

WestImmo

Client Information
**Services in
Financial Instruments**



WestImmo



Mainz (Head Office)

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A Information about WestImmo

Name and Address

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 Germany
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 Tel. + 49 6131 9280-0
 Fax + 49 6131 9280-7200
 www.westimmo.com
 info@westimmo.com

WestImmo's national and international locations contained on page 2.

Managing Board:
 Claus-Jürgen
 Cohausz(chairman)
 Rainer Spielmann
 Christiane
 Kunisch-Wolff

Banking License and Responsible Supervisory Authority

WestImmo holds a license under Sec. 32 of the German Banking Act (Kreditwesengesetz – KWG) for the purpose of conducting banking business. Additionally WestImmo is licensed as Pfandbrief bank. The responsible supervisory authority is:

Bundesanstalt für
 Finanzdienstleistungsaufsicht (BaFin)
 Graurheindorfer Straße 108
 53117 Bonn
 Germany
 Lurgiallee 12
 60439 Frankfurt/Main
 Germany
 www.bafin.de

B Communication

Methods of Communication and Language

Clients may communicate with WestImmo personally, by telephone or in writing (including fax and e-mail). Calls with our treasury department will be recorded. Communication may be conducted in German or English.

Notification of Completed Transactions

In accordance with statutory provisions, clients receive a confirmation from WestImmo for every applicable transaction executed. WestImmo will send the confirmation as quickly as possible, no later than the first day of business after the execution of the transaction, or in cases where WestImmo receives confirmation of the execution of the transaction from a third party, no later than the first day of business after receiving the third party confirmation.

C Reference to the Existence of a Deposit Protection System

WestImmo has left the Guarantee Fund of the Central Savings Banks and Central Giro Institutions (Guarantee Fund) as at the end of May 31, 2015. Article 19(2) of the Articles of Association for the Guarantee Fund states that protected deposits belonging to customers of the departing institution and bonds issued by the departing institution remain protected in accordance with the Articles of Association if they were eligible before this letter was received or become eligible within a month of its receipt. More detailed information can be found in Annex 1.

D Dealing with Conflict of Interests

In regard to dealing with conflicts of interest, WestImmo has defined a "Guideline for the Management of Conflicts of Interest". A summary of this guideline is provided to you in Annex 2. It explains the types of conflicts of interest which arise due to the product and banking structure, and how they are handled. We can provide further details on request.

General information on fees, commissions and other non-monetary benefits, which we grant to third parties or receive from third parties for the sale of financial instruments, is provided in Annex 3. This can, of course, lead to conflicts of interest which we would like to present in a transparent way.

E Information about Services

Against the background of WestImmo's business model the bank provides proprietary trading in financial instruments, investment brokering and – in exceptional cases – investment advisory, e.g. for hedging risks of interest-rate variations or currency fluctuations.

F WestImmo's Execution Policy

Information on WestImmo's Execution Policy is contained in Annex 4.

Annex 1: Deposit Protection System



The Deposit guarantee Scheme of German Banks

WestImmo has left the Guarantee Fund of the Central Savings Banks and Central Giro Institutions (Guarantee Fund) as at the end of May 31, 2015. Liabilities that become eligible or are renewed at the customer's instigation after the expiry of this deadline, or that the customer does not terminate or reclaim at the next possible opportunity after this date, are not protected.

Bundesanstalt für Finanzdienstleistungen (BaFin – the Federal Financial Supervisory Authority) has assigned WestImmo to Entschädigungseinrichtung deutscher Banken GmbH (EdB) with effect from its departure from the Guarantee Fund. Further information about the EdB can be found under www.edb-banken.de (only available in German).

Annex 2:

Information on the Management of Conflicts of Interest

Introduction

The avoidance and identification of conflicts of interests and the appropriate handling of such conflicts are a key responsibility for any provider of financial services. WestImmo together with its affiliated undertakings, employees and other persons acting for it undertakes to deal with conflicts of interest in a manner that ensures that all parties concerned are treated appropriately and that the interests of clients are not impaired in any way.

Conflicts of interests can in particular occur if WestImmo finds itself in a situation in which its own interest conflict with the interests of one or more of its clients or the interests of several clients of WestImmo cannot be reconciled. WestImmo has therefore put in place a range of measures aimed at avoiding conflicts of interest and, where these do occur, identifying them at an early stage and resolving them.

