

LBBW

BWBANK

# Information on business in securities and other financial instruments.

As at: January 2021

**Hauptsitze:**  
Stuttgart, Karlsruhe,  
Mannheim, Mainz  
kontakt@LBBW.de  
www.LBBW.de

HRA 12704  
Amtsgericht Stuttgart  
HRA 4356, HRA 104 440  
Amtsgericht Mannheim  
HRA 40687  
Amtsgericht Mainz

Bankleitzahl 600 501 01  
BIC/SWIFT-Adresse SOLADEST  
Steuer-Nr. 2899/014/09009  
USt.-IdNr. DE 147 800 343

## Dear Client,

Bank transactions are a matter of trust – especially in the case of transactions in securities and other financial instruments. That is why we attach great importance to informing you about our services and products in a transparent and detailed manner. Your best interests as a client are our top priority.

Due to new legal requirements, this brochure provides you with information about the following subject areas:

- Investment services in securities and other financial instruments
- Handling of potential conflicts of interest
- Best Execution Policy
- Prices for trading in securities
- Exemplary cost statements
- Inducements received from distribution partners
- Special conditions for dealings in securities

This overview is in reaction to the new provisions in the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG). The new regulation introduces even higher standards for investor protection, which may also impact our business relationship. The legally required protection level varies depending on the client group (retail clients, professional clients, eligible counterparties). Here is one example:

If you have been classified as a »retail client«, the German Securities Trading Act (WpHG) stipulates that investment advice has to involve the preparation of a so-called suitability statement (Geeignetheitserklärung). This contains reasons for the investment recommendation(s) but also information on the client's personal and financial circumstances. This also means that the authorized representative for your securities account will get access to this suitability statement in the advisory discussion and thus insight into your financial standing. If you or your authorized representative is classified as a professional client or eligible counterparty, no suitability statement is needed.

We therefore recommend that you read this brochure carefully. Your customer relationship manager will be glad to arrange a personal meeting and assist you with any questions you may have about the new regulation.

Kind regards,

**Landesbank Baden-Württemberg**

# Information about the financial institution and its services

According to the requirements of Article 47 Para. 1 of the Commission Delegated Regulation (EU) 2017/565 and Section 83 Para. 5 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), this document contains information about us and our services in connection with securities.

## A. Information about the financial institution

Landesbank Baden-Württemberg  
Am Hauptbahnhof 2  
70173 Stuttgart, Germany  
phone: +49 (0)711 127-0  
fax: +49 (0)711 127-43544  
e-mail: kontakt@LBBW.de

Baden-Württembergische Bank is a dependent institution of Landesbank Baden-Württemberg. Landesbank Baden-Württemberg is an institution under public law (Anstalt des öffentlichen Rechts). Declarations of Baden-Württembergische Bank in the scope of business relationships entitle and obligate exclusively Landesbank Baden-Württemberg.

### Banking license

We are in possession of a banking license as per Sec. 32 of the German Banking Act (KWG).

### Competent regulatory authorities'

Competent authority for banking authorisation:  
European Central Bank  
Sonnemannstraße 20  
60314 Frankfurt/Main, Germany  
Postal address: European Central Bank  
60604 Frankfurt/Main  
(Internet: [www.ecb.europa.eu](http://www.ecb.europa.eu))

Competent authority for consumer protection:  
German Federal Financial Supervisory Authority  
(Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin).  
Graurheindorfer Straße 108, 53117 Bonn, Germany  
and Marie-Curie-Straße 24-28,  
60439 Frankfurt/Main, Germany  
(Internet: [www.bafin.de](http://www.bafin.de)).

### Communicating with us

You can communicate with us in person, by telephone, in writing or electronically in the German language.

Client orders can be communicated to us in person, by telephone, in writing or through direct brokerage in the German language.

### Recording of telephone and electronic communication

As required by law, we are recording telephone and electronic communication referring to the reception, transmission or execution of orders related to financial instruments or securities-related services and ancillary services and file these conversations for a period of five years; if so required by the supervisory authorities, the period can be extended on a case-by-case basis to up to seven years. Within that period, we shall provide you with copies of these conversations on request. In the event someone else acts as your authorized representative, the provisions regarding telephone and electronic communication also apply to this authorized representative. Please note that separate provisions apply for certain communication channels such as direct brokerage. Your customer relationship manager is available to answer any questions you might have about record keeping requirements in a personal conversation.

### Notification of transactions executed

You will receive a confirmation from us for each transaction executed. Once per year you will receive a statement of your security deposit account.

### Reporting of personal data to supervisory authorities or trading venues

Please be informed that the Bank is obliged to provide national and European supervisory authorities with detailed information about its client's securities and derivatives transactions as part of MiFIR transaction reporting as well as commodity derivatives position reporting; positions regarding exchange traded commodity derivatives are reported to the trading venues. These notification requirements can also comprise personal data such as the respective client's name and date of birth. Depending on the client's nationality, further information such as client's social security number or identity card number can also be subject to the reporting requirements of the supervisory authorities.

## Note on voluntary deposit guarantee system

We are a member of the guarantee scheme of the Savings Bank Finance Group.

### 1. Voluntary deposit guarantee scheme

The primary objective of the guarantee system is to protect the member institutes and to avoid any imminent or existing financial difficulties they might be confronted with.

The scheme is thus to prevent an event in which the realization of deposit guarantees would be required and ensure the continuation of the business relationships between the relevant financial institution and its clients.

### 2. Statutory deposit guarantee system

The institutional guarantee scheme of the Savings Bank Finance Group is a deposit guarantee system officially recognized under the German Deposit Guarantee Act (EinSiG). If, contrary to paragraph 1, the institutional guarantee does not apply in individual cases, the client has a claim vis-à-vis the guarantee scheme for reimbursement of its deposits in terms of Section 2 (3) to (5) EinSiG up to the maximum limits as set forth in Section 8 EinSiG. Pursuant to Section 6 EinSiG, deposits created in connection with money laundering activities, bonds to bearer of the bank and liabilities from own bills of acceptance and promissory notes are not eligible for compensation. More information is available at

[www.dsgv.de/sicherungssystem](http://www.dsgv.de/sicherungssystem).

Since the guarantee schemes of the Savings Bank Finance Group have been in existence, no clients of a member institute have ever suffered a loss of their deposits.

### Important risk information (bail-in):

Please note that the bank shares, bonds, derivative contracts with banks and savings banks as well as other receivables against banks and savings banks across Europe are subject to special rules in the event of any threat to their going-concern status. This is due to the statutory recovery and resolution provisions that apply if a bank is to be wound up. These rules may have an adverse effect on the bank's investors/counterparties in the event that it must be wound up.

The statutory resolution instruments include the relevant authorities' write-down and conversion powers (»bail-in«). The ramifications of a »bail-in« for creditors depend materially on the ranking of the financial instrument concerned in the creditor hierarchy, which is illustrated in the liability cascade on the BaFin website. Further information on the financial instruments that are affected can be found at [www.bafin.de](http://www.bafin.de) (by entering the search term »liability cascade«).

If LBBW is the issuer (debtor) of the bonds held in your securities account or the counterparty to the derivatives contract, further information can be found on the LBBW website ([www.lbbw.de](http://www.lbbw.de)). This website also sets out further information on the statutory provisions and their impact on investors/counterparties. Please read these details carefully. On request, we can also furnish you with this information in paper form.

In other cases, we advise you to consult the website of the issuer of the product in question to obtain further information.

## B. Handling of conflicts of interest

We have taken precautions to prevent possible conflicts of interest between us, our management, our employees or other individuals/entities directly or indirectly connected with us by a relationship of control and you, or between our clients, from affecting the client interests. Further details can be found in the policy on management of conflicts of interest as set out in this brochure.

## C. Information on services

We conduct all kinds of transactions customary in banking, in particular lending operations, account maintenance, deposit-taking business, securities transactions and custody business, payment transactions and others to the extent that the Landesbank Baden-Württemberg Act and the Ordinance of Landesbank Baden-Württemberg do not impose any restrictions.

### Investment advice

In order to ensure high-quality investment advice, which improves the quality of client services and takes client interests into account in the best possible manner, the Bank includes in its portfolio a broad range of products by various issuers. Given an incalculable number of products by countless issuers around the globe, which are available today, the Bank offers primarily own financial instruments and selected financial instruments of certain issuers that comply with the Bank's selection criteria.

Your customer relationship manager will provide you with details and information about individual products. Furthermore, prospectuses that have been published in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz, WpPG) as well as, if applicable, Key Investor Information Documents (KIIDs) and product information sheets (Produktionsinformationsblätter)/Key Information Documents (KIDs) are available on the issuer's website.

If investment advice has been provided by us and for our non-advisory order services please note that we are not supervising the performance of the portfolio and of individual financial instruments, except for the statutory loss threshold reporting pursuant to Article 62 of the Commission Delegated Regulation (EU) 2017/565. This does not rule out, however, that we will approach you with an investment idea, for example when an instrument has reached maturity.

#### **Non-advisory business**

Non-advisory transactions comprise investments executed based on your own decision and independent of a personal investment recommendation provided by the Bank. In these cases, we merely obtain the required information regarding your knowledge and experience as far as required by law; this does not comprise information about your investment objectives and financial situation.

#### **Client classification and level of protection**

In accordance with the relevant legal requirements, we will classify you as »retail client«, »professional client« or »eligible counterparty« before the first securities-related transaction or ancillary services have been rendered. A classification as »professional client« or »eligible counterparty« reduces the level of client protection.

You can apply in writing for a change of your classification. This applies to a potential reclassification to a higher level of protection, meaning a reclassification as a professional client or retail client, if you were classified as an eligible counterparty, or the reclassification as a retail client, if you were classified as a professional client. If the statutory requirements are given, this also applies to the reclassification to a lower level of protection, meaning the reclassification as a professional client, if you were classified as a retail client, or the reclassification as an eligible counterparty, if you were previously classified as a professional client. In the event of a reclassification to a lower level of protection, we will provide you with information about any reductions to the level of client protection resulting from the reclassification.

#### **General Information about prospectus supplements**

The securities prospectus prepared **in accordance with the EU Prospectus Regulation** (Regulation (EU) 2017/1129) includes a detailed description of the respective security.

If certain legal conditions are met, a supplement to the securities prospectus may be published. All significant new factors, material mistakes or inaccuracies regarding the information in the securities prospectus are to be listed in the supplement.

The issuer publishes the supplement on its website in accordance with statutory regulations.

If you have acquired or subscribed a security and a supplement is published to the securities prospectus for this, you may be entitled to a right of revocation in accordance with Article 23 (2) of the EU Prospectus Regulation. The statutory revocation period is currently two working days. The supplement will contain information about the expiration of this deadline, which the issuer can choose to extend. Your adviser would be happy to help you exercise this right of revocation.

We will promptly inform you if you may be entitled to a right of revocation for the security in question, but the short time limit stated above means that you must have an electronic mailbox. If you do not have an electronic mailbox, please contact your adviser. Or you can apply for it directly online at [www.bw-bank.de/postfach-einstellungen](http://www.bw-bank.de/postfach-einstellungen).

## **D. Information about the product's target market**

Target markets are defined for securities and other financial instruments. The target market describes the client groups, at which this product is aimed. In context with the investment recommendation or before an order is placed, your customer relationship manager will inform you about the target market of the recommended product or the product you are interested in, respectively, on request. In the case of non-advisory transactions we will only review the target market with regard to the target market criterion client category and, if required by law, knowledge and experience.

## **E. Information on execution venues**

Our regulations governing the handling of client complaints are set out in our policy on the management of complaints. The policy has been published on the LBBW website.

## **F. Costs and additional charges**

Information on costs and additional charges can be found in the list of prices and the prices for securities transactions provided in this brochure.

## **G. Information on Data Protection**

We process your personal data that is required for providing services related to securities and other financial services. This data is processed so that we can perform contracts entered into with you (e.g. consulting contracts, securities deposit contracts) and to meet our statutory obligations (e.g. from the German Securities Trading Act).

## **H. Information on withholding tax for capital gains without liquidity intake**

If we are unable to withhold capital gains tax from a liquidity inflow (e.g. in the event of an advance flat rate for investment funds or the recognition of bonus shares), we are legally authorized to debit the capital gains tax incurred to a customer account held with us. A current account overdraft (authorized account overdraft) which is not fully drawn down will not be

debited if you object to the current account overdraft being used prior to the inflow of capital gains.

If the available balance, including the available current account overdraft, does not cover the tax amount or does not cover it in full, we are legally obliged to report the full capital gain to the tax authorities.

## **I. General terms and conditions/ special conditions for dealings in securities**

The general terms and conditions, which are also provided in this brochure, shall apply for the duration of the contractual relationship. In addition, the contractual relationship is regulated by the Special conditions for dealings in securities with regard to purchase or sale as well as safe custody of securities.

## **J. Reference to the arbitration office and the European Online Dispute Resolution platform as well as to the management of complaints**

To settle potential disputes with the Bank, consumers have the option of turning to the consumer arbitration office of the Association of German Public-Sector Banks (VÖB). In the event of disputes regarding payment services and electronic money, non-consumers (business clients) can also turn to the arbitration office of the Association of German Public-Sector Banks (VÖB).

Please send your complaint in writing to:

Bundesverband Öffentlicher Banken Deutschlands (VÖB)  
Verbraucherschlichtungsstelle  
Postfach 110272  
10832 Berlin Germany  
E-Mail: [ombudsmann@voeb-kbs.de](mailto:ombudsmann@voeb-kbs.de)  
Internet: [www.voeb.de](http://www.voeb.de)

The particulars are set out in the rules of procedure, which are available on request. The Bank is participating in the dispute settlement procedure offered by this recognized consumer arbitration office.

### **Dispute resolution for contracts concluded online**

To settle disputes arising from contracts concluded online, consumers can alternatively turn to the online platform at <http://ec.europa.eu/consumers/odr>.

In the case of alleged violations of

- the Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz, ZAG),
- Sections 675c to 676c of the German Civil Code (Bürgerliches Gesetzbuch, BGB) or
- Article 248 of the Introductory Statute to the German Civil code (Einführungsgesetz zum Bürgerlichen Gesetzbuch, EGBGB)

a complaint can also be submitted to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin).

The relevant addresses are:

Bundesanstalt für Finanzdienstleistungsaufsicht  
Graurheindorfer Str. 108  
53117 Bonn, Germany and  
Marie-Curie-Str. 24-28  
60439 Frankfurt/Main, Germany

Our regulations governing the handling of client complaints are set out in our policy on the management of complaints. The policy has been published on the LBBW website.



