

Policies for Managing Conflicts of Interest in connection with Investment Research.

LBBW's research department is an independent department. In the organizational structure it belongs to the Corporate Center unit and is thus independent of the trading and distribution departments and exclusively focused on the interests of investors. The analysts in the research department are separated from the commercial departments by Chinese Walls. This separation is being monitored by the compliance department.

All analysts are members of the DVFA (Deutsche Vereinigung für Finanzanalyse und Asset Management - German Association for Financial Analysis and Asset Management) and acknowledge the guidelines of this association. These guidelines specify the ethical and professional requirements for analysts.

The production and publication of research reports is governed by an internal procedures manual. Compliance with this procedures manual is reviewed on a regular basis by the internal auditors department. Pursuant to this procedures manual a release and approval process was established, which procures for the „four eye principal“, the centralized documentation and a simultaneous distribution of research to all customers.

Each analyst has to acknowledge the rules applicable to LBBW employees established by the compliance department. In essence these rules provide that the interests of customers have to take priority over the interests of the bank and its employees. To that effect all transactions by employees are being monitored by the compliance department.

The remuneration of the analysts is paid independently of any profits or commissions in connection with or for sales. Variable parts of the remuneration are based on the overall results of the bank and not connected to commissions in the investment banking departments.