

Best Execution Policy*

In the following Best Execution Policy (hereinafter referred to as the »Execution Policy«) it is determined how the Bank will ensure that client orders are executed consistently in the best interests of the client.

Section A

Order execution for retail clients and professional clients assigned to the corporate or retail client divisions of LBBW.**

I. Field of application

The Policy under Section A applies equally to the execution of orders for retail clients and professional clients** assigned to the corporate and retail client divisions of LBBW.

The Bank carries out, unless otherwise agreed with the client, the execution of purchase and sale orders for financial instruments (securities and other financial instruments) in accordance with the following terms:

II. Priority of client instructions

(1) Instructions from the client will at all times take priority. In executing an order to buy or sell, the Bank will comply with instructions from the client.

(2) It is expressly brought to the client's attention that if the client issues an instruction, the Bank will execute the order in accordance with that instruction and is to that extent under no obligation to execute the order in accordance with Section A (III) below.

III. Principles of best execution

(1) Orders relating to financial instruments from German issuers (German financial instruments) which are traded on a German stock exchange or in a multilateral or organized trading system** will be executed in Germany. If financial instruments from foreign issuers (foreign financial instruments) are traded on-exchange or in a multilateral or organized trading system in Germany, orders will be executed in Germany as well.

(2) If a financial instrument is not traded in Germany, the client order for such financial instrument will be executed abroad via an interim commission agent or in a fixed-price agreement.

(3) If a financial instrument is traded on more than one exchange or multilateral or organized trading system, the order will be executed at an execution venue at which, according to the results of the Bank's latest review, the best possible result (in the sense of the German Securities Trading Act) for orders in financial instruments of the type concerned is expected to be consistently achieved considering the size categories. The different types of financial instruments as well as the formed size categories are listed in the appendix »Explanation of the Best Execution Policy« Section A to this Execution Policy.

(4) The relevant criteria applied by the Bank in determining the best possible execution will be in particular the price and cost of execution at an execution venue. In addition, the speed of execution and the likelihood of execution and settlement as well as qualitative factors as stated in the appendix (»Explanation of the Best Execution Policy«, Section A) will also be taken into account.

(5) The results of the review procedure, with the selected execution venues, an explanation of the factors and the importance that has been given to them by the Bank, are described in the appendix »Explanation of the Best Execution Policy« Section A to this Execution Policy and form an integral part thereof.

(6) If more than one execution venue selected in this way promises best possible results, the Bank will select from amongst them according to its best judgment.

IV. Special notes on the execution of fixed-price transactions (Festpreisgeschäfte)

(1) The Bank offers its clients fixed-price transactions primarily in the case of debt instruments and securitized derivatives (certificates). In this case, the client bears the counterparty risk with the Bank. If purchase or sale orders are executed by way of a fixed-price transaction, the Bank will ensure that this is done on fair market terms.

* As at 3 January 2018

** as defined by the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG)

(2) Execution at a different execution venue is possible at the client's request, if the financial instruments concerned are traded there.

V. Deviations from the Execution Policy in individual cases

If in the opinion of the Bank, a sale or purchase order deviates substantially in terms of its nature and/or size from the usual market standard, the Bank may in the interests of the client execute the order in that individual case contrary to this Execution Policy.

VI. Application of the Execution Policy to specific financial instruments/services

(1) The execution of client orders relating to derivatives is subject to the following:

a) Exchange-traded derivatives

If such financial instrument is traded at more than one execution venue, the execution will take place at an execution venue where according to the results of the Bank's last review, the best possible result for orders in financial instruments of the type concerned is expected to be achieved. Different types of financial instruments are listed in the appendix »Explanation of the Best Execution Policy« Section A to this Execution Policy. In the case of derivatives exclusively traded at foreign execution venues, the client will instruct the Bank to execute the order through an intermediary commission agent. The latter will execute the order at an execution venue selected by it according to its best judgment.

b) Other derivatives

In the case of derivatives that are not traded on the stock exchange, the transaction will be concluded directly between the client and the Bank. In this case, the client bears the counterparty risk with the Bank. Due to the individual negotiation of these transactions with the Bank, it is not possible to execute this transaction at an execution venue.