# Policy on management of conflicts of interest\*

The Bank has taken the following measures to prevent that conflicts of interest that may arise between the Bank, its Board of Managing Directors, its employees and tied agents or other persons directly or indirectly linked to the Bank by control, and its clients or between one client and another have no adverse effect on the interests of clients:

## I. At our Bank, conflicts of interest may arise

between our clients and

- a. our Bank (including companies of our group),
- b. the relevant persons employed at our Bank or persons associated with them, including our Board of Managing Directors,
- c. persons linked to our Bank by control and
- d. other clients

in connection with the following investment services / ancillary services:

- a. principal brokering service (purchase or sale of financial instruments in one's own name for the account of others),
- b. proprietary trading (purchase or sale of financial instruments for own account as a service for third parties),
- c. proprietary business (purchase or sale of financial instruments for own account but not as a service for third parties),
- d. contract brokering (purchase or sale of financial instruments in the name of a third party for the account of others),
- e. investment brokerage (the brokering of transactions involving the purchase and sale of financial instruments or supporting documentation thereof),
- f. underwriting business (underwriting of financial instruments at one's own risk for placement in the market or the assumption of equivalent guarantees),
- g. placing business (placing of financial instruments without a firm commitment basis),
- h. portfolio management/asset management (administration of individual or several portfolios invested in financial instruments for others on a discretionary basis),

- i. investment advice (provision of personal recommendations relating to transactions in certain financial instruments to clients or their representatives insofar as the recommendation is based on an evaluation of the investor's personal circumstances or is presented as being suitable for the investor and is not provided exclusively via distribution channels or for the general public),
- j. safe custody business (safe custody and administration of financial instruments for the account of others and services connected thereto),
- k. granting of credits or loans to others for the carrying out of investment services provided the (group) company granting the credits or loans is involved in these transactions,
- l. provision of advice to companies with respect to the capital structure and the industrial strategy as well as the provision of advice and services relating to the acquisition and mergers of companies (M&A business),
- m. foreign exchange transactions which are connected to investment services,
- n. production, distribution or communication of financial analyses/investment recommendations (or other information concerning financial instruments or their issuers which directly or indirectly contain a recommendation relating to a specific investment decision),
- o. services which are connected to underwriting business and
- p. services relating to an underlying instrument within the meaning of Section 2 (3) No. 2 or 5 of the German Securities Trading Act (WpHG)

in particular

- a. from personal relationships of relevant persons (managers or employees or persons associated with them)
  - a. of our Bank with issuers of financial instruments, e.g. through membership in supervisory boards, boards of directors or advisory boards and/or
  - b. of issuers of financial instruments with our Bank (e.g. as clients of our Bank)

and

- b. from relations of our Bank with issuers of financial instruments where
  - a. the relevant issuer is a subsidiary of our Bank or
  - b. our Bank has a direct or indirect interest in the relevant issuer of financial instruments

\* As at 1 July 2020

and if our Bank

- c. is involved in the issuances of the relevant issuer of financial instruments,
- d. is a lender/provider of a guarantee to the issuer of financial instruments,
- e. is involved in the production of a financial analysis / investment recommendation relating to the relevant issuer of financial instruments,
- f. makes/receives payments to/from the relevant issuer(s) of financial instruments,
- g. has entered into cooperations with the relevant issuer of financial instruments or
- h. operates/holds joint direct or indirect subsidiaries/ interests with the relevant issuer of financial instruments,
- i. or if a company of our group has granted a loan or credit to the issuer, which is to be repaid with the proceeds of an issuance managed by us.

## II. Conflicts of interest may also arise if

- a. our Bank or individual relevant persons within our Bank have information which is not yet in the public domain at the time of the client transaction,
- b. incentives exist for the preference of a certain financial instrument e.g. in analysis, advice, recommendation or execution of an order or
- c. policies and objectives (sales targets) are defined which directly or indirectly concern the turnover or volume of or the profit from the transactions recommended as part of their investment advice.

## III. As an investment firm, we ourselves and our employees

are required, in accordance with the legal provisions, to provide the investment services and ancillary services referred to in point I in an honest, fair and professional manner in the interests of our clients and to avoid, to the extent possible, any conflicts of interest. Independently of this, we have established a compliance organization that comprises, in particular, the following arrangements:

- a. the setting up of areas of confidentiality with Chinese walls, i.e. virtual and/or physical barriers to restrict the flow of information,
- b. obligation to disclose all transactions in financial instruments in connection with employees, where conflicts of interest may arise within the scope of their activities,
- c. maintenance of a watch list and/or a restricted list in which financial instruments with potential conflicts of interest are recorded. Transactions in financial instruments from the watch list are allowed, but are monitored centrally; transactions in financial instruments from the restricted list are prohibited,
- d. maintenance of an insider list. This list includes all relevant persons within our Bank who have access to inside information as part of their function (including time and type of the information) and is updated whenever required,
- e. ongoing monitoring of all transactions of relevant persons working in our Bank,
- f. execution of orders in accordance with our Best Execution Policy and/or as instructed by the client,
- g. rules on the acceptance of gifts and other benefits,
- h. training of our employees,
- i. monitoring observance of client's interests in the design and implementation of sales targets and
- j. observing client's interests in the introduction, appropriate design and implementation of the compensation system,
- k. observing client's interests in the course of our product monitoring,
- l. exchanging information with group companies that function as providers of loans, unless this would violate information barriers we had set up to protect the client's interests.

## IV. If, in exceptional cases, conflicts of interest

cannot be avoided by the above division of responsibility or our compliance organization, we will notify our clients accordingly and in line with this policy. In these cases, we will abstain from providing an opinion, advice or recommendation on the financial instrument in question on account of the priority given to customer interests.

## V. At the client's request, we will

provide further details on these potential conflicts of interest.



# Prices for trading in securities

This translation serves information purposes only.  
Please note, that only the German version is legally valid.

## An excerpt of the lists of prices and services\*

	Prices in €	Prices in €
<b>3. Securities</b>		
		When entering into a securities savings plan online:
		on acquisition 1.50 %
		of each savings installment paid in
		min. 2.90
<b>3.1 Buying and selling (German stock exchanges)<sup>37</sup></b>		
<b>3.1.1. Securities – complete</b>		
<b>Shares</b> and share-type products (e.g. warrants and profit participation certificates, ETF...)		
up to € 4,999.99	1.20 % of the market value	
over € 5,000.00	1.00 % of the market value	
over € 10,000.00	0.90 % of the market value	
over € 25,000.00	0.70 % of the market value	
over € 50,000.00	0.60 % of the market value	
	min. 20.00 <sup>38</sup>	
+ third-party fees, see 3.14		
<b>Fixed-income securities and bond-like products</b> at prices below 60 % and above 110 % of the nominal value	0.6 % of the market value	
Otherwise 0.6 % of nominal value	min. 20.00 <sup>38</sup>	
+ third-party fees, see 3.14		
<b>3.1.2 Securities direct</b>		
<b>All products</b>		
up to € 4,999.99	0.60 % of the market value	
over € 5,000.00	0.50 % of the market value	
over € 10,000.00	0.45 % of the market value	
over € 25,000.00	0.35 % of the market value	
over € 50,000.00	0.30 % of the market value	
	min. 20.00 <sup>38</sup>	
+ third-party fees, see 3.13		
For values shown as a percentage, charged from the market value for prices below 60 % and above 110 % of the nominal value	min. 20.00 <sup>38</sup>	
Otherwise of the nominal value	min. 20.00 <sup>38</sup>	
+ third-party fees, see 3.13		
<b>3.1.3 Acquisition in the context of a securities savings plan (ETF, certificates)<sup>53</sup></b>		
When entering into a securities savings plan through advisors:		
on acquisition 2.00 %		
of each savings installment paid in		
min. 2.90		
		<b>3.2 Subscription rights / fractional shares</b>
		<b>Buying/selling subscription rights/fractional shares</b>
		– equivalent amount up to € 249.99      –.–
		– equivalent amount over € 250.00 <sup>39</sup>
		+ clearing and broker's fee <sup>39</sup>
		<b>Exercise of subscription rights<sup>39</sup></b> min. 5.00
		<b>3.3 Investment units</b>
		– Deka Group fund at the relevant offering/redemption price
		– Other funds <sup>39</sup>
	(buy)	at the relevant offering price
	(sell)	at the relevant redemption price
		<b>3.4 Safe custody</b>
		Annual securities account price <sup>41</sup>
		0.150% + 19% VAT = 0.1785% of the market/nominal value of the respective securities account item <sup>42</sup> (so-called safe custody price per securities account item)
		However, an annual price per securities account of at least <sup>41</sup>
		2.50 + 19% VAT = 2.98 per securities account item <sup>42</sup> (so-called minimum item price)
		or
		20.00 + 19% VAT = 23.80 per year (so-called minimum securities account price)
		→ Whichever amount is larger is used
		Safe custody for workers asset formation funds (annual)      8.00 + 19 % VAT = 9.52
		If a securities account is opened/closed during a year, the securities account is priced pro rata temporis <sup>43, 55</sup> .

\* The consecutive numbering was taken over, as of January 1, 2021

	Prices in €		Prices in €
<b>3.5 WP-premium</b>		– encashment over the counter	0.25 % of the amount repayable min. 10.00
<b>3.5.1 Services</b>		Due coupons	
- Purchase, sale and custody of securities, exercise of subscription rights, and redemption of securities due, up to a maximum of 50 transactions per quarter. If the number of transactions exceeds 50 per quarter, the Bank is entitled to charge in accordance with WP-komplett.		– securities custody	–.–
- The Bank shall reimburse the customer the third-party initial charges received when purchasing investment funds.		– encashment over the counter	0.25 % of the gross amount
- The Bank shall reimburse the customer the sales commission received for the purchase of certificates.		– per invoice	min. 10.00
- The Bank shall reimburse current distribution fees received from investment funds (insofar as this differs from the contract to open a securities account) <sup>55</sup> .			
<b>3.5.2 Prices</b>		<b>3.9 Mandatory exercise of warrants and certificates</b>	
- For its services, the Bank shall receive a flat price of 0.40% of the cumulative average value of all securities held in the securities account per quarter, plus 19% VAT on the service share subject to VAT <sup>56</sup> .		Accounted for as sale	10.00
- Third-party fees are not part of the securities flat price and must therefore be paid separately. See Point 3.13.		<b>3.10 Delivery and dispatch of securities over the counter</b>	
<b>3.5.3 Settlement period</b>		With dispatch of securities over the counter per item	12.50 + 19 % VAT = 14.88 plus securities-clearing bank fee
- The flat price is invoiced and debited retrospectively at the end of the quarter on 31 March, 30 June, 30 September and 31 December of a year.		Delivery of securities over the counter per item	12.50 + 19 % VAT = 14.88 plus securities-clearing bank fee
<b>3.6 Securities account portfolio statement</b>		<b>3.11 Contract in favour of third parties in custody of securities</b>	<b>25.00</b>
Securities account portfolio statement as at 31 Dec. with value calculation	–.–	Sale by the Landesbank	
Securities account portfolio statement – reorder <sup>40</sup>	10.00 + 19 % USt = 11.90	– no facility in over-the-counter business	
<b>3.7 Securities account portfolio transfer</b>		<b>3.12 Brokering transactions</b>	
within Landesbank (incl. securities account portfolio re-registration)	–.–	When brokering transactions with affiliated companies and other business partners, the Bank receives commission and non-cash benefits from its relevant contracting parties. A more detailed explanation is available from our investment advisers on request.	
other banks (fees may be charged by the recipient bank)	–.–	<b>3.13 Commissions and fees for forward transactions in customer business (securities account portfolio B)</b>	
securities receipts from other banks to a BW Bank securities acct portfolio	–.–	<b>3.13.1 EUREX (options)</b>	
<b>3.8 Redeeming due securities and income coupons</b>		Options on German, Finnish, French, Dutch, Italian and US shares <sup>44</sup>	
Landesbank securities	–.–	Basic service charge	65.00 + 1 % of the total amount + EUREX fee
external securities		Exercise	as per respective securities price model + third-party fees + EUREX fee
– securities custody	0.125 % + 19 % VAT = 0.14875 % of the repayment amount max. 65.00 + 19 % VAT = 77.35	Allotment	as per respective securities price model + third-party fees
		Options on the DAX index, TecDAX index, OMX Helsinki 25 index, STOXX / EURO-STOXX index <sup>44</sup>	
		Basis service charge	65.00 + 1 % of the total amount + EUREX fee
		Exercise	1 % of cash settlement amount + third-party fee + EUREX fee
		Allotment	1 % of cash settlement amount + third-party fee

Prices in €

Options on 3-month Euribor future, FGBL / FGBM / FGBS future<sup>44</sup>

Basis service charge 65.00 + 1 % of the total amount  
+ EUREX fee  
Exercise and allotment respective fees for opening  
future position

### 3.13.2 EUREX (futures)

DAX Future per opening / closing

Basic service charge 65.00 + 7.50 per contract + EUREX fee

Cash settlement on  
settlement date 7.50 per contract + EUREX fee

MDAX, TecDAX, OMX Helsinki 25, STOXX / EURO-STOXX,  
futures on single shares per opening / closing

Basic service charge 65.00 + 2.00 per contract + EUREX fee

Cash settlement on  
settlement date 2.00 per contract + EUREX fee

1-month Euribor / 3-month Euribor Future

Basic service charge 65.00 + 30.00 per contract + EUREX fee

Cash settlement on  
settlement date 30.00 per contract + EUREX fee

FGBL / FGBM / FGBS / FGBX

Future per opening / closing

Basic service charge 65.00 + 12.50 per contract + EUREX fee

Delivery settlement date as per respective securities price  
model or nominal amount for a price below 100 + EUREX fee

### 3.13.3 EUREX (options) CHF

Options on Swiss shares<sup>44</sup>

Basic service charge CHF 75.00 + 1 % of the total amount  
+ EUREX fee

Exercise as per respective price model + delivery fee  
converted to CHF on the exercise day + EUREX fee

Allotment as per respective price model + delivery fee  
converted to CHF on the exercise day

Options on SMI<sup>44</sup> Basic service charge CHF 75.00  
+ 1 % of the total amount + EUREX fee

Exercise 1 % of the cash settlement + EUREX fee

Allotment 1 % of the cash settlement

### 3.13.4 EUREX (futures) CHF

SMI futures, futures on single shares per opening / closing

Basic service charge CHF 75.00 + 2.50 per contract  
+ EUREX fee

Cash settlement on  
settlement date 2.50 per contract + EUREX fee

CONF future per opening / closing

Basic service charge CHF 75.00 + 12.50 per contract  
+ EUREX fee

Delivery settlement date as per respective securities price  
model / nominal value market price below 100 %  
+ EUREX fee

### 3.14 Reimbursement of third-party costs, expenses, and stock exchange fees

Various third-party costs and expenses are incurred, e.g. fees, domestic and foreign stock exchange charges, securities account fees, and taxes. Different bases of assessment as well as flat-rate prices may apply depending on the stock exchange and/or type of security. Third-party costs and expenses are passed on directly, provided these charges are required to be reimbursed pursuant to statutory provisions.

