

Terms of Business

INDEX TERMS OF BUSINESS

A: TERMS AND CONDITIONS

PART I: GENERAL TERMS AND CONDITIONS

1. PRELIMINARY PROVISIONS.....	5
2. GENERAL PROVISIONS	5
3. GUARANTEES	10
4. OVERDRAFT ON CURRENT ACCOUNT	11
5. ACCOUNTS	11
6. CUSTODY ACCOUNTS.....	12
7. FINANCIAL INSTRUMENTS TRANSACTIONS.....	13
8. TERM DEPOSITS.....	15
9. FIDUCIARY ACCOUNTS	15
10. FORWARD TRANSACTIONS.....	15
11. CHEQUES.....	15
12. CREDIT CARDS	16
13. PRECIOUS METALS.....	16
14. FEES, COMMISSIONS, DUTIES AND OTHER CHARGES	16
15. INTEREST.....	16
16. TAX COMPLIANCE.....	17
17. LIABILITY AND SPECIAL EVENTS.....	17
18. FREEZING OF ACCOUNT	17
19. DORMANT ACCOUNTS AND UNCLAIMED ASSETS.	17
20. CLOSING OF INACTIVE ACCOUNTS	18
21. DEPOSIT AND INVESTOR GUARANTEE	18
22. GENERAL LIMITATIONS OF LIABILITY	18
23. INDEMNITY	18

24. COMPLAINTS.....	18
25. OUTSOURCING	18
26. AMENDMENT TO THE TERMS OF BUSINESS.....	19
27. SEVERABILITY	19
28. TERMINATION OF BUSINESS RELATIONSHIP.....	19
29. ASSIGNMENT	20
30. PLACE OF PERFORMANCE	20
31. GOVERNING LAW AND JURISDICTION	20
PART II: PAYMENT SERVICES	
1. GENERAL INFORMATION.....	20
2. USE OF A PAYMENT SERVICE	21
3. PAYMENT TRANSACTIONS	21
4. LIABILITY OF THE BANK	23
5. FEES	23
6. AMENDMENTS TO THESE SPECIFIC CONDITIONS.....	24
7. DURATION AND TERMINATION.....	24
8. MISCELLANEOUS.....	24
PART III: DANSKE eBANKING TERMS AND CONDITIONS	
1. USE OF DANSKE eBANKING	24
2. PURCHASE AND SALE OF FINANCIAL INSTRUMENTS	25
3. BANKING SECRECY AND CONFIDENTIALITY	25
4. DANSKE eBANKING DISCLAIMER	26
5. ACCESS, SECURITY AND IDENTIFICATION	26
6. LIABILITY OF THE BANK	26
7. LIABILITY OF THE CLIENT.....	27

8. USE, STORAGE AND DISSEMINATION OF PERSONAL	27	C. EXECUTION POLICY	
USE, STORAGE AND DISSEMINATION OF PERSONAL DATA AND INFORMATION ABOUT ACCOUNT MOVEMENTS.....	27	1. BEST EXECUTION-SUMMARY FOR RETAIL CLIENTS	32
9. INSIDE INFORMATION.....	27	2. SCOPE-RETAIL AND PROFESSIONAL CLIENTS	32
10. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS	27	3. BEST EXECUTION AT THE BANK	32
11. COMPLIANCE WITH LOCAL LAW.....	27	4. FACTORS AFFECTING BEST EXECUTION	33
12. FORCE MAJEURE.....	28	5. ORDER EXECUTION.....	34
13. TERMINATION.....	28	6. MONITORING, EVALUATION AND CHANGES.....	34
14. TECHNICAL SPECIFICATIONS.....	28	7. REPORTING	35
15. AMENDMENT OF THE APPLICATIONS OF THE SYSTEM	28	8. CHANGES TO THE POLICY.....	35
16. BLOCKING AND WARNING AGAINST UNAUTHORISED USE AND IRREGULARITIES	28	9. FURTHER INFORMATION.....	35
17. DANSKE eBANKING HELPDESK	28	PORTOFOLIO MANAGEMENT ADDENDUM	36
18. AVAILABILITY.....	28	D. RISK DISCLOSURE	
19. SEVERABILITY	28	I. BASIC RISKS.....	40
B. GENERAL INVESTOR INFORMATION		II. SPECIFIC INVESTMENT RISKS.....	42
1. OUR BANK.....	29	1. TERM DEPOSITS.....	42
2. INFORMATION CONCERNING THE CLIENT CATEGORISATION	29	2. BONDS.....	42
3. INVESTMENT PROFILE	30	3. SHARES	44
4. REPORTING TO THE REGULATORY AUTHORITIES ..	30	4. BONUS CERTIFICATES	45
5. FEES AND COMMISSIONS	30	5. INVESTMENT FUNDS	45
6. CONFLICT OF INTEREST POLICY	30	6. DERIVATIVES.....	45
7. SAFEGUARDINGS OF THE CLIENTS FINANCIAL ASSETS	31	7. STRUCTURED PRODUCTS OR EMTN.....	49
8. INFORMATION ON COMMISSIONS	31	8. SYNTHETIC PRODUCTS	51
		9. "ALTERNATIVE" INVESTMENTS AND OFF SHORE FUNDS.....	52
		10. INVESTMENTS IN REAL ESTATE.....	53

TERMS OF BUSINESS

The business relations between the client (the “Client”) and Danske Bank International S.A (the “Bank”) are based on mutual trust.

The variety of the business, the large number of possible transactions and services the Bank may provide to a Client and the speed at which they must usually be executed, require, in the interest of legal certainty, that the mutual rights and obligations be determined by certain general rules.

The contractual relations between the Bank and the Client are governed by the following Terms of Business. The Terms of Business shall apply to the contractual relationship existing at the time the latter enter into force as well as to contractual relationships the Bank and a Client may enter into at a later stage.

The Terms of Business remain valid even if the Client signs other contractual standard forms or other similar documents.

In addition, the contractual relations between the Bank and the Client are governed by specific agreements and conditions expressly agreed upon between the Bank and the Client.

These Terms of Business include:

- A. Terms and Conditions
 - Part I General Terms and Conditions
 - Part II Payment Services
 - Part III Danske eBanking
- B. General Investor Information
- C. Execution Policy
- D. Risk Disclosure

Construction

Unless the context of these Terms of Business clearly requires otherwise (a) references to the plural include the singular, the singular the plural, and the part the whole, (b) references to one gender include all genders. Any reference in these Terms of Business to any statute, rule, regulation or agreement, including these Terms of Business, shall be deemed to include such statute, rule, regulation or agreement as it may be modified, varied, amended or supplemented from time to time.

A. TERMS AND CONDITIONS

PART I: GENERAL TERMS AND CONDITIONS

PRELIMINARY PROVISIONS

1.1 The Bank

The Bank is a public limited liability company (*société anonyme*) incorporated under the laws of the Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 14.101, having its registered office at 13 rue Edward Steichen, L-2540 Luxembourg.

1.2 Supervision

The Bank is subject to the prudential supervision of the financial regulator in Luxembourg, the CSSF (*Commission de Surveillance du Secteur Financier*), the address of which is 283 route d'Arlon, L-1150 Luxembourg.

1.3 Activities

The Bank is authorised as a credit institution within the meaning of Article 2 (1) of the Law of 5 April 1993 on the financial sector, as amended. Within the framework of its license, the Bank undertakes all types of banking and financial operations.

1.4 Contact details

Postal address: P.O. Box 173, L-2011 Luxembourg
 Phone number +352 46 12 751
 Fax number: +352 47 30 78
 Website: www.danskebank.lu

1.5 Processing personal data

1.5.1 The Bank shall only collect information, which is required for the performance of its duties and only within the scope of its services for Clients. Business confidentiality prevents it from acting as an intermediary for the collection and transmission of this information to third parties, except when required to do so by law.

1.5.2 The Client shall have the right to have access to information about himself and the right to make changes thereto, provided he proves his identity, in accordance with the Luxembourg [data protection] Act of 2 August 2002 relating to the protection of individuals as regards the processing of personal data and its implementing enactments.

1.5.3 In the interests of efficient management, the Bank shall record personal data relating to each Client on a machine-readable medium. The Customer is entitled to refuse to provide this data to the Bank or to prohibit it from recording it on a machine-readable medium. In this case, however, the Bank may refuse to enter into a business relationship with the Client, end an existing business relationship or take any measures required by law.

1.5.4 For the purpose of sound and prudent management of the Bank as well as risk assessment on a consolidated group basis, calculation of prudential ratios on a consolidated group basis and internal group management of legal risks and reputational risks linked to money laundering or terrorism financing, the Bank shares client information with its parent bank, Danske Bank A/S.

2. GENERAL PROVISIONS

2.1 Opening of Account

At the beginning of the relationship, the Client will provide the Bank with exact data regarding his identity (e.g. name, company name, address/registered office, tax residence, nationality, civil status, profession) by providing an official identification document with photograph as well as give proof of the origin of assets to be deposited with the Bank. The Client will furthermore provide all information required by the Bank in order to be able to establish the Client's investment profile and his knowledge of financial instruments. Individuals may be asked to prove their legal capacity. Corporate and other legal entities must provide the most recent certified copy of their updated Articles of Incorporation, a recent certified excerpt from the Trade and Companies' Registrar and a resolution containing the list of the persons authorised to bind and represent said entity towards third parties (or equivalent).

Individuals, corporate and other legal entities shall provide the Bank with all such documents as the Bank may from time to time request, with respect to the identification of the Client and the beneficial owner of the account, in accordance with applicable Luxembourg legislation (including information on the tax status of the beneficial owner).

Assets remitted by the Client to the Bank before a formal account relationship has been established shall be held by the Bank in a non-interest-bearing blocked internal account. The Bank may refuse to open an account of the Client until all account application documents are duly completed to the

Bank's satisfaction and until the Bank has received all required documents.

The Bank may further, upon the opening of the account or in the future, request any identification or other documents it considers necessary to comply with its legal obligations and to maintain a relationship of trust with the Client. If the Client fails to deliver any such documents in a timely fashion to the Bank, the Bank is authorised to block the account, to liquidate the positions of the Client and to close the account

Should no formal account relationship be established or should the account be closed, the Bank shall dispose of the assets remitted to it in accordance with clause 18.3. and, by extension, in accordance with the applicable law.

The Client undertakes to forthwith inform the Bank in writing of any changes to the identification elements mentioned above, in particular of any changes to the name, company name, civil status, nationality, address or tax residence; the same obligation is incumbent upon the Client with respect to the persons authorised to represent him; such obligation exists even if such changes appear in a public register or are published in any other manner.

If the Client lives in, moves to or stays in a country outside the EU and EEA, the Bank may not be able to offer the same products and services that the Bank can offer to Clients living in an EU or EEA country. For example, residents in the USA may be subject to significant restrictions in relation to buying and selling financial instruments. In some cases, the Bank may have to terminate the business relationship with the Client.

2.2 The Client shall deposit with the Bank a specimen of his signature and, where applicable, of the signatures of statutory representatives or authorised signatories. Until the Bank receives written notice of their revocation, it may solely rely on such specimens, irrespective of any entries in commercial registers or other official publications. The Bank shall not be liable for the fraudulent use by a third party of the actual or electronic signature of the Client, whether such signature be authentic or forged or abuse being made thereof by an unauthorised person.

