



Varengold

BANK

CUSTOMER INFORMATION ON THE SECURITIES BUSINESS
at Varengold Bank AG

As of: 24/01/2020





Preamble

Dear Customer,

as Varengold Bank AG, we are pleased to welcome you as a customer of our bank. With this brochure, we would like to inform you about Varengold Bank AG and our services in the securities business.

We are looking forward to a good collaboration with you and wish you every success with your securities transactions.

With kind regards

Varengold Bank AG



Information about Varengold Bank AG

(hereinafter referred to as 'Varengold')

In accordance with section 63 paragraph 7 WpHG (German Securities Trading Act) in conjunction with Articles 38, 39, 41, 45 to 53, 61 and 65 of the Delegated Act (EU) 2017/565.

Information on the account and custody agreement and the associated services for the consumer in fulfillment of the obligation to inform according to section 312 BGB (German Civil Code) in conjunction with section 1 paragraphs 1 and 2 BGB-InfoV (Civil Code Information Regulations) before concluding a distance contract

(As of: 24.01.2020)

This information is valid until further notice.

1. Overview

1.1. Bank 's name and address

Name	Varengold Bank AG
Address	Große Elbstraße 14
Town, postal code, country	22767 Hamburg, Deutschland
Telephone number	+49.40.66 86 49 0
Fax number	+49.40.66 86 49 49
E-Mail	info@varengold.de
Internet	www.varengold.de
Business hours	09 – 17 o'clock

1.2. Bank 's Legal representatives

Management board	Dr. Bernhard Fuhrmann
Management board	Frank Otten

1.3. Supervisory board

Chairman	Dr. Karl-Heinz Lemnitzer
Members	Vasil Stefanov Francesco Filia

1.4. Name and address of distributors

If a distributor is acting in a partnership with Varengold, you will find their name and address in Varengold's customer welcome letter.

1.5. Tied agents

In its business divisions, Varengold may work with tied agents who are covered by Varengold's liability. In such cases, the tied agents may be viewed in the public register kept at BaFin (German

Federal Financial Supervisory Authority). The register is available at the following link: https://www.bafin.de/DE/PublikationenDaten/Datenbanken/Vermittler/vermittler_artikel.html

1.6. Trading and execution venues

You may find the trading and execution venues used by Varengold in our *execution principles* on the pages no. 11 to 13.

1.7. Bank 's main business activities and licences

Within the commercial banking divisions, Varengold offers is to offer customers and business partners a wide variety of products and services. Varengold Bank is a global partner offering individualised products and solutions to discerning clients and investors, enabling them to manage their transactions and trading activities across national borders.

Varengold has the following licences:

- Contract broking(section 1 (1a) sentence 2 no. 2 KWG [German Banking Act])
- Investment advice (section 1 (1a) sentence 2 no. 1a KWG)
- Investment broking (section 1 (1a) sentence 2 no. 1 KWG)
- Asset management (section 1 (1a) sentence 2 no. 11 KWG)
- Safe custody business (section 1 (1) sentence 2 no. 5 KWG)
- Proprietary business (section 32 (1a) KWG)
- Proprietary trading (section 1 (1a) sentence 2 no. 4 KWG)
- Deposit business (section 1 (1) sentence 2 no. 1 KWG)
- Factoring (section 1 (1a) sentence 2 no. 9 KWG)
- Underwriting business (section 1 (1a) sentence 2 no. 10 KWG)
- Principal broking services (section 1 (1) sentence 2 no. 4 KWG)
- Portfolio management (section 1 (1a) sentence 2 no. 3 KWG)
- Guarantee business (section 1 (1) sentence 2 no. 8 KWG)
- Credit business (section 1 (1) sentence 2 nr. 2 KWG)

1.8. Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

Internet: www.bafin.de

Registration number of Varengold: 109 520

Department of banking and insurance supervision

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	
Address	Graurheindorfer Straße 108
Town, postal code, country	53117 Bonn, Deutschland
Or	P.O. Box 1253

Town, postal code, country	53002 Bonn
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Department for supervision of securities/ asset management

