

Citigroup Global Markets
Deutschland AG

EXECUTION POLICY

December 2013



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This policy, which we refer to as the “General Policy”, sets forth the general basis on which Citigroup Global Markets Deutschland AG (we refer to ourselves in this policy as “CGMD”, “we” or “us”) will provide “best execution” as required by the European Union’s Markets in Financial Instruments Directive ” as implemented into German law by the German MiFID Implementation Act (“*Finanzmarktrichtlinie-Umsetzungsgesetz*”) and by the Regulation Specifying the Conduct of Business Rules and Organisational Requirements for Investment Firms –*Wertpapierdienstleistungs-Verhaltens-und Organisationsverordnung* (“WpDVerOV”) (known as “MiFID”). CGMD is a wholly-owned, indirect subsidiary of Citigroup Inc. (“Citi”).

The General Policy is divided into six sections:

- Scope and Purpose
- Achieving Best Execution
- Compliance with Client Instructions
- Choosing an Execution Venue
- Updating the Policy

This policy applies to non-retail business only.

I. Scope and Purpose

What is the purpose of the Policy?

We value our relationship with all of our clients, and we strive in all cases to act fairly and reasonably in dealing with our clients. Additionally, in certain cases where we are providing order execution services to our clients, we are required under MiFID to establish and comply with a policy on best execution. The purpose of the Policy is to fulfil that obligation to our clients in a clear and concise manner. You will have to provide your consent to this policy before placing an order with us after 1 November 2007. By signing the CGMD MiFID Declaration of Consent Form you provide such required consent.

When does the Policy apply?

The Policy applies when we are executing an order on your behalf in respect of any of the financial instruments covered by MiFID. This will be the case when:

- We purchase or sell financial instruments in our own name for your account. (i.e. we provide principal broking services - *Finanzkommissionsgeschäft*);
- We purchase or sell financial instruments on an own-account basis as service for you (i.e. we provide own-account trading for others – *Eigenhandel für andere*); and/or

- We purchase or acquire financial instruments in your name and for your account (i.e. we provide contract broking services – *Abschlussvermittlung*).

In general, the Policy will not apply when we are not executing an order on your behalf, or where we transact with you but not on the basis of having received an order from you. This would be the case:

- To the extent that we are following your instructions to execute your order in a particular manner.
- When you are categorised by us as an “Eligible Counterparty”. (You have been notified of your categorisation before 1 November 2007 or thereafter, when your client relationship with CGMD started. In case of doubt as to your categorisation, please contact your relationship manager or mifid.questions.germany@citi.com .).

The financial instruments covered by MiFID include most financial instruments but do not include:

- Spot FX transactions; and
- Spot commodity derivative transactions.

The Policy applies to CGMD when effecting transactions with clients.

II. Achieving Best Execution

What does achieving “best execution” mean?

Achieving “best execution” means:

- That we have established this Policy that is designed to achieve the best result (taking into account all relevant factors described below) across all orders on a consistent basis for any financial instrument covered by MiFID and executed by us for our clients.
- That we are committed to comply with the Policy.
- That we will annually review and update the Policy to ensure that it continues to achieve such results.

Demonstrating best execution does not necessarily involve a transaction-by-transaction analysis, but rather involves an assessment of a record of transactions over a period indicating that overall the best result is achieved by executing orders on your behalf on the venues and in the manner described in the Policy.

What factors do we take into account to achieve best execution?

In achieving best execution, we take into account a number of factors (unless otherwise instructed by you, as discussed in Section III below). These include:

- Price;
- Costs;
- Speed;
- Likelihood of execution and settlement (liquidity);
- Size;
- Nature;
- Type and characteristics of financial instrument;
- Characteristics of the possible execution venues; and
- Any other consideration relevant to the execution of the order.

While price is generally a key factor, the overall value to a client of a particular transaction may be affected by the other factors listed above. The relative importance of each of the factors will differ depending on:

- Your understanding and experience of the market in question and your dealing profile;
- The characteristics of your order;
- The characteristics of the financial instruments to which your order relates; and
- The characteristics of the venues (if there is more than one) where we are able to execute your order.

