

Baader & Heins Capital Management AG

Conflict of interest policy

Baader & Heins AG relies on the trust of its clients, the public and its employees in the integrity, fairness and reliability of the company and the quality of its services. For this reason, we appreciate that you trust Baader & Heins AG to handle your sensitive information diligently. This trust depends considerably on how our managers and employees conduct themselves. As a client of Baader & Heins AG, you can always rely on our employees performing services with the best possible expertise, care and conscientiousness while acting in the interests of you, our client. To this end, the Company has put into place a code of conduct so as to strengthen the trust of our clients and ensure compliance with statutory and supervisory regulations at all times. This code of conduct is a permanent element of our business activities. As a result, you can expect that our employees always are diligent and honest, act properly and professionally and observe the applicable practices and market standards.

We are using our conflict of interest policy to implement this code of conduct when performing securities services and ancillary services. Conflicts of interest usually arise when a client gives us an order and his/her expectations of that order's orderly execution clashes with other market participants who are also clients of ours and have opposing interests. However, these differing expectations of the order's execution cannot be completely ruled out as we execute brokered orders for a number of clients. Since conflicts of interest can put the professionalism and reputation of our company into question, we have made appropriate arrangements so as to be able to identify and properly resolve such situations early on.

The following will give you practical information about potential conflicts of interest in our company and show you how we handle such cases.

Presently, the below conflicts of interests could potentially occur at Baader & Heins AG:

Between clients and:

- a) Baader & Heins AG
- b) the employees of Baader & Heins AG, including managers
- c) external companies and persons contractually affiliated with Baader & Heins AG
- d) other clients

As part of the following securities services and ancillary securities services offered and performed by Baader & Heins AG:

- a) investment advice (brokering transactions for the acquisition and sale of financial instruments or documentation thereof)
- b) acquisition brokerage (acquisition or sale of financial instruments in someone else's name and for someone else's account)
- c) proprietary trading

Particularly as the result of:

personal relationships with managers or employees at Baader & Heins AG (as well as with affiliated persons)

- with issuers of financial instruments

- with employees of issuers of financial instruments (e.g. as a client of the company)

Furthermore, conflicts of interest may arise when Baader & Heins AG

- performs transactions with its parent company, Baader Bank AG

Conflicts of interests may also occur as the result of:

- Baader & Heins AG or individual employees of the company being privy to information that is not publicly known (insider information)
- employees receiving performance-based remuneration

The management board at Baader & Heins AG has created a compliance division in order to widely prevent and resolve conflicts of interest. The compliance division has the permanent duty of managing conflicts of interest. Compliance employees are independent and can therefore exercise their duties neutrally and autonomously. If the risk of significantly influencing the interests of clients cannot be ruled out with a sufficient level of confidence, Compliance will inform our clients about the nature of the conflict. At this juncture, however, we would like to point out that Baader & Heins AG is not required to disclose significant self-interest or interests of our employees provided that our organisational arrangements are sufficient to avoid the risk of a negative impact on the interests of clients. Our compliance operations include the following preventative measures for protecting and safeguarding the interests of our clients:

- a) Employees of the company are trained regularly. They are required to report circumstances indicating a conflict of interest, insider information and unusual transactions to Compliance immediately. Insider transactions and price manipulation are strictly prohibited.
- b) It is generally forbidden for any employee to share sensitive information from one area of confidentiality with another area of the company, within the Group or with the public. Exceptions must be reported to Compliance. This approach ensures targeted management and monitoring of insider information and precise knowledge of the persons involved.
- c) Employees are required to disclose all of their private securities transactions if Compliance demands this for a well-grounded reason.
- d) Employees are required to report benefits as well as the offering and acceptance of gifts to Compliance.
- e) Employees are not permitted to participate in friends and family programmes.
- f) Client orders are processed in the chronological order in which they are received.
- g) Compliance itself is regularly monitored by Internal Audit, Group Compliance and an external auditor.
- h) General management and the supervisory board are informed at least once yearly by Compliance about the company's compliance with relevant regulations and of any discrepancies.
- i) Monitoring of proprietary business

If, by way of exception, individual conflicts of interest cannot be prevented through the above allocation of responsibilities or Compliance's operations, clients will be notified of the conflict of interest. Client orders always take precedence over the company's proprietary trading business and employee transactions.

If you have additional questions about our handling of conflicts of interest, our company's compliance division is happy to advise you. You can contact them at markus.britzl@baaderheins.de.