

MiFID – Information about LBBW for Eligible Counterparties.

April 2010

Information about the Financial Institution and its Services*

According to the requirements of Sec. 31 Para. 3 Sentence No. 1, 2 and 3 of the German Securities Trading Act, this document contains information about us and our services in connection with securities.

A. Information about the financial institution.

Landesbank Baden-Württemberg
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Germany
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Banking licence and relevant regulatory authority:

We are in possession of a banking licence as per Sec. 32 of the German Banking Act. The relevant regulatory authority is the German Federal Financial Services Regulatory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn, Germany and Lurgiallee 12, 60439 Frankfurt/Main, Germany (Internet: www.bafin.de).

Communicating with us

You can communicate with us in person, by telephone or in writing. Client orders can be communicated to us in person, by telephone or through direct brokerage.

Note regarding the recording of telephone conversations in the Trading Division

As it is customary in the trading departments of banks, telephone conversations are recorded and filed for a certain period of time in our trading departments, too in order to be able to clarify any discrepancies concerning trading transactions concluded by telephone.

Please note that for telephone and online orders, the means and channels of communication agreed upon separately apply.

Notification of transactions executed

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

Voluntary deposit guarantee scheme

As a member of the security reserve system operated by the German state savings banks (Landesbanken) / central associations of the savings banks (Girozentralen), we take part in the Deutsche Sparkassen-Finanzgruppe's joint liability protection scheme.

This scheme ensures that the institutions taking part in it are themselves protected, and in particular that their liquidity and solvency is guaranteed.

Germany's savings banks (Sparkassen), state savings banks

(Landesbanken) and state building societies (Landesbausparkassen) participate in the Deutsche Sparkassen Finanzgruppe's joint liability protection scheme. This protection scheme consists of the following funds linked to each other by way of joint liability under the terms of their byelaws: eleven savings bank support funds maintained by the regional savings banks associations (Sparkassenstützungsfonds der regionalen Sparkassen- und Giroverbände), the security reserve maintained by the state savings banks (Landesbanken) / central associations of the savings banks (Girozentralen) (Sicherungsreserve der Landesbanken / Girozentralen) and the protection fund for the state building societies (Sicherungsfonds der Landesbausparkassen). As an institution protection scheme, as defined by the German Deposit Protection and Investor Compensation Act (Einlagensicherungs- und Anlegerentschädigungsgesetz), this system protects the existence of the institutions participating in it.

With the aid of the funds involved, supportive action would be taken in a crisis to restore proper operations and ensure that an institution remained able to meet all of its obligations. It would therefore be possible for all client claims due with respect, for example, to savings, time and sight deposits and securitised claims to be satisfied in full.

Further details are provided by the byelaws for the security reserve maintained by the state savings banks and the central associations of the savings banks, a copy of which we shall be happy to supply on request.

Since the Sparkassen Finanzgruppe's protection systems were set up, no client of a member institution has ever suffered any loss to his deposits.

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 client interests. Further details are available in our conflict of interest management policy.

C. Information about our services.

We conduct all common banking business (in particular credit business, operation of accounts, acceptance of deposits, securities business, operation of security deposit accounts, payments, etc.), subject to any restrictions which may be imposed by the Act on the Landesbank Baden-Württemberg and/or the byelaws of the Landesbank Baden-Württemberg.

Policy on management of conflicts of interest*

The Bank has taken the following precautions to prevent the interests of customers being adversely affected by conflicts of interest between it, its Board of Managing Directors, its staff and contractually bound agents or other persons affiliated to it - directly or indirectly through supervision - and its customers, or between the customers themselves:

I. Within our organisation, conflicts of interest can arise

between our customers and

- a. our organisation (including the companies within our group)
- b. the relevant people employed in our organisation or people associated with them, including our Board of Managing Directors
- c. people affiliated to our organisation through supervision, and
- d. other customers

in connection with the following securities services / ancillary services)