37) Additional fees may be incurred for transactions on foreign stock exchanges.

38) Applies to partial performance that is stand-alone order.

- If sale takes place in a different depository as entered in customer portfolio, allocation fee is charged. It is subject to depository and invoiced separately.

- No fees are charged for provisional entry, change, cancellation and expiry of order.

39) as per shares of the relevant price model

40) At customer's request (if due to circumstances within customer's control)

41) Description of the charging logic for the price of a securities account: A custody price per securities account item of 0.150% + 19% VAT = 0.1785% is charged based on the market/nominal value of the respective securities account item. A minimum item price of EUR 2.50 + 19% VAT = EUR 2.98 applies per securities account item. This is charged if the safe custody price per securities account item in the amount of 0.150% + 19% VAT = 0.1785% of the market/nominal value of the individual securities account item falls below this minimum item price. A minimum securities account price of EUR 20 + 19% VAT = EUR 23.80 applies per securities account. This is charged if the sum of the applicable safe custody prices per securities account item or the applicable minimum item prices fall below this minimum securities account price.

42) Based on the market/nominal value and portfolio holding as of 31 December of the invoicing year.

43) If the securities account is closed partway through the year, the securities account price is determined – as described in footnote 41 – using the corresponding prorated prices: the prorated safe custody price per securities account item is calculated based on the market/nominal value of the individual securities account items as of the last day of the month prior to the end of the safe custody period. The pro rata temporis minimum item price and the rata temporis minimum securities account price are charged to the last day of the month of the previous month of the end of the custody period. The prorated minimum securities account price is calculated as of the last day of the month prior to the end of the safe custody period.

44) The basic service charge generally only applies to an opening transaction. The closing transaction is only charged at 1% on the option premium + EUREX fee per contract. With partial executions for a total order, the basic service charge is only incurred once.

53) BW-Bank offers the option of securities savings plans for certain securities ("investments eligible for savings plans"). A number of ETFs or certificates are available that can be adapted according to market developments. The current selection is shown accordingly when setting up the savings plan by direct brokerage, or you can ask your BW-Bank advisor.

54) If a securities account is opened during a year, the applicable securities account price is determined – as described in footnote 41 – using prices calculated pro rata temporis: The pro rata temporis custody price per securities account item is calculated using the market/nominal value of the individual securities account item on the first day of the month in the month after the securities account was opened. The pro rata temporis minimum item price and the rata temporis minimum securities account price are charged to the first day of the month in the month after the securities account was opened.

55) This is carried out based on volume or on a pro rata basis for the investment fund portfolios held in the securities account, if and insofar as the Bank has concluded a corresponding distribution agreement with third parties. There is no obligation to reimburse before receipt of the aforementioned distribution fees. Distribution fees are collected and subsequently credited to the clearing account in one sum at the end of the quarter.

If the WP-premium securities account price model ends prematurely, distribution fees whose entitlement to allocation falls within the period prior to termination of the WP-premium securities account model will be credited individually to the clearing account upon receipt.

56) The basis for calculating the flat price is the cumulative average value of all securities held in the securities account based on all daily closing prices for a quarter, but at least EUR 25 net per quarter. If the WP-premium securities account price model ends prematurely, the securities account lump sum is payable pro rata for the respective quarter until receipt of the termination notice. The clearing account must therefore be kept until the beginning of the month of the following quarter.

57) This agreement on the WP-premium securities account price model does not include independent investment advice (fee-based investment advice) within the meaning of the German Securities Trading Act.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Details

Product:	Sample fund	ISIN: DE1234567890
Transaction type:	Savings plan, fund	Intermediary activity
Amount:	100.00 EUR	
Execution schedule:	monthly	
Foreign exchange rate:	1.00 EUR/EUR	
Regular amount in EUR:	100.00 EUR	
First execution	---	
Last execution	---	
Total settlement amount for 5 years:	6,000.00 EUR	
Document number/date:	ABCD1234 / 05.10.2020 15:06	

## II) List of cost items

Entry costs (cumulative for holding period)		
<b>Service costs</b>	300.00 EUR	5.00 %
thereof inducements	300.00 EUR	5.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %
Ongoing costs (cumulative for holding period)		
<b>Service costs<sup>1</sup></b>	122.40 EUR	0.68 % p.a.
thereof inducements	90.00 EUR	0.50 % p.a.
<b>Product costs</b>	180.00 EUR	1.00 % p.a.
thereof margins	0.00 EUR	0.00 % p.a.
<b>Foreign currency costs</b>	0.00 EUR	0.00 % p.a.
Exit costs (based on closing balance)		
<b>Service costs</b>	0.00 EUR	0.00 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs*</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

<sup>1</sup> A custodian fee is charged for holding securities in a BW-Bank securities account. Under the WP-komplett and WP-direkt securities account price models, this fee is levied on the basis of the amount held in the securities account. The minimum annual fee is EUR 20 plus 19% sales tax. If the securities account is maintained solely for capital formation, the minimum annual fee is EUR 8 plus 19% sales tax. Under the WP-premium securities account price model, the custodian fee is included in the flat price. This amounts to 0.40% of the cumulative average value of all securities held in the securities account per quarter, plus 19% sales tax on the service share subject to sales tax. For further information on securities account fees, please refer to the Price and Service Schedule of BW-Bank at [www.bw-bank.de](http://www.bw-bank.de).

## III) Cost summary assuming a holding period of 5 years

Service costs	422.40 EUR	or	1.41 % p.a.
Product costs	180.00 EUR	or	0.60 % p.a.
Foreign currency costs	0.00 EUR	or	0.00 % p.a.
<b>Total costs</b>	<b>602.40 EUR</b>	or	<b>2.01 % p.a.</b>
thereof inducements	390.00 EUR	or	1.30 % p.a.
thereof margins	0.00 EUR	or	0.00 % p.a.

### Explanatory note:

Assuming a holding period of 5 years, costs and fees amount to EUR 602.40.

The calculation is based on the assumption that the product is held for 5 years. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effect of the costs on return

During the assumed holding period, the costs have the following adverse effect on the return of investment:

	Year 1	Year 2	Year 3	Year 4	Year 5	
Service costs included foreign currency costs	Entry costs	5.00 %	2.50 %	1.67 %	1.25 %	1.00 %
	Ongoing costs	0.68 %	0.68 %	0.68 %	0.68 %	0.68 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Product costs	Entry costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %
	Exit costs*	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Total costs</b>	<b>6.68 %</b>	<b>4.18 %</b>	<b>3.35 %</b>	<b>2.93 %</b>	<b>2.68 %</b>	

### Explanatory note:

The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW Bank:

- In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
- In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
- Ongoing costs remain constant every year.

The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.

Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates.

Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

\* A back-end load according to the prospectus is possible in individual cases.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Details

Product:	Sample stock	ISIN: DE1234567890
Transaction type:	Purchase, stock	Commission business
Nominal/unit:	100.00 Units	
Last stock price:	100.00 EUR	
Market value:	10,000.00 EUR	
Foreign exchange rate:	1.00 EUR/EUR	
Price in EUR:	10,000.00 EUR	
Document number/date:	ABCD1234 / 05.10.2020 15:06	

## II) List of cost items

Entry costs (unique)		
<b>Service costs</b>	150.00 EUR	1.50 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %
Ongoing costs (p.a.)		
<b>Service costs<sup>1</sup></b>	18.00 EUR	0.18 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %
Exit costs (unique)		
<b>Service costs</b>	150.00 EUR	1.50 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

<sup>1</sup> A custodian fee is charged for holding securities in a BW-Bank securities account. Under the WP-komplett and WP-direkt securities account price models, this fee is levied on the basis of the amount held in the securities account. The minimum annual fee is EUR 20 plus 19% sales tax. If the securities account is maintained solely for capital formation, the minimum annual fee is EUR 8 plus 19% sales tax. Under the WP-premium securities account price model, the custodian fee is included in the flat price. This amounts to 0.40% of the cumulative average value of all securities held in the securities account per quarter, plus 19% sales tax on the service share subject to sales tax. For further information on securities account fees, please refer to the Price and Service Schedule of BW-Bank at [www.bw-bank.de](http://www.bw-bank.de).

## III) Cost summary assuming a holding period of 5 years

Service costs	390.00 EUR	or	0.78 % p. a.
Product costs	0.00 EUR	or	0.00 % p. a.
Foreign currency costs	0.00 EUR	or	0.00 % p. a.
<b>Total costs</b>	<b>390.00 EUR</b>	<b>or</b>	<b>0.78 % p. a.</b>
thereof inducements	0.00 EUR	or	0.00 % p. a.
thereof margins	0.00 EUR	or	0.00 % p. a.

### Explanatory note:

Assuming a holding period of 5 years, costs and fees amount to EUR 390.00.

The calculation is based on the assumption that the product is held for 5 years. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effect of the costs on return

During the assumed holding period, the costs have the following adverse effect on the return of investment:

		Year 1	Year 2	Year 3	Year 4	Year 5
Service costs included foreign currency costs	Entry costs	1.50 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.18 %	0.18 %	0.18 %	0.18 %	0.18 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	1.50 %
Product costs	Entry costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Total costs</b>	<b>1.68 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>1.68 %</b>

### Explanatory note:

The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW-Bank:

- In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
- In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
- Ongoing costs remain constant every year.

The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.

Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates.

Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789

**LB**  **BW**

## I) Details

Product:	Sample stock	ISIN: DE1234567890
Transaction type:	Sales, stock	Commission business
Nominal/unit:	100.00 Units	
Last stock price:	100.00 EUR	
Market value:	10,000.00 EUR	
Foreign exchange rate:	1.00 EUR/EUR	
Price in EUR:	10,000.00 EUR	
Document number/date:	ABCD1234 / 05.10.2020 15:06	

## II) Commission business

### Exit costs (unique)

<b>Service costs</b>	150.00 EUR	1.50 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

## III) Summary of costs

Service costs	150.00 EUR	or	1.50 %
Product costs	0.00 EUR	or	0.00 %
Foreign currency costs	0.00 EUR	or	0.00 %
<b>Total costs</b>	150.00 EUR	or	1.50 %
thereof inducements	0.00 EUR	or	0.00 %
thereof margins	0.00 EUR	or	0.00 %

### Explanatory note:

In the event of a sale, costs and fees amount to EUR 150.00.  
The figures are estimates and can be different in the future.

## IV) Effect of the costs on return

Not relevant.

## V) Please note

The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations. Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates. Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.



# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Details

Product:	Sample certificate	ISIN: DE1234567890
Transaction type:	Purchase, certificate	Commission business
Nominal/unit:	100.00 Units	
Last stock price:	100.00 EUR	
Market value:	10,000.00 EUR	
Foreign exchange rate:	1.00 EUR/EUR	
Price in EUR:	10,000.00 EUR	
Document number/date:	ABCD1234 / 05.10.2020 15:06	

## II) List of cost items

### Entry costs (unique)

<b>Service costs</b>	0.00 EUR	0.00 %
<b>Product costs</b>	300.00 EUR	3.00 %
thereof margins	200.00 EUR	2.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

### Ongoing costs (p.a.)

<b>Service costs<sup>1</sup></b>	18.00 EUR	0.18 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

### Exit costs (unique)

<b>Service costs</b>	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
thereof margins	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

<sup>1</sup> A custodian fee is charged for holding securities in a BW-Bank securities account. Under the WP-komplett and WP-direkt securities account price models, this fee is levied on the basis of the amount held in the securities account. The minimum annual fee is EUR 20 plus 19% sales tax. If the securities account is maintained solely for capital formation, the minimum annual fee is EUR 8 plus 19% sales tax. Under the WP-premium securities account price model, the custodian fee is included in the flat price. This amounts to 0.40% of the cumulative average value of all securities held in the securities account per quarter, plus 19% sales tax on the service share subject to sales tax. For further information on securities account fees, please refer to the Price and Service Schedule of BW-Bank at [www.bw-bank.de](http://www.bw-bank.de).

## III) Cost summary assuming a holding period of 5 years

Service costs	90.00 EUR	or	0.18 % p. a.
Product costs	300.00 EUR	or	0.60 % p. a.
Foreign currency costs	0.00 EUR	or	0.00 % p. a.
<b>Total costs</b>	<b>390.00 EUR</b>	<b>or</b>	<b>0.78 % p. a.</b>
thereof inducements	0.00 EUR	or	0.00 % p. a.
thereof margins	200.00 EUR	or	0.40 % p. a.

### Explanatory note:

Assuming a holding period of 5 years, costs and fees amount to EUR 390.00.

The calculation is based on the assumption that the product is held for 5 years. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effect of the costs on return

During the assumed holding period, the costs have the following adverse effect on return:

		Year 1	Year 2	Year 3	Year 4	Year 5
Service costs included foreign currency costs	Entry costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.18 %	0.18 %	0.18 %	0.18 %	0.18 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Product costs	Entry costs	3.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	<b>Total costs</b>	<b>3.18 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>0.18 %</b>

### Explanatory note:

The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW-Bank:

- In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
- In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
- Ongoing costs remain constant every year.

The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.

Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates. Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Details

Product:	Sample fund	ISIN: DE1234567890
Transaction type:	Purchase, fund	Intermediary activity
Nominal/unit:	100.00 Units	
Last stock price:	100.00 EUR	
Market value:	10,000.00 EUR	
Foreign exchange rate:	1.00 EUR/EUR	
Price in EUR:	10,000.00 EUR	
Document number/date:	ABCD1234 / 05.10.2020 15:06	

## II) List of cost items

Entry costs (unique)			
<b>Service costs</b>	500.00 EUR		5.00 %
thereof inducements	500.00 EUR		5.00 %
<b>Product costs</b>	0.00 EUR		0.00 %
<b>Foreign currency costs</b>	0.00 EUR		0.00 %
Ongoing costs (p.a.)			
<b>Service costs<sup>1</sup></b>	68.00 EUR		0.68 %
thereof inducements	50.00 EUR		0.50 %
<b>Product costs</b>	100.00 EUR		1.00 %
<b>Foreign currency costs</b>	0.00 EUR		0.00 %
Exit costs (unique)			
<b>Service costs</b>	0.00 EUR		0.00 %
thereof inducements	0.00 EUR		0.00 %
<b>Product costs*</b>	0.00 EUR		0.00 %
thereof margins	0.00 EUR		0.00 %
<b>Foreign currency costs</b>	0.00 EUR		0.00 %

<sup>1</sup> A custodian fee is charged for holding securities in a BW-Bank securities account. Under the WP-komplett and WP-direkt securities account price models, this fee is levied on the basis of the amount held in the securities account. The minimum annual fee is EUR 20 plus 19% sales tax. If the securities account is maintained solely for capital formation, the minimum annual fee is EUR 8 plus 19% sales tax. Under the WP-premium securities account price model, the custodian fee is included in the flat price. This amounts to 0.40% of the cumulative average value of all securities held in the securities account per quarter, plus 19% sales tax on the service share subject to sales tax. For further information on securities account fees, please refer to the Price and Service Schedule of BW-Bank at [www.bw-bank.de](http://www.bw-bank.de).

## III) Cost summary assuming a holding period of 5 years

Service costs	840.00 EUR	or	1.68 % p. a.
Product costs	500.00 EUR	or	1.00 % p. a.
Foreign currency costs	0.00 EUR	or	0.00 % p. a.
<b>Total costs</b>	<b>1,340.00 EUR</b>	<b>or</b>	<b>2.68 % p. a.</b>
thereof inducements	750.00 EUR	or	1.50 % p. a.
thereof margins	0.00 EUR	or	0.00 % p. a.

### Explanatory note:

Assuming a holding period of 5 years, costs and fees amount to EUR 1,340.00.

The calculation is based on the assumption that the product is held for 5 years. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effect of the costs on return

During the assumed holding period, the costs have the following adverse effect on return:

		Year 1	Year 2	Year 3	Year 4	Year 5
Service costs included foreign currency costs	Entry costs	5.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.68 %	0.68 %	0.68 %	0.68 %	0.68 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Product costs	Entry costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %
	Exit costs*	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Total costs</b>		<b>6.68 %</b>	<b>1.68 %</b>	<b>1.68 %</b>	<b>1.68 %</b>	<b>1.68 %</b>

### Explanatory note:

The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW-Bank:

- In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
- In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
- Ongoing costs remain constant every year.

The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.

Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates. Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

\* A back-end load according to the prospectus is possible in individual cases.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Details

Product:	Sample bond	ISIN: DE1234567890
Transaction type:	Purchase, pension	Fixed price transaction
Nominal/unit:	100.00 Units	
Last stock price:	100.00 %	
Market value:	10,000.00 EUR	
Foreign exchange rate:	1.00 EUR/EUR	
Expected amount:	10,000.00 EUR	
Document number/date:	ABCD1234 / 05.10.2020 15:06	

## II) List of cost items

Entry costs (unique)		
<b>Service costs</b>	0.00 EUR	0.00 %
<b>Product costs</b>	70.00 EUR	0.70 %
thereof margins	70.00 EUR	0.70 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %
Ongoing costs (p.a.)		
<b>Service costs<sup>1</sup></b>	18.00 EUR	0.18 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
thereof margins	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %
Exit costs (unique)		
<b>Service costs</b>	0.00 EUR	0.00 %
<b>Product costs</b>	70.00 EUR	0.70 %
thereof margins	70.00 EUR	0.70 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

<sup>1</sup> A custodian fee is charged for holding securities in a BW-Bank securities account. Under the WP-komplett and WP-direkt securities account price models, this fee is levied on the basis of the amount held in the securities account. The minimum annual fee is EUR 20 plus 19% sales tax. If the securities account is maintained solely for capital formation, the minimum annual fee is EUR 8 plus 19% sales tax. Under the WP-premium securities account price model, the custodian fee is included in the flat price. This amounts to 0.40% of the cumulative average value of all securities held in the securities account per quarter, plus 19% sales tax on the service share subject to sales tax. For further information on securities account fees, please refer to the Price and Service Schedule of BW-Bank at [www.bw-bank.de](http://www.bw-bank.de).

## III) Cost summary assuming a holding period of 5 years

Service costs	90.00 EUR	or	0.18 % p. a.
Product costs	140.00 EUR	or	0.28 % p. a.
Foreign currency costs	0.00 EUR	or	0.00 % p. a.
<b>Total costs</b>	<b>230.00 EUR</b>	<b>or</b>	<b>0.46 % p. a.</b>
thereof inducements	0.00 EUR	or	0.00 % p. a.
thereof margins	140.00 EUR	or	0.28 % p. a.

### Explanatory note:

Assuming a holding period of 5 years, costs and fees amount to EUR 230.00.

The calculation is based on the assumption that the product is held for 5 years. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effect of the costs on return

During the assumed holding period, the costs have the following adverse effect on return:

		Year 1	Year 2	Year 3	Year 4	Year 5
Service costs included foreign currency costs	Entry costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.18 %	0.18 %	0.18 %	0.18 %	0.18 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Product costs	Entry costs	0.70 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.70 %
<b>Total costs</b>		<b>0.88 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>0.18 %</b>	<b>0.88 %</b>

### Explanatory note:

The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW-Bank:

- In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
- In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
- Ongoing costs remain constant every year.

The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.

Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates.

Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Information for ledger BWA040

Product:	Opening   Purchase stock option   Phys   Sample stock Put 30 March 2020 EUR 25.00		
Premium/nominal		11,700.00 USD	
Stock price:		2.34 USD	
Number of contracts:		100.00	
Contract size:		100.00	[Description of contract]
Foreign exchange rate:	Cash:	1.1410 USD/EUR	
	Letter:	1.1390 USD/EUR	
Payment:	The costs are charged to your clearing account.		
Document number/date:	ABCD1234 / 05.10.2020 15:06		
Simulation number:	123456789		

## II) List of cost items

### Entry costs (one-off)

<b>Service costs</b>	240.92 EUR	2.35 %
thereof inducements	0.00 EUR	0.00 %
Commission of LBBW	222.39 EUR	2.17 %
Third-party expenses (Eurex/UBS)	18.53 EUR	0.18 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.96 EUR	0.01 %

### Ongoing costs (p.a.)

<b>Service costs</b>	0.00 EUR	0.00 %
thereof inducements	0.00 EUR	0.00 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.00 EUR	0.00 %

### Exit costs (one-off)

#### at exercise date / maturity

<b>Service costs</b>	18.53 EUR	0.18 %
thereof inducements	0.00 EUR	0.00 %
Commission of LBBW	0.00 EUR	0.00 %
Third-party expenses (Eurex/UBS)	18.53 EUR	0.18 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.07 EUR	0.00 %

#### at maturity

<b>Service costs</b>	10.00 EUR	0.10 %
thereof inducements	0.00 EUR	0.00 %
Commission of LBBW	0.00 EUR	0.00 %
Third-party expenses (Eurex/UBS)	10.00 EUR	0.10 %
<b>Product costs</b>	0.00 EUR	0.00 %
<b>Foreign currency costs</b>	0.04 EUR	0.00 %

## III) Summary of costs assuming a holding period of one year

Service costs	259.45 EUR
Product costs	0.00 EUR
Foreign currency costs	1.04 EUR
<b>Total costs</b>	<b>260.49 EUR</b>
thereof inducements	0.00 EUR

#### Explanatory note:

Assuming a holding period of one year, costs and fees amount to EUR 260.49. The calculation is based on the assumption that the product is held for 1 year. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effects of the costs over time

Over the course of the assumed holding period, the costs break down as follows:

		Year 1
Service costs	Entry costs	2.35 %
	Ongoing costs	0.00 %
	Exit costs	0.18 %
Product costs	Entry costs	0.00 %
	Ongoing costs	0.00 %
	Exit costs	0.00 %
Foreign currency costs	Entry costs	0.01 %
	Ongoing costs	0.00 %
	Exit costs	0.00 %
<b>Total costs</b>		<b>2.54 %</b>

**Explanatory note:**

- The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW-Bank.
  - In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
  - In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
  - Ongoing costs remain constant every year.
- The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

- The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.
- In the event of a physical delivery of the underlying instrument, fees for the purchase or sale of equities are due where required. These fees are charged by the respective custodian bank and may deviate from the costs stated here, depending on the agreed pricing scheme.
- Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates.
- The clearing fees stated here correspond to the clearing fees of LBBW. The fees of other clearing agents may vary.
- Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

# Ex-ante disclosure for a securities transaction

Simulation ID: 123456789123456789



## I) Information for ledger BWA040

Product:	Closure   Purchase stock options   Phys   General Electric Put 30 March 2020 EUR 25.00
Premium/nominal value:	12,050.00 USD
Stock price:	2.41 USD
Number of contracts:	100.00
Contract size:	100.00 [Description of contract]
Foreign exchange rate:	Cash: 1.1490 USD/EUR Letter: 1.1479 USD/EUR
Payment:	The costs are charged to your clearing account.
Document number/date:	ABCD1234 / 05.10.2020 15:06
Simulation number:	123456789

## II) List of cost items

Exit costs (one-off)			
<b>Service costs</b>	240.92 EUR		2.35 %
thereof inducements	0.00 EUR		0.00 %
Commission of LBBW	222.39 EUR		2.17 %
Third-party expenses (Eurex/UBS)	18.53 EUR		0.18 %
<b>Product costs</b>	00.00 EUR		0.00 %
<b>Foreign currency costs</b>	11.02 EUR		0.00 %

## III) Summary of costs assuming a holding period of one year

Service costs	240.92 EUR
Product costs	0.00 EUR
Foreign currency costs	11.02 EUR
<b>Total costs</b>	<b>251.94 EUR</b>
thereof inducements	0.00 EUR

### Explanatory note:

Assuming a holding period of one year, costs and fees amount to EUR 251.94. The calculation is based on the assumption that the product is held for 1 year. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Please note

- The costs stated are the best possible estimate. Actual costs may vary because of market fluctuations.
- In the event of a physical delivery of the underlying instrument, fees for the purchase or sale of equities are due where required. These fees are charged by the respective custodian bank and may deviate from the costs stated here, depending on the agreed pricing scheme.
- Depending on the product, transaction-related taxes may be incurred. These are calculated based on the number of transactions that took place and can deviate from the above estimates.
- The clearing fees stated here correspond to the clearing fees of LBBW. The fees of other clearing agents may vary.
- Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.



## I) Order data

Product:	Interest swap
Transaction type:	Intermediary activity
Entry nominal:	400,000.00 EUR
Payment:	The costs are satisfied based on the initially negative market value.
Document number/date:	ABCD1234 / 05.10.2020 15:06

## II) List of cost items

Entry costs (one-off)			
<b>Service costs</b>		4,863.78 EUR	1.22 %
thereof inducements		4,863.78 EUR	1.22 %
<b>Product costs</b>		1,215.95 EUR	0.30 %
thereof margins		0.00 EUR	
Ongoing costs (p.a.)			
<b>Service costs</b>		0.00 EUR	0.00 %
<b>Product costs</b>		0.00 EUR	0.00 %
Exit costs on maturity (one-off)			
<b>Service costs</b>		0.00 EUR	0.00 %
<b>Product costs</b>		0.00 EUR	0.00 %

## III) Cost summary assuming a holding period of 5 years

Service costs	4,863.78 EUR
Product costs	1,215.95 EUR
<b>Total costs</b>	<b>6,079.73 EUR</b>
thereof inducements	4,863.78 EUR

### Explanatory note:

Assuming a holding period of 5 years, costs and fees amount to EUR 6,079.73.

The calculation is based on the assumption that the product is held for 5 years. Actual costs can vary, for example depending on the holding period and the performance of the product. The figures are estimates and can be different in the future.

## IV) Effects of the costs over time

Over the course of the assumed holding period, the costs break down as follows.

		Year 1	Year 2	Year 3	Year 4	Year 5
Service costs	Entry costs	1.22 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Product costs	Entry costs	0.30 %	0.00 %	0.00 %	0.00 %	0.00 %
	Ongoing costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
	Exit costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Total costs</b>		<b>1.52 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>

### Explanatory note:

The costs do not have to be paid in cash upon closure, but the contract starts with an initially negative market value. No further costs are incurred during the term of the contract.

The above table shows the effects of the costs on return. This takes into account costs that have directly been taken from the product as well as costs charged by LBBW/BW-Bank:

- In year one, the entry costs have the strongest effect, i.e. the costs associated with the purchase of the product.
- In the final year, the exit costs have the strongest effect, i.e. the costs associated with selling the product.
- Ongoing costs remain constant every year.

The overview is limited to the impact the costs have and contains no statement with regard to the rate of return, as this is impossible to project.

## V) Please note

The costs stated are the best possible estimates. Actual costs may vary because of market fluctuations. If the transaction is terminated (closed out) before the end of its term, further costs may arise for the client.

The contract can be terminated prematurely only if an agreement by mutual accord has been reached with LBBW. In this case, LBBW will determine the settlement amount arising from such premature termination in the light of current market conditions. Please note that starting from 1 July 2020, sales tax has been reduced from 19% to 16% for a period of six months. This also applies to the custody price of 0.15% for WP-komplett and WP-direkt and 0.4% for WP-premium. However, a rate of 19% has been applied throughout in the simulated calculation of costs.

# General information for clients about inducements\*

## Dear Client,

We supply comprehensive information and tailored advice to help you with your investments in securities and other financial instruments. In particular, we provide our expert support for your investment decisions, taking into account your personal experience and knowledge of financial instrument trading, your financial situation, your investment objectives and your risk profile.

We also provide support after your investment decision. On request, we will review in an advisory meeting if your financial instruments are still the appropriate choice for you.

With regard to asset management, we will only execute transactions that are appropriate for the relevant clients, based on the information obtained. Moreover, each client receives an accountability report for the assets managed at the end of each quarter. This refers exclusively to contractually agreed asset management (management of financial portfolios).

