

**Articles of Incorporation
of
Baden-Württembergische Bank
as a Dependent Institution under Public Law
of
Landesbank Baden-Württemberg**

Version dated: 14 August 2010



In compliance with § 3 in conjunction with § 8 (2), no. 6 of the Landesbank Baden-Württemberg Act (Gesetz über die Landesbank Baden-Württemberg (hereinafter referred to as "LBWG") in the version dated 11 November 1998 [Official Register of Baden Württemberg] (Gesetzblatt - GB1) p. 589), as last amended by the Law of 24 March 2009 (GB1 p. 156) the Owners' Meeting (Trägerversammlung) of LBBW adopted the following Articles of Incorporation on 12 July 2010:

§ 1

Legal Status

Baden-Württembergische Bank (hereinafter referred to as „BW-Bank“) is a legally dependent institution under public law of Landesbank Baden-Württemberg (hereinafter referred to as „LBBW“) pursuant to § 2 (6) LBWG and § 4 (7) of the Ordinance (Satzung) of LBBW.



§ 2

Duties

- (1) As a unit operating independently within LBBW, BW-Bank shall assume the retail and corporate customers business areas for Baden-Württemberg, placing a special focus on medium-sized businesses. Within this framework, BW-Bank may conduct any type of banking or financial service transaction for the duties assigned to it.
- (2) BW-Bank shall notably operate in the retail and corporate customer business areas. In compliance with the Ordinance of LBBW, branches may be operated under its name.
- (3) On behalf of LBBW, BW-Bank shall also carry out the responsibilities of a savings bank in Stuttgart, the state capital of Baden Württemberg. To this extent it also fulfils a public function.

§ 3

Capital Resources, Income Statement

LBBW allocates capital to BW-Bank for its business activities. BW-Bank shall draw up and publish an income statement of its own.



§ 4

Boards and Committees of BW-Bank, Duties of Their Members

- (1) The boards and committees of BW-Bank include the advisory Supervisory Board (Aufsichtsrat), the Credit Committee (Kreditausschuss), the Management (Geschäftsleitung), and the Board of Managing Directors (Vorstand) of BW-Bank. § 6 of the Ordinance of LBBW stipulates the executive bodies responsible in terms of banking supervisory law.

- (2) The members of the Supervisory Board, of the Credit Committee, and of the Board of Managing Directors of BW-Bank are obliged to maintain secrecy. This obligation shall survive the termination of their service on BW-Bank's boards and committees. The Board of Managing Directors of LBBW may waive the obligation to maintain secrecy in individual cases and for specific purposes, in particular to permit testimony in judicial or administrative proceedings.

§ 5

Principles Governing Business Operations

BW-Bank shall conduct its business in accordance with economic principles and with due regard to its public function.



§ 6

Supervisory Board of BW-Bank, Membership

- (1) The Supervisory Board (Aufsichtsrat) of BW-Bank shall be formed in compliance with § 24 of the Ordinance (Satzung) of LBBW, unless provisions to the contrary are stipulated hereinafter.
- (2) The Supervisory Board consist of fourteen members. A deputy shall be appointed for each member.
- (3) The members of the Supervisory Board and their deputies shall be appointed by the Owners' Meeting (Trägerversammlung) in consultation with the Board of Managing Directors (Vorstand) of LBBW. In this context adequate consideration shall be paid to members of BW-Bank's clientele or from business circles. The Central Staff Council (Gesamtpersonalrat) of LBBW may delegate three persons from among its members as guests at the meetings of the Supervisory Board.
- (4) The members of the Supervisory Board and their deputies shall have business experience and be able to further BW-Bank and support it in the performance of its duties. They must perform their duties conscientiously and without self-interest.
- (5) The members of the Supervisory Board and their deputies as well as the guest shall be appointed or delegated, respectively, for a term of five years; new appointments must be made at the latest one month before the term of office expires. Reappointment is permissible. After their term of office has expired, the members of the Supervisory Board and their deputies shall continue in office until the new Supervisory Board has been constituted. The first term of office of the members of the Supervisory Board and their deputies will end on 31 December 2009.



- (6) A member who tenders his or her written resignation from the Supervisory Board with the Chairman of the Supervisory Board shall withdraw from the Supervisory Board.

The Owners' Meeting of LBBW may recall members of the Supervisory Board in consultation with the Board of Managing Directors of LBBW at any time. In both cases other members shall be appointed to the Supervisory Board for the remaining term of office.