(2) The following applies to the execution of client orders in investment units:

a) This Execution Policy does not apply to the issue or redemption of shares in investment funds, which are carried out by the relevant capital management company or depository. If the client wishes to execute purchase or sale orders relating to shares in investment funds at an execution venue (e. g. on an exchange), the client will give the Bank instructions with respect to the execution venue.

b) Exchange Traded Funds (ETF) will be executed according to the appendix »Explanation of the Best Execution Policy« Section A of this policy.

(3) In the case of subscription rights not being traded at a German execution venue, these will be executed in the manner prescribed in the publication relating to the company's capital measure. In the case of subscription rights relating to foreign issuers, the subscription rights will be executed near the expiry date of the deadline for subscription right trading via the home exchange or, in individual cases, via the custodian.

(4) If an order is executed within the framework of an asset management arrangement with the Bank, orders may in the client's interests be executed pursuant to instructions issued by the asset manager at an execution venue not selected pursuant to this Execution Policy or outside of an execution venue.

VII. Inducements

The Bank is entitled to accept monetary or non-monetary inducements*, if these are used to improve the quality of the relevant client services and as long as they do not negatively affect compliance with the obligation to act in the best possible interest of the client. Inducements that the Bank shall receive as appropriate from execution venues are stated in the Best 5 Execution Venues Report at www.LBBW.de/mifid-informationen and www.bw-bank.de/mifid-informationen.

VIII. Summary

The Bank takes general measures to ensure the best possible execution for its clients. This includes a regular review of execution venues based on a well-defined procedure, taking into account the relevant factors and their weighting.

During the regular review of execution venues, information provided in the Quality of Execution Reports, which are regularly published by the relevant execution venues, systematic internalizers, market makers and other liquidity providers, is also taken into account. Please find the links to the current Quality of Execution Reports of the relevant execution venues at www.LBBW.de/mifid-informationen and www.bw-bank.de/mifid-informationen.

Main focus for retail clients and professional clients, assigned to the corporate and retail client divisions of LBBW, is on total costs incurred in the execution of an order.

** as defined by the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG)

IX. Review of the Execution Policy

(1) The Bank will review annually the selection of execution venues carried out in accordance with this Execution Policy. It will in addition carry out a review within a reasonable period of time when there is to believe for the Bank that a substantial change has occurred as a result of which the execution of orders in the client's best possible interests is no longer consistently ensured at the execution venues covered by the Execution Policy.

(2) The Bank will inform the client of substantial changes to the Best Execution Policy.

Appendix

Explanation of the Best Execution Policy, Section A

Section B

Order execution for professional clients* in the Financial Markets division.

I. Field of application

The Policy under Section B applies to professional clients* who are not assigned to a customer service representative in the corporate or retail client divisions of LBBW (incl. Private Banking and Wealth Management).

These clients give their orders directly to a trading or sales unit in the Financial Markets division of LBBW. Unless agreed otherwise, the execution of orders for these clients is subject to the following conditions:

II. Priority of client instruction

(1) Instructions from the client will at all times take priority. In executing an order to buy or sell, the bank will comply with instructions from the client.

(2) It is expressly brought to the client's attention that if the client issues an instruction, the bank will execute the order in accordance with that instruction and is to that extent under no obligation to execute the order in accordance with Section B (III) of this policy.

(3) The specification of a concrete execution venue by the client when placing the order will be deemed a client instruction.

Likewise, the specification by the client of the type and manner of order execution will be deemed an instruction, particularly the specification »discretionary order«. Characteristic of such orders is that they may be executed in several steps to best exploit the market situation.

Such discretionary orders can be further specified, for example:

- volume-related instructions, e.g. execute for 10 % of the volume
- time-related instructions, e.g. execute order within the next two hours.

