

Guidelines for the execution of orders in financial instruments

A. Preliminary remarks

1. Area of application

These guidelines apply to the execution of orders that the Client issues to the Bank for the purpose of purchasing or selling securities or other financial instruments (e.g. options). Execution in this sense means that based on a client order the Bank concludes a corresponding transaction with another party for the account of the Client on a suitable market (commission business) or concludes a purchase agreement for financial instruments directly with the Client (fixed-price business). Fixed-price transactions are governed by the rules in item 6. These guidelines also apply if the Bank purchases or sells financial instruments for the account of the Client to meet its obligations arising from an asset management agreement with the Client.

2. Guidelines of order execution

Client orders can be executed regularly via various means of execution or at various execution venues, e.g. floor trading on stock exchanges or in electronic trading, both domestically or internationally, on the over-the-counter market or via other financial services companies (e.g. broker). The following sections describe the means of execution and possible execution venues for the most common types of financial instruments that can generally be expected to achieve consistently the best-possible execution in the interest of the Client and via which the Bank will therefore execute the Client's orders.

In the definition of specific execution venues for the various types of financial instruments detailed in section "B." below, the Bank assumes that the Client wants to achieve the best price possible taking account of all of the costs associated with the execution transaction. In addition, the Bank takes into consideration the probability of order execution and order settlement as well as execution speed. Since securities are generally subject to price fluctuations, it cannot be ruled out that prices may change to the disadvantage of the Client as time passes after the issuance of the order. The Bank shall therefore chiefly utilise execution venues at which a complete execution is probable and possible in a timely manner. In line with the aforementioned principles, the Bank shall also observe other relevant criteria (e.g. state of the market, settlement security). If several execution venues offer a similarly good execution quality, the Bank shall make a choice according to its best judgement.

3. Forwarding of orders

In certain cases, the Bank will not execute the Client order itself but will instead forward it to be executed by another financial services company, subject to adherence to the present guidelines. For instance, this will be the case if the Bank does not have direct access to a stock market and therefore calls upon the services of a broker or correspondent bank to execute the order. The client order will then be executed by the other financial services company in accordance with its arrangements for achieving best execution.

4. Priority of client instructions

The Client may issue instructions to the Bank that stipulate at which execution venues its order is to be executed. Such instructions shall take precedence over the present execution guidelines.

Note: If a client instruction exists, the Bank shall not execute the order in accordance with these guidelines for best execution for best execution, but instead in accordance with the Client's instructions.

5. Different execution in particular cases

If exceptional market circumstances or market disruption make it necessary to conduct execution differently from these guidelines, the Bank shall execute the order in line with the Client's interests.

6. Fixed-price transactions

The present execution guidelines only have limited application if the Bank and the Client have concluded with one another a contract to purchase financial instruments at a fixed or determinable price (fixed-price business). In this case, the obligations of the Bank and the Client (e.g. the obligation to deliver the securities and the obligation to pay the purchase price) arise directly from the contractual agreement. The Bank specifically meets its best execution obligation for fixed-price transactions by providing near-market prices.

The following execution guidelines detail when the Bank regularly offers to conclude such fixed-price transactions.

This correspondingly applies if the Bank offers securities for subscription as part of a public or private offering or if the Bank and Clients conclude contracts with one another that pertain to financial instruments that are not stock market tradeable (e.g. option dealings).

7. Review of execution guidelines

The Bank shall review these execution guidelines at least once a year. However, it shall also review them if it becomes aware of circumstances that mean executing the orders based on the existing execution guidelines no longer guarantees the best interests of the Client.

B. Execution guidelines for different types of financial instruments

1. Interest-bearing securities

The Bank offers the option of buying selected interest-bearing securities (including zero-coupon bonds) directly from the Bank or to sell them back to the Bank. Information about the current offering, in particular the price, can be obtained from the Bank upon request. Buying and selling takes place at a fixed price agreed with the Bank (fixed-price transaction).

Note: For fixed-price transactions, the Bank's profit share is included in the fixed price. There are no further costs (e.g. broker fees, etc.).

If a fixed-price transaction between the Bank and the Client does not take place, the Bank shall execute the client order as a commission transaction in interbank trade or on a domestic floor-based exchange. The Bank shall give priority to the interbank trade, or choose another exchange that its experience suggests will allow the order to be executed in the best possible, and specifically for the Client cheapest, manner.

