

Code of Conduct of Deutsche Hypo

Orientation framework for employees of Deutsche Hypo

Foreword



Dear colleagues,

Deutsche Hypo is one of Germany's leading Pfandbrief banks. We successfully apply the expertise that we have acquired since our foundation in 1872 to the commercial real estate finance business. A key factor in our success is our reputation and the trust that customers and business partners place in us. Additionally, respectful cooperation and the conscious awareness of our social responsibility forms the basis for lasting commercial success within our organisation. This is not just a case of complying with and implementing legal requirements, it is also about behaving "properly" in terms of moral and ethical standards that are in constant flux.

The following principles of conduct are intended to supplement the statutory and regulatory framework conditions that govern our commercial activities. As a measure of our self-awareness, they enhance trust in Deutsche Hypo. By making this Code of Conduct binding on not only on all managers and employees of Deutsche Hypo, but also the Board of Managing Directors, means that we can ensure a morally and ethically sustainable way of working in the financial sector.

Of course, the principles of conduct do not cover every individual case or provide our colleagues with an orientation aid for every situation. The aim of the Code of Conduct, which is based on the Code for the NORD/LB Group and other training, e.g. on the topic of prevention of money laundering, is to empower you to act honestly and fairly at all times in commercial life. The principles of conduct set the parameters within which we operate.

The Board of Managing Directors

Preamble

Deutsche Hypothekbank (Actien-Gesellschaft) (hereinafter referred to as “Deutsche Hypo” or “Bank”) is one of Germany’s leading Pfandbriefbanks and specialises in the financing of commercial real estate and capital market transactions with domestic and overseas customers. It operates in its home market of Germany and also in the core markets of the United Kingdom, France, Benelux, Spain, Austria and Poland.

Its activities are therefore subject to a range of country-specific, international and national legal stipulations and customs. If conflicting requirements or stricter or more comprehensive laws and regulations are in place, the stricter requirements should always be applied. Legal prohibitions and obligations must be strictly observed, even if this may appear “impractical” or “economically unfavourable” from the perspective of the individual or the Bank. In case of doubt, lawful conduct always takes precedence.

These principles of conduct are based on the stipulations of the Code of Conduct of the NORD/LB Group and contain rules for the demeanour and professional conduct of members of the Board of Managing Directors and managers, including in performing their function as role models, and of all Employees (hereinafter referred to as “Employees”), which go beyond the statutes and stipulations that govern business life.

The Communication and Board Staff Division (hereinafter referred to as “KUV”) and Compliance and Security (hereinafter referred to as “CUS”) departments are responsible for the implementation of the rules of conduct.

1. Values and objectives

The strategy and self-conception of Deutsche Hypo are based on a responsible, transparent and credible partnership with Employees, customers, investors, business partners, shareholders and the general public.

This partnership is based on a special relationship of trust as the result of fair and cooperative dealings with one another.

The conduct of the members of the Board of Managing Directors, members of other boards, managers and each individual Employee contribute to establishing the trust of the customers, investors and business partners as well as the shareholders and the general public in the integrity of Deutsche Hypo.

In particular, this requires the members of the Board of Managing Directors and the managers to embody the management principles (see below) of Deutsche Hypo and continuously ensure that they are tangible for the Employees of the Bank. Together they will be guided by the Bank’s corporate principles (see below) in performing their daily work, which comprise values such as reliability, customer-orientation, determination, transparency and sustainability.

With their statements on values and behavioural standards, the ethical guidelines represent a binding orientation framework.

Corporate principles of Deutsche Hypo, real-estate specialist of the NORD/LB Group and Pfandbriefbank since 1872:

We work together to structure our organisation with clear architecture, open doors, short reporting lines and a high level of transparency. Our conduct towards our customers, shareholders and amongst ourselves is based on the following standards:

- We are a long-term and reliable partner – rapid and individual.
- We are friendly and also international.
- We unite tradition and modernity.
- We speak openly and treat each other respectfully.
- We use free space to achieve common objectives.
- We work enthusiastically to achieve success for our customers and our Bank.