If the client explicitly instructs LBBW to execute the order as a discretionary order, the bank will use its own judgment to select the execution venue and the relevant factors such as price, speed and probability of execution, costs and exposure to settlement risk as well as qualitative factors which allows for the best possible execution in accordance with the market and the client's priorities. A discretionary order can be executed on a domestic or foreign execution venue, particularly the international primary exchange for the financial instrument, or on multilateral execution venues, or outside the execution venue, or as a combination of any of the above.

III. Principles of best execution

(1) Orders without explicit customer instructions will be executed on the international primary exchange, providing our internal review shows that this is lawful and proper.

(2) In considering the main criteria for determining the best possible execution, LBBW will look at the identifiable factors of price, speed and probability of execution. It will supplement these by considering the factors of costs and exposure to settlement risk as well as qualitative factors as set out in the appendix (Explanation of the Best Execution Policy, Section B).

(3) The Financial Markets division evaluates the trading venues in terms of groups of financial instruments. Order size categories are not considered.

IV. Special notes on the execution of fixed-price transactions (Festpreisgeschäfte)

(1) The Bank offers its clients fixed-price transactions primarily in the case of debt instruments and securitized derivatives (certificates). In this case, the client bears the counterparty risk with the Bank. If purchase or sale orders are executed by way of a fixed-price transaction, the Bank will ensure that this is done on fair market terms.

(2) Execution at a different execution venue is possible at the client's request, if the financial instruments concerned are traded there.

* as defined by the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG)

V. Deviations from the Execution Policy in individual cases

If in the opinion of the bank, a sale or purchase order deviates substantially in terms of its nature and/or size from the usual market standard, the bank may in the interests of the client execute the order in that individual case contrary to this Execution Policy.

VI. Application of the Execution Policy to specific financial instruments/services.

(1) The following applies to the execution of client orders in investment units:

a) This Execution Policy does not apply to the issue or redemption of shares in investment funds, which are carried out by the relevant capital management company or depository. If the client wishes to execute purchase or sale orders relating to shares in investment funds at an execution venue (e. g. on an exchange), the client will give the Bank instructions with respect to the execution venue.

b) Exchange Traded Funds (ETF) will be executed according to the appendix »Explanation of the Best Execution Policy« Section B of this policy.

(2) Client orders regarding debt instruments (bonds and/or money market instruments) are concluded directly between the client and LBBW (see Section B (IV) Special notes on the execution of fixed-price transactions).

(3) In the case of subscription rights not being traded at a German execution venue, these will be executed in the manner prescribed in the publication relating to the companies capital measure. In the case of subscription rights relating to foreign issuers, the subscription rights will be executed near the expiry date of the deadline for subscription right trading via the home exchange or, in individual cases, via the custodian.

(4) Client orders regarding certificates issued by LBBW are concluded directly between the client and LBBW (see Section B (IV) Special notes on the execution of fixed-price transactions).

(5) Client orders regarding derivatives not traded on the stock exchange are concluded directly between the client and LBBW. In these cases, the client bears the counterparty risk with the Bank. Due to the individual negotiation of these transactions with the Bank, it is not possible to execute this transaction at an execution venue.

(6) If an order is executed within the framework of an asset management arrangement with the Bank, orders may in the client's interests be executed pursuant to instructions issued by the asset manager at an execution venue not selected pursuant to this Execution Policy or outside of an execution venue.

VII. Inducements

The Bank is entitled to accept monetary or non-monetary inducements*, if these are used to improve the quality of the relevant client services and as long as they do not negatively affect compliance with the obligation to act in the best possible interest of the client. Inducements that the bank shall receive as appropriate from execution venues are stated in the Best 5 Execution Venues Report at www.LBBW.de/mifid-informationen and www.bw-bank.de/mifid-informationen.

VIII. Review of the Execution Policy.

(1) The Bank will review annually the selection of execution venues carried out in accordance with this Execution Policy. It will in addition carry out a review within a reasonable period of time when there is to believe for the bank that a substantial change has occurred as a result of which the execution of orders in the client's best possible interests is no longer consistently ensured at the execution venues covered by the Execution Policy.