Possible conflicts of interest at WestImmo

The interests of customers could conflict with the interests of:

- WestImmo;
- other clients of WestImmo;
- employees of WestImmo, including members of the managing board;
- companies within the Aareal Bank group and the persons in it

Conflicts of interest could in particular occur

- if our bank or our subsidiaries or employees are given access to information which is not yet in the public domain at the time of a client transaction;
- from personal relationships of our employees, managerial staff or persons associated with them;
- in the collaboration of these persons on supervisory or advisory bodies;

- from relations between WestImmo and issuers of financial instruments;
- if there are incentives to prefer a particular financial instrument, e.g. in analysis, advice, recommendation or the execution of orders; or
- from other business activities of the bank, in particular the interest of the bank in gains from own-account dealings and sales of its own products.

Action by WestImmo to deal with conflicts of interest

To enable it to avoid, identify and appropriately resolve existing or potential conflicts of interest, the bank has adopted a range of measures that will be taken if there is even a hint of a conflict of interests. These include in particular the following:

- control and restriction of the flow of information within the bank by the establishment of areas of confidentiality through spatial/organisational separation, including mutually independent reporting channels;
- the maintenance of a conflict register with current or transaction-related business relations with clients and consulting mandates in order to allow potential conflicts of interest to be identified at an early stage;
- the maintenance of an insider list that documents existing information of relevance to conflicts and helps prevent the misuse of this information through the daily monitoring of employee and own-account dealings and financial analysis activities;
- the maintenance of a restricted list that defines the restrictions for own-account dealings, employee transactions and the publication of financial analyses;
- the maintenance of a restricted list that defines the restrictions for own-account dealings, employee transactions and the publication of financial analyses;
- separation of the remuneration of employees from the revenues of other departments of the bank where dependence could trigger a conflict of interests;
- rules governing employee transactions, including a duty of disclosure;
- rules governing the acceptance and granting of gifts and financial benefits, including general prohibitions, duties of notification and reservations of consent;
- rules governing the disclosure of and duty to seek approval for mandates, equity participations and sideline activities of employees;
- disclosure to the client concerned of individual conflicts before the particular service is provided or one or more parties of a conflict of interests refraining from the activity if the above measures are insufficient to bring about a resolution of the conflict;
- continuous training that is intended to enable employees to identify how conflicts of interest arise and can be avoided or resolved in their own particular sphere of activity; and
- regular reviews of the measures and precautions for effectiveness and their revision where necessary.

In addition, in order to avoid conflicts of interest, WestImmo does not in principle execute client orders or with transactions for its own account.

Annex 3: General Information on Fees, Commissions and other Non-Monetary Benefits

Supplement to the information on the Management of Conflicts of Interest

In the following we would like to inform you about potential conflicts of interest which may arise in connection with the distribution of these financial instruments through our co-operation partners.

A conflict of interest may occur when fees, commissions, charges or other non-monetary benefits are granted to or received by us from third parties in connection with securities services. With the new Section 31d of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), the legislator has introduced specific requirements in relation to fees, commissions, charges or other non-monetary benefits and created a regulatory norm with special conditions for them and their related conflicts of interest.

According to these conditions, fees, commissions, charges or other non-monetary benefits are generally not permissible unless they are designed to improve the quality of the securities service rendered to the client and they do not conflict with the due provision of the service in the interest of the client. If the fees, commissions, charges or other non-monetary benefits are permissible according to these criteria, their existence, type and scope must be disclosed to the client. The disclosure shall be comprehensive, accurate and comprehensible to the client.

In compliance with this requirement, we would like to provide you with information about WestImmo's existing fees, commissions and other non-monetary benefits schemes, illustrated by the type of financial instrument that we market.

Your contact at our WestImmo, Treasury department will be pleased to inform you of the details concerning fees, commissions and other non-monetary benefits upon request.

Other Non-Monetary Benefits

WestImmo and/or their employees may receive non-monetary benefits from their bank partners. Such non-monetary benefits are in particular technical support, information material and training.

The basic concept of the distribution of all financial instruments mentioned above is to create, maintain and ensure expert advice and support, i.e. a func-

tioning infrastructure, to help you with your investment decisions, taking into account your experience with and knowledge of financial instruments, your financial circumstances, investment goals and your willingness to assume risk.

