

Execution Policy.*

In the following Execution Policy (hereinafter referred to as the "Execution Policy") is determined how the bank will ensure that client orders are executed consistently in the best interests of the client.

This Execution Policy applies to the execution of orders from professional clients as well as to the execution of orders from retail clients.

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) at an execution venue in accordance with the following terms:

I. 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 II below.

II. 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 trading system (as defined by the German Securities Trading Act), will be executed in Germany. If financial instruments from foreign issuers (foreign financial instruments) are traded on-exchange or in a multilateral 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.

(3) If a financial instrument is traded on more than one exchange or multilateral 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. The different types of financial instruments are listed in the appendix "Explanation of the Execution Policy" 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. Complementary, the speed of execution and the likelihood of execution and settlement 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 Execution Policy" 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.

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

(1) The bank offers its clients fixed-price transactions primarily in the case of bonds and securitised derivatives (certificates). 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.

IV. 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.

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

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

(a) Standardised 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 an appendix "Explanation of the Execution Policy" 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) Non-standardised derivatives

In the case of non-standardised derivatives, the transaction will be concluded directly between the client and the bank. Due to the individual negotiation of these transactions with the bank, no other execution venues exist.

(2) This Execution Policy does not apply to the issue or redemption of shares in investment funds, executed by the relevant capital investment company or depository. The issue or redemption of shares in investment funds will be executed by the relevant investment company or the custodian bank. 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. Exchange Traded Funds (ETF)* will be executed according to the annex (Rationale behind the Best Execution Policy) of that 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 as a rule be executed near the expiry date of the deadline for subscription right trading 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 regulated markets (organisierte Märkte) or multilateral trading systems.

VI. 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.

Explanation of the Execution Policy.*

I. Importance of factors to determine the best possible execution.

In order to identify the best possible execution options for client orders, the factors described below, subject to the following, are used to assess execution quality.

These factors and the importance given to them by the bank apply to all types of financial instruments referred to in Section 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 recognised 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

(2) Importance of factors

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

Retail clients

- Price 80 %
- Costs 20 %

Professional clients

- Price 60 %
- Costs 30 %
- Speed and likelihood of execution 5 %
- Likelihood of settlement 5 %

(standard of regulation, investor protection)

II. Types of financial instrument and segments.

The above-mentioned factors and the importance given to them by the bank apply to the following types of financial instrument, taking into account the segments attributed to them:

Type of financial instrument	Segment
Shares/Equities	<ul style="list-style-type: none">■ Shares in the DAX30■ Shares in the TecDAX, MDAX, SDAX■ Other German shares quoted at a German execution venue■ Shares in the DJ Euro STOXX 50, DJ Industrial Average, NASDAQ-100■ Other foreign shares quoted at a German execution venue■ Other foreign shares quoted at a foreign execution venue

Explanation:

Shares 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 (e.g. liquidity) and the segments which have been developed historically in the market.

Bonds	<ul style="list-style-type: none">■ EU government bonds and bonds from supranational/international issuers■ Bonds from German issuers■ Other bonds
--------------	--

Explanation:

Bonds are treated as a separate group of financial instruments because pricing in the market primarily depends on the current capital market interest rate and a company's credit rating. Division into segments is based on the market tradability of the assets included.

Exchange Traded Funds (ETF)*

ETFs are investment funds (generally index funds), that follow the portfolio strategy of the index investing. That is to simulate a specific representative index or a basket of securities as exact as possible. They are kept as a separate group of financial instruments, because the price in the market widely matches a fraction amount of the fund assets as determined by the issuer.

Securitised derivatives	<ul style="list-style-type: none">■ Derivative debt instruments such as certificates, warrants■ Subscription rights
--------------------------------	--

Explanation:

Securitised 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. Division into segments is based on the varying trade customs which

Miscellaneous securities	<ul style="list-style-type: none">■ Participation certificates (Genussscheine)■ Miscellaneous German securities■ Miscellaneous foreign securities
---------------------------------	---

Explanation:

Miscellaneous securities 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. Division into segments is based on conditions, different levels of liquidity and execution options.

Miscellaneous financial instruments	<ul style="list-style-type: none">■ Standardised derivatives■ Non-standardised derivatives■ Options and futures contracts on foreign exchanges
--	--

Explanation:

Miscellaneous financial instruments are treated as a separate group of financial instruments because differentiation is necessary in terms of the special execution venues used and/or the individual investment options available. Division into segments is based on the varying degrees of standardisation of the financial instruments involved.

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 fol-

lowing table have been identified, where according to the analysis best possible results in the execution of client orders are consistently achieved.

Type of financial instrument	Segment	Segment
Shares/Equities	Shares in the DAX 30	Shares in the TecDAX, MDAX, SDAX
	Best possible execution venue	German execution venue
Bonds	EU government bonds and bonds from supranational/ international issuers	Bonds from German issuers
	Best possible execution venue	German execution venue Home exchange*
Exchange Traded Funds (ETF)**	Exchange Traded Funds (ETF)**	
	Best possible execution venue	German execution venue Home exchange*
securitised derivatives	Derivative debt instruments, e.g. certificates, warrants	Subscription rights
	Best possible execution venue	German execution venue Home exchange*
Miscellaneous securities	Participation certificates	Miscellaneous German securities
	Best possible execution venue	German execution venue Home exchange*
Miscellaneous financial instruments	Standardised derivatives	Non-standardised derivatives
	Best possible execution venue	German execution venue (EUREX) Foreign futures and options exchange*

* If traded exclusively at foreign execution venues.

** valid from 1. April 2010

Segment	Segment	Segment	Segment
Miscellaneous German shares listed at a German execution venue	Shares in the DJ Euro STOXX 50, DJ Industrial Average, NASDAQ 100	Miscellaneous foreign shares listed at a German execution venue	Miscellaneous foreign shares listed at a foreign execution venue
German execution venue	German execution venue	German execution venue	Home exchange*
Bonds offered by the bank	Miscellaneous bonds		
Transaction concluded directly with the bank	German execution venue Home exchange*		
Miscellaneous foreign securities			
German execution venue Home exchange*			
Currency future transactions			
directly with the bank			

Supplementary information about the above table:

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

- Stuttgart stock exchange
- Frankfurt stock exchange
- Xetra stock exchange
- Munich stock exchange
- Berlin/Bremen stock exchange
- Hamburg stock exchange
- Hannover stock exchange
- Düsseldorf stock exchange

- EUREX exchange (for standardised derivatives)

General information on stock exchanges and exchange trading can be found in the brochure "Basic information on Investment in securities" (Basisinformationen über Wertpapiergeschäfte) [only in German available].

(2) Access to foreign execution venues is via suitable intermediary commission agents. The bank will supply a list of the intermediary commission agents employed on request.