(2) The Bank will inform the client of substantial changes to the Best Execution Policy.

Appendix

Explanation of the Best Execution Policy, Section B

** as defined by the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG)

Explanation of the Best Execution Policy*

Section A

Order execution for retail clients and professional clients** assigned to the corporate or retail client divisions of LBBW.

I. Importance of factors to determine the best possible execution

In order to determine the best execution results possible, the factors described in the following under (1) (a) – (e) have been taken as a basis for the review of the execution quality. The review took into account information such as provided in the Quality of Execution Reports published by the execution venues. Moreover, these factors have been weighted variably within the size categories described under (3) – see (2) weighting of factors.

These factors and the importance given to them by the Bank apply to all types of financial instruments referred to in Section A (II).

Upon placing of the order, the client order is allocated according to the respective size category.

(1) Factors taken into account

a) Price

The price of a financial instrument is set on the basis of the bid and ask offer and is decisively influenced by the nature of the price-setting process at the relevant execution venue. This price-setting process may also be influenced by the instruction of the so-called market makers and the situation in terms of bid and ask offers at other execution venues (the so-called reference market principle).

b) Costs

Costs are generally incurred as a result of the execution of a client order at an execution venue. The costs which depend on the execution venue include e.g. trading fees (commission, Xetra transaction fees or settlement note charges and the margin between buying and selling rate) and clearing fees (settlement data carrier charges and transaction charges for security and cash clearing).

c) Speed/likelihood of execution

The term »speed of execution« refers to the interval from when a client order is capable of execution at the relevant execution venues until the issue of a confirmation of execution by the execution venue. Here, the length of time is also taken into account which elapses before an order which is initially incapable of execution is recognized as capable of execution at an execution venue and executed once the conditions have changed.

The term »likelihood of execution« refers to the probability that a client order will actually be executed at an execution venue. It is decisively influenced by the bid and ask offer and is highest at the execution venues with a high level of liquidity. Assessment takes into account the involvement of a reference market, effectively enabling liquidity to be increased.

d) Likelihood of settlement (standard of regulation, investor protection)

Likelihood of settlement is associated with service factors beneficial to the client in the execution of orders:

- independent monitoring of trading
- information and advisory services
- mistrade provisions
- protective mechanisms integrated in the rules
- likelihood of settlement

e) Qualitative factors

The membership in a clearing system serves for the settlement of securities transactions and protection against default losses of contract partners. Existing protection against emergencies as well as planned measures of an execution venue may also have an impact on the quality of execution.

* As at 3 January 2018

** as defined by the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG)

(2) Weighting of factors

The weightings given to the factors referred to are as follows:

Size categories I and II in acc. with (3)

- price 80 %
- costs 20 %

Size category III in acc. with (3)

- price 60 %
- costs 25 %
- speed and likelihood of execution 5 %
- likelihood of settlement 5 %
(standard of regulation, investor protection)
- qualitative factors 5 %

(3) Size categories

The following size categories were created for the group of financial instruments set out below, on the basis of order data:

	Size category I	Size category II	Size category III
Equities - shares and depositary receipts	EUR 0 – 4,999.99	EUR 5,000.00 – 9,999.99	from EUR 10,000.00
Debt instruments (bonds and money market instruments)	EUR 0 – 9,999.99	EUR 10,000.00 – 19,999.99	from EUR 20,000.00
Structured finance instruments	EUR 0 – 4,999.99	EUR 5,000.00 – 9,999.99	from EUR 10,000.00
Securitized derivatives	EUR 0 – 4,999.99	EUR 5,000.00 – 9,999.99	from EUR 10,000.00
Exchange Traded Funds (ETF)	EUR 0 – 4,999.99	EUR 5,000.00 – 9,999.99	from EUR 10,000.00
Exchange Traded Notes (ETN), Exchange Traded Commodities (ETC)	EUR 0 – 9,999.99	EUR 10,000.00 – 19,999.99	from EUR 20,000.00

The best possible execution venue is determined for each financial instrument and size category.