The quarterly reports inform our clients about the way in which the desired investment strategies and principles were taken into account for the investment decisions. This service is costly as it requires sophisticated staffing and organization. To cover these expenses, our sales partners provide us with **sales remuneration**, e.g. in the form of **inducements**. This can be in the form of **cash payments** or in the form of **other equivalent non-monetary benefits**. **Inducements in the form of monetary payments** are paid either one-time or ongoing. **Non-recurring inducements** are paid to us by our sales partners as a one-time fee based on sales. **Ongoing inducements** are paid to us by our sales partners as a recurring remuneration based on the portfolio. We may receive inducements in the form of non-monetary benefits (sometimes only as a low-value benefit) from product and service providers. Essentially, these are Employee-oriented benefits in kind (e.g. technical support services, information material on products and the market, general sales support), Employee-oriented services (e.g. Training measures, lectures, specialist conferences, consultancy services) and Customer-oriented material and services (e.g. sales material, customer events and lectures, give-aways). We always organize this in such a way as to ensure that these inducements do not harm your interests as a client, but on the contrary support and further improve the quality of the securities services and ancillary services.

Independently of this, we inform you in each case of the current sales remuneration pertaining to recommended financial instruments we receive from our sales partners particularly for the sale of shares in investment funds, the sale of share certificates or structured bonds or the sale of interest-bearing securities or for the underwriting of share issues and placing of shares.

Investment service companies which provide investment advice are obliged to inform their clients, for instance, whether the investment advice is being furnished on a fee basis or not (see Section 64 Para. 1 Sentence 1 of the German Securities Trading Act and Article 52 MiFID II Commission Delegated Regulation). Accordingly, we wish to inform you that, as has previously been the case, the investment advice which we provide is not fee-based. This means that we do not charge any separate fee for the provision of our advisory services. However, under Section 70 of the German Securities Act, we are permitted to receive inducements from our sales partners in connection with the provision of investment advice. We are using the inducements received to maintain and improve the quality of the securities services and ancillary services we render. Furthermore, the provision of commission-based investment advice has no impact on the independence of our advisory services.

Moreover, we provide you below with general information on the inducements.

This information is intended to create a maximum of transparency as a basis for your investment decision.

## 1. Shares in investment funds

**Non-recurring inducement:** When issuing fund shares, investment companies impose an initial sales charge that we receive as a one-time remuneration in an amount that may equal up to 100 % of the initial sales charge. The amount of this remuneration is, for example, usually between 0.1 and 5.5 % of the net asset value of the share for bond funds and between 0.1 and 5.75 % of the net asset value of the share for equity funds, open-ended real estate funds and mixed funds or funds of funds.

**Ongoing inducement:** In the case of so-called »no-load funds« no initial sales charge is imposed, but instead an ongoing inducement is deducted from the fund's assets to improve the service we provide. We will receive this ongoing inducement for the period for which you keep the fund shares in your securities account.

In some cases, we will also receive an ongoing inducement in the case of funds with an initial sales charge, which will typically be lower than is the case for a fund without an initial sales charge. The amount of the ongoing inducement is, for example, usually between 0.1 and 1.2 % per annum for bond funds, between 0.1 and 1.5 % per annum for equity funds, between 0.1 and 0.6 % per annum for open-ended real estate funds and between 0.1 and 1.7 % per annum for mixed funds or funds of funds.

## 2. Investment certificates or structured bonds not issued by LBBW

**Non-recurring inducement:** On some of their investment certificates and structured bonds, the issuing houses impose a one-time initial sales charge which is, depending on the type of product involved (bonus certificate, express certificate, alpha certificate, etc.) and the specific term of the product, usually between 0.1 and 5 % of the price or of the nominal amount/nominal value.

**Ongoing inducement:** In exceptional cases, ongoing inducements are also charged in connection with the sale of investment certificates or structured bonds, as long as such investment certificates are held in your securities account. If ongoing inducements are also paid for the sale of investment certificates or structured bonds, the ongoing inducement is usually between 0.1 and 1.5 % per annum.

## 3. Interest-bearing securities not issued by LBBW

On selling interest-bearing securities, we will receive a onetime inducement from the issuers or sales partners, which is usually between 0.1 and 3.5 % of the price or the nominal amount/nominal value, depending on the term of the specific security concerned.

## 4. New shares issued and placing of shares

In some cases, we receive a payment from the issuer after allocation on the total allocation amount for subscriptions to share issues (one-time inducement). The underlying conditions are set by the issuer and/or the issuing syndicate. Your client adviser will be happy to inform you whether inducements have been received and provide you with details of the specific amounts.

## 5. Other financial instruments

If we receive inducements relating to other financial instruments, we will inform you of these separately in each individual case.

The client consents that the Bank can keep the inducements provided by the third party, given the Bank is permitted to receive such inducements pursuant to the German Securities Trading Act (especially Section 70 WpHG). To that extent, the client and the Bank make an agreement that deviates from the statutory provision regulating the right of agency (Sections 675, 667 German Civil Code (BGB), Section 384 German Commercial Code (HGB)) to the effect that the client has no right to the sales remuneration received by the Bank. Without this agreement, the Bank would be required to pass the sales remuneration on to its client, assuming the right of agency applies to the securities transaction executed between the Bank and its client.

## 6. Inducements granted by LBBW

In the course of providing investment services, LBBW may also grant inducements to distribution partners. These inducements granted by LBBW are also intended to improve the quality of services provided to the end client and not to prevent the proper provision of services in the best interest of the client.

Taking into account the aforementioned prerequisites, we will pay a sales remuneration to our distribution partners to compensate for the mediation of transactions (e.g. brokerage of OTC derivatives), the amount of which can vary depending on the concrete arrangement of the transaction. The relevant cost statement will show the amount of the sales remuneration granted.

# General terms and conditions\*

Basis for the business relationship between the customer and the Bank.

## Table of Contents

### General

- No. 1 Basis for the Business Relationship
- No. 2 Amendments to the Terms and Conditions and Framework Contracts on Payment Services
- No. 3 Bank Information
- No. 4 Authorization for Representation and Disposals
- No. 5 Legitimization Documents
- No. 6 Choice of Law, Jurisdiction, Place of Performance

### Current Accounts and other Transactions

- No. 7 Current Account, Statements of Account
- No. 8 Correction of incorrect Credits
- No. 9 Credits and Cashing Collection Documents
- No. 10 Order Confirmation prior to Execution
- No. 11 Set-off by the Customer
- No. 12 Accounts in foreign Currency
- No. 13 Release from Performance in Transactions in foreign Currency
- No. 14 Receipt of Money in foreign Currency
- No. 15 Exchange Rate
- No. 16 Deposit Transactions

### Charges including Overdraft Interest

- No. 17 Interest and Fees
- No. 18 Reimbursement of expenses

### Duties and Liabilities of the Bank and the Customer

- No. 19 Liability of the Bank
- No. 20 Duties to Cooperate and Duties of Care on the part of the Customer

### General Lien, Supplemental Collateral, Release of Collateral

- No. 21 Lien, Assignment for purposes of Security
- No. 22 Supplemental Collateral and Release

### Collection Documents

- No. 23 Cashing in Collection Transactions
- No. 24 Deadline for Presentation, Urgent Means
- No. 25 Security Interests in Collection Transactions

### Termination of the Business Relationship

- No. 26 Right of Termination
- No. 27 Continuing Applicability of the General Terms and Conditions
- No. 28 Protection of Deposits by Protection of Institutions

The General Business Conditions and Special Conditions of LBBW state the rules that govern the business relationship between Landesbank Baden-Württemberg, its dependent institution – Baden-Württembergische Bank – and the customer. Declarations made by Baden-Württembergische Bank in connection with the business relationship with the customer exclusively grant rights to and impose obligations on Landesbank Baden-Württemberg.

\* As at April 2019

# General

## No. 1 Basis for the Business Relationship

### (1) Business Relationship as a Relationship of Confidence

The business relationship between the customer and the bank is characterized by the specific aspects of the banking business and a special relationship of confidence. The customer can rely on the bank to execute the customer's orders with the care of a prudent commercial party and to maintain the banking secrecy.

### (2) General and Special Terms and Conditions

These General Terms and Conditions apply to the entire business relationship and supplement the individual contractual agreements. Supplemental or different special terms and conditions may apply for individual areas of business, e. g. for payment processing, savings and securities transactions; such terms and conditions to be agreed with the customer at the time contracts are entered into (for example, when opening an account) or orders are given.

## No. 2 Amendments to the Terms and Conditions

### (1) Offer by the Bank

Amendments to the General Terms and Conditions or the special terms and conditions or the framework contracts on payment services or the introduction of additional terms and conditions will be offered to the customer in each case in the form permitted by law no later than two months before their proposed date of application.

### (2) Approval of the Amendment

The amendment is deemed to have been approved by the customer if the customer has not objected to the amendment before the proposed date for the amendments to take effect. The bank will specifically inform the customer in the offer about such deemed approval. The bank will then base the further business relationship on the amended version of the General Terms and Conditions, the amended special terms and conditions, the amended framework contract on payment services and/or the additional terms and conditions introduced.

### (3) Special right of termination in the case of amendments to terms and conditions for payment services or to framework contracts on payment services

If the customer is offered amendments to the terms and conditions for payment services (e.g. terms and conditions for payment transfers) or the framework contracts on payment services, the customer can also terminate the framework contract on payment services which is affected by the amendment with immediate effect and free of charge prior to the proposed date on which the amendments are to take effect. The bank will specifically inform the customer in the offer about the special right of termination.

## (4) Differing Agreements

The amendment process under paragraph 1 and paragraph 2 does not apply to the extent that differing agreements have been made. Sentence 1 does not apply to amendments of terms and conditions for payment services or of framework contracts on payment services.

## No. 3 Bank Information

### (1) Content of Bank Information

Bank information consists of determinations and comments in general terms about the economic circumstances of customers, their credit worthiness and ability to meet their payment obligations. Information regarding amounts concerning account balances, savings deposits, securities or other assets entrusted to the bank and the use of credit will not be made available.

### (2) Prerequisites for providing information

The bank can provide bank information on legal entities and commercial parties registered in the commercial register if the inquiry relates to their business activity and the bank has not received any different instruction from the customer. In all other instances, the bank is only allowed to make bank information available if the customer has expressly consented thereto in general or in the specific case. Bank information is provided only to the bank's own customers and other credit institutions for their own purposes and the purposes of their customers; the bank information is provided only if the requesting party can show in a plausible manner a justified interest for the requested information.

### (3) Written Confirmation

In the case of oral information about credit worthiness and ability to meet payment obligations, the bank reserves the right to provide a written confirmation without undue delay, and from that time on the content of the written confirmation is determinative.

## No. 4 Authorization for Representation and Disposals

### (1) Notice

Any authorization to represent the customer and dispose of assets on behalf of the customer notified to the bank remains valid until the bank receives notice about the cancellation or a change, unless such circumstances are known to the bank or are not known due to negligence. This also applies if the authorization is registered in a public register and a change has been published.

### (2) Defects in the Legal Capacity of the Representative

The customer is liable for damages resulting from a defect occurring in the legal capacity of the customer's representative of which the bank gains no knowledge without any fault on its part.



## **No. 5 Legitimization Documents**

### **(1)**

Upon the death of the customer, the person claiming to be the bank to be the rightful heir of the customer must provide proof to the bank of his or her entitlement to the inheritance

### **(2) Authority to act for the Bank**

If an original or certified copy of the probate document (will or inheritance contract) and minutes of the opening probate are submitted to the bank, it may treat the persons designated as heirs or executors therein as authorized persons, and permit them to draw on the account in question; in particular, the bank may perform services for the benefit of such authorized persons in discharge of its obligations. This does not apply if the bank was aware of the inaccuracy or invalidity of such documents or was not aware of this due to negligence.

### **(3) Other Foreign Documents**

If foreign documents are submitted to the bank as identification of the person or as proof of authorization, the bank will review whether the documents are suitable to provide proof. However, the bank is liable with regard to the suitability, validity and completeness of such documents and for their correct translation and interpretation only in the case of negligence or if the document as a whole is forged. Within the above limits, the bank can treat the persons designated in the documents as authorized as being authorized, and especially permit them to make disposals and render performance to them thereby discharging its obligations.

## **No. 6 Choice of Law, Jurisdiction, Place of Performance**

### **(1) German Law**

German laws shall apply to the business relationship but for the operation of mandatory provisions of law.

### **(2) Place of Performance**

Place of performance for the bank and the customer is the registered office of the bank.

### **(3) Jurisdiction**

If the customer is a commercial party, a public law entity or a special public law estate, the bank can file complaints at its general place of jurisdiction and actions can only be filed against the bank in that venue.

## **Current Accounts and other Transactions**

### **No. 7 Current Account, Statements of Account**

#### **(1) Current Account**

The bank maintains an account for processing day-to-day business and payment transactions (Giroaccount) as a current account within the meaning of § 355 of the Commercial Code (account as account current).

#### **(2) Statements of Account**

Unless agreed otherwise, the bank issues a statement of account at the end of each calendar quarter. If there is a justified interest of either one of the parties hereto, the statements of account will be issued also on other dates.

#### **(3) Objections against the Statement of Account**

Objections against statements of account must be received at the bank. Without prejudice to the obligation to raise objections against statements of account without undue delay (No. 20 paragraph 1 point g), statements of account are deemed to have been approved if no objection has been raised against them prior to the expiration of six weeks after receipt of the statement of account. Mailing in time is sufficient to meet the deadline. The bank will specifically inform the customer about these consequences when issuing the statement of account. If an inaccuracy is discovered subsequently, both the customer as well as the bank can request a correction on the basis of statutory claims.

### **No. 8 Correction of incorrect Credits**

#### **(1) Cancellation Booking prior to the Statement of Account**

Credits which are booked without an order creating an obligation for the entry (e. g. due to mistake, typographical error) can be reversed by a simple booking (cancellation booking) until the next statement of account to the extent that the bank has a claim for repayment against the customer.

#### **(2) Booking Corrections after the Statement of Account**

The bank can also make the claim for repayment under paragraph 1 by means of booking a correction even after the statement of account if the bank did not discover the incorrect credit in time prior to that date. Upon objection by the customer, the bank will reverse the booking of the correction and assert its claim in a different manner.

#### **(3) Indication**

Bookings of cancellations and corrections will be indicated in the statement of account.

### **No. 9 Credits and Cashing Collection Documents**

#### **(1) Credits subject to »receipt of funds reserved«**

If the bank credits an account with the value of cheques, direct debits or other collection documents before they have been cashed, it will be made on the condition that the document will be cashed and value will be received (»E.v.« credit). This also applies if the cheques, direct debits or other collection documents are payable at the bank itself. If cheques or direct debits are not cashed or if the value of collection documents is not received by the bank, it will cancel the credit pursuant to No. 23 paragraph 2 of these General Terms and Conditions even after any statement of account which may have been issued in the meantime.