Management principles of Deutsche Hypo:

We managers of Deutsche Hypo...
... are a positive role model and provide orientation.
... accept responsibility and delegate.
... set reasonable targets and create sustainable success.
... take decisions and follow them through consistently.
... communicate openly and generate trust.
... support the advancement of our Employees and acknowledge performance.
... resolve conflicts and adhere to the principle of constructive criticism.

2. Sustainability

Deutsche Hypo believes that many aspects of global change represent opportunities and risks for its customers and thus also impact commercial activities.

A stable set of rules on sustainability, which can be found on the intranet and on the Bank's website, enables Deutsche Hypo to ensure that sustainability aspects are included in commercial activity. This is done for example by excluding transactions that are incompatible with the fundamental principles of sustainable development. Deutsche Hypo bases its conduct on the guidelines of UNEP FI (<http://www.unepfi.org/>) and the principles of the UN Global Compact (<https://www.unglobalcompact.org/aboutthegc/thetenprinciples>).

3. General conduct obligations

The effectiveness and success of Deutsche Hypo depend to a large extent on the respect-based cooperation of the Employees, their managers and the members of the Board of Managing Directors. As role models, the members of the Board of Managing Directors and the managers are responsible for the creating a transparent and safe environment to boost the Employees' awareness for ethical conduct and to prevent prohibited acts.

The members of the Board of Managing Directors, the managers and the Employees are responsible for ensuring that their conduct complies with the ethical and legal stipulations. Honest and fair dealings with one another is therefore a self-evident requirement.

Cooperation with customers, Employees, suppliers, service providers and other business partners is based on mutual trust and respect. This applies in particular where different life-styles and world views, cultures and nationalities come up against one another.

Wilful or negligent misconduct in the performance of financial services shall not be tolerated and may result in sanctions under employment law.

4. Mutual respect, protection from discrimination, equality and diversity

Deutsche Hypo is expressly committed to diversity and equality of opportunity in a non-discriminatory environment. The Bank promotes diversity of Employees and operates active and holistic diversity policies.

Employees' conduct is guided by mutual respect, openness, honesty and a common understanding of trust-based partnership. Against this background, and as a signatory to the Charter of Diversity, Deutsche Hypo does not tolerate any discrimination or harassment, whether on grounds of gender, nationality, age, disability, ethnic background, religion and worldview, sexual identity or political outlook or trade-union activity.

The Employees of Deutsche Hypo will be trained in accordance with the German General Equality of Treatment Act (Allgemeines Gleichbehandlungsgesetz, AGG). Similarly, they may report any discrimination to the complaints office pursuant to the AGG.

5. Transparency towards customers, business partners and markets

5.1 Conflicts of interest

Conflicts of interest arise when several people are interested in the realisation of certain business opportunities or where one party can only realise its own interests at the expense of another party. This can be the case for relationships Bank/Employee to customer, Bank/Employee and between customers.

The trust of the customers, the Employees and the general public in the Bank's effectiveness and integrity has the utmost priority. In order to justify this trust, the Employees perform their duties with the highest possible level of expertise, care and diligence whilst taking the customers' interests into account as far as possible. Additionally it is ensured that recommendations in the Bank are submitted honestly and fairly, subject to appropriate risk assessment.

In order to observe customers' interests, conflicts of interest (e.g. incentive systems that influence one side) are identified and effective organisational and administrative precautionary measures are taken for their avoidance. If it is not possible to avoid a conflict of interest, the conflict must be disclosed. In terms of handling securities transactions, CUS is required to ensure that no transactions are completed that involve conflicts of interest, taking into account the factors of neutrality and freedom from instructions.

The compliance with the statutory provisions for avoiding conflicts of interest and the strict separation of various business areas with access to sensitive customer data and information ("Chinese walls") also includes measures such as the requirement that such information only be shared with other departments after approval by the respective manager and CUS. Additionally, CUS acts in an advisory capacity for Employees if they are in any doubt on matters relating to potential conflicts of interest.

All Employees of the Bank avoid situations in which their personal interests collide with the interests of the Bank or even give rise to the appearance of a conflict. Possible conflicts of interest between the Bank, the members of the Board of Managing Directors, members of other boards, the Employees and the contractually tied brokers or other persons that are directly or indirectly connected with the bank through controlling, may not have an impact on the interests of the customers. Each Employee must bear in mind that his/her conduct will be attributed to Deutsche Hypo and thus impacts the Bank's reputation both internally and externally.