Consequently, should the Bank not identify the abusive or fraudulent use of the authentic or forged signature of the Client on documents, and effect transactions, it shall, except in cases of gross negligence in the verification of any such document, be released from its obligation to refund to the Client the assets deposited with the Bank which were misappropriated by the abusive or fraudulent use of such documents. The Bank shall, in such circumstances, be considered as having made a valid payment, as if it had received proper instructions from the Client himself.

2.3 Rules on the legal representation of the Bank and specimens of the signatures of the statutory representatives, authorised agents or proxy-holders that can bind the Bank and represent it are available for review by the Client. Only documents bearing authorised signatures will bind the Bank.

2.4 The Client may be represented in dealings with the Bank by one or several agents. Proxies to that effect must be in writing and must be deposited with the Bank. Unless otherwise agreed, they shall remain valid, at the latest until the business day following the day on which the Bank has been informed in writing that one of the legal or contractually agreed causes of termination or modification of the agency relationship has occurred, even if such causes are officially published.

The Bank may refuse to execute instructions from an agent, on grounds pertaining exclusively to the person of such agent, as if the agent were the Client himself.

2.5 The Bank is not obliged to verify the accuracy or the completeness of the data communicated by the Client and assumes no responsibility in relation thereto.

Any amendment to such information must be communicated immediately in **writing** to the Bank. The Client, and not the Bank, will be solely liable for any damages caused by the transmission of false, inaccurate, outdated or incomplete data. If the Bank has to verify the authenticity, validity and the completeness of documents received from or handed out on behalf of a Client, or if it has to translate them, it shall only be liable for gross negligence.

2.6 Instructions from the Client

The Client must be able to prove the existence and content of all communications. Therefore, as a general rule, any communication from the Client to the Bank must be in writing.

Unless otherwise agreed, the Bank will not carry out instructions given orally, by fax or similar means of communication, including [without limitation] e-mail, other than an original written document.

If, by exception, the Bank disregards this rule or it is otherwise agreed, then

- It is expressly agreed that only the document received or, as the case may be, drawn up by the Bank shall conclusively prove the instructions given by the Client. This document will be kept by the Bank. In any case, the Bank shall only accept instructions given by or bearing the signature of the person(s) authorised to undertake transactions on the account, in accordance with the signature rules and power granted;
- the Client acknowledges, however, that the Bank is entitled to refuse to carry out instructions if it has any doubt with respect to the identity of the person giving the instructions or of the beneficiary or for any other reason;
- the account statements and records of the Bank shall conclusively prove that the transactions mentioned therein have been carried out in accordance with orders given by the Client.

The Bank in particular draws the Client's attention to the risks inherent to the sending of instructions by telex, fax or e-mail, in particular the risks of errors when instructions are sent by telex fax or e-mail or those of misappropriation or fraud in relation both to the content and the signature of such instructions;

The Bank will not accept oral instructions regarding the transfer of assets from the Client's account to the account of any third party.

Subject to the Client's specific instruction, the Bank will send, at the Client's entire risk, information, which may be of a confidential nature to an e-mail address as indicated by the Client. The Bank shall not incur any liability when sending information by e-mail to the Client.

The Client releases the Bank from any responsibility whatsoever regarding the performance, non-performance or bad performance of instructions given to the Bank by the means of communication referred to above. The Client assumes all risks, particularly those arising from errors in

communication or comprehension including errors as to the identity of the Client, resulting from the use of such means of communication and relieves the Bank from any and all responsibility in this respect.

To avoid any duplication, all written confirmations of previous oral instructions must clearly refer to those oral instructions.

2.7 Microfiches, microfilms, digitalised records, or other records effected by the Bank on the basis of original documents shall constitute prima facie evidence and shall have the same value in evidence as an original written document.

2.8 Notwithstanding the provisions of Article 1341 of the Civil Code et seq. the Client and the Bank expressly agree that, the Bank shall, whenever useful or necessary, be entitled to prove its allegations by any means legally admissible in commercial matters, such as witnesses or affidavits.

2.9 Instructions will, except if otherwise agreed, only be accepted during the normal business hours of the Bank; the execution thereof shall be done within the time needed for the completion of the Bank's verification and processing procedure, and in accordance with the terms of the market to which they relate.

The instructions of the Client must be complete, accurate and precise in order to avoid mistakes. If the Bank considers the information provided by the Client in this respect to be inadequate, the Bank may delay the execution of any transaction without thereby incurring any liability, pending receipt of the necessary additional information.

2.10 Whenever the Bank receives instructions on which the name does not match the account number indicated thereon, the Bank may rely conclusively on the account number.

2.11 The Client shall advise the Bank in writing, in each particular case, when transactions have to be made within a time limit and when delays in the fulfilment of such orders may cause damage. Payment instructions must, however, always be given with reasonable advance notice (minimum three banking business days) and shall be subject to customary execution terms. Should the Bank fail to execute such payment instructions in a timely fashion, the liability of the Bank towards the Client will be limited to the loss of credit interest to the beneficiary resulting from the delay of the payment. Interest will be calculated at the rate set by law applicable in the country of the relevant currency. If no such advice has been given, the Bank shall only be liable for gross negligence.

2.12 The Bank may refuse the execution of an order or suspend such execution if the order relates to transactions or products, which the Bank does not handle in the ordinary course of its business, or if the Client has failed to execute an obligation he has towards the Bank.

2.13 The Bank has the duty to record all telephone conversations and electronic communications that result or may result in transactions. **The Client specifically empowers the Bank to tape-record his/her telephone conversations with the Bank.** The tape may be used in court, arbitration or other legal proceedings with the same value in evidence as a written document. The Client agrees that the telephone recordings made by the Bank shall constitute proof of the characteristics of the Order given. The Bank shall retain such recordings in compliance with the applicable legislation. The Client shall be entitled to review recorded conversations and retained electronic communication on request and subject to a reasonable fee as may be charged by the Bank.

2.14 Transfers

The Bank places its transfer services at the disposal of the Client for all kinds of transfers (cash, financial instruments, precious metals, etc.) within the Grand Duchy of Luxembourg or abroad. These transactions are executed at the expense of the Client in accordance with the fee schedule of the Bank applicable at the time of the transfer.

For all orders of payment, transfer or disposal, the Bank retains the right to determine the place and method of execution it deems appropriate for carrying out the relevant operation (cash payment, consignment of funds, transfers, cheques or any other method of payment used in normal banking practice). The Client shall indicate in transfer orders the beneficiary's bank, including the Bank Identifier Code (BIC), the International Bank Account Number (IBAN), and the entire denomination of the beneficiary's account as well as the name, address and account number of the person placing the order. In case the aforementioned information is not provided by the Client, the Bank shall not bear any liability for any damage resulting therefrom.

2.15 Some laws, regulations or international payment systems require the person placing the order and the beneficiary to be identified. The Bank draws the Client's attention to the fact that, where funds, financial instruments or precious metals are to be transferred, it may have to disclose the Client's personal data on the transfer documents and the Client hereby expressly instructs the Bank to disclose such data. The Bank may also, in certain circumstances, request to be provided with information necessary to identify the beneficiary of such transfers.

2.16 Personal data included in money transfers is processed by the Bank and other specialised companies, such as SWIFT (Society for Worldwide Interbank Financial Telecommunication). Such processing may be operated through centres located in foreign countries, according to their local legislation. As a result, the authorities of such countries can request or obtain requests for access to personal data held in such operating centres for the purposes of fighting terrorism or for any other purposes authorised by law. Any Client instructing the Bank to execute a payment order acknowledges that all data necessary for the correct completion of the transaction may be processed outside the Grand-Duchy of Luxembourg.

2.17 In all instances, the Client's account will only be credited under the condition, even if not expressly mentioned, that the transferred assets actually enter the Bank's account, i.e. any such credit is done under the condition of actual and unconditional receipt of these assets by the Bank ("sous réserve de bonne fin"). The Bank may annul or cancel any transaction already booked for which the completion has become uncertain.

All funds emanating from uncleared instruments will only be available upon the final clearing of said instruments and actual and unconditional receipt of the funds. Account statements are always issued subject to error or omission of calculation or entry, and subject to the usual qualifications.

2.18 Should the Client wish to obtain physical cash delivery, he must give sufficient notice to the Bank and bear the cost of delivery of such currency. If the Client wishes to receive cash in a specific currency, he must inform the Bank sufficiently in advance and shall bear the costs of delivery of such currency.

The Bank reserves, at its entire discretion, the right to refuse to execute certain cash withdrawal operations, in particular if the Client does not provide it with adequate justifications or explanations as to the reasons of such withdrawals.

However, in such a case, the Client will retain the possibility to request transfers of his assets held in the books of the Bank by wire transfer.

In general, the Bank will only make physical deliveries of financial instruments, cash or values to the Client, or to a person designated by the Client, in the premises of the Bank or the premises of another Bank as chosen by the Bank. The Client shall bear the costs of such a delivery. If, however, the Client requests, and the Bank accepts, the consignment or transport of financial instruments, cash or any other assets to his address or to a person designated by the Client, such consignment or transport shall be made at the risk and at the expense of the Client. Accordingly, in such cases, the Bank shall be considered as having satisfied its obligation to return to the Client the assets held in custody with the Bank, upon remittance of such assets to the postal services for consignment or to a known courier service company for transport. The Bank shall not be obliged to insure the assets remitted for consignment or transport.

The Bank shall only be liable for gross negligence. In such a case in which case the rights of the Client against the Bank if they exist shall be limited to the amount paid by the insurance company to the Bank or, in the absence of any insurance coverage, to the refunding to the Client of similar financial instruments, cash or other similar assets, or, if this is not possible, to the repayment of the value of these items as at the day of repayment. The Bank shall not be liable for the loss in value of assets during the delivery period.

2.19 Transactions

The Client expressly authorises the Bank and its correspondents to act as a depositary or to have third parties act as professional depositaries with respect to the financial instruments and precious metals or other valuable items in the form of an open or collective deposit, thus granting to the Client a right over part of the financial instruments, precious metals or other valuable items collectively deposited, without prejudice to the laws and customs of the place of deposit. The custody of the assets takes place on behalf of the Client who bears all risks related thereto.

2.20 If, for the execution of transactions on behalf of the Client, the Bank uses the services of third parties, the Client shall be bound by the customs and the general and specific terms and conditions applicable between the Bank and such third parties, as well as by the conditions binding those third parties in particular when operating on foreign regulated markets or Multilateral Trading Facilities (MTFs).

If the Bank charges third parties with the execution of a transaction, its liability shall be limited only to the careful selection and direction of those parties.

2.21 In certain jurisdictions, provisions applicable to (transactions involving) financial instruments and similar rights may require the disclosure of the identity and the holding of (in)direct holders or beneficial owners of the instruments. Non-compliance with a disclosure request may lead to the blocking of the financial instruments (i.e. voting rights may not be exercised, dividends or other rights may not be received, the financial instruments cannot be sold or disposed of in any other manner). **The Client hereby expressly instructs the Bank to disclose at its own discretion without delay and without reverting to the Client the Client's and/or beneficial owner's identity and holding of financial instruments and similar rights if the national or foreign provisions require disclosure of the identity and the holding of the Client and/or beneficial owner who holds or owns the instruments. The Bank**

shall not be liable for any damages suffered by the Client that may result from the disclosure of his identity and holdings.