II. Types of financial instruments and segments

The abovementioned factors and the importance given to them by the Bank apply to the following types of financial instruments, taking into account the segments attributed to them:

Type of financial instrument	Segment
Equities – shares and depositary receipts	<ul style="list-style-type: none">• from 2000 trades per day• between 80 and 1999 trades per day• between 0 and 79 trades per day

Explanation: Equities are treated as a separate group because pricing in the market primarily depends on the performance of the companies concerned. Division into segments is based on the varying degrees of market representation at the execution venues and depends on the respective liquidity of the equities.

Debt instruments*	<ul style="list-style-type: none">• Bonds• Money market instruments
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Explanation: Debt instruments are treated as a separate group of financial instruments because pricing in the market primarily depends on the current capital market interest rate and the issuer's credit rating. Division into segments is based on the term of the assets included.

Structured finance instruments

Explanation: Structured finance instruments include one or several underlying instruments plus a derivative component. They have been structured with a certain expectation with regard to the development of the underlying instrument.

Securitized derivatives*	<ul style="list-style-type: none">• warrants and certificate derivatives• other securitized derivatives
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Explanation: Securitized derivatives are treated as a separate group of financial instruments because the development of their price and the potential payments are linked to an underlying instrument. With these financial instruments, volatility is expected to differ from that which applies to other groups of financial instruments.

Exchange traded products	<ul style="list-style-type: none">• Exchange Traded Funds (ETF)• Exchange Traded Notes (ETN)• Exchange Traded Commodities (ETC)
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Explanation: Exchange traded products are treated as a separate group of financial instruments because they are passive securities, traded on the stock exchange. Division into segments is based on the characteristics.

Interest rates derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• Swaps, forwards and other interest rates derivatives
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Explanation: Interest rates derivatives are treated as a separate group of financial instruments because the underlying instrument of these derivatives is an interest rate or an interest rate related value.

Credit derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• other credit derivatives
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Explanation: Credit derivatives are treated as a separate group of financial instruments because the underlying instruments of these derivatives are loans, bonds or similar assets.

Currency derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• Swaps, forwards and other currency derivatives
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Explanation: Currency derivatives are treated as a separate group of financial instruments because the underlying instrument of these derivatives is the exchange rate of a defined currency.

Equity derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• swaps and other equity derivatives
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Explanation: Equity derivatives are treated as a separate group of financial instruments because the underlying instruments of these derivatives are equities.

* Certificates will be allocated in accordance with the contractual terms and conditions through the issuer of the group »Debt instruments « or »Securitized derivatives«.

Commodity derivatives and emission allowances derivatives

- Futures and options admitted to trading on a trading venue
- other commodity derivatives and emission allowances derivatives

Explanation: Commodity derivatives and emission allowances derivatives are treated as a separate group of financial instruments because the underlying instruments of these derivatives are commodities and emission allowances.

Miscellaneous financial instruments

- miscellaneous German securities
- miscellaneous foreign securities
- miscellaneous German financial instruments
- miscellaneous foreign financial instruments

Explanation: Miscellaneous financial instruments are treated as a separate group of financial instruments in order to take into account their particular features in terms of conditions and pricing. This ensures that it is possible to classify and evaluate financial instruments not already included in one of the groups referred to above.

Securities financing transactions

Explanation: Securities financing transactions are treated as a separate group of financial instruments because such contracts mean that the ownership of the securities temporarily changes in return for cash.

III. Results of the assessment procedure/relevant execution venues

On the basis of an analysis of market and stock exchange data relating to financial instruments in the individual segments and an analysis of order data in order to determine average order sizes, the execution venues named in the following table have been identified, where best possible results according to assessment result in the execution of client orders are consistently achieved.