Private business must be strictly separated from Bank business. Business partners may only be commissioned for private purposes if this does not give rise to any conflicts of interest.

In order to avoid that extraneous interests affect the quality of our services, the Bank's Employees are trained. Any matters with the potential for conflicts of interest must be avoided. In case of doubt, CUS must be consulted.

5.2. Employee transactions

When performing employee transactions, neither interests of the customers nor the reputation and solvency of Deutsche Hypo itself may be compromised.

In terms of performing employee transactions, Employee guidelines are available to all Employees internally.

5.3. Rules on insider dealing

Laws on insider dealing are intended to safeguard the functionality of the markets for financial instruments and provide investors with the certainty that they are being treated equally and are protected from the unlawful use of information.

Employees who have access to insider information may not enter into any transactions relating to securities or other financial instruments of these companies. Additionally, they may not pass this information to third parties without authorisation or otherwise disclose it or to use it for making investment recommendations.

Within the Bank, such information may only be passed to other Employees if these need the information to perform their respective tasks ("need to know" principle) and they are formally entitled to receive the information.

Employees who typically have access to insider information about a listed company or issuer, or do so because of a specific occasion, are listed in an insider register managed by the area NORD/LB Compliance and monitored.

CUS must be notified if any compliance-relevant information exists and in all cases of doubt. This also applies if the Employee is certain that CUS has already been notified by another source. The Employee guidelines published internally cover further detailed questions in this regard.

5.4. Market manipulation

Deutsche Hypo provides a range of measures to counteract any market manipulation and unfair pricing on the market. All proprietary business is automatically monitored. Deutsche Hypo does not trade on behalf of customers due to its strategic business orientation.

6. Deutsche Hypo in the competitive environment

Deutsche Hypo is unreservedly committed to the principles of the market economy and fair competition. The Bank pursues its corporate goals exclusively on the basis of this guiding principle and taking account of the applicable rules and customs. This is also expected by competitors and business partners.

The Bank behaves in a professional and competent manner, does not create any unfair advantages through market-relevant arrangements with (potential) competitors, in particular in respect of prices, product ranges, terms of business, market shares or financial benchmarks.

Any form of deliberate concerted practice that has the effect or intention of restricting competition, be that a direct agreement or an informal arrangement outside the official context, shall be avoided.

Deutsche Hypo shall not create any advantages for itself by influencing the reliability and truthfulness of pricing on stock exchanges and markets. Influencing indices that are used as a benchmark in financial instruments and financial contracts as well as manipulation of exchange rates or other financial instruments or indices for increasing the Bank's profits is unacceptable.

7. Corruption and bribery in the course of business

Deutsche Hypo tolerates neither corruption nor bribery in the course of business. All attempts at bribery and corruption must be actively combated globally and in all fields of activity. Each Employee is called upon to act conscientiously and not to offer, grant, accept or request any gifts that improve the recipient's economic, legal or even merely personal situation in a tangible or intangible manner in the absence of an associated entitlement. The Bank seeks to avoid even the suggestion that a business activity may be connected to a socially unacceptable or even criminal benefit. Any suspected cases of which they become aware must be reported to the money laundering officer. The Bank has regulations and procedures in place for identifying and reporting suspected cases relating to corruption and bribery.

To avoid even the impression of unfair business relationships, the provisions set out in the internal "Gifts and Gratuities Policy" guideline for accepting or giving gifts and other benefits of any kind as well as how to handle invitations apply.

The Bank has in place regulations and procedures for identifying and reporting suspected cases of fraud and corruption.

Alongside the applicable statutory provisions that must be strictly complied with, Deutsche Hypo also meets the 10th principle of the UN Global Compact (<https://www.unglobalcompact.org/aboutthegc/thetenprinciples>), which Deutsche Hypo aspires to: "Businesses should work against corruption in all its forms, including extortion and bribery."

8. Prevention of money laundering, combating terrorism and prevention of other criminal acts

The Bank is committed to the international fight against money laundering and the financing of terrorism and pursues a risk-focused "know-your-customer" commercial policy that complies with the applicable law and regulatory provisions.