2.22 Transactions may be carried out only via an account opened by the Client with the Bank, which shall maintain the necessary cover, either in cash, in financial instruments or in precious metals, except where the Bank has authorised overdrafts on the Client's account.

2.23 The Bank reserves the right to determine the manner in which transactions shall be performed. Transactions executed on a net basis shall be based on prevailing market prices taking into account fees, taxes, brokerage fees, expenses and any other charges.

The Bank shall only be required to credit the account of the Client (with the relevant value dates) once it has effectively received the funds, financial instruments or precious metals resulting from transactions. The transfers and deposits in favour of the Client via a bank account with a correspondent of the Bank, a sub-custodian or a clearing system shall be acquired definitely by the Client only from the moment in which the funds have actually been credited to account of the Bank with the correspondent. The prior receipt by the Client of a note of transfer or a credit advice by way of account statement shall not affect the actual value date of the transfer as established by this paragraph, even if such note or account statement does not bear any special qualifications.

For certain types of transactions amounts credited to the account before payment may subsequently be debited from the account by the Bank if payment is not ultimately effected. The cashing in of cheques will only be credited upon final clearance.

The Bank may terminate or cancel any transaction already booked for which the completion has become uncertain or impossible.

The assets held in financial instruments and precious metals on behalf of Clients of the Bank are generally deposited by the Bank as nominee in the books of a sub-custodian or in a clearing system for financial instruments transactions.

These assets may be subject to taxes, duties, restrictions and other measures applied by the authorities of the country of the sub-custodian or the clearing system for financial instruments transactions; the Bank bears no responsibility, nor makes any commitment towards the Client resulting from the above-mentioned measures or any other measures beyond the control of the Bank.

The Client shall bear, in proportion to his share in the assets of the Bank with any such sub-custodian or clearing system, all consequences of an economic, judicial or other nature which may affect all the assets of the Bank with such sub-custodians, clearing systems or in the country where the assets are invested, and which prejudice the position of the Bank's sub-custodian or clearing system. Each Client shall therefore bear a share of the losses affecting the specific financial instrument or precious metal held on his behalf in proportion to his share in the overall quantity of the specific financial instrument or precious metal held by the Bank. The abovementioned consequences may inter alia result from measures taken by the authorities of the country of such sub-custodian or clearing system or by third countries as well as bankruptcy, liquidation, force majeure, riots, war or other events beyond the control of the Bank.

Clients who hold credit balances in any currency, share in proportion to and up to the amount of these balances, all financial and/or legal disadvantages and losses that might affect the Bank's total balances maintained in Luxembourg or abroad in the respective currency as direct or indirect consequences of any of the events mentioned above. Except otherwise instructed by the Client in writing, any funds received on behalf of the Client in a currency other than those handled by the Bank, may be converted, at the Bank's discretion, into the currency of any existing account and on the basis of the exchange rate prevailing on the date of the effective receipt of the funds by the Bank.

2.24 Mail, Dispatch of assets

Unless agreed to the contrary, the Bank will send all documents by ordinary mail. Mail regarding accounts with several authorised signatories will be sent to a common address indicated to the Bank. If no such address has been provided, mail shall be sent to any one of these persons.

Dispatch of any communication will be proved, including the date of dispatch, through the provision by the Bank of a printed or computer-stored copy or other mailing record of such communication. The transmission report, in the case of fax, shall constitute conclusive evidence of the dispatch of any communication by the Bank and the receipt thereof by the Client.

Written communications by the Bank are deemed to have been duly delivered within the ordinary course of mail, if sent to the last address of which the Bank has received notice from the Client even if the letter is returned marked "unable to deliver" or with similar comments.

Where mail is returned to the Bank with a statement that the Client is unknown at the address indicated or no longer resides at such address, the Bank shall be entitled to withhold such mail as well as any subsequent mail; thereafter, the provisions relating to hold-mail (including in particular hold-mail fees) shall apply until the Bank is informed in writing of the new address of the Client.

2.25 Hold Mail

The Bank does not offer Hold Mail services. A Client who does not wish to receive hard copy mail can choose to receive mail in Danske eBanking.

2.26 Objections and negative acceptance

The Client must thoroughly examine all documents, confirmations, statements or other advice notices received from the Bank to ensure that they are true, correct and complete. The Client shall immediately advise the Bank of any errors, discrepancies and irregularities appearing in any documents, account statements or other mail addressed to the Client by the Bank. The same rule shall apply to any delay in receiving mail. If the Bank receives no written objection within 30 days of the date on which the mails, documents and account statements are dispatched or made available, any Orders referred to therein shall be deemed to be approved and ratified by the Client. However, a shorter period is required with regards to:

(a) The execution of an Order, at the time when the notice or statement of account reaches the Client, but, at the latest, within 12 days following the dispatch of the notice or statement or the date on which it is made available to the Client; and

(b) The non-execution of an Order, within 12 days following the day when the notice of execution or statement of account should normally have reached the Client.

If the Bank does not receive any written objection within the above-mentioned periods of time, any executions or non-executions of Orders are deemed to have been approved and ratified by the Client.

All transactions, indications and figures stated in the above-mentioned documents shall be considered as definitively accurate, accepted and ratified. The Client shall have no direct or indirect right of objection against such transactions. This rule applies to all transactions executed by the Bank, in particular transfers and investments of funds, purchases and sales of financial instruments and precious metals.

The valuation of the assets held in the account as stated in such documents and account statements is indicative only and should not be construed as a confirmation by the Bank or as representing their actual financial value.

2.27 The Bank is authorised to correct, by a mere entry in its books, any material errors it makes with proper value date even if the account balance has been expressly or tacitly approved. Similarly, if by mistake, a transfer instruction has been executed twice, the Bank is authorised – in accordance with the principles of recovery of undue payments – to correct such error.

If, after such a re-entry into the books, the account of the Client shows a debit balance, overdraft interest will be automatically due, without formal notice, as from the effective date of the overdraft. The Client may not object to a request from the Bank for refunding or restitution by claiming that he has already disposed of the assets mistakenly credited to his account or that he could in good faith believe that he was the beneficiary of such assets.

2.28 Account management duties and banking information

The Bank does not assume any duties regarding the management of the Client's assets and/or liabilities unless the Client has entered a discretionary management agreement empowering the Bank to manage all, or part, of the Client's assets and / or liabilities. The Bank does not undertake to inform the Client of any potential losses owing to changes in market conditions, of the value of the assets deposited and/or liabilities booked with the Bank, or of any circumstances that might prejudice or otherwise impair the value of those assets and/or liabilities, unless legally required. In other words, the Client remains solely responsible for monitoring his assets and liabilities.

2.29 The Client shall personally verify the accuracy of information provided by the Bank. Such information is given for guidance only and the Bank shall only be liable for its gross negligence, if any.

Information provided by the Bank, in particular with respect to the valuation of assets credited to the account, is based on information provided by third parties (such as specialised financial services providers, regulated markets). The Bank does not assume any responsibility in relation to the quality and accurateness of such information.

If the Bank gives advice or expresses opinions regarding the Client's management of his assets and/or liabilities, the Bank shall use its best endeavours, but shall only be liable for its gross negligence, if any.

2.30 When giving or omitting information within the framework of normal banking practice, the Bank shall only be liable to the information recipient for gross negligence.

2.31 The Client specifically acknowledges and accepts that, whenever the legal conditions for the provision of information to the Client via the Internet website of the Bank are fulfilled, the Bank may provide certain information, such as information on the Bank, information on financial instruments, information pertaining to the safeguarding of Clients' financial instruments and funds and information on costs and associated charges and on the best execution policy of the Bank, exclusively via its Internet website. The Client will be informed electronically about the Internet website address and the place on such Internet website where he can have access to the relevant information. By signing the present document, the Client undertakes to consult regularly the Internet website of the Bank. When required by law, the Bank shall also inform the Client electronically about any changes to such information by indicating the Internet website address and the place on such Internet website where he can have access to the modified information.

3. GUARANTEES

3.1 Single Current Account agreement

All transactions between the Client and the Bank are based on a relationship of mutual trust between them. In this context, all accounts of the Client with the Bank (whatever their identification number) and all instructions given by the Client and executed by the Bank cannot be considered separately, but are to be taken as part of one single relationship of mutual trust. Consequently, a Client who enters into a relationship with the Bank automatically enters into a Single Current Account agreement, governed by the rules generally applicable to such agreements and by the following terms.

The Single Current Account agreement governs all accounts of the Client, whatever their nature, currency, interest rate or terms, even if, for bookkeeping reasons, they are segregated.

All credit or debit transactions between the Client and the Bank pass through the Single Current Account where they become mere credit or debit items of the account and generate at any moment, and in particular when the account is closed, a single net due credit or debit balance.

If the Client has opened several accounts and/or sub-accounts (e.g. accounts in foreign currencies, call accounts, forward accounts, time deposits, credit accounts, deposit accounts for financial instruments or precious metal deposits, metal accounts), all such accounts and/or sub-accounts shall only form elements of one Single Current Account, even if they bear different account numbers. Any foreign currency balances may be converted into one of the existing currencies of the account at the rate prevailing on the day when the balance of the account is established.

In particular, without prejudice to any legal remedies the Bank may have based on other grounds or against joint debtors or guarantors, it may immediately debit the one Single Current Account with the amount of discounted bills of exchange and promissory notes that are not yet due on the date the account is closed (whilst remaining the legal owner), and with any amount due under any other obligations of any nature that the Client has towards the Bank, be they direct or indirect, present or future, actual or contingent. When the account is closed, all transactions, including term operations, shall become immediately due.

For the purpose of determining the net balance of the Single Current Account, financial instruments and precious metals shall be considered as cash and shall be valued at the then prevailing market rate.

3.2 Set-off

It is expressly agreed that all the claims of the Bank against the Client and all the claims of the Client against the Bank are interrelated. Hence, the Bank may validly refuse to perform any of its obligations if the Client does not fulfil any of his obligations.

Should a Client not pay or threaten to be in default of paying a matured or maturing debt to the Bank, all debts and claims of any nature, including term obligations that the Client has towards the Bank, will become immediately due. The Bank is entitled to offset those debts, irrespective of the account to which they are booked, without formal notice and in the order of priority it considers most suitable, against any assets held by the Client with the Bank, thus including financial instruments or precious metals, the value of which is to be determined on the basis of the market value of such assets on the date of such set off. In this respect, the Client waives its rights under article 1253 of the Luxembourg civil code and agrees that the Bank may apply any sums received from the Client to the debt or part of the debt of the Client vis-à-vis the Bank that it wishes to settle.

Debit balances can be cleared without any formal notice or other formalities by setting-off those debits against all assets and credit balances of debtors that, either directly or indirectly, are jointly and severally or indivisibly liable to the Bank.

To that effect, the Bank has an irrevocable proxy to execute, at any time, all transactions that are necessary to settle the debit balance of one account by the credit balance of another account.

3.3 Specific rules

It is expressly agreed that all assets of the Client, as well as guarantees and collateral of any kind given to the Bank by the Client with regard to a particular transaction or to cover a debit balance of a sub-account, shall cover the debit balance of all other sub-accounts as well as the debit balance, if any, of the Single Current Account.

All sub-accounts of the Client shall individually bear the prevailing debit interest or credit interest as the case may be.

Unless otherwise agreed, all the debts of the Client towards the Bank shall be considered as immediately due, even if the Bank does not expressly request their repayment.

