

Frankfurt, the 04/23/2020

<Customer>
<Street> <No.>
<PLZ> <City>

Customer number:

For the attention of:
Chief Executive Officer / Head of Compliance / Head of Legal

Amended Regulation: Markets in Financial Instruments Directive (MiFID II)¹

**Information on the implementation of the Directive and the execution policy of
NATIXIS Pfandbriefbank AG**

Ladies and Gentlemen,

the regulation 2014/65/EU on the Markets for Financial Instruments – otherwise known as MiFID II - must be implemented by the beginning of 2018 by all institutes which offer financial services, including NATIXIS Pfandbriefbank AG.

The purpose of this letter is to

- introduce you to the NATIXIS Pfandbriefbank AG,
- inform you of the impact of the amended regulations
- outline how the NATIXIS Pfandbriefbank AG implements MiFID II,
- inform you of your categorisation, as required under the new directive and relevant implementing rules,
- inform you of the measures of product Governance under MiFID II
- provide you basic information on handling of conflicts of interest,
- provide you our Best Execution Policy and to request your consent to it
- request your prior express consent before being able to execute your orders outside a regulated market, Multilateral Trading Facility (MTF) or organised trading venue (OTF),
- request that you provide us with your legal Entity identifying (LEI) if you have not already done so (without your LEI NATIXIS Pfandbriefbank cannot execute any orders
- inform you about recording and retention of telephonic conversations and other electronic forms of communication

¹ Directive 2014/65/EU of the European Parliament of the Council of May 15, 2014, on markets in financial instruments as well as the amendments of the directive 2002/92/EU and 2011/61/EU (new version).

Sitz der Gesellschaft: Frankfurt am Main - Amtsgericht Frankfurt am Main HRB 94514

Vorstand: Hansjörg Patzschke (Vorsitzender), Dirk Brandes, Rainer Herr

Aufsichtsrat: Anne-Christine Champion (Vorsitzende), Stephane About (Stellv.); website: pfandbriefbank.cib.natixis.com

Key facts of NATIXIS Pfandbriefbank AG

Established	: 2011
Commence of business	: 2012
Registered Office	: Frankfurt/Main
Legal form	: Public Company
Registered	: District Court Frankfurt/Main, HRB 94514
Executive Board	: Hansjörg Patzschke (Chairman), Dirk Brandes, Rainer Herr
Supervisory Board	: Anne-Christine Champion (Chairman), Stephane About (Dep. Chairman)
Bank Supervision	: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), ID: 126402
Shareholder	: NATIXIS S.A., Paris (100%)

The core businesses of NATIXIS Pfandbriefbank AG are bank mortgages to commercial borrowers in Europe. The focus is mainly Germany and France.

The coverable business of NATIXIS Pfandbriefbank AG is refinanced via Covered Bonds (German Pfandbrief). You can find additional information in the enclosed document „Information on NATIXIS Pfandbriefbank AG“.

How does MiFID II affect your relationship with NATIXIS Pfandbriefbank AG?

The impact of MiFID II for our clients can be summarised as follows:

- Positive development of competition between trading places
- Cost transparency
- Better protection of customers through more detailed formal requirements in terms of pre- and post-transaction information and through the assessment of the client's technical and financial expertise in trading financial instruments of variable complexity.

Your categorisation

On the basis of the information currently available to us and the criteria set out in the enclosed information document, we categorise you as a **<categorisation>** for all transactions that you may execute with us, and in particular, for the following investment services that we may provide to you or on your behalf: reception and transmission of orders, execution of orders, Finance Commission and proprietary trading. You benefit from the protections afforded by your status as set out in MiFID.

Further information on classification is available on the attached documents "customer classification under MiFID II".

If any question arises regarding your categorisation or if you want to be differently categorised please contact your Relationship Manager or the Compliance Department (E-Mail: compliance-fkt@natixis.com).

Please note that other companies of the NATIXIS group may notify you of a different MiFID II classification to the one of which we have notified above due to different products or services offered.

Product Governance

Under MiFID II, NATIXIS Pfandbriefbank, as a manufacturer of financial products (i.e. issuer of Pfandbriefe), is obliged to take a series of measures towards Product Governance:

- Organisational implementation of Product Governance (structural and procedural organisation, personnel resources) within the company
- Internal procedures for validating financial instruments
- Definition of target markets for end customers
- Presentation of a fee structure for each financial instrument
- Realization of a distribution strategy directed at the target market definition
- Realization of the duty of information to distributors
- Regular monitoring of target markets for each financial instrument

Handling of conflicts of interest

We have a policy for managing conflicts of interest and have implemented internal measures, in order to strengthen our procedures for detecting and managing such conflicts within the Natixis Group. A summary of our policy for managing conflicts of interest is included in the enclosed information document. For further information on our Conflict Policy please contact the Compliance Department (E-Mail: compliance-fkt@natixis.com).

Execution Policy of NATIXIS Pfandbriefbank AG

Our Execution Policy is enclosed with this document.

NATIXIS Pfandbriefbank AG must obtain your express consent prior to executing your orders outside a reading venue.

Please return the enclosed consent form as soon as possible, duly signed by an authorised representative. If you do not respond, we will not be able to execute the above mentioned orders until we have received your consent.

In addition to your consent for executing orders outside a regulated market or multilateral trading facility, we are also required to obtain your consent to our execution policy by any means (e.g. in writing or by email).

You will be deemed to provide such consent when you give your first order to NATIXIS Pfandbriefbank AG.

Legal Entity Identifier

With regards to future execution of financial transactions, MiFID II and the new German Securities Act require a so-called legal party identifier. This means that corporate bodies governed by private law (namely capital and commercial partnerships as well as foundations and trusts) which execute such transactions or who for example commission a financial institute with asset management need a Legal Entity Identifier (LEI) which must be declared.

Please inform us concerning your LEI using our enclosed form.

Recording and record keeping of telephone conversations and other electronic communications

Within the framework of organisational duties, MiFID II introduces the obligation to record telephone conversations and other electronic communications. Beginning with the introduction of the new regulations in January 2018, all investment firms must record all telephone conversations and electronic communications made during the acceptance and forwarding of orders, the execution of customer orders and own account trading and must make these available upon request of the customer.

NATIXIS Pfandbriefbank AG records according to the prevailing national and international practices in the banking business all telephone calls in the trading / sales and the downstream processing units and keeps these recordings according to the rules. These recordings are used to document the previous agreements.

We assure you that the recordings will be kept strictly confidential and only in exceptional cases, such as in the event of any dispute in connection with business transactions made by phone will be resorted to.

Should you require any further information regarding MiFID or any of the details contained in this letter, please do not hesitate to contact your Relationship Manager or the Compliance Department (E-Mail: compliance-fkt@natixis.com).

These documents refer exclusively to your relationship with NATIXIS Pfandbriefbank AG. Other subsidiaries of the NATIXIS group may directly send you similar documents which deal with their own services (equity or commodity transactions, asset management, custody services etc.).

If you are not the right person, who should be receiving this letter, please forward it to the appropriate person within your organisation.

Yours faithfully,

NATIXIS Pfandbriefbank AG