For the Bank's Employees it is self-evident that they will not get involved neither in illegal transactions, nor will they tolerate illegal acts in their working environment.

A key aspect of Deutsche Hypo's processes for combating money laundering is the identification of the customer via official documents and other relevant information. If the source of the money or the type of the transaction gives rise to justified doubts regarding a pending transaction or the performance of a transaction relating to the customer, the transaction must not be carried out. Depending on the level of risk for the area in question, training courses on the prevention of money laundering will be held at regular intervals for Employees.

Any suspicions must be passed to the money laundering officer, who will decide whether the case should be reported to the relevant authority. Details are governed by relevant working instructions on the topic of money laundering.

9. Risk management, finances and taxes

Deutsche Hypo's conduct is based on a deliberate and sustainable approach to risks, which is conducive to a healthy risk culture. The Bank will only enter into transactions after considering the risk and return component where the degree of risk has been deemed acceptable and is tolerable in the long run. Each Employee is responsible for identifying, analysing, evaluating, managing, monitoring and reporting on risks in a forward-looking and consistent manner.

Each Employee is aware of and acknowledges Deutsche Hypo's appetite for risk set down in the Risk Strategy and will take this into account as they perform their tasks. The decision-making processes are shaped by the consideration of various points of view and by critical, open and constructive communication. The Bank deals openly with mistakes and uses them primarily to learn from and to avoid them in future. The incentive systems must not undermine the stated risk appetite of Deutsche Hypo.

Deutsche Hypo shall manage its accounts, records and documents fully and correctly. The annual financial statements are regularly audited by an independent auditor. Accounting, financial reporting and reporting and disclosure are performed promptly, precisely, correctly, comprehensibly and truthfully. Financial planning is performed on the basis of adequate premises and projects future profit contributions taking account of existing accounting principles. Opportunities and risks are taken into account in equal measure. The Bank will not support its customers in any activities aimed at cutting taxes or deceiving tax authorities and is expressly committed to satisfying all tax obligations.

10. Donations and sponsoring

The clear focus of the social commitment of Deutsche Hypo is medical cancer research, which has been annually supported with donations since 1972. Deutsche Hypo neither directly nor indirectly makes donations to political parties or organisations that are close to parties and only makes donations within the prevailing legal framework. The Bank only enters into sponsoring arrangements as part of events in its core area of activity: commercial real-estate finance.

11. Confidentiality and data protection

The confidential treatment of company and commercial secrets is imperative for the Bank and its customers and business partners. For that reason, Deutsche Hypo treats data and information from customers, business partners and market participants with the greatest possible care and confidentiality and observes banking secrecy.

All Employees undertake only to use data and information that they receive in connection with their regular duties to the extent permitted by law. This may only be transferred if this is necessary to fulfil their regular duties and the addressee is authorised to receive such data and information.

12. Dealing with customers, customer information and complaints management

In times of dynamic markets and constantly changing framework conditions, Deutsche Hypo stands by its responsibility as a reliable financing partner. This is the basis for a long-term, trust-based partnership with the Bank's customers.

Deutsche Hypo is convinced that its proximity to its customers and customer satisfaction are due not only to good personal contacts, but also a service culture that set standards with regard to the competition.

The customers are given all necessary information that is required to make a balanced business decision. The specific information or consultation that is needed depends to a large extent on the product, the

service, the level of knowledge of the customers involved and the respective market standard. Our Employees ensure that their conduct and the information provided is transparent, honest and unambiguous from the customer's perspective.

Deutsche Hypo has implemented an internal guideline that governs the handling of customer complaints in the context of data protection. All further complaints are processed decentrally in the market divisions. The coordination and monitoring of complaints management is performed depending on the specific business segment by various back-office units. Any complaints are thus processed in a customer-orientated manner and responded to promptly.

13. Protection and use of bank resources

Each Employee is responsible for handling the property, all facilities and other material assets of Deutsche Hypo properly, carefully and economically. Furthermore, the Bank's property is to be protected against loss, damage, misuse, theft, confiscation or destruction.