2. Equities

The Bank executes orders in stocks on a commission basis as follows:

DAX stocks, MDAX stocks, TecDAX stocks and SDAX stocks	Xetra
other German stocks	Domestic stock market
Non-German stocks with a market value of up to EUR 25,000 and a listing in Germany	Domestic stock market
Non-German stocks with a market value of up to EUR 25,000 without a listing in Germany	Foreign domestic exchange
Foreign shares with a market value of more than EUR 25,000	Foreign domestic exchange

Should it no longer be possible to execute a client order because trading on the Xetra system has closed, the Bank shall accept the order for the next day's trading. If there is no listing on the Xetra, the Bank shall seek instructions from the Client concerning the place of order execution.

Provided this is in the interest of the Client, the Bank shall also execute orders in stocks via other exchanges that are not regulated markets, and via multilateral trading systems (including those that are considered to be dark pools).

3. Investment fund units

The issuance of units in investment funds at the issue price as well as their return at the redemption price in accordance with the regulations laid down in the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB) is not subject to the legal requirements for the execution of orders in financial instruments. In general, the Bank executes orders to buy or sell investment fund units as commission business and directly via the capital investment companies.

However, orders pertaining to exchange traded funds (ETFs) shall be carried out via Xetra. If the order book situation does not permit this or if the unit in an ETF is not listed, the Bank shall execute the order on another domestic exchange or (provided it is not traded there either and the Client has agreed to off-exchange execution) outside of regulated markets and multilateral trading systems.

4. Certificates – warrants

The Bank generally executes orders in certificates and warrants from selected third-party issuers as commission business outside of regulated markets and multilateral trading systems provided the Client has agreed to off-exchange execution.

If the consent of the Client has not been obtained or if execution with the issuer or another trading partner is not possible, the Bank shall execute the order on a domestic exchange. The Bank shall give priority to the exchange that its experience suggests will allow the order to be executed in the best possible, and specifically for the Client cheapest, manner.

5. Derivative instruments

These instruments include financial futures contracts that are traded under standardised conditions on an exchange or for which there is a specific over-the-counter agreement between the Client and the Bank. According to the financial instrument, specific conditions or special contracts can be applicable (special conditions for futures contracts, general agreement for financial futures contracts).

The Bank executes exchange-traded financial derivatives on the exchange where the contract for which the Client has issued the order is traded. If certain contracts can be traded both on the Eurex and on other futures exchanges, the execution shall take place primarily on the Eurex, provided the market liquidity allows this.

Contracts pertaining to interest-rate and currency derivatives including currency futures, non-exchange-traded options and forward transactions in precious metals shall be agreed directly and individually between the Client and the Bank (fixed-price business).

C. Execution venues

Among others, the Bank has access to the following exchanges and multilateral trading venues and systems:

Xetra	Deutschland		New Zealand Stock Exchange	Neuseeland
Börse Berlin	Deutschland		Euronext Amsterdam	Niederlande
Börse Düsseldorf	Deutschland		Oslo Stock Exchange	Norwegen
Börse Frankfurt	Deutschland		Vienna Stock Exchange	Österreich
Börse Hamburg	Deutschland		Warsaw Stock Exchange	Polen
Börse Hannover	Deutschland		Euronext Lissabon	Portugal
Börse München	Deutschland		Stockholm Stock Exchange	Schweden
Börse Stuttgart	Deutschland		SWX	Schweiz
Australien Securities Exchange	Australien		Europe SWX	Schweiz
Euronext Brussels	Belgien		Singapore Stock Exchange	Singapore
Copenhagen Stock Exchange	Dänemark		Madrid Stock Exchange	Spanien
Helsinki Stock Exchange	Finnland		Johannesburg Stock Exchange	Südafrika
Euronext Paris	Frankreich		Korea Stock Exchange Koscom	Südkorea
Athens Stock Exchange	Griechenland		Stock Exchange of Thailand	Thailand
London Stock Exchange	Großbritannien		Prague Stock Exchange	Tschechien
Hong Kong Stock Exchange	Hongkong		Istanbul Stock Exchange	Türkei
Jakarta Stock Exchange	Indonesien		Budapest Stock Exchange	Ungarn
Irish Stock Exchange	Irland		New York Stock Exchange	USA
Milan Stock Exchange	Italien		NASDAQ	USA
Tokyo Stock Exchange	Japan		American Stock Exchange	USA
Toronto Stock Exchange	Kanada		Bloomberg MTF	USA
Luxembourg Stock Exchange	Luxemburg		Market Axess	USA

A list of the emerging markets exchanges that Bankhaus Lampe covers is available upon request.
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Yours faithfully

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