Such service – not charged separately – is very labour and cost-intensive for us and our sales partners. The fees, commissions and other non-monetary benefits described above are intended to cover the related costs.

Both we and our sales partners, who are subject to identical regulatory requirements, take appropriate organisational measures to ensure that such fees, commissions and other non-monetary benefits do not conflict with your interests as a client, but are rather used to maintain and further improve the quality of the securities services provided by us.

Annex 4:

Information on WestImmo's Execution Policy

WestImmo enables buy and sell orders for financial instruments (securities, derivatives and other financial instruments) to be executed in accordance with the following principles:

A General Principles

1. Scope

These principles apply to orders you place to buy or sell financial instruments without specifying the execution venue. They are intended to ensure that in these cases we will select the execution venue that normally guarantees a consistently best possible execution in your interests.

The best execution principles are particularly relevant for commission business in which we execute transactions in financial instruments on our own behalf for your account with other market participants or intermediaries. In contrast, the principles have only limited application to what are known as "fixed-price transactions", in which we trade a financial instrument directly with you at a fixed or determinable price, as of course no execution venue can be selected in this case. Nevertheless, it is a principle under supervisory law that fixed-price business must be transacted at appropriate market prices.

2. Precedence of Instructions

Your express instruction will always have priority in principle. The best execution principles will therefore only apply where your order allows or requires it, failing which our duty to achieve the best possible result corresponding to the scope of your order will be deemed fulfilled.

We only accept instructions on an individual transaction basis, not generally or for individual financial instruments. For certain transactions we will only accept orders on your express instructions (see B below).

3. Criteria for the Definition of Best Execution

The law requires that all relevant criteria for achieving the best possible result are considered when preparing the best execution principles.

It mentions in particular the price of the financial instrument, the costs associated with execution of the order, the speed and likelihood of execution, the settlement of the order and the nature and scope of the order.

The investment company must weight these criteria with due consideration for the characteristics of the client, the order, the financial instrument and the execution venue where this is a sensible way of guaranteeing the best possible execution.

Based on these requirements, we have developed a variety of execution principles, set out under B. below, for various classes of financial instrument. We will apply these principles with the following weighting in accordance with your categorization as a professional client or retail client:

Professional Client:

1. Likelihood of execution and settlement of the order
2. Speed of execution
3. Order volume
4. Price
5. Cost

Retail Client:

1. Price
2. Cost
3. Likelihood of execution and settlement of the order
4. Speed of execution
5. Order volume

B Execution of Orders in Certain Financial Instruments

1. Shares and Participating Certificates

WestImmo does not execute orders for equities and participating certificates.

2. Structured Products (Certificates, Special Bonds and Warrants)

WestImmo does not execute orders for structured products.

3. Interest-bearing Securities (Bonds, Notes and Covered Bonds)

WestImmo only executes orders for bonds or debentures on a case-by-case basis. They are executed only as fixed-price transactions.

4. Derivates

Exchange-traded derivatives

1. Executed on the (futures and options) exchange.

An exchange-traded derivative ("contract") will normally only be traded at a (futures and options) exchange. We will only execute orders for contracts that are traded at several venues on express instruction.

2. Executed as a fixed-price transaction.

In exceptional cases – we guarantee execution that is at least as good as on the stock market.

Non exchange-traded derivatives

Executed solely as a fixed-price transaction.

5. Shares in investment funds

WestImmo does not execute orders for shares in investment trusts.

6. Others

Other financial instruments, including those not covered by the statutory rules governing best possible execution, will in principle be executed in your best interests.

C Review and update of the best execution principles

WestImmo will review its Best Execution Policy at least once a year. It will also review the Policy if there are reasons to suppose that key criteria for the execution of your orders under-

lying the procedure described here are no longer valid. An updated version of the Best Execution Policy can be obtained from www.westimbank.com/mifid.

D Definitions

Definitions of terms such as commission business, fixed-price transaction, derivatives and financial instruments can be found in the basic information (basic information about investments in securities and basic information about forward exchange transactions), which we would be happy to send you on request.

E Information on Execution Venues

Information about execution venues can be found in the relevant publications of these venues and/or their websites.

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