The remittal of a debt granted to a joint debtor of the Client will not discharge the latter's debt and other obligations towards the Bank.

3.4 General pledge

Independently of any specific pledge granted by the Client by means of a separate or special deed, the Client hereby grants a first ranking pledge (gage de premier rang) in favour of the Bank on all his assets including, without limitations, financial instruments and precious metals deposited now and in the future with the Bank, as well as all cash claims (e.g. term deposit, current account) that the Client may have now or in the future against the Bank on the general balance on his accounts with the Bank, in whatever currency, origin or type. The pledged financial instruments, precious metals and claims will serve as security for any present and future payment obligations of the Client vis-à-vis the Bank whether in principal, interest, fees or costs (resulting inter alia from loans, overdrafts, forward transactions, counter-guarantees, etc.).

If the Client does not honour, by the due date, any payment obligation towards the Bank, the Bank shall be immediately authorised, without further notice, to appropriate or sell the

financial instruments and/or precious metals in accordance with applicable legal provisions and to offset pledged claims against his claims towards the Bank in the order it deems suitable. The Bank is also authorised to set-off its claims towards the Client against all assets held by the Client with the Bank, including financial instruments and/or precious metals the value of which shall be determined pursuant to their market value on the date of the set-off.

In case an attachment order or a conservatory measure are initiated on one of the Client's accounts, it is specifically agreed that all debts of the Client shall be considered as immediately due and that the set-off against the Client's assets has occurred prior to such measure.

For offsetting purposes, the Bank is entitled to terminate a term deposit before its maturity if required.

The Bank is authorised, at any time, to make a conversion of the pledged assets into the currencies of the claims of the Bank for the purposes of the enforcement of the pledge.

In relation to cash amounts due to the Client by a third party, the Bank is also entitled to give instruction to said third party to transfer the amount indicated by the Bank in order to enable the latter to off-set such amount against the debts of the Client.

The pledge shall continue to exist even if, after the enforcement of the pledge by the Bank, the account of the Client shows a credit balance again.

3.5 Relationship between assets and liabilities

The amounts owed by the Client to the Bank, whether now or in the future, shall at no time exceed the collateral value of the pledged assets. The collateral value of the pledged assets is determined according to a margin schedule updated from time to time by the Bank. The Client accepts to be bound by the margin schedule as applicable from time to time. The said schedule is available upon request in the premises of the Bank. The Client is requested to inquire regularly about the content of such schedule. The collateral values of the pledged assets are determined in the sole interest of the Bank, which may renounce to it at its discretion.

In the ordinary course of its business, the Bank has the right to require from the Client any additional collateral whether in financial instruments, precious metals or cash, if the collateral value, as determined by the Bank, of the pledged portfolio, deposits or other assets becomes lower than the amounts due. If it is not able to obtain such additional cover within the deadline given to the Client or is unable to inform the Client beforehand, the Bank has the right, in the ordinary course of its business, to liquidate the position of the Client and, in this context, to enforce all or part of the pledge, immediately and without notice.

4. OVERDRAFT ON CURRENT ACCOUNT

The Bank may, at its discretion, without being bound to do so, and without further documentation, grant the client, from time to time, an occasional overdraft in current account.

Such amount, together with the other liabilities of the client towards the Bank, may not at any time exceed the collateral value of the assets pledged by the client in favour of the Bank. The Bank determines the interest rate in accordance with its General Terms and Conditions as mentioned in the fee schedule of the Bank as applicable from time to time or in accordance with the specific terms agreed upon by the parties.

In general, these overdrafts are granted by the Bank for a specific period. If no specific period has been agreed, the Bank may request repayment within 5 (five) business days.

In case the Client fails to comply with his obligations under the relevant overdraft (in particular to repay any amount due), the Bank shall be authorised to exercise all its rights under the collateral granted to it under these General Terms and Conditions.

5. ACCOUNTS

5.1 General

The Bank may open various types of accounts for individuals or legal entities.

The description and nature of each account as well as the particular terms for its functioning are defined by the document relating to the opening of the account and the particular conditions, if such exist.

To that effect, these Terms of Business are to be considered as a master agreement between the Client and the Bank.

In case of legal or administrative restrictions, the Bank may maintain the accounts of the Client in a currency other than the one originally agreed upon without incurring any liability for losses that the Client may suffer as a consequence thereof.

5.2 Joint Account

A Joint Account is defined as an account opened in the name of at least two persons. Each holder of a Joint Account or of a joint deposit of financial instruments and/or of precious metals (herein together called "Joint Account") is considered the owner of the entire balance in the Joint Account and may individually dispose of all the assets in the Joint Account. In this respect, each joint holder may inter alia manage the assets in the Joint Account, create debit balances, pledge the assets, conclude loans, guarantees and overdraft lines, collect any correspondence kept by the Bank under a hold mail agreement and undertake any act of disposal on the Joint account without the Bank having to inform the other joint holders or their possible heirs.

The admission of an additional Joint Account holder requires the unanimous consent of all the joint holders.

Termination of the Joint Account requires the unanimous consent of all the joint holders.

In the event of death or incapacity of one of the joint holders, the surviving holders may continue to freely dispose of the assets in the Joint Account unless formal opposition to the contrary from the persons authorised to represent the deceased or incapacitated Client (in particular the executor of the will, the heirs or the guardian, as the case may be) has been received by the Bank.

The Joint Account holders are considered to hold all assets jointly and severally (*solidarité active*) and to be jointly and severally liable (*solidarité passive*) for all commitments and obligations attached to the Joint Account, whether these commitments and obligations are entered into in the common interest of the Joint Account Holders, in the interest of any one of them or in the interest of a third party. All operations of any kind, all payments and settlements carried out by the Bank based on the single signature of one of the Joint Account holders, will discharge the Bank accordingly in respect of the other Joint Account holder(s) and the signatory himself, as well as in respect of deceased or

incapacitated Joint Account holder(s), of the heirs and representatives, including minors of any of the Joint Account holder(s), and of any third party.

The Joint Account agreement governs exclusively the business relations between the joint holders and the Bank, notwithstanding any internal agreement between the joint holders concerning in particular, rights of property between the joint holders and their legal heirs, assignees or successors.

Each Joint Account Holder may grant and revoke in writing, individually and without the consent of the other Joint Account Holders, any attorney the power to represent him validly towards the Bank in relation to the joint account. No Joint Account Holder may terminate the mandate granted individually by another Joint Account Holder. Powers of Attorney granted individually by a Joint Account Holder can only be revoked by the Joint Holder who granted it. However, a power of attorney granted collectively by all the joint holders may be revoked upon instruction of only one of the joint holders.

Each Joint Account Holder has the right to block the use of the Joint Account by other individual Joint Account Holders. Such instructions shall be confirmed in writing. After the Bank receives such written instructions, the Joint Account may only be operated on the basis of collective instructions given by all Joint Account Holders, their heirs, assignees or successors. The joint and several liability of the Joint Account Holders shall nevertheless remain unaffected. It is the duty of the Joint Account Holder to inform the other Joint Account Holders of his request. The Bank has no obligation to provide such information.

The Bank may, at any time and without prior authorisation, set-off a debit balance of the Joint Account against a credit balance of any other account opened or to be opened with the Bank in the name of any of the joint holders, whatever the nature or the currencies of such accounts and also against financial instruments and/or precious metals the value of which shall be determined pursuant to their market value on the date of the set-off.

5.3 Collective account

A "Collective Account" is an account, custody deposit of financial instruments and/or of precious metals opened in the name of at least two persons where the transactions can only be operated by the collective signature of all the account holders ("Collective Account Holder[s]"). In particular, the account holders must collectively provide instructions to the Bank in order to dispose of funds, or carry out transactions, or any other operation or grant collectively powers of attorney to third parties. Each collective account holder must sign all orders.

A power of attorney granted collectively by the account holders may be revoked by any account holder acting individually.

The Collective Account implies a joint and several liabilities among all collective holders. Under such joint and several liability, each account holder is liable towards the Bank for any commitments and obligations contracted by all collective account holders, whether contracted in the interest of all account holders, any one of them or of a third party.

The Bank may, at any time and without prior authorisation, set-off a debit balance of the collective account against a credit balance of any other account opened, or to be opened, with the Bank in the name of any one of the account holders, whatever the nature or the currencies of such accounts and also against

financial instruments and/or precious metals, the value of which shall be determined pursuant to their market value on the date of the set-off.

In the absence of instructions to the contrary, the Bank has the right, but not the obligation, to credit to the Collective Account the funds it receives on behalf of one of the holders.

A Collective Account may be blocked upon the death or incapacity of a Collective Account holder. In such case, the parties authorised to represent the deceased or incapacitated Client (in particular the executor of the will, the heirs or the guardian, as the case may be) shall, except if otherwise provided in the law, automatically replace the deceased or incapacitated holder. The Bank may demand verification of the authority to represent a deceased or incapacitated Collective Account holder and such person's identity.

The heirs remain liable to the Bank for the commitments and obligations of the deceased holder, that were existing at the time of death, in his capacity as joint and several debtor.

6. CUSTODY ACCOUNTS

6.1 Miscellaneous

Upon request of the Client, the Bank may accept to keep in custody financial instruments or instruments of all of all kinds as well as precious metals.

All deposits will be kept either in a global deposit with the Bank or one of its correspondent banks, or in a collective central deposit.

It is expressly agreed that the Bank has no obligation whatsoever to insure any deposited items, unless this has specifically been agreed upon with the Client.

The Bank may refuse part or all of the items offered for safekeeping, without having to give any reason.

6.2 Financial instruments

Financial instruments deposited with the Bank must be of good delivery, i.e. genuine, in good physical condition, not subject to attachment, forfeiture or receivership in any location, and be deposited with all their coupons which have not yet matured.

The Client is responsible towards the Bank for any damage resulting from a lack of authenticity or any visible or hidden defects (such as lost or stolen financial instruments) in the financial instruments he has deposited. Hence, in case the account of the Bank with the correspondent is debited due to the fact that the financial instruments remitted by the Client are not of good delivery, the Bank may debit those financial instruments or assets with a market value equal to that of those financial instruments from the Client's accounts and the Client commits to hold the Bank harmless of any damages that the Bank may have suffered as a consequence thereto.

6.3 Fungible account

Unless otherwise expressly agreed in writing, all financial instruments and/or precious metals shall be deposited in a fungible account. Consequently, the Bank only has an obligation to return to the Client financial instruments and/or precious metals of the same nature as those deposited with the Bank without prejudice to any provision to the contrary therein.

The Bank shall book the fungible securities and other financial instruments received on deposit or held in an account separately from its own assets and off-balance sheet.

6.4 Banking services

Without express instruction from the Client but without assuming any responsibility, the Bank will collect interest, dividends and coupons due, as well as redeemed financial instruments. For such purpose, the Bank may validly rely on the publications made available to it.

Generally, the Bank will not forward information, proxies or notices for shareholders' or bondholders' meetings or any other shareholder related notices, nor exercise any voting rights unless expressly agreed with the Client, who agrees to bear the relevant costs.

Unless otherwise agreed, it shall be incumbent upon the Client to take all other appropriate measures to safeguard the rights attaching to deposited financial instruments and/or precious metals, in particular to give instructions to the Bank to exercise or sell subscription rights, or to exercise any option right.