§ 7

Chairman of the Supervisory Board

The Supervisory Board shall elect from among its members a Chairman and one or several Deputy Chairman/Deputy Chairmen of the Supervisory Board for a period of five years.

§ 8

Duties of the Supervisory Board

- (1) The Supervisory Board shall deliberate the following matters of BW-Bank:
1. the principles of BW-Bank's business policy;
 2. the annual business planning;
 3. the income statement;
 4. major investments, including investments into land and buildings;



5. existing or intended alliances;
 6. performing the functions of a savings bank for the city of Stuttgart;
 7. the other duties assigned in accordance with these Articles of Incorporation.
- (2) The Supervisory Board shall be regularly informed about all material matters that confront BW-Bank in order to enable it to fulfil its duties.
- (3) The Supervisory Board shall establish its own rules of procedure.

§ 9

Meeting of the Supervisory Board

The Chairman of the Supervisory Board shall convene Supervisory Board meetings at least twice a year and shall chair these meetings. The rules of procedure of the Supervisory Board shall specify further details, with particular regard to the form and time period in which notifications of meetings shall be issued.

§ 10

Credit Committee of BW-Bank

The regulations governing the Credit Committee (Kreditausschuss) of BW-Bank result from § 18 of the Ordinance (Satzung) of LBBW.



§ 11

Management, Board of Managing Directors of BW-Bank

- (1) The management of BW-Bank shall be assumed by two members of the Board of Managing Directors (Vorstand) of LBBW acting as Chairman and Deputy Chairman, who are responsible for the retail and corporate customer business. Together with the other members of the Board of Managing Directors of LBBW as their executive body, they shall bear the responsibility for BW-Bank, in terms of both regulatory and disciplinary supervision.
- (2) BW-Bank's Board of Managing Directors consists of several members. The members of its Board of Managing Directors shall be determined by LBBW's Board of Managing Directors as proposed by the Owners' Meeting (Trägerversammlung). Their powers are described notably in §§ 12 and 13.

§ 12

Duties of the Board of Managing Directors of BW-Bank

The Board of Managing Directors (Vorstand) of BW-Bank shall be responsible for any and all matters of BW-Bank assigned to it in compliance with the Hierarchy of Decision-Making Powers General (Kompetenzordnung) of LBBW.



§ 13

Authority to Sign

- (1) LBBW's Hierarchy of Decision-Making Powers General (Kompetenzordnung) of LBBW regulates who is entitled to make legally binding statements. With a view to current business transactions it may be stipulated that one member of BW-Bank's Board of Managing Directors (Vorstand) plus one employee, or two employees together, are entitled to make legally binding statements.
- (2) The authority to sign for making legally binding statements is stipulated in a joint signature book of LBBW and BW-Bank. Furthermore, the names and specimen signatures of the authorized representatives shall be posted or made otherwise publicly assessable at the locations where the authorized representatives carry out their activities.
- (3) As far as prudence permits, it may be determined that one employee alone is entitled to make legally binding statements with regard to certain transactions.
- (4) The following written documents shall be legally binding without signature:
 1. payment cards issued by BW-Bank to be used in card-based payment systems of the banking industry;
 2. machine-generated and adjusted lists, settlements of accounts and similar statements, balances of accounts, statements of accounts, and statements of securities accounts;



3. credit or debit notes and notices concerning changes of interest rates, commissions, fees, interest and redemption instalments;
 4. other statements and machine-generated acknowledgements of receipt bearing a control stamp, provided that BW-Bank has drawn due attention to the fact that the specific statements or acknowledgements in question are legally binding without signature by posting a public notice or making the information otherwise publicly available in the Bank's customer service areas, or by including an appropriate explanatory note on the printed form.
- (5) Legally binding written or verbal statements may also be made on the basis of powers of attorney by one or several authorized persons.

§ 14

Customer Advisory Committee for BW-Bank

In compliance with § 24 of the Ordinance of LBBW, a customer advisory committee (Kundenbeirat) may be established in order to deepen customer relationships and to provide expert advice to BW-Bank.

§ 15

Business Plan

The Board of Managing Directors (Vorstand) of BW-Bank shall draw up a business plan once a year that is to be submitted to the Supervisory Board (Aufsichtsrat).



§ 16

Business Year

The business year shall be the calendar year. The first business year shall begin on 1 August 2005 and end on 31 December 2005.

§ 17

Effective Date

The present Articles of Incorporation shall take effect on 14 August 2010.