Group of financial instruments	Segment	Segment	Segment	Segment
Equities – shares and depositary receipts	Tick size/liquidity bands 5 and 6 (from 2000 trades per day)	Tick size/liquidity bands 3 and 4 (between 80 and 1999 trades per day)	Tick size/liquidity bands 1 and 2 (between 0 and 79 trades per day)	
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent*
Debt instruments**	Bonds	Money market instruments	Bonds from the Bank's portfolio	
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Transaction concluded directly with the Bank* 	<ul style="list-style-type: none"> German execution venue Transaction concluded directly with the Bank* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank
Structured finance instruments	Best possible execution venue	<ul style="list-style-type: none"> Transaction concluded directly with the bank 		
		Warrants and certificate derivatives	Other securitized derivatives	
Securitized derivatives**	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	
		Exchange Traded Funds (ETF)	Exchange Traded Notes (ETN)	Exchange Traded Commodities (ETC)
Exchange traded products	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent*
		Futures and options admitted to trading on a trading venue	Swaps, forwards and other interest rates derivatives	
Interest rates derivatives	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
		Futures and options admitted to trading on a trading venue	Other credit derivatives	
Credit derivatives	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
		Futures and options admitted to trading on a trading venue	Swaps, forwards and other currency derivatives	
Currency derivatives	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
		Futures and options admitted to trading on a trading venue	Swaps and other equity derivatives	
Equity derivatives	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
		Futures and options admitted to trading on a trading venue	Other commodity derivatives and emission allowances derivatives	
Commodity derivatives and emission allowances derivatives	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
		Miscellaneous German securities	Miscellaneous foreign securities	Miscellaneous German financial instruments
Miscellaneous financial instruments	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank Transaction concluded directly with the bank
		Miscellaneous German securities	Miscellaneous foreign securities	Miscellaneous German financial instruments
Securities financing transactions	Best possible execution venue	<ul style="list-style-type: none"> Transaction concluded directly with the bank 		

* if exclusively traded on a foreign execution venue

** Certificates will be allocated in accordance with the contractual terms and conditions through the issuer of the group »Debt instruments« or »Securitized derivatives«.

- Stuttgart stock exchange
- Frankfurt stock exchange
- Xetra stock exchange
- Munich stock exchange
- Berlin stock exchange
- Hamburg stock exchange
- Hannover stock exchange
- Duesseldorf stock exchange
- EUREX stock exchange (for listed derivatives)

General information on stock exchanges and exchange trading can be found in the brochures »Basic information on Investment in securities« (Basisinformationen über Wertpapiergeschäfte) and »Basic information on forward transactions« (Basisinformationen über Termingeschäfte). [available only in German].

Supplementary information about the above table:

(1) The German execution venue specified in the table refers to one of the following execution venues:

(2) Access to foreign execution venues is arranged via suitable intermediary commission agents. The overview of intermediary commission agents representing us is available under www.LBBW.de/mifid-informationen and www.bw-bank.de/mifid-informationen.

Section B

Order execution for professional clients* in the Financial Markets division.

I. Importance of factors to determine the best possible execution

In order to determine the best execution results possible, the factors described in the following under (1) (a) – (e) have been taken as a basis for the review of the execution quality. Moreover, these factors have been weighted variably – see (2) weighting of factors.

These factors and the importance given to them by the Bank apply to all types of financial instruments referred to in Section B (II) below.

(1) Factors taken into account

a) Price

The price of a financial instrument is set on the basis of the bid and ask offer and is decisively influenced by the nature of the price-setting process at the relevant execution venue. This price-setting process may also be influenced by the instruction of the so-called market makers and the situation in terms of bid and ask offers at other execution venues (the so-called reference market principle).

b) Costs

Costs are generally incurred as a result of the execution of a client order at an execution venue. The costs which depend on the execution venue include e.g. trading fees (commission, Xetra transaction fees or settlement note charges and the margin between buying and selling rate) and clearing fees (settlement data carrier charges and transaction charges for security and cash clearing).

c) Speed/likelihood of execution

The term »speed of execution« refers to the interval from when a client order is capable of execution at the relevant execution venues until the issue of a confirmation of execution by the execution venue. Here, the length of time is also taken into account which elapses before an order which is initially incapable of execution is recognized as capable of execution at an execution venue and executed once the conditions have changed.