The Bank shall be under no obligation to inform the Client of any such rights with respect to financial instruments and/or precious metals held by it in safe custody for the Client.

If a payment is due on partially paid up financial instruments, the Bank shall be authorised, unless instructed to the contrary, to debit the relevant amount from the account of the Client. In the absence of specific instructions from the Client, the Bank shall be authorised (but under no obligation) to act according to what it considers to be the best interests of the Client, without the Client being entitled to hold the Bank liable for any misjudgement, except in the case of gross negligence of the Bank.

The Bank will not collect tax credits under the provisions of any double taxation treaties applicable to the Client, unless the Bank has received and accepted an explicit instruction from the Client to do so. These amounts will be collected in the name and at the costs of the Client.

The Bank is not obliged to undertake or to participate in order to represent the Client, in judicial or arbitration proceedings or in any other kind of litigation or alternative dispute resolution schemes in Luxembourg or abroad, in particular with respect to actions for damages concerning the assets of the Client. If, by way of exception, the Bank accepts to represent the Client in such proceedings, the Client commits to hold the Bank harmless of any damages that the Bank could suffer as a consequence thereof.

6.5 Withdrawal, Fees and Charges

Reasonable advance notice must be given to the Bank for any withdrawal of financial instruments or precious metals. Withdrawals are subject to the provisions of clause 2.19 - 2.23 above.

Charges for safe custody are calculated according to the Bank's fee schedule as applicable from time to time.

The Bank will calculate and is authorised to debit from the Client's account its own charges, commissions and fees as well as those of its correspondents and/or brokers according to prevailing rates.

6.6 Responsibility

The Bank is not responsible for any imperfections linked to problems relating to financial instruments and/or precious metals deposited with the Bank.

The Client must control the operations that need to be carried out in connection with the deposited assets. The Bank's obligations are limited to the administration of the financial

instruments and/or precious metals as defined in the present Terms of Business.

In case the Client's assets are managed by a third party manager, the Bank will act simply as the depositary of the assets being managed and may not be held responsible neither for the management instructions given by the third party manager nor for the information communicated to the third party manager in the context of such third party management. The Bank is not obliged to verify the quality or the risk of the transactions, nor to warn or advise the Client in relation to the investment decisions taken.

Forfeitures or damages arising from the lack of exercise of rights and obligations of any nature whether concerning deposited financial instruments and coupons and/or precious metals are entirely borne by the Client.

The Bank, as depositary for financial instruments and/or precious metals, has no principal or ancillary obligations other than those expressly set out herein.

In its capacity as depositary for financial instruments and/or precious metals, the Bank shall only be liable for gross negligence. If the Bank sub-deposits the financial instruments and/or precious metals with third parties, its liability shall be limited according to clause 2.20 here above.

In case of the loss of financial instruments and/or precious metals for which the Bank may be held responsible the Bank shall only be liable to replace the financial instruments and/or precious metals with identical financial instruments and/or precious metals, or, if this is not possible, to refund the value of the financial instruments and/or precious metals, as at the date of the request for delivery or sale.

The safekeeping of these assets takes place exclusively on the account and at the risks of the Client.

7. FINANCIAL INSTRUMENTS TRANSACTIONS

7.1 Orders

All orders for the purchase and sale of financial instruments or equivalent assets are carried out by the Bank at its discretion either as commission agent acting in its name but for the account of the Client, without having to notify the Client, or as counterparty acting in its name and for its account.

Instructions to purchase and sell currencies, as well as derivative products negotiated on OTC markets are in principle carried out by the Bank as counterpart.

At the time of transmission of an order, the Client's account must necessarily present sufficient cover, either in cash, in financial instruments or in precious metals. The Bank has the right to refuse the acceptance of orders without having to provide any reason.

However, the absence of cover or delivery does not prevent the Bank from executing orders at the exclusive risks of the Client. The latter shall in this case indemnify the Bank for any damages resulting therefrom.

7.2 In the absence of specific instructions, the Bank will choose the place and manner of execution of the orders. In particular, the Bank may decide to execute the orders of the Client outside a regulated market or a MTF.

All orders will be executed in accordance with the rules and practices of the regulated markets or the MTF on which they

are executed. The costs in connection with the execution of these orders shall be borne by the Client.

The Bank does not have to verify the conditions (including disclosure requirements) applicable to transactions in all the markets in which the Client instructs the Bank to effect transactions.

The Client undertakes to hold the Bank harmless for any damage that may arise such instructions.

The Bank shall not be held liable for a possible delay in the execution of orders due to the Bank's legal obligations *inter alia* in relation to the assessment of the appropriateness of an investment service or product for the Client.

Where the Bank considers that an investment service or product is not appropriate for the Client, it provides a warning notifying the Client that this service or product is not appropriate for him. The Bank is nevertheless authorised, without being obliged, to carry out the order immediately after the dispatch of the warning. In this context, the Client agrees not to hold the Bank liable for any prejudice suffered by the Client due to the execution or non-execution of his instruction. In cases where the Client elects not to provide the information required for the assessment of the appropriateness, or where he provides insufficient information regarding his knowledge and experience, the Bank hereby expressly warns the Client that such a decision will not allow the Bank to determine whether the service or product envisaged is appropriate for him.

The Client shall inform the Bank of any change in his financial situation and/or his investment knowledge and experience and, in particular, of changes, which impact or are likely to impact the suitability or appropriateness of a service provided to the Client by the Bank. In case the Client does not inform the Bank of such changes, the Bank will bear no responsibility for any damage resulting therefrom.

The Bank furthermore specifically warns the Client that with regard to services that only consist of execution and/or the reception and transmission of orders carried out at the initiative of the Client and relating to non-complex financial instruments as defined under MIFID II the Bank is not required to assess whether the service or instrument provided or offered is appropriate for the Client and that the Client does therefore not benefit from the corresponding protection of the relevant conduct of business rules.

When subscribing shares or units of an undertaking for collective investment in transferable securities ("UCITS"), the Client undertakes, before performing any subscription, to consult the Key Investor Information Document ("KIID"). The KIID is a standardised document designed to provide clear and concise information on the characteristics and the risks of each fund.

KIIDs from Danske Invest are available via www.danskeinvest.lu. KIIDs pertaining to other investment funds distributed by the Bank are available at the Bank on request.

7.3 Orders not bearing an expiry date remain generally and notwithstanding clause 7.4 valid only during the day they have been placed in the relevant market. As regards orders given by the Client for an undetermined period ("good till cancelled") the rules and practices of the relevant market should be respected.

7.4 The Bank may execute the orders of the Client in one or several steps, depending upon market conditions, unless the parties have agreed to the contrary. All instructions from the Client shall be executed in accordance with the market price applicable at the time of the transaction, unless the Client has

expressly imposed price limits upon the Bank. Instruction relating to the same categories of financial instruments received from different Clients of the Bank will be executed by the Bank in their order of receipt.

In case the Bank is unable to execute immediately under prevailing market conditions a Client limit order in respect of shares, the Bank is not obliged to make immediately public that Client limit order to facilitate its execution.

In case the Bank receives from a Client several orders the total value of which exceeds the funds available to such Client, the Bank executes such orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise.

The Bank is authorised to carry out Client orders or a transactions for own account in aggregation with other Client orders. The Client acknowledges that, although it is unlikely that such aggregation will work overall to the disadvantage of any Client, in single cases it may work to the Client's disadvantage in relation to a particular order.

Unless they have been carried out for portfolio management, the Bank promptly sends the Client a notice confirming execution of his orders. In the case of orders relating to units or shares in a collective investment undertaking which are executed periodically, the notices may be sent once every six months.

7.5 At its discretion, the Bank may:

- refuse to execute sale orders before the financial instruments are received;
- refuse to execute orders relating to credit, forward or premium transactions;
- execute purchase orders only up to the balance available in the Client's account;
- repurchase, at the expense of the Client, financial instruments sold which were defective or not delivered in time;
- debit the account of the Client with financial instruments equivalent to the financial instruments (or an amount equivalent to the value of the financial instruments if they are no longer held in the account) which the Client has initially physically remitted to the Bank and which thereafter are subject to a stop order. In any case, if the financial instruments are physically delivered, they will be unavailable for any transaction (sale, transfer,...) until the Bank has verified that the financial instruments delivered are not subject to any attachment or do not have some other defect, regardless of any subsequent change in the price of these financial instruments during this time;
- consider as a new order any instruction, which is not specified as a confirmation of or as an amendment to an existing order.

The Client bears all legal consequences arising from the remittance for sale of financial instruments, which are subject to an attachment before or after such remittance.

The Bank retains the right to replace, at the Client's expense, financial instruments put up for sale which have not been delivered in due time or which are not good for delivery.

7.6 The Client understands and agrees:

- that the Bank may purchase or sell financial instruments for other clients or itself of the same kind as for the Client and at the same time, and that the Bank is authorised to deal with itself or affiliated or related companies in purchasing or selling financial instruments for the account of the Client;

- that financial instruments may be purchased or sold for the Client's account, which are issued by companies which have business relationship with the Bank and its affiliated companies, or in which employees of the Bank, or its affiliated companies, may serve as directors;
- that the Bank may purchase or sell for the Client's account shares or units of investment funds which are managed by the Bank or its affiliated companies;
- that the Bank may purchase or sell financial instruments from and to any account maintained by another client of the Bank or a company related to the Bank.

7.7 Brokerage and other fees will apply to the execution of purchase, sale or option orders, irrespective of any potential discount from which the Bank may benefit.

In addition, the Bank will charge its fees in accordance with the Bank's fee schedule, as applicable from time to time. Financial instruments and other assets entrusted to the Bank are deposited automatically into an account opened in the name of the Client and subject to usual fees and custodial charges.

8. TERM DEPOSITS

The duration, interest rates and applicable rules regarding term deposits are upon request confirmed to the Client after the opening of his account. The Client is informed of all future amendments to a term deposit. If the Client does not accept such amendment, he is authorised to terminate with immediate effect his relationship with the Bank.

Term deposits may be automatically renewed for a period identical to the preceding one at the then prevailing conditions on the Luxembourg market for deposits of the same nature, unless the Client expressly opposes such renewal at least [three] business days prior to the renewal date. The Bank is entitled to refuse the early termination of the term deposit, or, if it accepts such early termination, to charge its refinancing costs and, if any, a penalty to the Client.

9. FIDUCIARY ACCOUNTS

The parties expressly agree that, unless otherwise agreed, all present or future fiduciary operations between the Bank and the Client, if any, will be governed by the laws of the Grand Duchy of Luxembourg applicable to fiduciary agreements.

10. FORWARD TRANSACTIONS

The Bank may, upon express request from the Client, execute forward transactions on the Client's behalf. Before effecting any such forward transactions or while effecting such transactions, the Bank may request the Client to sign or to deliver certain documents relating to such transactions. If the Client fails to sign or deliver any such document, the Bank may refuse to enter into such transactions or liquidate pending forward transactions.

The Client agrees to effect such forward transactions at his sole cost and risk. The Client is aware of the risks involved in such transactions, including the risk of losing higher amounts than those invested or than those held with the Bank. The Bank may require that all forward transactions must be covered by sufficient assets of the Client with the Bank, such assets remaining blocked until the maturity of the forward transactions. The Bank shall not be liable for the loss of any opportunity, or any other damages, suffered by the Client.