- a. finance commission business (acquisition or sale of financial instruments on own account or on behalf of a third party),
- b. proprietary trading (acquisition or sale of financial instruments on own account as a service for others),
- c. acquisition agent (acquisition or sale of financial instruments as agent only on behalf of a third party),
- d. investment agent (brokering transactions for the acquisition and sale of financial instruments or supporting documentation thereof),
- e. issue business (transfer of financial instruments for own risk for the placement or transfer of equivalent guarantees),
- f. security placement business (placing financial instruments without a fixed underwriting commitment),
- g. finance portfolio administration/asset management (administration of individual or multiple assets invested in financial instruments for others with scope for decision-making),
- h. investment advice (giving personal recommendations to customers or their agents, where such recommendations are made in respect of transactions with specific financial instruments and provided that the recommendation is based on an examination of the investor's personal circumstances or is deemed suitable for that investor, and that it not announced exclusively via information dissemination channels or for the general public),
- i. custody of securities (safe custody and administration of financial instruments for other (associated) services),
- j. granting credits or loans to others for the purpose of carrying out securities services, provided that the (group) company granting the credit or loan holds a participating interest in such transactions,

- k. advising companies on capital structure and industrial strategy, as well as a consultation service and the provision of services related to company mergers and acquisitions (M&A business),
- l. foreign exchange transactions related to security services,
- m. creation, dissemination or forwarding of financial analyses (or other information on financial instruments or their issuers which includes - directly or indirectly - a recommendation for a specific investment decision),
- n. services related to the issuing business,
- o. services which refer to an underlying as defined by Section 2 Paragraph 2 Number 2 or 5 WpHG.

In particular

- a. from personal relationships of relevant persons (managers or staff or persons associated with them)
- a.a of our organisation with issuers of financial instruments, e.g. through collaboration in supervisory or advisory boards and/or
- b.b of issuers of financial instruments with our organisation (e.g. as customers of our organisation)

and

- b. from relations of our organisation with issuers of financial instruments so that
- a.a the relevant issuer is a subsidiary of our organisation, or
- b.b our organisation has a direct or indirect participating interest in the relevant issuer of financial instruments

and if our organisation

- c. collaborates in the issues of the relevant issuer of financial instruments,
- d. is a creditor/guarantor of the relevant issuer of financial instruments,
- e. holds a participating interest in the creation of a financial analysis for the relevant issuer of financial instruments,
- f. renders/receives payments to/from the relevant issuer of financial instruments,
- g. has entered into co-operations with the relevant issuer of financial instruments, or
- h. operates/holds joint direct or indirect subsidiaries/participating interests with the relevant issuer of financial instruments.

*As at: 1 November 2007

II. Conflicts of interest may also arise if.

- a. our organisation - or individual relevant persons within it - has information which is not yet in the public domain at the point at which customer business is conducted
- b. incentives exist for the preference of a specific financial instrument, e.g. in analysis, consultation, recommendation or execution of an order.

III. As a securities company, we ourselves, and our staff.

are obliged, in accordance with legal principles, to render the securities services and ancillary securities services referred to under sub-section I. honestly, fairly and professionally in the interests of our customers, and to avoid, as far as possible, any conflicts of interest. The above notwithstanding, we have set up a compliance organisation which comprises, in particular, the following measures:

- a. the setting up of confidentiality areas with Chinese walls, i.e. virtual and/or actual barriers for restricting the flow of information,
- b. an obligation on the part of staff for whom a conflict of interests could arise in the course of their activities to disclose details of all transactions in financial instruments
- c. maintenance of a 'watch list' and/or restricted list in which financial instruments in which there could be a conflict of interests are recorded. Transactions in financial instruments from the watch list will still be allowed, but will be monitored centrally; transactions in financial instruments from the restricted list are prohibited,
- d. maintenance of an insider index: this index will record all relevant persons within our organisation who have inside information for specific intended purpose (including the time and type of the information),
- e. ongoing monitoring of all transactions of relevant persons working in our organisation,
- f. execution of orders in accordance with our best execution policy and/or as instructed by the customer,
- g. rules on the acceptance of gifts and other benefits, in particular for those members of staff involved in the drawing up of financial analyses,
- h. training of our staff.

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

cannot be avoided by the above division of tasks or our compliance organisation, we will notify our customers accordingly in accordance with these principles. If necessary, in such cases we will waive making a judgement, offering advice or making a recommendation in respect of the relevant financial instrument.

V. At the customer's request, we will

provide further details on these possible conflicts of interest.

General information for clients about inducements.*

Dear Client,

We supply top-quality advice and information to help you with your investments in securities and other financial instruments. In providing our expert support for your investment decisions, we will take into account your personal experience and knowledge of financial instrument trading, your financial situation, your investment objectives and your risk profile. This service is costly as it requires sophisticated staffing and organisation. To cover these costs, we receive inducements from our sales partners in the form of either cash (fees or commissions) or other equivalent non-monetary benefits. We organise this in such a way as to ensure that this remuneration does not harm your interests as our client, but on the contrary supports and further improves the quality of the investment services.