## **(2) Cashing**

Cheques and other collection documents will only be cashed if the debit booking has not been cancelled by the end of the second following banking day<sup>1</sup>. Such documents will also be cashed if the bank previously expressed its intent to cash the document in a recognizable manner to third parties (e. g. by advice of payment). In connection with direct debits the provisions on cashing in the special terms and conditions agreed for those procedures apply. Cheques cashed through the clearing office of the German Federal Bank will be cashed if they can no longer be returned under the German Federal Bank's general terms and conditions. Cash cheques will be cashed when payment is made to the party presenting the cheque.

## **No. 10 Order Confirmation prior to Execution**

In the case of orders given by telephone or other technical means and in the case of orders which are not signed, the bank reserves the right to obtain confirmation of the order without undue delay prior to execution of the order.

## **No. 11 Set-off by the Customer**

If the customer is not a consumer, he can only offset against claims of the bank if his claims are undisputed or legally binding.

Sentence 1 does not apply if the requirements of §513 Civil Code (start-up company) exist.

Statutory netting offsets remain unaffected.

## **No. 12 Accounts in foreign Currency**

Foreign currency accounts serve exclusively for processing of noncash payments to the customer and disposals by the customer in foreign currency.

## **No. 13 Release from Performance in Transaction in foreign Currency**

The obligation of the bank to execute a disposal debiting a foreign currency deposit or to satisfy a foreign currency liability is suspended to the extent and for so long as the bank cannot make any disposals or can only make disposals to a limited extent in the currency in which the deposit or liability is denominated as the result of political measures or events in the country of that currency. To the extent, and so long as these measures or events continue, the bank is also not required to satisfy an obligation at any other location outside of the country of the currency or to satisfy it in any other currency (also not in Euro) or by acquiring cash. The obligation of the bank to execute a disposal debiting a deposit in foreign currency, however, is not suspended if the bank can execute the disposal completely within its own institution. The right of the customer and the bank to set-off mutual claims which denominate in the same currency against each other shall not be affected by the preceding provisions.

## **No. 14 Receipt of Money in foreign Currency**

The bank can credit amounts of money in foreign currency in Euro if there is no express instruction to the contrary from the customer unless the bank maintains an account for the customer in the relevant currency.

## **No. 15 Exchange Rate**

The determination of the exchange rate for transactions in foreign currency is based on the list of prices and services. The framework contract on payment services applies in addition in case of payment services.

## **No. 16 Deposit Transactions**

Deposits are due without any notice of termination unless agreed otherwise (demand deposits). The interest rates applicable to demand deposits shall be put on public display. For purposes of interest calculation on deposits each month will be calculated as having 30 days.

# **Charges including Overdraft Interest**

## **No. 17 Interest and Fees**

### **(1) Interest and Fees in Transactions with Consumers**

The amount of interest and fees for customary credit and services in transactions with consumers is set forth in the price display and in addition in the list of prices and services. If a consumer uses a credit or other service listed there, the interest and fees set forth at that time in the price display or in the list of prices and services apply unless agreed otherwise.

### **(2) Interest and Fees in Transactions other than with Consumers**

The interest and fees for credit and services used in transactions other than with consumers are determined in accordance with what has been agreed and in addition pursuant to the list of prices and services in the form applicable at the time of use.

### **(3) Fees for other Services**

The bank can require payment of reasonable compensation in accordance with statutory provisions for services which are not the subject of an agreement or which are not listed in the price display or in the list of prices and services and which are performed pursuant to the order of the customer or in the customer's presumed interests and which, under the circumstances, can only be expected in exchange for compensation.

<sup>1</sup>) Banking days are all workdays except for Saturdays and 24 and 31 December.

#### **(4) Actions not subject to Compensation**

The bank will not charge any compensation for any actions which the bank is already required to perform by law or pursuant to an ancillary contractual duty or which are taken in the bank's own interests unless it is permitted by law and charged in accordance with the statutory provisions.

#### **(5) Change in Interest, Right of Termination for the Customer in the case of an Increase**

Changes in interest for credits with variable interest rates will be made on the basis of the respective credit agreements with the customer. The bank will notify the customer about changes in interest rates. In the case of an increase and unless agreed otherwise, the customer can terminate the credit agreement affected by the change with immediate effect within six weeks after the notice of the change. If the customer gives notice of termination, the increased interest will not be applied to the terminated credit agreement. A notice of termination by the customer is deemed not to have been given if the customer does not repay the amount owed within two weeks after the notice of termination takes effect.

#### **(6) Changes in Compensation for Services which are typically used on an ongoing basis**

Changes in compensation for main services which are typically used by the customer on an ongoing basis in connection with the business relationship (e.g. maintenance of a securities account) or changes in compensation in connection with framework contracts on payment services will be offered to the customer in writing not later than two months prior to the proposed date of application. If the customer has agreed on electronic communication with the bank in connection with the business relationship (e.g. online banking) the changes can also be offered by means thereof. The consent of the customer is deemed to have been given if the customer has not given notice of a rejection prior to the proposed date of application of the changes. The bank will specifically inform the customer in the offer about this effect of deemed approval. If changes are offered to the customer, the customer can also terminate the contract affected by the changes prior to the proposed date of application of the changes with immediate effect and free of charge. The bank will specifically inform the customer in the offer about this right of termination. If the customer gives notice of termination, the changed compensation will not be applied to the terminated business relationship.

#### **(7) Special Provisions for Consumer Loan Agreements**

The interest and fees in the case of consumer loan agreements are governed by the respective contractual agreements as well as by the statutory provisions.

#### **(8) Special Provisions for Payment Services Contracts with Consumers**

The fees in the case of payment services contracts with consumers are governed by the respective contractual agreements and the special terms and conditions.

To the extent that no provision has been made therein, paragraphs 1 and 4 apply, and – in relation to any change in any fees in the case of payment services framework contracts (e.g. Girovertrag) – paragraph 6.

#### **No. 18 Reimbursement of expenses**

The reimbursement of expenses of the Bank is governed by the laws.

## **Duties and Liabilities of the Bank and the Customer**

#### **No. 19 Liability of the Bank**

##### **(1) Liability for Culpable Misconduct**

The bank is liable for its own culpable misconduct as well as the culpable misconduct by persons used by the bank in the performance of its obligations owed to the customer to the extent the following paragraphs, the special terms and conditions or the regulations in a specific contract do not provide otherwise. If the bank is liable and the damages are not solely the fault of or caused by the bank, the obligation to pay damages is subject to the principles on contributory negligence; § 254 Civil Code.

##### **(2) Liability for Third Parties**

The bank can assign orders completely or partially to third parties to be independently handled to the extent that appears necessary considering the type of order and the interests of the bank and the customer if there is no instruction to the contrary. In such cases, the obligation and liability of the bank is limited to forwarding the order, including the selection and instruction of the third party with due care.

##### **(3) Liability in the Case of Force Majeure**

The bank is not liable for damages which are caused by disruption of its operations (e.g. bomb threat, bank robbery), especially as a result of force majeure (e.g. war and natural disasters) or as a result of other incidents for which the bank is not responsible (e.g. strike, lock-out, traffic disruption) or which arise as a result of governmental acts domestically or abroad.

#### **No. 20 Duties to Cooperate and Duties of Care on the part of the Customer**

##### **(1) General Principle**

The bank executes the customer's orders with the care of an ordinary business person. The customer for its part has special duties to cooperate and other duties of care, especially the following duties:

##### **a) Notification of material information and changes**

The bank must be informed without undue delay, about all facts which are material for the business relationship, especially changes in the name, address, family status, capacity of the customer to make disposals and enter into obligations

(e. g. marriage, entering into a civil union, change in marital status relating to assets) or the persons authorized to sign on behalf of the customer (e. g. subsequently occurring in capacity to engage in legal transactions on the part of a representative or attorney-in-fact) as well as changes in the economic beneficiary or authorizations to represent or make disposals notified to the bank (e. g. powers of attorney, registered commercial power of attorney). The duty to give notice also exists if the facts are registered in public registers and published. The names of the persons authorized to act or make disposals on behalf of the customer must be notified to the bank together with personal specimen signatures on the forms of the bank. Furthermore, there can be further legal reporting obligations, especially under the Money Laundering Act.

b) Clear information in orders and instructions

Orders and instructions of all kinds must permit the content of the transaction to be clearly recognized. Modifications and confirmations must be designated as such. In the case of payment orders, the customer must especially pay attention to correct, complete, unambiguous and legible information, particularly with regard to the account number and the bank routing number or the IBAN<sup>2</sup> and BIC<sup>3</sup>.

c) Care in the case of special transmission of orders

In the case of orders or instructions given by telephone or other technical means, the customer must make sure that no errors in transmission, misunderstandings, abuses or mistakes occur.

d) Deleted

e) Express notification in the case of a special instruction

The customer must separately notify the bank about special instructions for the execution of orders, in the case of orders given on forms outside of the form. This applies in particular if payments are supposed to be credited against specific claims of the bank.

f) Notifications of deadlines and dates

In accordance with item e), the customer must specifically indicate if orders are supposed to be executed within certain deadlines or on certain dates or if extraordinary damages impend in the case of improper execution of orders, especially if they are not executed on time. Reference is made to the special duty to give notice in the case of short deadlines for presenting cheques in No. 24.

g) Complaints without undue delay

Objections against statements of account, direct debits, bank statements, lists of securities or other notices from the bank and objections against the correctness of securities or other assets delivered by the bank must be raised without undue delay. If statements of account or lists for securities accounts are not received by the customer, the customer must inform the bank without undue delay. The duty to give

notice also exists if other notices, messages or shipments the delivery of which the customer must expect or anticipate are not received.

h) Control of confirmations from the Bank

To the extent that confirmations from the bank differ from orders or instructions by the customer, the customer must object to this without undue delay.

## (2) Liability in the Case of Breach of Duties

Damages and detriments resulting from a culpable breach of the duties to cooperate and other duties of care are to be borne by the customer. In case the bank culpably contributed to the damages, the liability is governed by the principles on contributory negligence, § 254 Civil Code.

## General Lien, Supplemental Collateral, Release of Collateral

### No. 21 Lien, Assignment for purposes of Security

#### (1) Scope

The customer hereby grants the bank a lien on all assets of any kind coming into the possession or control of the bank from the customer or third parties for the account of the customer in the course of the banking business. The covered assets include all physical objects and rights of any kind (examples: goods, foreign currency, securities including the coupons for interest, annuities and dividends, interests in securities in global custody, subscription rights, cheques, bills of exchange, bills of lading and storage receipts). This also covers claims of the customer against the bank (e. g. from balances in accounts). Claims of the customer against third parties are assigned to the bank when documents issued for the claims come into the possession of the bank in the course of banking business.

#### (2) Exceptions

If money or other assets come into the possession of the bank with the express specification of a certain use (e. g. cash deposit for the honoring of a cheque or a bill of exchange or to execute a specific transfer), the lien of the bank does not extend to such assets. Securities held in foreign countries are, unless otherwise agreed, not covered by the lien. This also applies for the profit participation rights/profit participation certificates issued by the bank itself and for claims of the customer from subordinated liable capital (e. g. subordinated bearer bonds).

#### (3) Secured Claims

The lien secures all existing and future claims of the bank against the customer acquired by it in connection with the business relationship, also including claims subject to conditions or limited by time, and including statutory claims. Claims against customers under suretyships provided for third parties are only secured from the date they become due.

2) International Bank Account Number

3) Bank Identifier Code

#### **(4) Assertion of the Lien**

The bank can retain assets subject to the lien under the General Terms and Conditions only if there is a justified interest for security. Such an interest exists especially under the conditions for the right to subsequent security pursuant to No. 22.

#### **(5) Realisation**

The bank is authorized to realise these assets if the customer does not satisfy its liabilities when due, notwithstanding a reminder with a reasonable final deadline and a warning of realisation in accordance with § 1234 paragraph 1 Civil Code. The bank can choose among several security interests. The bank will take into account the justified interests of the customer when making the selection and conducting the realisation. The bank has the right to credit proceeds from realisation which are not sufficient to satisfy all claims in accordance with its reasonable discretion. The bank will structure credits issued to the customer for proceeds from realisation in such a manner that they are considered invoices within the meaning of value added tax law.

#### **No. 22 Supplemental Collateral and Release**

##### **(1) Right to Subsequent Collateral**

The bank can require the customer to grant or increase security for the customer's liabilities if the risk situation changes due to circumstances subsequently occurring or becoming known, e. g. as a result of a deterioration or impending deterioration in the financial circumstances of the customer, a party jointly and severally liable or a surety or the value of existing collateral.

In case of consumer loan agreements, a claim for granting or increasing security only exists to the extent that the security is set forth in the credit agreement. If the net principal amount of the loan exceeds 75,000 EUR, the claim for granting or increasing security also exists if no statements or no conclusive statements on collateral are made in a consumer loan agreement concluded before 21 March 2016 or a general consumer loan agreement in terms of § 491 paragraph 2 Civil Code concluded after 21 March 2016.

##### **(2) Obligation to Release**

The bank is required to release collateral of its choice upon request to the extent that the value of all collateral which can be realised exceeds not just temporarily the total amount of all claims of the bank by more than 10 percent. This coverage limit is increased by the respectively current value added tax rate to the extent that the bank, in the event of realisation, has to pay value added tax from the proceeds of realisation. The bank will take into account the justified interests of the customer when selecting the collateral to be released.

## **Collection Documents**

#### **No. 23 Cashing in Collection Transactions**

##### **(1) Collection Agreement**

Cheques, bills of exchange, direct debit or other collection documents will only be accepted by the bank for the purpose of collection, unless agreed otherwise.

##### **(2) Reversing Credits**

If the bank has already credited the value of collection documents prior to receipt of value, the bank can reverse the credit for the value if the documents are not honored, even after any statement of account which has been issued in the meantime. This also applies if

- the bank does not receive the value, or
- the free disposal of the value is restricted by law or by acts or authorities, or
- the documents cannot be submitted at all or in time as result of insurmountable hindrances, or
- the collection involves disproportionate difficulties which were not known at the time of acceptance of the documents, or
- a moratorium has been declared in the country in which the documents are to be collected.

The bank can also return collection documents even before they become due under the same conditions. The reversal of the credit is also permissible if the documents cannot be returned. If the bank is responsible for that, it bears the damages resulting from it for the customer.

#### **No. 24 Deadline for Presentation, Urgent Means**

If cheques payable at the bank's local banking center are not submitted at the latest on the third business day or in case of cheques payable at other banking centers not at least on the fourth business day prior to expiration of the deadline for presentation (Article 29 Act on cheques), or if being mailed the cheques are not received at the bank within these deadlines before close of business, the customer must provide separate notice of the expiration of the deadline for submission and any means to be used for urgent situations.

