the month. The client is required to monitor their positions and the margin requirement at all times themselves and on his own responsibility and to ensure that the collective escrow account is balanced without delay.
The Bank makes the information on cost transparency and on the products, consisting of the Pre-Trade Cost Calculator, the Cost Information Sheet and the Product Information Sheets (Key Information Documents KIDs), available to Clients on the website www.fxflat.com/de/cfdhandel/kosten-transparenz. In addition, there is further post-trade information such as post-trade cost transparency, which is posted to the trading system's mailbox within six weeks of the end of the quarter.
The bank will conclude the execution transactions for commission orders or the commissioning of third parties with the business partners named in the current Execution Policy; since this is a market maker or commissioned third party in each case for CFD contracts, futures and spot exchange transactions and the client selects this third party as the counterparty for the execution transaction when placing the order, the notification of the execution of an order for one of these classes of financial instruments is deemed also to be the designation of the counterparty. The client is required to constantly check not only the mailbox of the trading system, but also the email account specified by the client and the email account used for correspondence with the Bank, in particular with regard to announcements of forced closures. This applies in particular, but not exclusively, to Clients who are not subject to margin requirements and hold positions that are at risk of becoming overnight, weekend or holiday positions. The Bank will not be liable for any loss of profit resulting from a corresponding forced closure.

3.3.3. Risk notice and notice of price fluctuations

CFD trading transactions, future transactions and spot foreign exchange transactions are associated with particular risks due to their specific characteristics or the transactions to be carried out. The following risks in particular are worthy of mention:

- Price change risk Contract/underlying
- Currency fluctuation risk
- Total risk of loss
- Credit risk (default risk or insolvency risk) of the market maker/ commissioned third party/central counterparty

The price of a client position is subject to fluctuations on the financial market over which the Bank has no influence. This means that a contract or the purchase or sale of a security cannot be revoked. In the case of an open position, the client may be forced to close the position and suffer quite substantial losses in the event of a negative price trend. This applies in particular to overnight accommodation. Past returns and capital appreciation are not indicative of future returns and capital appreciation.

3.4. Details of payment and execution

Collective escrow account: Deposits and subsequent payments are to be made by the client to the collective escrow account. The credit balance on the collective escrow account is a security or advance payment made by the client in favour of the Bank for the order to conclude financial contracts for differences or securities transactions. Such collateral and advances from the client may be used by the Bank to settle claims of the market maker/central counterparty or appointed third parties and to settle all related claims. No interest is paid on the balances in the collective escrow account. Withdrawals from the collective escrow account will be made by the Bank to the target account designated by the client or the account used by the client for the deposit.
trading account: In the electronic trading system, all transactions carried out by the Bank for or with the client and existing positions - including unrealised profits/losses and claims - are displayed to the client during the day and compiled in a daily report on the next trading day and listed monthly in the financial report and made available to the client in the agreed form (mailbox of the electronic trading platform or email). The trading

account alone is decisive for the status of mutual claims.

Opening and closing of contracts/fulfilments: The Bank executes commission transactions immediately after the conclusion of an execution transaction with the market maker/Central Counterparty or the Intermediary Commission Agent, whereby the claims and receivables from the execution transaction (profits and losses) are credited or debited to the client's trading account as receivables or claims, including the Bank's receivables from the service.

Voluntary additional contributions by the client: The client may pay additional contributions into the collective escrow account within the time limits specified in the "Special Conditions" in order to avoid the forced closure of a contract.

Trade-related notices: Notices relating to the client's business activities, including open contracts and their valuation, forced closing notices as well as entries to be made on the trading platform, will be sent to the client in the agreed form (letterbox of the electronic trading platform or email).

3.5. Prices, costs and taxes

The current prices for the Bank's services, which are debited to the margin account as claims of the Bank, can be found in the currently applicable "List of Prices and Services". The currently applicable "List of Prices and Services" is available on the Bank's website and will be sent on request.

