

## 1 Customer categories

According to the provisions of the law of July 13<sup>th</sup>, 2007 all customers of a securities services enterprise are to be classified into customer categories. The duties of the banks regarding information and explanation are geared to the needs of the customers in the individual categories. On that basis, we have formed the following customer categories:

### Investment customers

Customers in this category get the highest level of protection, and the Bank has the most extensive information and explanation duties. That means, for example, that the Bank may only give investment advice when sufficient information regarding a customer is available. If it does not have the necessary data, the Bank may not give investment advice because the Bank cannot perform the required appropriateness and suitability test.

### Professional investment customers and eligible counterparties

Customers who have been assigned to these categories have professional experience and knowledge of financial instruments, so the Bank is subject to limited information and explanation duties.

A customer may apply in writing for a change of customer category. However, a change to a category with a lower protection level is only possible under certain conditions. Professional investment customers may agree on a classification as investment customers to obtain a higher level of protection. For more detailed questions on this topic, please consult your advisor.

## 2 Financial services for investment customers

When providing financial services to investment customers, the rules listed below apply.

### 2.1 Types of execution in investment business

Our services include portfolio management in addition to buying and selling financial instruments on a commission or fixed-price basis.

In that connection, we offer you the following types of execution:

#### Asset management

In the framework of portfolio management, our portfolio managers assume responsibility for fiduciary decisions concerning your assets. The basis for that is an asset management agreement between the customer and the Bank. The conditions for giving investment advice presented below apply here accordingly. All securities transactions conducted in the framework of asset management are executed according to our policies for the execution of orders in financial instruments. In actual processing, customer orders may be combined into block orders. Further information concerning asset management may be gathered from the publication Customer Information concerning Asset Management.

### Investment advice

In this type of execution, our qualified advisors recommend concrete financial instruments to you. The prerequisite for that, however, is that you give us sufficient information in advance about your investment goals, financial situation, and experience and knowledge, so that our recommendations meet your investment goals and financial possibilities (suitability test).

### Advice-free business

If we have incomplete or no information concerning your investment goals and financial situation, we cannot give you any concrete recommendations because we cannot judge which financial instrument meets your needs. If we furthermore have insufficient information about your experience and knowledge of the financial instrument that you desire, we will point out that we cannot test the appropriateness of your investment decision. We will nevertheless execute your order.

### Execution-only business

In the case of execution-only business, we will carry out your order without advice and without testing appropriateness. Because of the statutory regulations we may perform execution-only transactions only for non-complex financial instruments such as stocks, money market instruments, bonds, or funds.

## 2.2 Order issuance and execution

You can issue orders to us in person, by telephone, or in writing.

If you do not give us any instructions regarding a specific stock exchange, we will execute your order in accordance with our policies for the execution of orders in financial instruments.

We will send our investment customers a confirmation of the execution of an order at the latest on the first business day after execution. If confirmation from a third party is required in the framework of execution, we will send you our confirmation at the latest one business day after we receive the third party's notice of execution.

## 2.3 Risk information concerning financial instruments

Financial instruments exhibit differences in opportunities and risks depending on the type of product. You may obtain detailed presentations concerning the specific features of the individual products from the following brochures:

- Basic Information concerning Investments in Securities
- Basic Information concerning Forward Transactions.

You can request the latest editions of these brochures at any time from your advisor. Your advisor will be glad to provide you with more detailed information.

#### **2.4 Safe custody of securities**

Safe custody of securities is performed in accordance with our Special Conditions for Dealings in Securities. Domestic securities are accordingly kept regularly with (Clearstream Banking Luxembourg), provided they are eligible for collective safe custody. Foreign securities are usually kept via Clearstream Banking Luxembourg in the home market of the security in question or in the country in which the purchase was made.

You receive ownership or stand in a similar legal relationship to the securities that we keep for you as described above (see Items 11 and 12 of the Special Conditions for Dealing in Securities). You are thus protected against third parties' gaining access to your securities by the authority of the respectively applicable foreign legal system. Moreover, we are liable in connection with the safe custody of your securities in accordance with Item 19 of the Special Conditions for Dealings in Securities. In addition to safe custody via Clearstream Banking Luxembourg, the Bank maintains relationships with storage facilities in the following countries: Luxembourg, Germany, Austria and the United States

We would like to point out to you that in the case of securities that are publicly offered, the prospectus is available on the website of the respective issuer and a printed version may be requested from the issuer.

#### **2.5 Costs**

You may gather the prices and commissions that we charge in the framework of securities business from our schedule of prices and services.

If costs are charged to us by third parties in connection with executing your order, we reserve the right to bill you for those costs.

#### **3 Handling conflicts of interests**

In the framework of providing our services, observing the interests of customers is always at the fore. A private bank like ours provides a wide variety of financial services to large number of customers. Accordingly, conflicts of interest cannot always be ruled out. Against that background, we have developed policies for our firm as to how we intend to avoid conflicts of interest and deal with those that do arise.