#### **No. 25 Security Interests in Collection Transactions**

##### **(1) Title transfer for Purposes of Security**

Upon submission of cheques and bills of exchange for collection, the customer transfers title to such documents to the bank for purposes of security in case that the collection documents are not honored and the bank has claims against the customer resulting from disposals of the customer made in advance with regard to the collection transaction until such claims are satisfied. Upon acquiring title for purposes of security, the underlying claims also pass to the bank.



## **(2) Assignment for Purposes of Security**

If other documents are submitted for collection (e. g. direct debit authorizations, commercial trading papers), the underlying claims pass to the bank in accordance with the conditions in paragraph 1.

# **Termination of the Business Relationship**

## **No. 26 Right of Termination**

### **(1) Ordinary Termination**

In the absence of any agreed fixed term or termination arrangements to the contrary, the customer and, where reasonably justified, the bank may terminate the entire business relationship or individual parts of it at any time without notice. If the bank terminates the business relationship, it shall take reasonable account of the customer's legitimate interests and, in particular, refrain from terminating the business relationship at an inopportune time. The termination by the bank of a framework contract on payment services (e.g. current account or credit card contract) shall be subject to notice of at least two months.

### **(2) Termination for Cause**

Notwithstanding any agreements to the contrary, both the customer as well as the bank can terminate the entire business relationship or individual types of business at any time with immediate effect if there is a cause, as a result of which the terminating party cannot be reasonably expected to continue the business relationship. In giving such notice, the justified interests of the other contracting party must be taken into account. Such cause for termination for the bank especially exists if due to any of the circumstance described by example below the fulfillment of the payment obligations of the customer or the realisation of the claims of the bank is endangered, even if any security is realised:

a) if a material deterioration or a substantial endangerment of the financial condition of the customer or the value of the collateral provided for a loan occurs, especially if the customer stops making payments or declares its intention to stop making payments or if bills of exchange accepted from the customer are sent for protest;

b) if the customer does not comply with its obligation to grant or increase security (No. 22 paragraph 1) within a reasonable period of time after being requested to do so by the bank;

c) if the customer has made incorrect statements about its financial circumstances;

d) if enforcement has been initiated against the customer;

e) if the financial condition of a party jointly and severally liable or the personally liable partner/shareholder has materially deteriorated or is substantially endangered, as well as in the case of death of or change in the personally liable partner/shareholder.

If the cause involves the breach of a contractual duty, the termination is only permissible after expiration of a deadline set for curing the breach without such breach being cured or after a reminder has been issued without such breach being cured. This shall not apply if the customer seriously and finally refuses performance or if the customer does not render performance on the date set in the contract or within a specified period of time although the bank has tied the continuation of its interest in performance under the contract to the timeliness of the performance or if special circumstances exist which justify immediate notice of termination after weighing the interests of both parties.

### **(3) Notice of Termination in the case of Consumer Loan Agreements**

To the extent that the Civil Code contains mandatory special provisions for terminating consumer loan agreements, the bank can give notice of termination only in accordance with those provisions.

### **(4) Legal Consequences in the Case of Notice of Termination**

Upon the termination of the entire business relationship or individual types of business, the amounts owed under the relevant accounts shall become immediately due. The customer is also required to discharge and release the bank to that extent from all obligations assumed for the customer or on the customer's order. The bank is entitled to terminate obligations entered into for the customer or on the customer's order and to settle other obligations with effect for the customer, especially obligations in foreign currency, and to immediately reverse the credits for bills of exchange and cheques which have been accepted; the claims under bills of exchange or cheques against the customer and each obligor under the document for payment of the full amount of the bills of exchange and cheques including ancillary claims remain with the bank, however, until any negative balance is covered.

## **No. 27 Continuing Applicability of the General Terms and Conditions**

The General Terms and Conditions continue to apply after the end of the entire business relationship or individual types of business or the winding-up process and the relationship resulting from the unwinding.

## **No. 28 Protection of deposits by a recognized deposit guarantee scheme**

### **(1) Voluntary institution guarantee**

The bank is a member of the institutional guarantee scheme of the German Savings Bank Finance Group (guarantee scheme). The primary objective of the guarantee system is to protect the member institutes and to avoid any imminent or existing financial difficulties they might be confronted with. This way the institutional guarantee scheme also protects customer deposits, including mainly savings deposits, savings bank certificates, time deposits, sight deposits and debentures.

### **(2) Statutory deposit guarantee system**

The guarantee scheme is a deposit guarantee system officially recognized under the German Deposit Guarantee Act (EinSiG). If, contrary to paragraph 1, the institutional guarantee does not apply in individual cases, the customer has a claim vis-à-vis the guarantee scheme for reimbursement of its deposits in terms of section 2 (3) to (5) Deposit Guarantee Act (EinSiG) up to the maximum limits as set forth in section 8 (EinSiG). Pursuant to section 6 EinSiG, deposits created in connection with money laundering activities, bonds to bearer of the bank and liabilities from own bills of acceptance and promissory notes are not eligible for compensation.

### **(3) Authority to provide information**

The bank is authorized to provide the guarantee scheme or a person representing the scheme with all the information and documents required in this respect.

### **(4) Assignment of claims**

If the guarantee scheme or a person representing such scheme makes payments to a customer, the latter's claims vis-à-vis the savings bank concurrently pass to the guarantee scheme together with all ancillary rights.

## **Note on deposit guarantee system**

We are a member of the guarantee scheme of the Savings Bank Finance Group.

### **1. Voluntary institutional guarantee**

The primary objective of the guarantee system is to protect the member institutes and to avoid any imminent or existing financial difficulties they might be confronted with. This way the institutional guarantee scheme also protects customer deposits, including mainly savings deposits, savings bank certificates, time deposits, sight deposits and debentures.

### **2. Statutory deposit guarantee system**

The institutional guarantee scheme of the Savings Bank Finance Group is a deposit guarantee system officially recognized under the German Deposit Guarantee Act (EinSiG). If, contrary to paragraph 1, the institutional guarantee does not

apply in individual cases, the customer has a claim vis-à-vis the guarantee scheme for reimbursement of its deposits in terms of section 2 (3) to (5) Deposit Guarantee Act (EinSiG) up to the maximum limits as set forth in section 8 (EinSiG). Pursuant to section 6 EinSiG, deposits created in connection with money laundering activities, bonds to bearer of the bank and liabilities from own bills of acceptance and promissory notes are not eligible for compensation.

More information is available at [www.dsgv.de/sicherungssystem](http://www.dsgv.de/sicherungssystem).

Since the guarantee schemes of the Savings Bank Finance Group have been in existence, no customer of a member institute has ever suffered a loss of its deposits.

## **Referring to the consumer arbitration office**

In the event of any disputes with the Bank, you have the possibility of referring the matter to the consumer arbitration office of Bundesverband Öffentlicher Banken Deutschlands (VÖB). Please send your complaint in writing to:

Bundesverband Öffentlicher Banken  
Deutschlands (VÖB) Verbraucherschlichtungsstelle  
Postfach 110272  
10832 Berlin

Email: [ombudsmann@voeb-kbs.de](mailto:ombudsmann@voeb-kbs.de)  
Internet: [www.voeb.de](http://www.voeb.de)

Further details can be found in the rules of procedure, a copy of which we will be pleased to send you. The Bank participates in the dispute resolution procedures conducted by this acknowledged consumer arbitration office.



# Special conditions for dealings in securities\*

The present translation is furnished for the customer's convenience only. The original German text of the Special Conditions for Dealings in Securities is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings or interpretations, the German text, construction, meaning or interpretation shall govern exclusively.

These Special Conditions shall govern the purchase or sale as well as the safe custody of securities, even if the corresponding rights are not represented by certificates (hereinafter: »securities«).

## Securities transactions

### No. 1 Forms of securities transactions/Client's waiver of claim for return of sales fees

#### (1) Commission transactions/fixed-price transactions The Bank and the customer shall conclude securities transactions

in the form of commission transactions (subsection 2) or fixed-price transactions (subsection 3).

#### (2) Commission transactions

If the Bank executes orders placed by its customer for the purchase or sale of securities in the capacity of a commission agent, it shall conclude for the customer's account a purchase or sale transaction with another market participant or a Central Counterparty (execution transaction) or it shall engage another commission agent (intermediate commission agent) to conclude an execution transaction. In electronic trading on an exchange, the customer's order may also be executed directly against the Bank or the intermediate commission agent if the terms and conditions for trading on the exchange permit this.

#### (3) Fixed-price transactions

If the Bank and the customer agree with each other on a fixed or determinable price for an individual transaction (fixed-price transaction), this shall result in a purchase contract; the Bank shall accordingly take delivery of the securities as purchaser from the customer or it shall deliver the securities as seller to the customer. The Bank shall charge the customer the agreed price plus – where interest-bearing bonds are concerned – accrued interest.

#### (4) Client's waiver of claim for return of sales fees

In connection with securities transactions concluded with clients relating to shares in investment funds, investment certificate or structured bonds and other financial instruments, the Bank receives sales-based payments from third parties (e.g. asset management companies, EU management companies, foreign management companies, investment certificate/bond issuers, other investment services enterprises, including companies of the Sparkassen-Finanzgruppe), which they pay to the Bank for the sale of securities (»sales fee«). Sales fees are paid as one-time and ongoing sales fees. **One-time sales fees** are charged for the sale of shares in investment funds, investment certificates or structured bonds and interest-bearing securities. They are paid by third parties to the Bank as a one-time sales-based fee. The amount of the one-time sales fee is, for example, usually between 0.1 und 5.5 % of the net asset value of the share for bond funds and between 0.1 and 5.75 % of the net asset value of the share for equity funds, open-ended real estate funds and mixed funds or funds of funds, between 0.1 and 5 % of the nominal value for investment certificates and structured bonds and between 0.1 and 3.5 % of the nominal value for interest bearing securities. **Ongoing sales fees** are charged in connection with the sale of shares in investment funds and, in exceptional cases, in connection with investment certificates or structured bonds and interest-bearing securities. They are paid by third parties to the Bank as an ongoing portfolio-based fee. The amount of the ongoing sales fee is, for example, usually between 0.1 and 1.2 % per annum for bond funds, between 0.1 and 1.5 % per annum for equity funds, between and 0.6 % per annum for open-ended real estate funds and between 0.1 and 1.7 % per annum for mixed funds or funds of funds. If ongoing sales fees are also paid for the sale of investment certificates or structured bonds and interest-bearing securities, the ongoing sales fee is usually between 0.1 and 1.5 % per annum. The Bank will inform the customer of the details of the distribution fees before any securities transaction is concluded. The client hereby agrees that the Bank retains the sales fees paid to it by third parties, providing the Bank is allowed to accept the sales fees under the provisions of the German Securities Trading Act (in particular Section 70 WpHG). If the client and the Bank make an agreement that deviates from the legal regulation of the right of agency (Sections 675, 667 of the German Civil Code, Section 384 of the German Commercial Code), a claim by the client against the Bank for return of the sales fee will not arise. Without this

\* As at January 2019

agreement, the Bank would have to return the sales fees to the client, assuming the right of agency to all securities transactions concluded between the Bank and the client applies.

#### **No. 2 Execution policy for securities transactions**

The Bank shall execute securities transactions on the basis of its execution policy applicable at the time. The execution policy shall form part of the Special Conditions. The Bank shall be authorized to amend the execution policy in accordance with supervisory requirements. The Bank shall inform the customer of any amendments to the execution policy.

## **Special rules for commission transactions**

#### **No. 3 Practices/notification/price**

##### **(1) Application of legal provisions/practices/ business conditions**

Execution transactions shall be subject to the legal provisions and business conditions (practices) for securities trading applicable at the execution venue; in addition, the General Business Conditions of the Bank's contracting party shall apply.

##### **(2) Notification**

The Bank shall notify the customer without undue delay of the execution of the order. If the customer's order was executed directly against the Bank or the intermediate commission agent in electronic trading on an exchange, this need not be notified separately.

##### **(3) Price of the execution transaction/remuneration/ expenses**

The Bank shall charge the customer the price of the execution transaction; it shall be entitled to charge its remuneration and expenses including third-party costs.

#### **No. 4 Requirement of an adequate credit balance/ securities holding**

The Bank shall be required to execute orders or to exercise subscription rights only to the extent that the customer's credit balance, a loan available for securities trading, or the customer's securities holding are adequate for execution. If the Bank does not execute all or part of the order, it shall advise the customer thereof without undue delay.

#### **No. 5 Fixing of price limits**

The customer may, when placing orders, stipulate to the Bank price limits for the execution transaction (orders with price limits).

#### **No. 6 Period of validity of customer orders unlimited in time**

##### **(1) Orders without price limits**

An order without price limits shall be valid in accordance with the execution policy (section 2) for one trading day only; if the order for same day execution is not received in time to allow it to be dealt with in the normal course of business, it shall be valid for the next trading day. If the order is not executed, the Bank shall advise the customer thereof without undue delay.

##### **(2) Orders with price limits**

An order with price limits shall be valid until the last trading day of the current month (month-end). Unless it is executed on the same day, an order received on the last trading day of a particular month shall be valid in accordance with the execution policy (section 2) for the next month. The Bank shall advise the customer without undue delay of the period of validity of the customer's order.

#### **No. 7 Period of validity of orders for the purchase or sale of subscription rights**

Orders without price limits for the purchase or sale of subscription rights shall be valid for the duration of trading in such subscription rights. Orders with price limits for the purchase or sale of subscription rights shall become void upon expiry of the penultimate day of trading in such subscription rights. The period of validity of orders for the purchase or sale of foreign subscription rights shall be determined according to the relevant foreign practices. The handling of subscription rights belonging to the customer's securities holding on the last day of trading in subscription rights shall be governed by section 15 (1).

#### **No. 8 Expiration of pending orders**

##### **(1) Dividend payments, other distributions, granting of subscription rights, capital increase from the issuer's funds**

In the event of dividend payments, other distributions, the granting of subscription rights or a capital increase from the issuer's funds, orders with price limits for the purchase or sale of shares at German execution venues shall expire at the close of business on the trading day on which the shares, including the aforementioned rights, are last traded if the rules and regulations of the execution venue provide for expiration. In the event of a change in the portion of paid-in capital of partly-paid shares or in the nominal value of shares or in the event of a share split, orders with price limits shall expire at the close of business on the trading day preceding the day as of which such shares are quoted with an increased portion of paid-in capital or with the changed nominal value or with a share split.