The term »likelihood of execution« refers to the probability that a client order will actually be executed at an execution venue. It is decisively influenced by the bid and ask offer and is highest at the execution venues with a high level of liquidity.

d) Likelihood of settlement (standard of regulation, investor protection)

Likelihood of settlement is associated with service factors beneficial to the client in the execution of orders:

- independent monitoring of trading
- information and advisory services
- mistrade provisions
- protective mechanisms integrated in the rules
- likelihood of settlement

e) Qualitative factors

The membership in a clearing system serves for the settlement of securities transactions and protection against default losses of contract partners. Existing protection against emergencies as well as planned measures of an execution venue may also have an impact on the quality of execution.

(2) Weighting of factors

For the execution of aforementioned orders, the factors price and speed of execution as well as likelihood of execution are crucial.

In addition to these factors, the quality of execution is also assessed based on the factors costs and likelihood of settlement as well as qualitative factors.

The aforementioned factors and their weighting are applied to the following groups of financial instruments:

*pursuant to the German Securities Trading Act (WpHG)

II. Types of financial instruments and segments

Type of financial instrument	Segment
Equities – shares and depositary receipts	<ul style="list-style-type: none">• from 2000 trades per day• between 80 and 1999 trades per day• between 0 and 79 trades per day

Explanation: Equities are treated as a separate group because pricing in the market primarily depends on the performance of the companies concerned. Division into segments is based on the varying degrees of market representation at the execution venues and depends on the respective liquidity of the equities.

Debt instruments*	<ul style="list-style-type: none">• Bonds• Money market instruments
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Explanation: Debt instruments are treated as a separate group of financial instruments because pricing in the market primarily depends on the current capital market interest rate and the issuer's credit rating. Division into segments is based on the term of the assets included.

Structured finance instruments

Explanation: Structured finance instruments include one or several underlying instruments plus a derivative component. They have been structured with a certain expectation with regard to the development of the underlying instrument.

Securitized derivatives*	<ul style="list-style-type: none">• warrants and certificate derivatives• other securitized derivatives
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Explanation: Securitized derivatives are treated as a separate group of financial instruments because the development of their price and the potential payments are linked to an underlying instrument. With these financial instruments, volatility is expected to differ from that which applies to other groups of financial instruments.

Exchange traded products	<ul style="list-style-type: none">• Exchange Traded Funds (ETF)• Exchange Traded Notes (ETN)• Exchange Traded Commodities (ETC)
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Explanation: Exchange traded products are treated as a separate group of financial instruments because they are passive securities, traded on the stock exchange. Division into segments is based on the characteristics.

Interest rates derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• Swaps, forwards and other interest rates derivatives
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Explanation: Interest rates derivatives are treated as a separate group of financial instruments because the underlying instrument of these derivatives is an interest rate or an interest rate related value.

Credit derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• other credit derivatives
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Explanation: Credit derivatives are treated as a separate group of financial instruments because the underlying instruments of these derivatives are loans, bonds or similar assets.

Currency derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• Swaps, forwards and other currency derivatives
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Explanation: Currency derivatives are treated as a separate group of financial instruments because the underlying instrument of these derivatives is the exchange rate of a defined currency.

Equity derivatives	<ul style="list-style-type: none">• Futures and options admitted to trading on a trading venue• swaps and other equity derivatives
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Explanation: Equity derivatives are treated as a separate group of financial instruments because the underlying instruments of these derivatives are equities.

* Certificates will be allocated in accordance with the contractual terms and conditions through the issuer of the group »Debt instruments « or »Securitized derivatives«.