For leveraged transactions, the Bank may, if the market moves against the Client's position, call upon the Client to pay additional margin without delay in order to maintain the position. If the Client fails to do so within the time required, his position may be liquidated even at a loss and he will have to bear any damages as a result thereof.

11. CHEQUES

11.1 The Bank does not issue chequebooks in favour of its Clients. The Bank does, however, upon request, issue bank cheques in favour of a Client or a third party designated by the Client, provided the Client has sufficient cover on his account. The counter-value of such cheque will be debited from the account of the Client on the issue date the cheque. In the case of loss of a separate cheque, the Client must immediately advise the Bank. If an account is closed, cheques not used must be returned to the Bank.

Furthermore, the Bank reserves the right to refuse the issuance of cheques and to request the return of unused cheques.

11.2 In case the Bank handles cheques abroad, it shall only be liable for gross negligence, if any.

If cheques are presented for collection and the Bank credits the counter value thereof before the proceeds have been collected, it shall do so on the understanding that the credit is conditional upon the proceeds being collected, even in cases where the cheque is payable at the Bank.

The Bank may thus debit the account of the Client in case cheques deposited for collection or discounted by it, are not paid upon presentation, or in case the free disposal of the proceeds is restricted, or where because of circumstances which are beyond the Bank's control, the instruments cannot be presented or cannot be presented in time, or in case a moratorium has been declared in the country in which the cheques are payable.

The Bank may also debit the Client's account if the cheques cannot be returned. In case the cheques are not returned, the Bank shall only be liable for gross negligence, if any. The Bank will endeavour to collect the counter value of cheques debited but not returned and will assign its rights to the remittent.

If the Bank is re-debited of the amount of the cheques in accordance with a foreign legislation or an agreement between banks regarding forged signatures or other provisions, the Bank is entitled to debit the Client's account.

The owner of cheques is sole liable for their use. He shall be liable for any damages resulting from their loss, theft or abusive or fraudulent use.

If cheques are received by the Bank for collection, the underlying claims relating to such cheques or their acquisition by the Client, together with all existing and future rights arising out of the relevant transactions, shall pass simultaneously to the Bank. If requested to do so, the Client must draw up a deed of assignment in favour of the Bank. In those cases where the guarantee in respect of the claims and rights do not pass to the Bank in accordance with the first sentence of this clause, the Bank may require that these claims and rights be assigned to the Bank.

12. CREDIT CARDS

Upon request of the Client, the Bank may provide directly or indirectly credit cards pursuant to the Bank's issuance policy and fee schedule as applicable from time to time. These credit cards will be subject to the separate terms for credit cards of the relevant card service provider, such terms forming an integral part of these General Terms and Conditions.

13. PRECIOUS METALS

13.1 The Bank may execute all orders to purchase and sell precious metals, coins or medals approved by the Bank in physical form or by book-entry.

13.2 Such operations may only be carried out through an account opened by the Client with the Bank, which must contain the necessary cover.

13.3 The Bank reserves the right to determine the manner in which the operations may be liquidated, with net accounting being based on market prices taking into account duties, taxes, brokerage fees, expenses and other charges.

13.4 Precious metals and coins acquired by the Bank on the Client's behalf shall be lodged in a fungible deposit unless otherwise agreed with the Client. The respective rights and obligations of the parties shall be governed by the relevant Luxembourg legislation.

14. FEES, COMMISSIONS, DUTIES AND OTHER CHARGES

14.1 The Bank shall invoice its services to the Client in accordance with the applicable fee schedule and the nature of the transactions involved.

The Client undertakes to pay to the Bank all interest, fees, commissions, duties, charges and other amounts that may be due, as well as all charges incurred by the Bank for the account of the Client or his assignees by opening, operating and closing the account. In particular, the Client shall bear the costs for the dispatch of mail, telecommunication and other charges incurred by the Bank in any legal and administrative proceedings against the Client.

The Client shall also pay to the Bank, the custody fees, brokerage fees and other charges in relation to the custody of the assets of the Client and to the execution of orders by the Bank, by its correspondents or by other natural or legal persons on behalf of the Client.

The relevant fee schedule of the Bank, as applicable from time to time, is at the permanent disposal of the Client at the premises of the Bank. The Client shall request the Bank to provide him with the fees applicable to a proposed transaction. If the legal conditions for the provision of information to the Client via the Internet website of the Bank are fulfilled, the Bank may provide information relating to fees, commissions, duties and other charges by publishing its fee schedule on its Internet website, incl. Danske eBanking. In such case, the Client will be informed electronically about the Internet website address and the place on such Internet website where he can have access to this information. By entering into a transaction with the Bank, the Client shall be deemed to have accepted the relevant fee schedule, unless expressly agreed otherwise.

The Bank reserves the right to change, at any time and without prior notice, interest rates, fees, commissions, duties and other charges due by the Client. The relevant fee schedule of the Bank will be amended accordingly and will be held

permanently at the disposal of the Client as mentioned here above. Where required by law, the Bank shall inform the Client of changes to its fee schedule. If such information is provided to the Client via the Internet website of the Bank, incl. Danske eBanking, the Client expressly agrees to be informed of any change through the publication of the amended fee schedule on the Internet website of the Bank. In such case, a notification concerning changes to the fee schedule will, to the extent required by law, be notified to the Client electronically indicating the Internet website and the place on such Internet website where he can have access to the amended information.

The Client may terminate the account relationship with immediate effect if he does not wish to accept the revised fee schedule. However, the termination will not become effective until all commitments and obligations have been fulfilled.

14.2 The Client shall pay or, as the case may be, reimburse to the Bank all taxes, duties and charges, whether now existing or imposed in the future by Luxembourg or foreign authorities and which are paid by the Bank or for which the Bank may be held liable and that relate to transactions executed by the Bank in its relationship with the Client. The Bank is authorised to debit any amount so due from one of the Client's accounts irrespective of the settlement date of the original transactions.

The Bank draws the attention of the Client to the fact that he may have to bear other costs (including taxes) in relation to transactions on financial instruments or to investment services, which are not paid by the intermediary of the Bank or levied by it.

14.3 Fees, interest and charges remain due even if their payment is requested only after the closure of the account.

14.4 The Bank hereby informs the Client that in the context of its business relations with other professionals, the Bank may receive commissions or retrocessions of commissions in respect of transactions carried out on behalf of the Client (for further information see paragraph 6. Information on commissions in Part B. General Investor Information)

15. INTEREST

Unless otherwise agreed, or otherwise set out in the applicable fee schedule, debit interest at the rate set out in the fee schedule shall be charged automatically, without prior notice, to any debit balance in the account, without prejudice to the cost that may arise in connection with the closure of the account or additional claims for damages of the Bank.

In the absence of such rate, the interest rate will be set by the Bank in accordance with its refinancing interest rate plus a margin of **5 (five) percent per annum. If the refinancing interest rate is below 0 (zero), then the debit interest will not be less than 5 per cent per annum.**

This provision may not be interpreted as authorising the Client to operate overdrafts on his accounts. Interest charged on debit balances of current accounts is capitalised monthly, unless otherwise agreed with the Bank.

Interest charged on overdrawn accounts is debited from the current account of the Client and shall be immediately due and payable to the Bank without prejudice to any fees, duties, withholding taxes and other expenses.

Current account deposits in whatever currency **shall not**, unless otherwise agreed, bear credit interest. The Bank reserves the right to apply negative interest rates on current account deposits.

16. TAX COMPLIANCE

The Client shall ensure that, in all his dealings with the Bank, he complies with any legal, regulatory or other obligations incumbent upon him (such as but not limited to his tax obligations in the country(ies) in which the Client has to pay taxes in relation to the assets deposited with or managed by the Bank). Should the Client fail to comply with such obligations, he shall be exclusively responsible for all consequences thereof (including possible financial or criminal sanctions) and the Bank shall not bear any responsibility in that respect. The same obligations shall apply with respect to the beneficial owner of any account held in the books of the Bank.

For the purposes of his relations with the Bank, the Client warrants his observance of any and all tax obligations incumbent upon him by reason of his nationality and/or residence and undertakes to make best use of the bank statements, reports etc. supplied to him by the Bank in the course of his banking relationship in order to fulfil his accounting and tax obligations.

The Client is aware that the Bank takes part in automatic exchange of information for tax purposes

- a. within the European Union
- b. globally in the context of OECD Common Reporting Standards and
- c. according to the FATCA intergovernmental agreement between Luxembourg and the USA.

The Client's attention is also drawn to the fact that, based on legislation with extraterritorial effect, the Bank may have to disclose, within the limits provided for by such legislation, his name or the name of the beneficial owner of an account held in its books to competent foreign authorities, (including tax authorities).

The Client acknowledges that the Bank does not give any advice on the tax implications of a given transaction and the Client should consult his professional advisers on the possible tax consequences of entering into a given transaction.

The Client warrants that he/it will seek independent advice in legal, tax and accounting issues in order to evaluate the suitability and the appropriateness of a transaction from such perspectives in relation to the Client's personal situation the exact obligations incumbent upon him. In this connection, the Client must check whether interaction between wealth planning products may have unforeseen or unintended consequences.

In connection with wealth planning, all information concerning legal, tax and accounting matters provided by the Bank is based on information obtained from professional advisers and sources that the Bank finds reliable. However, the Bank makes no promise, gives no guarantee, makes no representation or warranty and accepts no liability or liability for the accuracy, completeness or adequacy of such information. The Bank cannot accept any liability for providing updates. If, in order to satisfy to his legal, regulatory or other obligations, the Client needs to obtain a specific type of reporting or information from the Bank, he shall promptly notify the Bank thereof.

17. LIABILITY AND SPECIAL EVENTS

17.1 The Bank shall be bound vis-à-vis the Client by best efforts obligations rather than absolute obligations.

In its relationships with the Client, including but not limited to losses, the Bank may solely be held liable for gross negligence or wilful misconduct.

The Bank shall not be liable for any damages arising from any events of political or economic nature which are likely to interrupt, disorganise or disturb, totally or partially, the services of the Bank or any of its national or foreign correspondents, sub-custodians or clearing systems even if these events are not acts of God, such as interruptions of its telecommunications system or other similar events. The Bank shall not be liable for any damages due to legal provisions, declared or imminent measures taken by the public authorities, war, revolutions, civil commotion, acts of God, strikes, lockouts, boycotts and picketing, irrespective of the Bank being itself a party to the conflict or of its functions being only partly affected thereby.

17.2 The Client authorises the Bank to block its assets, or to take any other measures as it may deem fit upon extra-judicial opposition notified to the Bank by third parties on the assets of the Client or if the Bank is informed, even unofficially, of any actual or alleged unlawful undertakings of the Client or of the beneficial owner of the account or if there exists any third party claims on the assets held by the Client with the Bank.

17.3 The Bank may not be held liable for a change in a Client's personal situation (e.g. a change in his marital status), which has not been notified to the Bank.

17.4 In the case of a Client's death or legal incapacity, the persons authorised to represent the deceased or incapacitated Client (in particular the executor of the will, the persons representing the deceased or, as the case may be, the guardian), shall, except for joint accounts and if otherwise provided in the law, replace the Client in the relationship with the Bank after the appropriate documents proving their rights have been produced. As long as the Bank is not formally notified in writing about the death or the incapacity of the Client, the Bank may not be held liable if it carries out orders received from the attorney of the deceased or incapacitated Client.