What is our responsibility when your order is executed for us by a third party?

In most cases we may pass an order on to another Citi entity or a third party (which may be a broker) to execute.

We may pass an order to an affiliated Citi entity in cases where we do not have the ability to execute the order but the affiliated entity does have that ability. For CGMD this applies particularly to the investment broking services for equities, fixed income and related derivative product transactions to other Citi entities. In such cases, we have standard procedures and integrated systems for passing orders to our affiliate for execution. In cases where our affiliate is outside of the EEA and we do not have an entity that can execute the order from within the EEA (such as where our affiliate is the only Citi member of the relevant exchange), our non-EEA affiliate may not be subject to requirements similar to the best execution requirements under MiFID. We may nevertheless execute your order through our affiliate unless either (i) the circumstances require otherwise or (ii) you explicitly instruct us otherwise and we are able to follow your instructions to use an alternative venue. If we are not able to follow your instructions, we may not be able to accept your order.

We may pass an order to a non-affiliated third party broker or dealer to execute your order. In such cases, we will have processes to review periodically our choice of third party brokers and dealers to ensure that, taking into account all the relevant factors, the third party broker or dealer is providing best execution on a consistent basis. In some cases, however, we may make this determination on the basis of a review of the best execution policy of the relevant broker or dealer.

CGMD passes on, not exclusively but particularly when providing investment broking services for equities, fixed income and related derivative product transactions, your orders to the following Citi entities for execution:

- CGML, Citigroup Global Markets Limited, United Kingdom
- CGMUKE , Citigroup Global Markets UK Equity Limited Citibank, N.A., United Kingdom
- Citibank, N.A. London Branch, United Kingdom
- CGMI ,Citigroup Global Markets Inc., USA
- Citibank International plc, United Kingdom

Insofar as the orders are passed on for execution by CGMD to Citi entities within the EEA, this is done in consideration of the regulatory requirements concerning the achievement of best execution and the review of the best execution policy of the respective Citi entity.

We will inform you if we pass your order to other Citi entities or third party brokers.

In some cases we may choose to “internalise” your order by executing it in part or wholly from our own principal book. In the case of a transaction in shares or certificates representing shares that is subject to the systematic internalisation rules of MiFID, we will follow those rules if we are operating as a systematic internaliser. In all other cases, we will treat our principal book as an execution venue and apply the Policy. In other words, we will internalise transactions only where, applying the factors that apply to the choice of venue, it is reasonable to conclude that internalisation of the order provides best execution on a consistent basis.

How does the Policy apply to structured and over-the-counter transactions?

Where we execute an order on your behalf in respect of a structured transaction, such as a forward, future, option or other derivative, on a regulated exchange or multilateral trading facility (MTF), we also will apply the same approach to achieving best execution as when we execute orders on your behalf in other financial instruments on such venues. Where we execute an order on your behalf in respect of an OTC structured transaction, with respect to pricing we may rely on internal models that are subject to our internal verification requirements or other methods as set forth in the relevant Desk Policy.

III. Compliance with Client Instructions

What happens if you give us specific instructions as to how to execute your order?

Where we have accepted your instructions with respect to the execution of your order, we will follow them to the extent it is possible for us to do so. You should be aware that to the extent that we accept and follow your instructions, the Policy will not be applicable, although the Policy will be applicable to other execution factors to the extent that they are not covered by your instructions. For example:

- Where you instruct us to execute your order on a particular venue, we will not be responsible for selecting the venue.
- Where you instruct us to execute your order at a particular time or over a particular period, regardless of the price available, we will endeavour to execute your order at that time or over that period in the best possible manner but will not be responsible for the timing or any of the consequences for price or other factors that results from the timing of execution.

IV. Choosing an Execution Venue

Which trading venues will we use?