Independently of this, we are, in connection with

- the acquisition of shares in investment funds
- the acquisition of investment certificates or structured bonds and
- the acquisition of interest-bearing securities,

obliged by regulatory rules (sec. 31d of the German Securities Trading Act (WpHG)) and by case law based on judgements of the German Federal Court of Justice (BGH) to inform you about inducements (in cash or any other form) we receive from our sales partners so as to provide as transparent a basis as possible for your investment decisions.

We therefore hereby inform you that we regularly receive the following inducements imposed on our clients by our sales partners for financial products:

1. Acquisition of shares in investment funds.

Initial Sale Charges: When issuing shares in funds, investment companies impose an initial sale charge. From this initial sale charge, which may, depending on the class of investment concerned, amount to up to 6.00% of the sum invested, we receive a reimbursement which may equal up to 100% of the charge.

Sales commission: In the case of so-called "no-load funds" no initial sale charge is imposed, but commission is deducted from the fund's assets to cover our sales costs. This commission can represent up to 1.65% per annum of the value of the shares in the fund that you hold, and some or all of it will be reimbursed to us.

In the case of funds of funds, a commission of up to 1.25% per annum of the value of the shares you hold will be deducted from fund assets to cover the cost of sales, and all or part of this will be paid to us.

We will receive this reimbursement for the period for which you keep the fund shares in your securities account.

Administration charge: Investment companies also deduct an administration charge from the assets of a fund which may, depending on the class of investment concerned, amount to up to 2.60% per annum of the value of the shares you hold in the fund. All or part of this will be reimbursed to us.

In the case of funds of funds, an investment company will deduct from the fund's assets an administration charge which may, depending on the type of fund of fund concerned, amount to up to 1.95% per annum of the fund assets. All or part of this will be reimbursed to us.

Additionally, we may also receive reimbursement of that part of the annual administration charges payable on the investment funds (so-called target funds) contained in a fund of funds which corresponds to the fund of fund shares you hold. Up to 100% of these charges may be reimbursed to us.

We will receive the above reimbursements for the period in which you keep the fund shares in your securities account.

*The Bank may receive reimbursements in non-monetary form in the form of
- technical support and
- information material,
or instead in the form of training provision or the implementation of specific client or product-related sales activities. The Bank will take organisational steps to ensure that such services are always exclusively to the client's advantage.

Sales bonus: In addition to the administration charge, we may receive an additional payment from our sales partners if we sell enough of their products to exceed a pre-defined threshold. Your client adviser will, on request, be happy to provide you with details of the amounts of such payments.

2. Acquisition of investment certificates or structured bonds not issued by LBBW.

Initial sale charge: On some of their investment certificates and structured bonds, issuing houses impose a one-off initial sale charge which may, depending on the type of product involved (bonus certificate, express certificate, alpha certificate, etc.) and the specific terms of the product, represent up to 5.00% of the invested amount. Some or all of this initial sale charge is reimbursed to us.

Commission: Independently of initial sale charges, we may receive one-off commission payments from issuing houses equal to up to 5.00% of the invested amount.

Renewal commission: We may receive reimbursements in relation to holdings of particular investment certificates or structured bonds as long as the relevant investment certificates remain in your securities account. These payments may equal up to 1.50% per annum of the invested amount.

Marketing bonus: Our sales partners may make an additional payment to us of up to 0.30% of the total turnover if we sell enough of their products to exceed a pre-defined threshold.

3. Acquisition of interest-bearing securities not issued by LBBW.

On the initial acquisition (subscription) by you of interest-bearing securities, we will receive a reimbursement from the issuer of up to 1.25% of the nominal value, depending on terms of the specific security concerned. On subsequent sales of the securities, we will receive reimbursements from the issuing houses equal to up to 0.70% of the nominal value.

4. Acquisition of other financial instruments .

The information on whether and how much we are reimbursed for the cost of marketing other financial instruments will be notified to you in each individual case.

Your adviser will be happy to provide detailed information on the actual payments made (1. to 4. above).

You can also obtain product details and relevant information from your adviser and/or find these in the relevant product leaflet or brochure.

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