



**Principles for the Management of Conflicts of Interest
within Bankhaus Lampe KG**

The present translation is furnished for the client's convenience only. The original German text of the Principles for the Management of Conflicts of Interest within Bankhaus Lampe KG 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.

Conflicts of interest cannot always be ruled out, in particular in a universal bank like Bankhaus Lampe KG (the "Bank") which carries out for its clients, among other things, a variety of investment services and, at the same time, provides financing and advice to enterprises. In line with the provisions of the German Securities Trading Act, we would therefore inform you hereinafter about our extensive measures adopted in order to manage these conflicts.

Such conflicts of interest may arise between our Bank, other companies of our group, our management, our staff, tied agents and other persons related to us and with or among our clients.

In particular, conflicts of interest may arise

- in the course of providing investment advice and discretionary portfolio management services as a result of the Bank's own (turnover related) interest in the sale of financial instruments
- from receipt or payment of inducements (such as placement/distribution fees, monetary benefits) from or to third parties in connection with investment services rendered to you
- as a consequence of profit-related remuneration of intermediaries
- as a result of the provision of inducements to intermediaries
- as a result of other business activities of our house, in particular the Bank's interest in profits from dealings on own account
- as a result of business relations of our house or our subsidiaries with issuers of financial instruments, for instance in the event of an existing credit relationship or the participation in issues
- in connection with the production of investment research concerning securities which are offered to our clients for sale
- through obtaining information that is not publicly known
- as a result of personal relationships of our staff or management or any persons related to them
- in the case of membership of these persons in supervisory or advisory boards.

In order to avoid that inappropriate interests influence, for instance, the investment advice, the execution of orders, the discretionary portfolio management or the investment research, we have put ourselves and our employees under the obligation to adhere to high ethical standards. We postulate diligence and honesty at any time, fair and professional conduct, observance of market standards and, in particular, permanent heed of the client's interest.



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In our house an independent Compliance Panel, acting under the direct responsibility of the management board, has been established, whose duty is the identification, prevention and management of conflicts of interest. This panel conducts investigations and renders decisions in accordance with legal requirements and acts independently and free from instructions and interests of third parties. The Compliance Panel reports on an annual basis to the management and to our Bank's supervisory board on the effectiveness of the established procedures, the adopted measures as well as any circumstances identified as being potentially detrimental to a client.

In detail we have adopted, among others, the following measures with respect to the prevention and management of conflicts of interest:

- Implementation of organisational procedures to protect the client's interest in the course of providing investment advice and discretionary portfolio management services (for instance, there exists an admission procedure for new products of our house in which our Compliance Panel is involved for the purpose of identifying possible potential for conflicts of interest.)
- Regulations concerning the receipt and payment of inducements as well as their disclosure
- Creation of spheres of confidentiality by establishing information barriers, separating responsibilities and separating working areas
- Keeping of insider and watch lists for the purpose of ensuring supervision of sensitive information and preventing abuse of insider information
- Keeping of a restrictive list designated, among other things, to prevent potential conflicts of interest by way of prohibiting transactions, investment advice or investment research
- Disclosure to the Compliance Panel of transactions in financial instruments by those employees in whose scope of work conflicts of interest may arise
- Regular training of our staff
- We will disclose conflicts of interest that cannot be avoided in spite of comprehensive control procedures to the clients concerned prior to the conclusion of a transaction or the provision of advice.

We would like to call your special attention to the following items:

For the distribution of shares in investment funds we usually receive inducements from the investment companies. These are ongoing distribution fees, based on the balance of deposited shares, which the investment companies pay to us out of the managements fees collected by them ("trail fees").

In connection with other securities, we may receive inducements in the form of distribution fees which the issuers of the securities pay in the form of placement fees or corresponding discounts on the issue price.



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The acceptance of these payments and inducements or other incentives shall make it possible to provide efficient infrastructures of high quality for the purchase and sale of financial instruments. We will disclose the receipt and payment of inducements to our clients. We are pleased to provide you with details upon your request.

In employing discretionary portfolio management services you, as client, have delegated the management and thus also the decision on the purchase or sale of financial instruments to your portfolio manager. Hence, within the framework of the investment guidelines agreed with you, it is us that take the decisions on purchases and sales without obtaining your prior approval. This situation may intensify an existing conflict of interest. We obviate the resulting risks by suitable organisational measures, in particular by following an investment selection process oriented according to the client's interest. Irrespective thereof, we will disclose to you prior to the conclusion of a discretionary portfolio management contract the amount of inducements and render account thereof.

Another conflict of interest, which is typical in connection with the provision of discretionary portfolio management services, may arise if a performance fee is agreed. In this case, it may not be ruled out that the portfolio manager takes disproportionate risks in order to achieve as high a performance as possible and, thus, a higher remuneration. In this context, a risk reduction will be achieved by internal monitoring of the investment decisions and by combination with other fixed fee components.

Tied agents or independent intermediaries who introduce clients, with or without relation to a concrete transaction, or single transactions to us are partly paid performance fees and fixed fees. Beyond that, tied agents may also receive inducements directly from third parties, in particular investment companies and issuers of securities, in addition to the salesman commissions paid by us.

In addition, we will provide complete and comprehensive information on potentially relevant conflicts of interest in each investment research produced or disseminated by us.

It will be our pleasure to place at your disposal, upon your request, further details on the principles described herein.

Sincerely,
Bankhaus Lampe KG