



STEUBING AG
WERTPAPIERHANDELSBANK

BEST EXECUTION POLICY

Wolfgang Steubing AG Wertpapierdienstleister

Wolfgang Steubing AG
Wertpapierdienstleister
Goethestraße 29
60313 Frankfurt a.M.
T +49 69 29 716-0
F +49 69 29 716-111
info@steubing.com
www.steubing.com

Supervisory Board:
Alexander Caspary (Chairman)
Felix Wirmer (Deputy Chairman)
Hans-Peter Wagner
Mirko Wollrab
Management Board:
Andreas Keune
Benjamin Schmid

Commercial reg. no.:
Frankfurt a.M.
Handelsregister:
HRB 47 167
VAT-ID:
DE 114 231 247
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1. *Scope of the Best Execution Policy*

Under Section 82 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), Wolfgang Steubing AG Wertpapierdienstleister (hereinafter referred to as "Steubing AG") is obliged to implement a "Best Execution Policy" with the aim of achieving the "best possible result" when executing client orders.

The obligation to implement a "Best Execution Policy" generally applies only with regard to the execution of orders which originate from professional clients pursuant to Section 67(2) WpHG. In principle, it does not apply with regard to so-called eligible counterparties, as the provisions of section 82 WpHG are not applicable pursuant to the exception rule of Section 68 WpHG.

The execution principles of the Best Execution Policy set out in the following also apply where Steubing AG acts within the scope of financial portfolio management or is commissioned as an outsourced asset manager to make investment decisions within the scope of collective asset management at its own free and independent discretion.

2. *Order Execution Principles (the „Execution Principles“)*

These Execution Principles apply to the execution of a buy or sell order via a financial instrument subject to the requirements of Section 82 of the German Securities Trading Act ("WpHG"), insofar as this order is executed by Steubing AG within the context of principal broking services, contract broking or own-account trading transactions. The following terms and conditions apply to the execution of such orders:

2.1 *Principles of best execution*

In accordance with the provisions of these Execution Principles, Steubing AG executes client orders to the "best possible" standard within the meaning of the provisions of Section 82 WpHG. The "best possible execution" in this sense includes the consideration and analysis of the prices of the financial instruments, the costs associated with the execution of the order, the speed and likelihood of execution and settlement of the order, and the size and nature of the order, as well as the weighting of those criteria taking into account the client category, the client order, the financial instrument and the execution venue. In the interest of its clients, Steubing AG attributes the greatest importance to the reliability of execution. A second step incorporates the price of the financial instruments – including the costs associated with the execution and the speed and likelihood of execution – into the assessment of the execution venues, with the respective weighting of the two criteria varying depending on the liquidity of the market for specific financial instruments. A third step factors in the size of the order, the reliability of execution and the settlement of the order. These factors are rated equally.

Furthermore, when selecting execution venues, Steubing AG considers the following criteria, which are given equal weighting:

- Clearing systems
- Emergency backup
- Liquidity of the execution venue
- Technical connection to the execution venue

If several trading venues offer equally good execution quality for a financial instrument, Steubing AG will select between these execution venues using its best discretion. The result of this selection is attached in Annex I, which is an integral part of these Execution Principles.

If Steubing AG does not have direct access to an execution venue, it makes use of an intermediary, e.g. an intermediary broker. Steubing AG works together with intermediaries who have provided fast and reliable execution in the past. In order to achieve the most favourable execution conditions for investors, in the course of its annual review of the Best Execution Policy Steubing AG will review and, if necessary, renegotiate the commissions for each asset class.

2.2. Priority of instructions from the client

2.2.1. General

If orders are placed without instructions, Steubing AG will execute them in accordance with the Best Execution Policy insofar as these are based on the order of a professional client or if the application of the Execution Policy has been agreed to.

Steubing AG attaches great importance to ensuring that its Best Execution Policy takes into account investors' needs for "interest protecting" and flexible order execution. As a rule, institutional investors place orders with appropriate instructions. In these cases, the obligation to achieve the "best possible result" according to the scope of the instruction is deemed to be fulfilled.

The client can determine the execution venue and the trade type for a single transaction or in general. A client instruction of this type always takes priority. Steubing AG will comply with a client instruction when executing a buy or sell order.