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	
Address	Marie-Curie-Straße 24-28
Town, postal code, country	60439 Frankfurt, Deutschland
or	P.O. Box 50 01 54
Town, postal code, country	60391 Frankfurt
Telephone number	+49.228.41 08 0
Fax number	+49.228.41 08 15 50
E-Mail	poststelle@bafin.de
Legally effective communication	qes-posteingang@bafin.de

1.9. Entry of head office in the commercial register

Name	Handelsregister im Amtsgericht Hamburg
Address	Caffamacherreihe 20
Town, postal code, country	20355 Hamburg, Deutschland
Telephone number	+49 (0) 40 / 428 43 - 0
Fax number	+49 (0) 40 / 428 43 - 47 19
Commercial register number	HRB 73684

1.10. VAT-Number

DE247069729

1.11. Contract and communication language

German and English are the relevant languages for the present contractual relationship, for communication with the customer and order placement by the customers during the term of the agreement.

1.12. Means of communication

In general, the Bank and the customers may communicate in writing, by fax, by E-Mail, via the internet (electronic Trading and online banking platforms), or by telephone.

If contact with the Bank is not possible by one of the means of communication mentioned, the customer will need to switch to another means of communication.

1.13. Customer category

In the provision of its business activities for securities and investment services, Varengold treats customers as private or professional customers within the meaning of section 67 WpHG, unless otherwise specified. If the customer is classified as a professional customer, he or she will be informed in writing about this.

1.14. Information on financial services and contract documents relating to securities business

Varengold makes information on financial instruments available to its customers via the following documents:

- Basic information on securities and other investments
- Basic information on financial derivatives
- Special conditions for Securities Transactions and special conditions for Forward Transactions and with the following account opening and contract documents:
 - Account opening documents
 - Framework agreement on transactions with financial instruments
 - Framework agreement for Forward Transactions, where applicable
 - Appendix to Foreign Exchange Transactions/Options on Foreign Exchange Transactions, where applicable
 - Framework agreement for Securities Loans, where applicable
 - Framework agreement for Securities Repurchase Agreements (Repos), where applicable

1.15. Notifications of services provided

Type, frequency and timing of notifications of services provided are listed in Varengold's general terms and conditions and in individual contract terms and will be communicated on request by the service team.

1.16. Principles for dealing with conflict of interest

Please find Varengold's 'principles *for dealing with conflict of interest* on the pages 14 to 15.

1.17. Costs and associated charges

Please find Varengold's 'costs and associated charges in Varengold's' General Schedule of Prices and Services.

1.18. Applicable law / place of jurisdiction

In accordance with Varengold's ' terms of contract, German law is applicable to the conclusion of the contract and the entire business relationship between the customer and the Bank. The place of jurisdiction is Hamburg.

1.19. Information on the Organisation for Protecting Account Holders ' Claims

Varengold is a member of the German Banks' Compensation Scheme: Entschädigungseinrichtung deutscher Banken (EdB), P.O. Box 110448, 10834 Berlin. Please find more detailed information on the protection of deposits in the documents for opening an account.

1.20. Note on prospectuses

Please note that the prospectus of securities that are offered to the public is available at the issuer and generally on the issuer's website and that a print version is available on request from the issuer.

1.21. Bank account information

Varengold Bank AG

BIC: VGAGDEHHXXX

IBAN: DE34 2003 0133 0119 5000 00

2. INFORMATION ON VARENGOLD 'S SERVICES

2.1. Important service features

- a) Commercial Banking
 - International payment transaction
 - Deposit accounts
 - Lombard loans
 - Bank guarantees
 - Structured Finance
 - Trade & Export Finance
 - Forfeiting of letters of credit
 - Custody accounts
- b) Marketplace-Banking
 - Fronting Services
 - Debt Capital Markets
 - Lending Solutions

2.2. Note on risks and price fluctuations of financial instruments

On account of their specific features or the procedures to be carried out, transactions in financial instruments are associated with special risks. They include mainly the following risks:

- risk of price change/risk of falling or increasing prices of the traded financial instrument
- credit risk (risk of default or risk of insolvency) regarding an issuer
- possible total loss of the customer's investment incl. transaction charges
- leverage effect

- exchange risk through changes in exchange rates

You will find further information on risks in the risk information/notes in Varengold's documents for opening an account.

The price of a financial instrument is subject to fluctuations on the financial market that cannot be influenced by the Bank. Therefore, a transaction in financial instruments cannot be cancelled.