18. FREEZING OF ACCOUNT

In addition to any civil, criminal or commercial attachments that require the Bank to freeze the account, the Bank reserves the right to freeze the Client's assets or take any other measures it considers necessary in view of any extra judicial orders not to pay received by the Bank concerning the Client's assets; or if the Bank is informed of any illegal transactions carried out by the Client or the account's economic beneficiary, or if a third party claims the assets held with the Bank. The Bank bears no obligation to assess the merit of said extra judicial orders. It may not be held liable for the consequences of the conservative measures that it does or does not take in view thereof.

19. DORMANT ACCOUNTS AND UNCLAIMED ASSETS

A "dormant account" is a Client Account where during 18 consecutive months no movements take place and no instructions, communications or declarations are given by the Client or his authorised representative(s). In case the account is established as dormant, the Bank reserves the right, but is not obliged, to manage the assets of the Client in accordance with MiFID rules, under discretionary management until any claim is made by the Client.

In the event of loss of contact with the Client or his authorised representatives, the Bank reserves the right to undertake such enquiries, the costs of which will be charged to the Client Account or to the assets held by the Bank.

Where attempts on the part of the Bank to establish contact with the Client, his authorised representatives or heirs fails, it may prompt the Bank to conclude that there is no person entitled to the assets in the Client Account. Such shall be considered as “unclaimed assets”.

The Bank’s right to termination of the business relationship according to these Conditions is not affected.

20. CLOSING OF INACTIVE ACCOUNTS

The Bank is entitled to without notice close any client accounts if they do not become active at the latest 3 months after the opening welcome letter sent by the Bank.

21. DEPOSIT AND INVESTOR GUARANTEE

The Bank takes part in the public deposit-guarantee scheme of the *Fond de Garantie des Dépôts Luxembourg* (“FGDL”). This scheme guarantees to Client depositors, pursuant to the provisions set by the law. in the event of cash deposits becoming unavailable due to the insolvency, the payment of a maximum amount of EUR 100.000.- per person.

The *Système d’Indemnisation des Investisseurs* (“SII”) guarantees in favour of investors a maximum coverage of EUR 20.000.- in case the Bank is unable to refund Client investors with the funds owed to them or owned by them and held on their behalf by the Bank within the context of investment operations or in case the Bank is unable to return to Client investors collateral and other financial instruments owned by Client investors but held, administered or managed by the Bank.

As the Client retains the ownership of the financial instruments held by him with the Bank, such financial instruments will not form part of the estate of the Bank in case of insolvency of the Bank and can thus be claimed directly by the Client.

Legal entities are generally excluded from the benefit of these schemes. Further information in relation to the deposit-guarantee and investor protection schemes can be found on the website of the Bank.

22. GENERAL LIMITATIONS OF LIABILITY

Neither the Bank nor its directors, officers and employees (together, herein referred to as the “Bank’s Officers and Employees”) shall be liable for any direct or indirect damage, prejudice or loss that may result from or be sustained by the Client in connection with:

- any act or omission in the course of, or relating to, the services to which these Terms of Business apply except such as is caused by the Bank or the Bank’s Officers and Employees gross negligence or wilful misconduct, any act or omission of any agent or third party who performs services in accordance with these Conditions except to the extent that that loss is caused by the Bank or the Bank’s Officers and Employees gross negligence or wilful misconduct in the selection of such agents or third parties on the part of the Bank or the Bank’s Officers and Employees,
- errors in the devolution of the estate of the deceased Client,
- an untrue statement by a deceased Client’s attorney that he has informed the Client’s heirs of the existence of the authorization and/or any incorrect information concerning the identity of any informed heirs,

- the lack of authenticity or invalidity of authorizations held by the agent, organs or representatives of legal entities, of companies in a state of bankruptcy, in receivership, in judicial liquidation or subject to other measures of control or liquidation as provided for by the law applicable to them,
- irregularities in judicial or extra-judicial appeal proceedings,
- failure to effect, or to effect correctly any applicable tax deductions,
- failure by the Client to correctly and entirely comply with his tax obligations in his country of residence or in any country which considers the Client to be a tax resident or to be submitted to tax obligations on any account whatsoever,
- any political, economic or social event whatsoever likely to interfere with, upset or disrupt, wholly or partly the services of the Bank even if such events do not constitute force majeure.

The Bank and the Bank’s Officers and Employees shall not be liable for any indirect, consequential or special loss, howsoever arising.

23. INDEMNITY

The Client shall indemnify and keep harmless the Bank and the Bank’s Officers and Employees against any costs (including, without limitations, legal costs), loss liability or expenses whatsoever which the Bank or the Bank’s Officers and Employees may suffer or incur directly or indirectly in connection with, or as a result of, any services, performance, action or omission under these Conditions except such as is caused by gross negligence or wilful misconduct of the Bank, the Bank’s Officers or its Employees.

24. COMPLAINTS

The aim of the Bank is to provide an efficient service to all its Clients. Therefore, the Bank has set up a procedure for its Clients who feel dissatisfied about the services they receive. The Client has a right to complain and to have his query investigated.

The main principles of the procedure can be summarised as follows:

All complaints regarding the Bank should be raised in a first instance with the Client’s relationship manager. If the Client is not satisfied with the response provided by his relationship manager, the Client shall immediately send written complaint to the Legal Department of the Bank (see www.danskebank.lu) If the Client is not satisfied with the decision or response given by the Bank, the Client has the possibility to file a request to the CSSF and ask for an out-of-court dispute settlement procedure (see www.cssf.lu).

25. OUTSOURCING

The Clients acknowledges and accepts that the Bank may outsource to third parties, in whole or in part, certain activities or services of its business.

Outsourcing, if any, shall take place according to Luxembourg law, although agreements in this respect may be governed by the law of other jurisdictions.

Where required under Luxembourg law, Clients may be asked to approve such outsourcing and grant mandates to the Bank to this end.

The Bank may add, change or revoke such outsourcing arrangements at any time by informing Clients through appropriate means (such as a notice on the Bank’s website

or web banking). Unless Clients object to the proposed change within one (1) month of the publication of the related information notice by contacting the Bank, they will be assumed to have accepted such change and consented to the related outsourcing.

26. AMENDMENT TO THE TERMS OF BUSINESS

The Bank may at any time amend these Terms of Business. Clients will be informed of any changes or amendments to these Terms of Business on the Bank's website www.danskebank.lu (on which the amended Terms may be downloaded free of charge) or through Danske eBanking. Specific rules apply to changes or amendments to the "Specific Conditions" applicable to payment account(s) and documents dealing (even partially) with matters in relation to payment account(s).

Amendments are effective one month after the date of publication of the amended terms on the Bank's website www.danskebank.lu and/or in Danske eBanking, unless a different notice period is required by law.

Any amendments to these terms of Business shall be deemed to be accepted by the Client if the Bank does not receive a written objection from the Client within one month from the date on which the amended Terms of Business are published on the Bank's website www.danskebank.lu and/or in Danske eBanking.

A Client who does not agree with any changes or amendments made to these Conditions is entitled to close his account(s) with immediate effect.

It is expressly agreed that changes to the Terms of Business due to changes in laws or regulations shall be binding on the Client without any prior notification.

27. SEVERABILITY

These Terms of Business supersede any previous General Terms and Conditions, Best Execution Policy and Risk Disclosure between the Bank and the Client. If any provision of the agreements concluded between the Bank and the Client is invalid or null, this shall not affect the validity of the other provisions.

28. TERMINATION OF BUSINESS RELATIONSHIP

28.1 The Bank and the Client may, at any time and without having to state any reason, unilaterally by registered letter give notice of termination and put an end to their relationship, either totally or in part, with 15 (fifteen) days' notice from dispatch of the termination letter.

At the expiry of the relationship, the balance of each of the Client's accounts and deposits, including term deposits, will become immediately due and payable. Furthermore, the Client will release the Bank from all commitments and obligations undertaken on behalf of or upon the instructions of the Client. The Client may be obliged to provide the usual banking guarantees until the complete discharge of his debts.

The Bank may, however, terminate its relationship with the Client with immediate effect and without any further

formalities, in which case all term obligations of the Client shall become immediately due, inter alia if:

(a) the Client fails to meet any of his contractual obligations towards the Bank;

(b) the Client has made incorrect or incomplete statements regarding his financial position;

- (c) the Bank is of the opinion that the financial position of the Client is threatened, inter alia because he becomes unable to pay his debts as they fall due or become insolvent or bankrupt or become the subject of, without limitation, any insolvency, bankruptcy administration proceedings or any other proceedings having similar effects under any applicable law;;
- a winding-up resolution is passed or a winding-up or administration order is made in respect of the Client or receiver, liquidator, administrator or similar official is appointed in respect of the Client's or any of the Client's assets;
- (d) the Client fails, within a reasonable period of time, to comply with an obligation to provide or increase collateral following a request by the Bank to do so or the collateral obtained becomes insufficient;
- (e) the Bank is of the opinion that by continuing its relationship with the Client it may be subject to a liability claim;
- (f) the operations of the Client appear to be contrary to public policy or standards of decency;
- (g) the Client fails in his duty of good faith.

28.2 If the Bank has to liquidate a term deposit or any other term transaction prior to the maturity date, the Bank will try to do so at the most favourable conditions and the Client will not be able to hold the Bank liable for the loss of an opportunity resulting from such closing transactions. Whenever possible, the Bank will keep the Client informed of such transactions.

Independently of a formal notice of termination of the relationship, the Bank may, at any moment, demand the reimbursement of credits that it has granted, terminate any collateral in favour of the Client, and/or cancel credit lines whenever the Bank may reasonably assume that the financial situation of the Client, or a person or entity financially linked to or affiliated with him, may endanger the prompt and complete discharge of his obligations. The Bank may, at any time, request new or additional collateral from the Client to cover his obligations to the Bank. If the Client fails to comply with such request within the therein-prescribed period, the Bank may terminate the business relationship with the Client with immediate effect. The Bank may cover short positions by making corresponding purchases.

28.3 The Client must withdraw all his assets with the Bank or give the Bank appropriate transfer instructions with respect to such assets within one month from the termination of the business relationship. The Bank may, at any time thereafter, sell all financial instruments or other assets held for the Client and convert all cash positions into one single currency of the Bank's choice.

The Bank reserves the right to transfer the resulting balance by any means that the Bank deems appropriate, after conversion into another currency and/or consign the assets of the customer in accordance to the applicable legal provisions. Funds not withdrawn within the statutory limitation period after the termination of the account relationship shall definitively and finally accrue to the Bank. During the statutory limitation period, the funds will be booked on a non-interest bearing account. Funds not withdrawn within the statutory limitation period after the termination of the account relations shall definitively and finally accrue to the Bank.

Transfers of assets from one bank to another may constitute a rather long process depending on the nature of the assets transferred and on the internal procedures of the recipient bank.

28.4 The General Terms and Conditions shall continue to govern the winding up of current transactions until the final liquidation of the accounts.

The contractual interest rate, commissions and fees, as set out in the relevant fee schedule of the Bank, will be applicable to the transactions and to the debit balance of the Client's account, even after the termination of the relationship, until final settlement. Any commissions and fees paid to or charged by the Bank in advance shall not be reimbursed.

29. ASSIGNMENT

The Client's rights and obligations under these conditions shall not be assigned or transferred without the Bank's prior written consent. These conditions shall be binding on the Client's successors or permitted assignees.