Note: Insofar as clients issue instructions to Steubing AG, they acknowledge that by virtue of said instructions Steubing AG is released from the obligation to execute the order in the manner intended to achieve the best possible result in accordance with its Best Execution Policy.

2.2.2. Instructions by virtue of the issue of particular order types

As a rule, an order is also deemed to be issued with an instruction when it is subject to certain execution criteria, e.g. execution at a volume-weighted average price (VWAP, AQR) or with a specific relation to the total turnover (e.g., one-third of volume). In such cases, execution is geared to the market to be used to measure the volume-weighted average price over the relevant period, without Steubing AG being obliged to use the execution venue stated in the Best Execution Policy.

Instructions may also solely relate to the manner of execution, with no specification of a concrete execution venue by the client. This relates in particular to “interest-protecting orders” (discretionary orders). These are when Steubing AG receives an instruction from the client to execute the order for securities in several steps depending on the market situation. Discretionary orders are subject to exchange practices for order executions between stock exchange participants.

If the client expressly instructs Steubing AG to execute an order as a discretionary order, the order is also deemed to contain an instruction to Steubing AG to select the execution venue at its own discretion according to the best interests of the client on a case-by-case basis; the present Best Execution Policy and the provisions in Annex I do not apply in this case. When using its discretion in the context of discretionary orders, Steubing AG will take into account price quality, the costs which arise as a result of execution at an execution venue, the speed of execution, the likelihood of execution and settlement of the order, as well as the order size.

Note: A client instruction is also deemed to exist in the event of an instruction relating to the manner of execution, in particular for a discretionary order. In this case, the order may be executed either on the stock exchange or over-the-counter domestically or abroad, if necessary by placing it with an intermediary.

2.2.3. Alternative execution of orders in shares of foreign issuers

The client hereby instructs Steubing AG to execute orders in shares of foreign issuers with an order volume of below EUR 20,000 via an intermediary in the event that sufficient liquidity is not guaranteed in the market specified for this purpose in Annex I.

2.2.4. Fixed-price transactions (OTC)

If a financial instrument is traded off-exchange (OTC) because there is no exchange trading venue for it or there is insufficient liquidity at the exchange, such orders are executed as fixed-price transactions at market conditions. A best-execution obligation within the meaning of the WpHG does not exist. Off-exchange transactions are traded outside a regulated market within the meaning of Section 2 (11) WpHG (Stock Exchanges) and outside a multilateral trading system within the meaning of Section 2 (8) No. 8 WpHG. In such cases, trading generally takes place within the framework of inter-bank trading.

2.3. Execution of client orders

2.3.1. Shares and subscription rights

Orders in shares or subscription rights of domestic issuers traded domestically on one or more stock exchanges or on one or more multilateral trading systems within the meaning of section 2 (3) no. 8 of the German Securities Trading Act (WpHG) are executed on the execution venues for this financial instrument listed in Annex I.

Insofar as shares or subscription rights of foreign issuers ("foreign financial instruments") are traded in Germany on one or more regulated markets within the meaning of Section 2 (5) WpHG (stock exchanges) or on one or more multilateral trading systems as defined in Section 2 (3) no. 8 WpHG, orders with an order volume of less than EUR 20,000 or an equivalent amount in another currency will be executed at the execution venues specified for this financial instrument in Annex I, unless the client issues instructions to the contrary.

If a share or subscription right is traded abroad and the order volume exceeds EUR 20,000 or an equivalent amount in another currency, the client order is forwarded to a selected intermediary (see Annex I).

2.3.2. Fixed-interest securities

Contracts in fixed-interest securities issued by domestic and foreign issuers for which a liquid market exists will be executed on the execution venues specified in Annex I or OTC as fixed-price transactions at market conditions (see Annex I and Section 2.4.)

Orders in fixed-interest securities issued by domestic and foreign issuers for which there is no liquid market are executed off-exchange as fixed-price transactions at market conditions (see Annex I and Section 2.2.4.).

2.3.3. Securitised derivatives

Orders in securitised derivatives, in particular warrants and certificates of domestic and foreign issuers for which there is a liquid market – which is typically the case for orders up to EUR 50,000 depending on the issuer – are executed on the venues listed in Annex I.