## **(2) Suspension of the quotation**

In the event that price determination does not take place at a German execution venue due to special circumstances affecting the issuer (suspension of the quotation), all customer orders for the securities concerned for execution at this execution venue shall expire if the terms and conditions of the execution venue provide therefore.

## **(3) Execution of customer orders at foreign execution venues**

The execution of customer orders at foreign execution venues shall be governed in this respect by the customs and practices of the foreign execution venues.

## **(4) Notification**

The Bank shall notify the customer without undue delay of the expiration of a customer order.

## **No. 9 Liability of the Bank in commission transactions**

The Bank shall be liable for the proper settlement of the execution transaction by its contracting party or the contracting party of the intermediate commission agent. If the Bank engages an intermediate commission agent, it shall be liable, until the conclusion of an execution transaction, only for the exercise of due care in the selection and instruction of such agent.

# **Settlement of securities transactions**

## **No. 10 Settlement in Germany as a general rule**

The Bank shall settle securities transactions in Germany, unless the following conditions or an agreement to the contrary provide for acquisition of the securities abroad.

## **No. 11 Acquisition in Germany**

When settling a securities transaction in Germany, the Bank shall, if the securities are eligible for collective safe custody with the German central depository (Clearstream Banking AG), provide the customer with co-ownership of these collective securities deposits – collective securities account credit (GSGutschrift). If securities are not eligible for collective safe custody, the customer shall be provided with sole ownership of the securities. The Bank shall keep these securities for the customer physically segregated from its own holdings and from those of third parties (Streifbandverwahrung).

## **No. 12 No. 12 Acquisition abroad**

### **(1) Acquisition agreement**

The Bank acquires securities abroad if

- it executes abroad purchase orders in domestic or foreign securities in the capacity of a commission agent, or

- it sells the customer by way of a fixed-price transaction foreign securities which are not traded in Germany either on or off-exchange, or
- it executes purchase orders in foreign securities in the capacity of a commission agent or sells the customer by way of a fixed-price transaction foreign securities which, although traded on or off-exchange in Germany, are customarily acquired abroad.

## **(2) Engagement of intermediate depositories**

The Bank shall arrange for securities acquired abroad to be held in safe custody abroad. It shall engage another domestic or foreign depository (e. g. Clearstream Banking AG) or shall entrust one of its offices abroad with such safe custody. The safe custody of the securities shall be subject to the legal provisions and practices of the place of deposit as well as the General Business Conditions applying to the foreign depository or depositories.

## **(3) Crediting on current securities account**

The Bank shall in the proper exercise of its discretion and with due regard to the customer's interests secure the ownership or the co-ownership of the securities or any other equivalent legal position as customary in the country of deposit and hold this legal position in a fiduciary capacity for the customer. It shall credit the customer in this respect on current securities account (WR-Gutschrift), indicating the foreign country in which the securities are located (country of deposit).

## **(4) Cover holding**

The Bank need only fulfill the customer's delivery claims arising from the customer's credit on current securities account from the cover holding maintained by the Bank abroad. The cover holding shall comprise the securities of the same type held in safe custody for customers and the Bank in the country of deposit. A customer who has been credited on current securities account shall therefore bear proportionally any financial or legal prejudice, loss or damage affecting the cover holding caused by force majeure, riots, war, natural events or by reason of other interference by third parties abroad for which the Bank is not responsible or in connection with acts of domestic or foreign authorities.

## **(5) Treatment of consideration**

If, according to subsection (4), a customer has to bear any prejudice, loss or damage in respect of the cover holding, the Bank shall not be required to refund the purchase price to the customer.

## Safe custody services

### No. 13 Securities account statement

The Bank shall issue a securities account statement at least once a year.

### No. 14 Redemption of securities/renewal of coupon sheets

#### (1) Securities held in safe custody in Germany

In the case of securities held in safe custody in Germany, the Bank shall attend to the redemption of interest and dividend coupons and redeemable securities upon their maturity. The countervalue of interest and dividend coupons and of matured securities of any kind shall be credited subject to actual receipt by the Bank, even if the instruments are payable at the Bank itself. The Bank shall procure new sheets of interest and dividend coupons (renewal of coupon sheets).

#### (2) Securities held in safe custody abroad

In the case of securities held in safe custody abroad, the duties referred to above shall be the responsibility of the foreign depository.

#### (3) Drawing and notice of repayment of bonds

In the case of bonds held in safe custody in Germany, the Bank shall monitor the date of redemption resulting from drawings and notices of repayment on the basis of the information published in the »Wertpapier-Mitteilungen«. If bonds held in safe custody abroad are redeemable by a drawing made on the basis of their certificate numbers (number drawing), the Bank shall, at its choice, either allot to the customers in respect of the securities credited to them on current securities account certificate numbers for drawing purposes or distribute the amount falling to the cover holding among the customers by an internal drawing. This internal drawing shall be made under the supervision of an independent controller; alternatively, it may be made by utilizing the services of a computer, provided an impartial drawing is assured.

#### (4) Redemption in foreign currency

If interest and dividend coupons as well as matured securities are redeemed in foreign currency or in units of account, the Bank shall credit the amount collected to the customer's account in such currency, provided the customer has an account in such currency.

Otherwise the Bank shall credit the customer accordingly in euros, unless an agreement to the contrary has been made.

### No. 15 Treatment of subscription rights/warrants/convertible bonds

#### (1) Subscription rights

The Bank shall notify the customer of the granting of subscription rights if an announcement to this effect has appeared in the »Wertpapier-Mitteilungen«. Provided the Bank has not received any other instructions from the customer by expiry of the penultimate day of trading in such subscription rights, it shall sell at best all domestic subscription rights belonging to the customer's securities holding; the Bank may arrange for foreign subscription rights to be realized at best in accordance with the practices applying abroad.

#### (2) Option and conversion rights

The Bank shall notify the customer of the expiry of rights deriving from warrants or of conversion rights deriving from convertible bonds, requesting instructions, if the expiry date has been announced in the »Wertpapier-Mitteilungen«.

### No. 16 Communication of information

If information concerning the customer's securities is published in the »Wertpapier-Mitteilungen« or if the Bank is provided with such information by the issuer or by its foreign depository/intermediate depository, the Bank shall inform the customer thereof, to the extent that such information may materially affect the customer's legal position and notification of the customer is necessary in order to safeguard the customer's interests. Thus, the Bank shall in particular make known information on

- statutory compensation and exchange offers,
- voluntary purchase and exchange offers,
- reconstructions.

The customer need not be notified if the Bank does not receive the information in time or the measures to be taken by the customer are financially unreasonable because the costs incurred are out of proportion to the customer's possible claims.

### No. 17 Duty to verify on the part of the Bank

The Bank shall verify once only at the time of lodgment of securities certificates by reference to announcements in the »Wertpapier-Mitteilungen« whether the certificates are affected by notices of loss (stops), suspensions of payment and the like. Verification by the Bank as to whether securities certificates are the subject of invalidation proceedings by public notice shall also be conducted after lodgment.

### No. 18 Exchange, removal and destruction of certificates

#### (1) Exchange of certificates

The Bank may, without prior notice to the customer, comply with a call for surrender of securities certificates announced in the »Wertpapier-Mitteilungen«, provided such surrender is manifestly in the customer's interests and does not involve an investment decision (e. g. following the merger of the issuer with another company or if the securities certificates are incorrect in content). The customer shall be advised thereof.

**(2) Removal and destruction following loss of securities status**

If the securities certificates held in safe custody for the customer lose their status as securities following extinction of the rights they represent, they may be removed from the customer's securities account for destruction. Certificates held in safe custody in Germany shall, where possible, be placed at the customer's disposal if so requested. The customer shall be advised of the removal, possible delivery and possible destruction of the certificates. If the customer fails to give any instructions, the Bank may destroy the certificates after expiry of a period of two months after dispatch of such advice to the customer.

**No. 19 Liability**

**(1) Safe custody in Germany**

If securities are held in safe custody in Germany, the Bank shall be liable for any fault on the part of its employees and the persons it engages in the fulfillment of its duties. If the customer has been credited on collective securities account, the Bank shall also be liable for fulfillment of the duties of the Clearstream Banking AG.

**(2) Safe custody abroad**

If securities are held in safe custody abroad, the Bank's liability is limited to the exercise of due care in the selection and instruction of the foreign depository or intermediate depository engaged by it. In the case of intermediate safe custody by the Clearstream Banking AG or another domestic intermediate depository as well as safe custody by one of its offices abroad, the Bank shall be liable for any fault on their part.

**No. 20 Miscellaneous**

**(1) Requests for information**

Foreign securities which are acquired or sold abroad or which a customer entrusts to the Bank for safe custody in Germany or abroad are usually subject to foreign law. Rights and duties of the Bank or the customer are therefore also determined by this law, which may also provide for disclosure of the customer's name.

The Bank shall furnish corresponding information to foreign authorities and other offices where it is obligated to do so; it shall advise the customer thereof.

**(2) Lodgement/transfer**

These Special Conditions shall also apply if the customer physically lodges domestic or foreign securities with the Bank for safe custody or arranges to have securities account credit balances transferred from another depository. If the customer requests safe custody abroad, the customer shall be credited on current securities account as provided for in these Special Conditions.



# 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](http://www.LBBW.de/mifid-informationen) and [www.bw-bank.de/mifid-informationen](http://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](http://www.LBBW.de/mifid-informationen) and [www.bw-bank.de/mifid-informationen](http://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](http://www.LBBW.de/mifid-informationen) and [www.bw-bank.de/mifid-informationen](http://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 (standard of regulation, investor protection) 5 %
- 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

- 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\*

- Bonds
- Money market instruments

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\*

- warrants and certificate derivatives
- other securitized derivatives

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

- Exchange Traded Funds (ETF)
- Exchange Traded Notes (ETN)
- Exchange Traded Commodities (ETC)

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

- Futures and options admitted to trading on a trading venue
- Swaps, forwards and other interest rates derivatives

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

- Futures and options admitted to trading on a trading venue
- other credit derivatives

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

- Futures and options admitted to trading on a trading venue
- Swaps, forwards and other currency derivatives

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

- Futures and options admitted to trading on a trading venue
- swaps and other equity derivatives

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

\* 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](http://www.LBBW.de/mifid-informationen) and [www.bw-bank.de/mifid-informationen](http://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
<b>Equities – shares and depositary receipts</b>	<ul style="list-style-type: none"><li>• from 2000 trades per day</li><li>• between 80 and 1999 trades per day</li><li>• between 0 and 79 trades per day</li></ul>

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.

<b>Debt instruments*</b>	<ul style="list-style-type: none"><li>• Bonds</li><li>• Money market instruments</li></ul>
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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.

<b>Securitized derivatives*</b>	<ul style="list-style-type: none"><li>• warrants and certificate derivatives</li><li>• other securitized derivatives</li></ul>
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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.

<b>Exchange traded products</b>	<ul style="list-style-type: none"><li>• Exchange Traded Funds (ETF)</li><li>• Exchange Traded Notes (ETN)</li><li>• Exchange Traded Commodities (ETC)</li></ul>
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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.

<b>Interest rates derivatives</b>	<ul style="list-style-type: none"><li>• Futures and options admitted to trading on a trading venue</li><li>• Swaps, forwards and other interest rates derivatives</li></ul>
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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.

<b>Credit derivatives</b>	<ul style="list-style-type: none"><li>• Futures and options admitted to trading on a trading venue</li><li>• other credit derivatives</li></ul>
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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.

<b>Currency derivatives</b>	<ul style="list-style-type: none"><li>• Futures and options admitted to trading on a trading venue</li><li>• Swaps, forwards and other currency derivatives</li></ul>
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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.

<b>Equity derivatives</b>	<ul style="list-style-type: none"><li>• Futures and options admitted to trading on a trading venue</li><li>• swaps and other equity derivatives</li></ul>
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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 in to 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"> <li>German execution venue</li> <li>Involvement of intermediary commission agent</li> </ul>	<ul style="list-style-type: none"> <li>German execution venue</li> <li>Involvement of intermediary commission agent</li> </ul>	<ul style="list-style-type: none"> <li>German execution venue</li> <li>Involvement of intermediary commission agent</li> </ul>
Debt instruments**	Bonds	Money market instruments		
	Best possible execution venue	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	
Structured finance instruments	Best possible execution venue	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>		
		Warrants and certificate derivatives	Other securitized derivatives	
Securitized derivatives**	Best possible execution venue	<ul style="list-style-type: none"> <li>German execution venue</li> <li>Involvement of intermediary commission agent</li> </ul>	<ul style="list-style-type: none"> <li>German execution venue</li> <li>Involvement of intermediary commission agent</li> </ul>	
		Exchange Traded Funds (ETF), Exchange Traded Notes (ETN), Exchange Traded Commodities (ETC)		
Interest rates derivatives	Best possible execution venue	Futures and options admitted to trading on a trading venue	Swaps, forwards and other interest rates derivatives	
		<ul style="list-style-type: none"> <li>German execution venue (EUREX)</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	
Credit derivatives	Best possible execution venue	Futures and options admitted to trading on a trading venue	Other credit derivatives	
		<ul style="list-style-type: none"> <li>German execution venue (EUREX)</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	
Currency derivatives	Best possible execution venue	Futures and options admitted to trading on a trading venue	Swaps, forwards and other currency derivatives	
		<ul style="list-style-type: none"> <li>German execution venue (EUREX)</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	
Equity derivatives	Best possible execution venue	Futures and options admitted to trading on a trading venue	Swaps and other equity derivatives	
		<ul style="list-style-type: none"> <li>German execution venue (EUREX)</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	
Commodity derivatives and emission allowances derivatives	Best possible execution venue	Futures and options admitted to trading on a trading venue	Other commodity derivatives and emission allowances derivatives	
		<ul style="list-style-type: none"> <li>German execution venue (EUREX)</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>	
Miscellaneous financial instruments	Best possible execution venue	Miscellaneous German securities	Miscellaneous foreign securities	Miscellaneous German financial instruments
		<ul style="list-style-type: none"> <li>German execution venue</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>German execution venue</li> <li>Involvement of intermediary commission agent*</li> </ul>	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>
Securities financing transactions	Best possible execution venue	<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>		<ul style="list-style-type: none"> <li>Transaction concluded directly with the bank</li> </ul>

\* 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](http://www.LBBW.de/mifid-informationen) and [www.bw-bank.de/mifid-informationen](http://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].