14. Procurement of material resources and services

When procuring material resources and services, the Bank uses objective economic and material criteria. Details are governed by the Purchasing guideline.

15. Communication, press, media and working with public authorities

Transparency, reliability and truthfulness are basic values of communicative behaviour at Deutsche Hypo.

Information to representatives of the media relating to commercial or operational processes as well as the issue and forwarding of corresponding information intended for the general public is only done by the Board of Managing Directors or Employees authorised by it. The KUV department is responsible for managing press work. Additionally, individual Employees may be authorised ad hoc or permanently by KUV to provide information to the press in respect of specific technical questions. Deutsche Hypo cultivates a relationship of cooperation and transparency with all competent public authorities and official agencies.

16. Health management

The Bank's most important capital is the health of its Employees. Active health management is a fundamental building block of the Bank's corporate culture. A good work-life balance is important to the Bank.

17. Whistleblower system

Economic crime comprises the sum of criminal acts committed in companies, against companies and by companies. Economic crime manifests itself in a number of ways. These undermine the trust and integrity in the affected commercial enterprises and give rise to significant economic damage.

As a phenomenon that damages society and the economy, Deutsche Hypo does not tolerate economic crime and counters it for example by way of an independent efficient and effective whistleblower system. This system is available to Employees, customers and business partners and offers the opportunity to report issues confidentially.

Deutsche Hypo encourages each Employee to report concrete, justified evidence of severe breaches of the law or other rules. The departments Compliance, HR and Internal Audit are also available in addition to the respective manager. If the report is to remain anonymous, the whistleblower may also contact the external ombudsman. In parallel, each Employee may report relevant incidents to their manager, the responsible member of the Board of Managing Directors, the HR and legal department, the auditing department or CUS.

The role of the ombudsman is performed by a lawyer who takes on a mediating role between the Bank and the whistleblower. The ombudsman is obliged to pass on the information and maintain the anonymity of the whistleblower. Additionally, the ombudsman is not only able to advise the whistleblower on problems, but can also help them to extract themselves from criminal behaviour and provide advice.

A whistleblower will remain strictly anonymous vis-à-vis the Bank as the ombudsman is subject to both the duty of attorney/client confidentiality as well as the right to refuse to give evidence. After an initial review, the ombudsman will forward the evidence provided to him/her to the relevant contact person within the Bank. This person is responsible for initiating the necessary further internal measures.

Employees providing a tip-off need not fear any disadvantages if the tip-off turns out to be unfounded.

The ombudsman, Dr. Rainer Buchert, may be contacted via the following address and telephone number:

Dr. Buchert & Partner Rechtsanwälte
Bleidenstr. 1
60311 Frankfurt am Main
Germany
Phone.: +49 69/ 710 33 33 0 or +49 6105/921355
Facsimile: +49 69/ 710 34 44 4
E-Mail adress: dr-buchert@dr-buchert.de or www.dr-buchert.de

18. Consequences in the event of breaches

All managers and Employees at the Bank are required to reflect on the ethical principles for ourselves and to act autonomously in accordance with them.

Each Employee must take the responsibility for weighing up whether his/her conduct complies with the rules set down in these principles of conduct, in particular when accepting or extending benefits and invitations. If doubts exist, the manager and where relevant the CUS should be involved.

Deutsche Hypo reviews compliance with these principles based on its working instructions and guidelines. The individual departments and the CUS are responsible for this.

Any disregard of the principles of conduct and the requirements contained therein may damage the image of the Bank and could also result in legal consequences for the Bank or the Employee. Any breaches of the duties under the employment contract may result in disciplinary consequences.

19. Ongoing development of the ethical principles

Deutsche Hypo reviews its conduct against the benchmarks of the principles of conduct and evaluates experience and legal amendments with a view to improving the corporate culture, its social responsibility, the Bank's good reputation and all other values.

20. Scope of validity

The principles of conduct shall take effect once they have been passed by the Board of Managing Directors and, where relevant, are approved by the works council.

At foreign sites, local legislation and customs may require modifications as an addition to these principles of conduct. Such changes require the prior approval of the Board of Managing Directors and if necessary the works council in order to take effect.

Once in force, the principles of conduct will be e-mailed to all Employees and published in the organisational manual and on the website.