The income earned in the past (e.g. interest, dividends) and increases in price are no indicator of future income or increases in price of financial instruments.

The customer should carry out securities transactions or transactions in financial instruments only if he or she has sufficient experience and knowledge in the field of securities investment as well as a corresponding willingness to assume risks. For (further) risks, please refer to the basic information provided by Varengold (see 1.14).

2.3. Prices

Please find the current prices and charges for any service in the Bank's applicable *General price and performance directory*. The prices for our securities business will be agreed separately with you. You will receive a price overview with the deposit opening documents.

2.4. Note on taxes and charges to be paid by the customer

As a general rule, income from transactions in financial instruments is subject to tax. The same applies to profits from the acquisition and the sale of financial instruments. Depending on the applicable tax law (Germany or other countries), capital gains and/or other taxes (e.g. withholding tax under the US tax law) that have to be paid to the corresponding tax authority and therefore reduce the amount to be paid to the customer may arise when paying income or proceeds from sale.

If you have any questions, please contact your competent tax authority and/or your tax adviser. This shall apply in particular for customers who are liable to tax abroad.

All expenses that are not paid over or charged by Varengold (e.g. for long-distance calls, post-age) shall be borne by you.

2.5. Information on donations

Varengold Bank AG does not accept any donations in connection with the provision of securities services.

2.6. Additional telecommunication expenses

None

2.7. Payment and fulfilment of the agreement

Start of execution of the respective agreement

Varengold will start the provision of the service(s) desired by the customer only after receipt of all required documents for opening an account, including the required complete agreements filled in and signed by the customer, as well as any other required documents and the customer's trading capital intended for margin payments by the corresponding custodians used by Varengold.

Payment of fees by the customer

Customer accounts are debited with applicable charges in accordance with the *Bank's General Price and Performance Directory* unless otherwise agreed upon in individual contracts.

2.8. Contractual provisions of termination / disposal

Varengold can terminate the agreements concluded with the customer respecting a reasonable period of notice. The right of extraordinary termination shall remain unaffected.

The customer has the right to terminate the agreements mentioned above at any time in writing without respecting a period of notice.

The letter of termination has to be sent to:

Name	Varengold Bank AG
Address	Große Elbstraße 14
Town, postal code, country	22767 Hamburg, Deutschland
Telephone number	+49.40.66 86 49 0
Fax number	+49.40.66 86 49 49
E-Mail	info@varengold.de
Internet	www.varengold.de

The right of extraordinary termination for good cause (§ 314 BGB) shall remain unaffected.

2.9. Term of the agreements

The agreement concluded between Varengold and the customer are concluded for an undetermined period of time.

2.10. Recording of telephone conversations or electronic communication

Due to legal requirements, Varengold is obliged to record all electronic or telephonic communications that could lead to the issue of an order and to keep it for at least 5 years. In accordance to § 83 section 8 WpHG, BaFin may extend the retention period by a maximum of two further years to a total of 7 years.

During the retention period you have the right to demand the release of records.

If you do not want this record keeping, please let us know in writing. In this case, it is not possible for us to communicate with you electronically and by telephone (for example order placement by telephone)

2.11. Note for common stockholders

We want to inform you, that in application of §§ 67a section 3 and 67b Aktiengesetz (German Stock Corporation Act - AktG), we transmit notifications according to § 125 section 1 AktG (Documents for general assemblies) in electronic form to you, if available. A postal transmission is then not provided.

This procedure reflects the increasing importance of the internet and is in line with our efforts towards more sustainability.

Execution principles for Varengold Bank AG

(As of: 24/01/2019)