Commodity derivatives and emission allowances derivatives

- Futures and options admitted to trading on a trading venue
- other commodity derivatives and emission allowances derivatives

Explanation: Commodity derivatives and emission allowances derivatives are treated as a separate group of financial instruments because the underlying instruments of these derivatives are commodities and emission allowances.

Miscellaneous financial instruments

- miscellaneous German securities
- miscellaneous foreign securities
- miscellaneous German financial instruments
- miscellaneous foreign financial instruments

Explanation: Miscellaneous financial instruments are treated as a separate group of financial instruments in order to take into account their particular features in terms of conditions and pricing. This ensures that it is possible to classify and evaluate financial instruments not already included in one of the groups referred to above.

Securities financing transactions

Explanation: Securities financing transactions are treated as a separate group of financial instruments because such contracts mean that the ownership of the securities temporarily changes in return for cash.

III. Results of the assessment procedure/relevant execution venues

On the basis of an analysis of market and stock exchange data relating to financial instruments in the individual segments, the execution venues named in the following table have been identified, where best possible results according to assessment result in the execution of client orders in Financial Markets are consistently achieved.

Group of financial instruments	Segment	Segment	Segment	Segment
Equities – shares and depository receipts	Tick size/liquidity bands 5 and 6 (from 2000 trades per day)	Tick size/liquidity bands 3 and 4 (between 80 and 1999 trades per day)	Tick size/liquidity bands 1 and 2 (between 0 and 79 trades per day)	
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent
Debt instruments**	Bonds	Money market instruments		
	Best possible execution venue	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
Structured finance instruments				
	Best possible execution venue	<ul style="list-style-type: none"> Transaction concluded directly with the bank 		
Securitized derivatives**	Warrants and certificate derivatives	Other securitized derivatives		
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent 	
Exchange Traded Funds (ETF), Exchange Traded Notes (ETN), Exchange Traded Commodities (ETC)				
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent 		
Interest rates derivatives	Futures and options admitted to trading on a trading venue	Swaps, forwards and other interest rates derivatives		
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
Credit derivatives	Futures and options admitted to trading on a trading venue	Other credit derivatives		
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
Currency derivatives	Futures and options admitted to trading on a trading venue	Swaps, forwards and other currency derivatives		
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
Equity derivatives	Futures and options admitted to trading on a trading venue	Swaps and other equity derivatives		
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
Commodity derivatives and emission allowances derivatives	Futures and options admitted to trading on a trading venue	Other commodity derivatives and emission allowances derivatives		
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue (EUREX) Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank 	
Miscellaneous financial instruments	Miscellaneous German securities	Miscellaneous foreign securities	Miscellaneous German financial instruments	Miscellaneous foreign financial instruments
	Best possible execution venue	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> German execution venue Involvement of intermediary commission agent* 	<ul style="list-style-type: none"> Transaction concluded directly with the bank Transaction concluded directly with the bank
Securities financing transactions				
	Best possible execution venue	<ul style="list-style-type: none"> Transaction concluded directly with the bank 		

* if exclusively traded on a foreign execution venue

** Certificates will be allocated in accordance with the contractual terms and conditions through the issuer of the group »Debt instruments« or »Securitized derivatives«.

- Xetra stock exchange
- Frankfurt stock exchange
- Stuttgart stock exchange
- Munich stock exchange
- Berlin stock exchange
- Hamburg stock exchange
- Hannover stock exchange

- Duesseldorf stock exchange
- EUREX stock exchange
(for listed derivatives)

Access to foreign execution venues is arranged via suitable intermediary commission agents. The overview of intermediary commission agents representing us is available under www.LBBW.de/mifid-informationen and www.bw-bank.de/mifid-informationen.

Supplementary information about the above table:

The German execution venue specified in the table refers to one of the following execution venues:

General information on stock exchanges and exchange trading can be found in the brochures »Basic information on Investment in securities« (Basisinformationen über Wertpapiergeschäfte) and »Basic information on forward transactions« (Basisinformationen über Termingeschäfte). [available only in German].