For purposes of MiFID, a “venue” includes an organised market, an MTF, a broker, a market maker, a systematic internaliser or another liquidity provider. Unless we agree with you otherwise, we will use a selection of venues that will be reviewed periodically. Sometimes there is only one appropriate venue, and, in such cases, we will only use a single venue. A list of the primary venues of which a Citi entity or a third party broker is a direct participant and on which we may execute orders on your behalf will be submitted to you by the respective Citi entity or third party broker which will execute the order. For execution of an order outside an organised market or an MTF your express prior approval is required. By signing the consent to this policy, you acknowledge that we may execute any order outside an organised market or an MTF where we feel that this will result in the best possible outcome for your order.

Where your order is to be executed on a particular exchange or trading platform of which a Citi entity is a member, your order may be executed by the Citi entity that is a member of that exchange or trading platform. In such cases, the executing Citi entity will be acting on our behalf unless we agree with you otherwise.

Where your order is executed through a third-party broker, we will review periodically the brokers that we use to execute client orders taking into account the factors we describe below for determining execution venues to ensure that the broker or brokers that we use are providing best execution taking into account all orders executed during the review period. Where it appears in a particular case that better execution is available from a broker that we do not ordinarily use, we may use such other broker on a case-by-case basis. However, we are not under any obligation to check a variety of brokers with respect to each transaction unless we have otherwise undertaken an obligation to do so in a Desk Policy.

Where your order refers to a warrant or certificate which is issued by us, we execute your order directly on one of the following trading venues:

- Frankfurt Stock Exchange (Frankfurter Wertpapierbörse)
- Stuttgart Stock Exchange (Baden - Württembergische Wertpapierbörse Stuttgart)
- Euronext Paris
- Euronext Lissabon
- Euronext Amsterdam
- NDX Stockholm (until 31 January 2014)
- NDX Helsinki.

What factors are taken into account in determining the execution venues?

Factors that we consider in determining the execution venue for your orders in respect of a particular financial instrument include:

- General prices available;
- Depth of liquidity;
- Relative volatility in the market;
- Speed of execution;
- Cost of execution;
- Creditworthiness of the counterparties on the venue or the central counterparty; and
- Quality and cost of clearing and settlement.

How might factors vary between choices of venue?

In some markets price volatility may mean that timeliness of execution is a priority.

In other markets that have low liquidity, the fact of execution may itself constitute best execution.

In other cases, our choice of venue may be limited because of the nature of your order or your requirements. For example, when investment products are more illiquid, there may be little (or no) choice of venue.

How often do we review our venues?

Generally, we will review annually the venues we use to execute your orders. When we get knowledge of a material change which has the consequence that an execution of orders will not longer be ensured on a consistent basis in your best interest at a specific venue we will carry out a review outside the yearly review.

Where we have a choice of venues in respect of a particular order, how do we choose?

In some cases, taking into account factors such as cost and benefits of accessing multiple venues and the accessibility of the venues, we may have access to more than one venue for executing an order in a particular financial instrument. In such cases,

we will endeavour to choose the best venue for the order taking into account the factors applicable to choosing venues.

V. Updating the Policy

How often will we update the Policy?

We will review the Policy periodically to take into account changes as and when appropriate, at least once a year.

How can you obtain the most recent version of the Policy?

We expect to post the most recent version of the Policy on our website:

http://icg.citi.com/icg/global_markets/germany_terms.jsp.

If you would like to receive a copy of the most recent Policy, however, please contact us via email to mifid.questions.germany@citi.com or contact your sales representative.

VI. Information on Conflicts of Interest for customers of Citigroup Global Markets Deutschland AG

As a global organisation Citi is able to provide a wide range of investment services to our clients all over the world. When services are provided jointly by more than one Citi entity, generated fees and revenues are normally shared between those legal entities involved. Citi entities also provide each other and share within the organisation information services, research analysis, training material and facilities, technical services and access to the global Citi infrastructure for the purpose of providing and improving the investment service to our clients.

Please visit the above referenced website for a more detailed description of the Citi Conflicts of Interest Policy.

VII. Information on Fee Based Investment Advice

Citigroup Global Markets Deutschland AG generally does not provide investment advice. If on an exceptional basis investment advice will be provided this will **not** be done as fee based investment advice. Inducements provided by third parties in this context may be accepted and kept.