If the quotes for securitised derivatives, in particular warrants and certificates, do not guarantee sufficient liquidity on the exchanges' trading floors, which is typically the case for orders of over EUR 50,000 – depending on the issuer – such orders will be executed as a fixed-price transaction at market conditions (see also Section 2.4). Due to the lack of liquidity and quotes, orders in securitised derivatives with a volume of less than EUR 50,000 may also be executed by way of fixed-price transactions at market conditions. Steubing AG will make such selection according to its best judgment (see Annex I and Section 2.2.4.).

2.3.4. Fund shares

Orders in Exchange Traded Funds (ETFs) of domestic and foreign issuers for which there is a liquid market are executed at the execution venues listed in Annex I (see Annex I). Due to the lack of liquidity and quotes, orders in ETFs can also be executed over the counter as a fixed-price transaction at market conditions (see Section 2.2.4.).

Orders in other fund units for which there is a liquid market will be executed at the execution venues specified in Annex I.

2.3.5. Derivates (Futures and Optionen)

Orders in listed futures and options shall be executed exclusively at the execution venues specified in Annex I (see Annex I).

2.4. Agreement on OTC execution

Insofar as this Policy provides for the possibility of over-the-counter execution, the client hereby agrees to execution outside a regulated market and outside a multilateral trading system.

3. *Review of the Best Execution Policy*

Steubing AG will review its selection of execution venues made under this Best Execution Policy on an annual basis. Steubing AG regularly carries out transaction cost analyses in this respect.

In addition, Steubing AG will perform a review when there are indications that important criteria which favoured a certain execution venue are no longer valid. The client permits Steubing AG to unilaterally make associated adjustments to this effect. Steubing AG will inform clients of any changes to its Best Execution Policy so that the latter can, if necessary, issue amended instructions regarding the execution of their orders.

4. *Publications*

Each year, Steubing AG publishes the five most important execution venues (measured by order volume) on which it executed or placed customer orders during the previous year.

Furthermore, once a year Steubing AG publishes information on the quality it achieved in the execution of customer orders.

This information is published on the homepage of Steubing AG (www.steubing.com).

Client Confirmation

Place, Date

Signature Client

Annex I: Overview of execution venues

A. Overview of execution venues

Shares and subscription rights	
Liquid domestic shares DAX securities, MDAX, SDAX, LDAX, L-MDAX, TecDAX, other German Indices	Xetra, Exchange trading floors*, Intermediaries**
Illiquid domestic shares	Xetra, Exchange trading floors*, Intermediaries**
Shares and subscription rights of foreign issuers	
Order volume less than EUR 20,000	Xetra, Exchange trading floors*
Order volume more than EUR 20,000	Intermediaries**

B. Fixed-interest securities

Listed, liquid fixed-interest securities of domestic and foreign issuers	Xetra, Exchange trading floors*, MTFs Fixed-price transaction (OTC), MTFs
Fixed-interest securities with no liquid secondary market	Fixed-price transaction (OTC)

C. Securitised derivatives

Warrants and certificates (Order volume up to EUR 50,000)	Frankfurt Stock Exchange, Stuttgart Stock Exchange/EUWAX, Fixed-price transaction (OTC)
Warrants and certificates (Order volume above to EUR 50,000)	Fixed-price transaction (OTC)

D. Fund shares

Exchange Traded Funds	Xetra, Exchange trading floors*, Intermediaries** fixed-price transaction (OTC)
Other fund shares	Xetra, Exchange trading floors*

E. Futures

Futures	Eurex, ICE UK
Index Futures	CME, OSE
Mini Index Futures	CME

Mini Index Futures MSCI	ICE US
Fixed Income Futures	CME, OSE
Currency Futures	CME

F. Options

Equity Options	Eurex, ICE UK
Index Options	ICE UK, OSE

* Exchange trading floors: Frankfurt Stock Exchange, Berlin Stock Exchange, Stuttgart Stock Exchange, Hamburg Stock Exchange, Hannover Stock Exchange, Düsseldorf Stock Exchange, Munich Stock Exchange, Tradegate

** Intermediaries: Most liquid market (Exchanges, MTFs and OTFs) for the respective financial instrument via a suitable intermediary in Germany and abroad.