

KAS BANK MiFID FAQ

1. To which financial instruments is MiFID applicable?

MiFID is applicable to all tradable financial instruments (including derivatives), with the exception of forex transactions.

2. To what extent can I influence the choice for a MTF for the execution of my securities order?

You can only influence the choice for a specific MTF if you provide a specific instruction for this purpose.

3. How does KAS BANK determine on which platform the best possible result can be achieved?

KAS BANK takes the Execution factors into consideration. The relative weight of the Execution factors is determined by the available market information and by considering the Execution aspects; all this is based on our commercial knowledge and experience.

Under MiFID, all trading platforms are obliged to make all information relevant to pricing available. They can make the relevant information available themselves or through an independent data vendor (for example Reuters or Bloomberg).

4. What is 'execution only'?

Execution only is a service whereby client orders are solely executed by KAS BANK or received by KAS BANK and subsequently forwarded.

Execution only services are exclusively executed at the request of the client. You must sign an agreement with KAS BANK for this purpose.

5. Is KAS BANK also responsible for 'best execution' if it forwards client orders to another institution for execution?

Yes, both KAS BANK and the institution executing the order must comply with the regulations for best execution.

6. What is an 'OTC-transaction'?

OTC is the abbreviation for transactions traded outside the exchange floor ('over the counter') and whereby the price is determined among the relevant two parties themselves.

7. What consequences will MiFID have for my organisation?

In short, investment organisations must take all reasonable measures to enable the best possible execution of securities orders for their clients. This protection also includes regulations about the nature and number of information that investment organisations must provide to their clients, both in advance and in arrears.

8. Are orders provided by telephone also dealt with in conformity with my order execution policy or KAS BANK's Best Execution Policy?

Yes, at the moment that a 'parent order' is entered by a KAS BANK trader, the audit will be 'in place', procedural or physical.

9. Does KAS BANK also provide order execution on the OTC market?

We offer normal order execution as 'riskless principal'. In principle, KAS BANK does not provide a 'principal quote' for orders executed on an OTC-market.

10. Can I as broker continue to use both my own registration number on the different exchanges and KAS BANK's infrastructure after 1 November 2007?

Yes, this will be possible.

11. Is KAS BANK also responsible for 'best execution' if it forwards client orders to another institution for execution?

Yes, both KAS BANK and the institution executing the order must comply with the regulations for best execution.

12. How does KAS BANK select or determine the 'Place of Execution' for my securities orders?

In conformity with KAS BANK's order execution policy, the place of execution is determined as follows:

- (a) dependent on an appropriate consideration of the execution aspects and factors, orders will be executed on the place of execution that KAS BANK believes to be most appropriate for achieving the best possible result.
- (b) orders will solely be executed outside a 'Regulated Market' (RM) or 'Multilateral Trading Facility' (MTF) (for example OTC) if KAS BANK believes it to be most appropriate for achieving the best possible result.

Deviating regulations are applicable to any specific instructions from the client.

13. How does KAS BANK deal with specific instructions for financial instruments on the places of execution to which KAS BANK has access?

You can provide KAS BANK a specific instruction to execute an order or a specific aspect of an order, on a specific place of execution to which KAS BANK has access. For example, you can instruct KAS BANK to directly forward your order to a specific Regulated Market or a Multilateral Trading Facility by means of an electronic system. KAS BANK will then execute your order in conformity with this specific instruction. In this case, we will also take all reasonable measures to achieve the best possible result for your order. However, some circumstances may occur as a result of which KAS BANK will not be capable of executing some or all steps in its order execution policy.

14. Can I register a complaint in arrears to the way in which KAS BANK has executed my orders?

We are obliged to obtain your permission in advance for KAS BANK's order execution policy. If you provide an order after 1 November 2007 you are expected to have agreed to our order execution policy.

15. Is KAS BANK permitted to execute orders of financial instruments admitted to the exchange outside a RM or MTF (for example OTC)?

KAS BANK is obliged to obtain your consent in writing for the execution of financial instruments admitted to the exchange outside a RM or MTF. Without this consent we will no longer be able to execute your orders outside a RM or MTF with effect from 1 November 2007.