1. In accordance with section 82 WpHG (German Securities Trading Act), securities services providers who execute orders from their customers for the purchase or sale of financial instruments are obliged to set out principles for the execution of orders to be reviewed at least annually, in order to achieve the best possible result for the customer during the execution of the order. Furthermore, in accordance with section 80 WpHG, providers must ensure that the execution of each individual customer order is carried out in accordance with these principles. The principles form part of the general terms and conditions of business of Varengold Bank AG (hereinafter referred to as ‘the Bank or ,Varengold’’).
2. The following execution principles shall apply to the execution of orders issued to the customer by the Bank for the purpose of purchasing or selling financial instruments (such as shares, bonds or funds
3. If, in the context of his or her order, the customer gives the Bank an instruction as to the execution venues for the order or as to the trading type, these instructions shall prevail over these execution principles, i.e. in this case, the Bank will not execute the order in accordance with these principles of best possible execution, but according to the customer’s instruction. In such a case, the Bank is not obliged to execute the order in accordance with its principles for order execution with the best possible result. The Bank’s obligation to achieve the best possible result will then be deemed fulfilled according to the extent of the instruction. The customer will completely bear the risk that the Bank cannot achieve the best possible execution according to the present principles by following the customer’s instruction. In general, the Bank expects an explicit instruction from the customer regarding the trading centre when the customer issues orders for the purpose of purchasing or selling financial instruments. If there is no such instruction regarding the exact place of execution or type of trading on the part of the customer, the Bank executes the customer order in accordance with these principles. If an extraordinary market situation or a disturbance of the market require a different execution, the Bank will execute the order in the customer’s interest (§ 384 paragraph 1 2nd subclause HGB).
4. These execution principles shall not apply if the Bank and the customer conclude OTC transactions directly with each other. In accordance with section 82 WpHG, the customer’s explicit consent (in general or individually) will be required if the Bank does not handle customer orders through organised markets (‘stock exchanges’) and multilateral trading systems, but through off-floor execution venues, for example directly with an issuer or a market maker or the Bank itself as OTC transactions. This approval is deemed to have been provided by the customer in the event, for example, that he or she independently makes OTC transactions within his or her order or explicitly instructs an off-exchange execution venue.
5. The execution principles will therefore apply only if the client does not wish to carry out an OTC transaction and as an exception places his or her order without precise instructions, in particular with respect to the execution venue for his or her order and the type of trading, or if the order for the purchase or sale of financial instruments is not completely clear.
6. In the case of fixed price transactions in accordance with number 1 section 3 of the special conditions for securities transactions, the bank ensures organizationally that these are carried out at market conditions. In this case the Bank and the customer are directly obliged according to the contractual agreement to fulfil the mutual duties resulting from and in the context of this transaction in financial instruments. This shall apply accordingly if the Bank offers securities for subscription in the context of a public or private offer.

7. The aim of these contract execution principles is the constant effort on the part of Varengold to best implement customer orders covered by the execution principles (see the scope and application of principles B. to E.). Customer orders may be executed in several ways (for example by telephone, electronically) and/or at various execution venues, e.g. on stock exchanges or other trading venues in Germany or abroad, or by off-exchange trading. The Bank will therefore use execution methods and possible execution venues for the relevant types of financial instrument that generally provide the best possible execution in the customer's interest.
8. When determining concrete execution venues, Varengold generally assumes that the customer wishes to achieve the best possible price taking into account all expenses associated with the execution transaction. Since financial instruments are generally subject to price fluctuations and consequently a price development to the customer's detriment in period after the order placement cannot be excluded, those execution venues will be taken into account in particular where a complete execution is probable and is possible in due time and a rather large volume of the corresponding financial instruments is traded. This aims at achieving the best possible results for the customer.
9. In the case of commission transactions according to number 1 section 2 of the Special Conditions for Dealings in Securities Varengold will forward the execution of orders to other banks ('third parties')/ securities services providers. Varengold selects these third parties according to the following criteria:
 - Quality and scope of the services offered
 - Quality of execution
 - Technological equipment and IT structure
 - Third party's reputation in the market
 - Cost structure and pricing
 - Ability to provide individual services according to Varengold's wishes to achieve the best possible execution of customer orders.

The criteria described above are used for selecting the third party to be instructed by Varengold. Their weighting and assessment are dynamic and are reviewed regularly – at least once a year. Varengold works with only a small number of third parties for forwarding orders. The same criteria for the selection of third parties executing customer orders apply as well in the field of the handling of OTC transactions. Varengold does not use many third parties in this area either. The weighting of the criteria is dynamic as well. The weighting of the criteria and thus the selection of the third parties for the transmission of customer orders and for the execution of OTC transactions mainly aims at achieving a safe, cost-efficient and high-quality service and/or order execution to the customer via Varengold. At least once a year, the Bank shall periodically review the execution principles of third parties that it has selected to pass on orders to, in order to ensure that the best possible execution of customer orders can be achieved in this way.