In the case of commission orders in CFD trading, futures trading and spot exchange transactions, the Bank is entitled to charge the client the fees to which it is entitled as a charge on the price quoted to it by the market maker. In this case, the Bank will therefore be entitled to inform the client of the total price, consisting of the execution price and commission, and to debit the client by debiting the collective escrow account, as well as to pay the execution price to the market maker and to retain the fees. Alternatively, the market maker is entitled to add the fee due to the Bank to the price of the execution transaction and to transfer the commission share due to the Bank to the Bank and the Bank is entitled to receive the commission in this way.

The client's costs, which are debited to the trading account as claims of the Bank, also include the "financing amount" in accordance with the "Special Conditions" in the case of over-night positions of the client. This cost base can be viewed on the Bank's website under "Contract Specifications".

The client's costs also include the fact that no interest is paid on his credit balance in the collective escrow account, whereas in the case of negative balances the client has to pay default damages of 8% p.a. The client's costs also include the fact that, in the case of a collective escrow account currency other than the currency of the underlying asset of a contract, a conversion is carried out in accordance with the exchange rate of the European Central Bank for the conversion of currencies from the base currency to the account currency valid for the relevant business day.

Any costs incurred by the client, such as telephone or postage costs, will be borne by the client. The Bank does not charge separate communication fees.

The income from the transaction is generally taxable. Depending on applicable tax law, capital gains and/or other taxes may be payable to the relevant tax authority on the disbursement of income and sales proceeds, thereby reducing the amount payable to the client. In addition, taxes may be incurred that are not paid directly through the Bank. The client instructs the Bank to automatically pay the applicable church tax, provided the Bank is aware of it. If the client has any questions, he should contact his tax advisor or the tax authorities.

In addition, in the case of commission orders, the Bank receives a portion of the trading proceeds from the market makers, if any. For information on these allocations, see IV.

3.6. Execution principles in commission business and execution venues

The following commission execution policy represents the Bank's internal arrangements for obtaining the best possible result for the client when executing orders. A breach of the duty of best execution does not apply if the Bank does not achieve the best possible result in an individual case despite executing the order in accordance with the execution policy. The Bank will act as a service provider in accordance with the relevant passages of the "Special Conditions" and will accordingly conclude execution transactions or instruct third parties to conclude such transactions, who may in turn instruct further third parties:

- CFD transactions/spot exchange transactions:
  Finalto Trading Ltd, 20 Primrose Street, London, EC2A 2EW, United Kingdom (Market-Maker)
  StoneX Europe Ltd; Hadjikyrakion Building 1, 121 Prodromou Avenue, 2064 Stovolos, 1st Floor, Office 123/124, Nicosia, Cyprus
  Scope Markets Capital Ltd; Gladstonos 116, M. Kyprinanou House, Floor 3 & 4, Cyprus
  Amana Capital Ltd; Kristelina House, 3 Floor, Archiepiskopou, Makariou III, Mesa Geitonia, 4000, Limassol, Cyprus
- Futures:PhillipCapital UK (trading name of King&Shaxson Capita lLimited), Candlewick House, 120 Cannon Street, London

For both the price formation and the business activities of the market makers, intermediate commission agents, third parties or trading venues that lead to the conclusion of execution transactions for the account of the client between the Bank and the market makers or third parties, we refer to the respective execution policies of the market makers or trading venues.

Changes and additions will be announced on the trading platform. These market makers, appointed third parties or trading venues are accordingly the execution venue for the client's orders; both the pricing and the business activities of the market makers, appointed third parties or trading venues leading to the conclusion of execution transactions for the client's account between the Bank and the market makers or central counterparties are dependent on specific predetermined factors prevailing at the market makers and third parties, such as market movements and the valuation of the underlying, unusual market situations, hedging options of the market maker or the operational readiness and speed of the trading system of the market maker or statutory requirements of the central counterparty. The Bank has no influence on these factors. However, the Bank will review and regularly monitor the quality of execution at least once a year and, if necessary, work to remedying any deficiencies.