10. In principle, customer transactions can be forwarded to third parties for the following classes of financial instruments:
 - Equity instruments (e.g. shares)
 - Debt instruments (e.g. corporate bonds, government bonds)
 - Structured financial products
 - Securitised derivatives
 - Other exchange-traded products (e.g. funds)

11. The Bank will not combine different customer orders into one order (a block order).
12. These execution principles shall not apply if the Bank and the customer conclude OTC transactions directly with each other.
13. The execution principles are reviewed regularly – at least once a year. The Bank reserves the right to modify the present principles of execution without the customer’s consent at its reasonable discretion. The modified version will take effect after expiry of four weeks after its publication at the Bank’s web site under the following Link: <https://www.varengold.de/en/legals/legal-compliance/>, section “Compliance”.
14. If the customer has any detailed questions regarding individual items of our principles of execution, please do not hesitate to contact us.
15. By signing the documents for the opening of the account, the customer expressly agrees to the present principles of execution that allow the execution of orders outside regulated/organised markets as well.

Principles for handling conflicts of interests at Varengold Bank AG

(As of: 24/01/2020)

Varengold Bank AG (hereinafter referred to as "the Bank or ,Varengold ") offers financial services in dealings with various groups of customers (private and commercial customers). These relate to different financial products. This is how conflicts of interest may result from the fact that Varengold does not perform its services exclusively for the principal, but also for third parties whose interests may collide with those of the principal and that Varengold has a commercial interest in concluding business with the customer. Such conflicts of interest cannot always be excluded in advance. In accordance with the requirements of Wertpapierhandelsgesetz, we therefore inform you below on these possible conflicts and our measures for dealing with such conflicts of interest.

1. HOW CONFLICTS OF INTEREST DEVELOP

Conflicts of interest may arise between Varengold, our management, our employees, tied agents or other persons associated with our company and our customers, or between our customers.

Conflicts of interest may arise in particular:

- a. because Varengold does not provide its services exclusively to the principal, but also to third parties. Their interest may collide with the principal's interests. Although Varengold uses its best efforts to avoid such conflicts, it cannot be excluded that this might fail in the individual case. If such conflicts occur, the risk that they are settled at the principal's expense cannot be excluded;
- b. on account of Varengold's interest in high transaction volumes in the financial instruments chosen and traded in by the customer and on account of the remunerations for Varengold resulting from these transactions;
- c. on account of performance-related remuneration of employees or the granting of additional payments to or by these persons (for example, financial benefits);
- d. in the case where the Bank might receive payments from third parties (for example, sales renewal commissions) for securities transactions (but this is not foreseen at the time these principles are drawn up);
- e. on account of the receipt of information not disclosed to the public;
- f. on account of other business activities of Varengold, in particular on account of the Bank's interest in profit from trading for own account and the sale of own (issued) financial products;
- g. on account of Varengold's interest in the sale of its own financial products due to internal incentives, performance-related remuneration schemes and the granting of additional payments;
- h. on account of personal relationships of the Varengold employees or the management or the affiliated persons or the participation of these persons in supervisory or advisory boards;
- i. on account of the relationship of our Bank with issuers of financial instruments and productions, for example in case of assistance in launching issues or cooperation.

Varengold will provide you with further details on these principles upon request

2. MEASURES FOR AVOIDING CONFLICTS OF INTEREST

Both Varengold itself and its employees have set high standards in order to avoid the influence of inappropriate interests on the execution of customer orders. These standards include the observation of market rules in continuous consideration of the customer's interest, as well as legal and professional action. As a matter of principal, the customer's interest has priority.

To this effect, the following measures have been taken in particular:

- An independent compliance department is responsible for constantly monitoring possible conflicts of interest, which are recorded and monitored internally in a conflict of interest matrix, and is involved in the detection of conflicts of interest;
- Keeping an insider list for controlling sensitive information, as well as for preventing abuse of insider knowledge;
- Establishing the remuneration principles in the Bank's remuneration arrangements;
- Rules governing the acceptance and granting of benefits, as well as their disclosure;
- Employees who may be subject to conflicts of interest in the context of their activity are obliged to disclose their securities transactions to the compliance department;
- Staff training;
- Creation of new and maintenance of existing areas of confidentiality. For this purpose, individual areas within Varengold are physically separate from each other.
- Implementation of a licensing process for new products involving all relevant specialist areas.

Furthermore, we will permanently improve the internal controls and measures for avoiding conflicts of interest. If the measures described above are not enough to avoid the risk of a negative effect, Varengold will explain to you the general type and source of the conflict of interest before executing a business. As the case may be, we will abstain from giving advice or recommendation with respect to the financial product concerned.

These principles are regularly checked – at least once a year – for relevance and adapted if necessary.

We will be happy to provide further details on the handling of conflicts of interest on request.

Customer information concerning bail-in enabled products

(As of: 24/01/2020)

This information is relevant to you only, if you have purchased such a financial instrument in the past or are purchasing it from us in the future.

1. Pursuant to the ESMA Statement of 02.06.2016 (ESMA/2016/902), credit institutions that sell 'bail-in' enabled products to their customers are obliged to provide customers with fair, clear and comprehensible information about issues specifically related to these bail-in enabled products. With this information for customers, we are fulfilling our obligation to provide information about the risks associated with these products. The customer information addresses only the specific risks; the general risks associated with investment in debt securities should also be considered.
2. The term bail-in refers to the participation of creditors of a bank in their losses during the process of recovery or resolution in the event of imminent insolvency. Creditors of a bank are typically holders of debt securities of the bank. A debt security is bail-in enabled if the participation of the holder in the losses of the issuing bank during recovery or resolution in the event of imminent insolvency is agreed in its terms and conditions. In Europe, the legal basis of the bail-in procedure is in the EU Directive on the recovery and resolution of credit institutions (Directive 2014/59/EU: Bank Recovery and Resolution Directive, BRRD), which has been transposed into national law in Germany by the BRRD implementation act.
3. Bail-in enabled instruments are unsecured and subject to the legal recovery regime in the event of recovery.
4. The main risks specific to investment in a bail-in enabled financial instrument that exceed the risks of investment in a normal debt instrument are as follows
 - a. Credit and counterparty risk

In Germany, the authorities responsible for the resolution and recovery of banks (the Single Resolution Board – SRB – and the Federal Financial Supervisory Authority – BaFin –, which as the national resolution authority has assumed the responsibilities of the Federal Agency for Financial Market Stabilisation – FMSA – with effect from 01.01.2018), may exercise discretion in their decision-making in the event that a bank faces recovery and resolution due to imminent insolvency. The terms and conditions under which bail-in enabled instruments can result in losses for investors are complex and difficult to understand, and the distinction between losses from normal business failure and losses from the occurrence of a bail-in event are also not easy to understand. For example, the resolution authority may change the due date for payment of a bail-in enabled instrument and product terms and conditions or suspend interest payments. In the event of recovery and resolution, an investor in a bail-in enabled financial instrument may therefore in principle be exposed to greater risks than an investor in an instrument that is not bail-in enabled. Inform yourself about the recovery mechanisms thoroughly. The so-called liability cascade is set out clearly on the website of the Federal Financial Supervisory Authority – BaFin - https://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Merkblatt/BA/mb_haftung-skaskade_bankenabwicklung_en.html

b. Liquidity risk

Bail-in enabled financial instruments can no longer be easily sold and may become illiquid in the event of resolution or recovery. In this case, it is not possible for investors to sell the financial instruments on the secondary market, or only if prepared to accept substantial losses. In this respect, bail-in enabled financial instruments are also particularly high-risk in crisis situations on the financial market.

c. Concentration risk

Bail-in enabled financial instruments are usually sold directly by the issuing banks. This may result in the risk of a lack of or insufficient diversification for the investor, especially if an investor builds a portfolio of such products exclusively or predominantly with a single bank.

5. Ensure that your investment decision makes allowance for the specific risks set out above and that you are confident that you are willing to take and bear these risks and ensure that your portfolio is sufficiently diversified to bear the associated risks. If in doubt, please refrain from investing in bail-in enabled financial instruments.
6. Should you have any questions not covered this customer information, please get in touch with your contact person at Varengold Bank AG.