The Bank may assign or transfer its rights under these conditions to any affiliated company without the Client's consent.

30. PLACE OF PERFORMANCE

The registered office of the Bank shall be the place of performance of the Bank's obligations towards the Client and of the Client towards the Bank.

31. GOVERNING LAW AND JURISDICTION

31.1 The relationship between the Bank and its Client shall be governed by the laws of the Grand Duchy of Luxembourg.

31.2 All disputes (contractual or in tort) shall be of the exclusive competence of the Courts of Luxembourg, Grand Duchy of Luxembourg, unless the Bank chooses to bring an action against the Client before any other court having jurisdiction under ordinary rules of procedure, in particular according to the applicable jurisdiction rules of the relevant European regulation or applicable convention.

All transactions concluded between the Bank and the Client in the context of this relationship are deemed to have been carried out in the premises of the Bank.

Legal actions against the Bank are subject to a limitation period of 3 [three] years. The limitation period starts to run on the date of the negligence action or inaction held against the Bank. Legal actions initiated after the last day of the limitation period are statute-barred.

By signing the present Terms of Business, the Client expressly declares having accepted their content.

PART II: PAYMENT SERVICES

1. GENERAL INFORMATION

1.1 Definitions

Terms denoted with a capital letter in these specific conditions (the "Specific Conditions") will be given the meaning assigned to them below:

Business Days: any day on which the Bank is open to the public in Luxembourg and during which the Bank engages in activities which permit the execution of Payment Transactions;

Incident: the loss or theft of a Payment Instrument, the disclosure to a third party (even if involuntary or merely suspected) of any access codes to a Payment Instrument, misappropriation or any other unauthorised use of a Payment Instrument by the Client or by a third party as well as the loss, theft, or disclosure to a third party (even if involuntary or merely suspected), misappropriation or any other unauthorised use of the personalised security features of the Client;

Member State: a Member State of the European Union. The States which are a party to the Agreement creating the European Economic Area ("EEA"), other than the Member States of the European Union, are assimilated to the Member States of the European Union, within the limits defined by that agreement and the related acts;

Payee: a Payment Service User who is the intended recipient of funds, which have been the subject of a Payment Transaction;

Payment Account: an account held in the name and on behalf of the Client, which is used for the execution of Payment Transactions;

Payment Instrument: any personalised device(s) and/or set of procedures (such as the Danske eBanking) agreed upon by the Client and the Bank in the present Specific Conditions and used by the Client in order to initiate a Payment Order;

Payment Order: any instruction of a Payment Service User requesting the execution of a Payment Transaction;

Payment Service Provider: any professional authorised to provide payment services;

Payment Service User: a natural or legal person, including the Client, making use of a payment service in the capacity of either Payer or Payee, or both;

Payment Transaction: any act initiated by a Payment Service User whereby the latter places, transfers or withdraws funds (such as the placing on and withdrawal of cash from a Payment Account, transfers, standing orders.);

Payer: a Payment Service User giving a Payment Order;

Unique Identifier: the International Bank Account Number (accompanied by the initials "IBAN"), and if appropriate, the Bank Identifier Code (accompanied by the initials "BIC") to be supplied by the Client:

- in order to enable identification of his Payment Account and/or
- in order to enable identification of the payment account of the other Payment Service User so that the Bank may proceed with the correct execution of a Payment Order.

1.2 Scope

Unless otherwise specified, these Specific Conditions are intended to govern the rights and obligations of the Bank and the Client for any Payment Transaction realised when:

- the Payment Service Provider of the counterparty of the Client for the relevant Payment Transaction, which may be the Bank, is located in Luxembourg or in another Member State, and
- the Payment Transaction is made in euros or the currency of a Member State.

These Specific Conditions do not apply to, inter alia:

- exchange business, i.e. the cash for cash operations in which the Bank does not exchange funds by using funds held on the Client's Payment Account;
- payments based on one of the following paper documents:
 - (i) a cheque;
 - (ii) a bill;
 - (iii) a paper document that can be used to acquire goods or services, e.g. service vouchers ;
 - (iv) travellers cheques; or
 - (v) a postal money order as defined by the Universal Postal Union;
- Payment Transactions related to securities asset servicing,

including dividends, income or other distributions, or redemption or sale, carried out by the Bank.

All services that are not governed by these Specific Conditions are governed by the remaining Terms of Business.

2. USE OF A PAYMENT SERVICE

2.1 Transfers of funds and standing orders

The transfer of funds is a payment service whereby the Client, acting as Payer, gives a Payment Order to the Bank by which

he instructs the Bank, by debiting his Payment Account, to transfer available funds or funds made available by a credit line, and to credit a payment account held by a Payee. In accordance with the instructions from the Client, a transfer may be performed:

- either on a one-off basis;
- either repeatedly at regular intervals, always with the same Payee and for the same amount, in which case it will be a standing order.

A standing order shall, unless otherwise specified, be valid until expressly revoked by the Client.

In any case, before instructing a transfer or the implementation of a standing order, the Client shall request communication of the Unique Identifier for the payment account of the Payee on which the funds will be credited in order to reduce the risk of error when implementing the said transfer or standing order.

The transfer of funds equally entails the possibility for the Bank to credit the Client's Payment Account with funds transmitted to the Bank by a Payer (which may be the Client himself), to the benefit of the Client acting as Payee, via the Payment Service Provider of the Payer.

3. PAYMENT TRANSACTIONS

3.1 Information to be provided to the Bank in order for the Bank to execute a Payment Order

In order for the Client to initiate a Payment Order, the Client must provide the Bank with the Unique Identifier of the Payer and/or Payee.

The Bank reserves the right to accept, without obligation, to execute a Payment Transaction based on other information provided to it by the Client. However, in the case of a discrepancy between the Unique Identifier provided by the Client and any other information, the Bank may, without incurring any liability, rely solely on the Unique Identifier. In such case, the funds will be deemed to have been transferred to the intended Payee.

If the Unique Identifier is not provided by the Client or if it is inaccurate, the Bank will under no circumstances be held liable for any consequence resulting from the defective or non-execution of a Payment Order and the Client will assume sole responsibility thereto. In case of defective execution, the Bank will, however, use its best endeavours, wherever reasonable and at the sole expense of the Client, to recover funds transferred to a third party which was not the intended Payee, but it shall not, in any case, incur any liability in relation thereto.

3.2 The authorisation of Payment Transactions

The Bank shall act in accordance with the Payment Orders of the Client.

A Payment Order may be given:

- by mail, fax, e-mail, or by using the web banking of the Bank in

- which case the handwritten signature or the electronic signature, as the case may be, of the Client is required;
- by telephone if satisfying the Bank's validation of consent process;

The sole transmission to the Bank of a Payment Order in the above-described manner shall constitute authorisation of such Payment Order.

The validation of a Payment Order through the use of web banking shall have the same value as the original signature of the Client and shall have the same value in evidence as an original written document.

3.3 Receipt and execution of a Payment Order

3.3.1 Receipt of a Payment Order

A Payment Order shall be deemed to have been received by the Bank:

- if sent by mail, upon actual receipt by the Bank,
- if sent by e-mail, at the time of actual receipt by the Bank,
- in case of keying in the context of the web banking, at the time of validation,
- in case of communication with the Bank's by telephone, when the order is orally communicated to the Bank
- if sent by fax, upon receipt of the fax in full by the Bank, it being understood that, any Payment Order or consent thereof received by the Bank after **16:00** on a Business Day or at any time during a non-Business Day, will be deemed to have been received on the next Business Day.

Furthermore, the Client acknowledges that if he indicates that the execution of the Payment Order will begin on a specific day, at the end of a certain period or on the day on which the Client has made funds available to the Bank, such day is deemed to be the day on which the Payment Order is received unless it is not a Business Day, in which case the Payment Order is deemed to have been received by the Bank on the following Business Day.

3.3.2 Revocation of a Payment Order

3.3.2.1 The Client may not revoke a Payment Order once the Bank has received it. Such Payment Order will be executed by the Bank notwithstanding any subsequent revocation request by the Client.

3.3.2.2 The Bank reserves the right, without obligation, to accept the revocation request of a Payment Order by the Client after receipt of such Payment Order. The Bank may not be held liable for not having exercised such right. Should the Bank accept a revocation request after receipt of the Payment Order, it is entitled to charge the Client a fee.

3.3.3 Execution of a Payment Order

3.3.3.1 When Payment Transactions are made in euros from a Payment Account denominated in euros, the Bank will ensure that the amount of the Payment Transaction is credited to the account of the Payment Service Provider of the Payee by no later than the first Business Day following the moment of receipt of the Payment Order in accordance with these Specific Conditions.

The Client and the Bank agree, however, that, in the event that the Payment Order was given on paper (a Payment Order sent by fax, by e-mail may be considered as a Payment Order given on paper if such Payment Order needs to be processed by the Bank under a paper form, e.g. by print-out), the time limit as provided in the preceding paragraph will be extended by an additional Business Day.

3.3.3.2 For all other Payment Transactions effected within the EEA other than the Payment Transaction described under

3.3.3.1 above, the Bank will ensure that the amount of the Payment Transaction is credited to the account of the Payment Service Provider of the Payee by no later than the fourth Business Day following the moment of receipt of the Payment Order in accordance with these Specific Conditions.

3.3.3.3 For all other Payment Transactions not covered under 3.3.3.1 and 3.3.3.2 above, the Client acknowledges that the execution time for the Payment Transaction will be subject to the operating rules of international payment systems and that in this case, the Bank will not be bound by the deadlines set out above.

3.3.3.4 In the event that the Bank does not detect a fraudulent use or misuse of a Payment Instrument and executes a Payment Transaction initiated through such Payment Instrument, the Bank shall, except in the case of gross negligence or wilful misconduct, be deemed to have validly executed the Payment Transaction, as if the Payment Transaction had been initiated by the Client. The Bank will thus be released from its obligation to refund the Client the deposited funds on the Payment Account, which have been used in order to execute such fraudulent Payment Order.

3.3.4 Refusal to execute a Payment Order

3.3.4.1 The Bank may, without obligation, refuse to execute a Payment Order:

- if the Payment Order contains any factual error, in particular, an incomplete or imprecise Unique Identifier;
- if the Client has breached any of its obligations towards the Bank under these Specific Conditions or any other agreement entered into between the Client and the Bank;
- if the Payment Order does not meet the agreed form as set out in these Specific Conditions;
- if the funds of the Client or the credit line granted to the Client are insufficient to execute a Payment Order in full;
- if the spending limits for the use of one or more Payment Instruments as may have been agreed upon between the Bank and the Client have been reached;
- if the Payment Order cannot be executed in full;
- if the Payment Order has been made by a person who has no power to operate the Payment Account;
- if the Bank is legally or contractually obliged to freeze the Payment Account or a Payment Instrument of the Client.

3.3.4.2 In case of refusal in accordance with the preceding paragraph, notification of such refusal shall be sent to the Client through the agreed means of communication in the account opening documentation and/or any other relevant document (e.g. hold mail agreement), within the execution time applicable under these Specific Conditions, unless legal provisions to the contrary. The Bank will provide, where possible, the reasons for the refusal and the procedure to be followed in order to correct any factual error that may have led to said refusal. The Bank will be deemed to have satisfied this obligation if it has sent the notification of refusal within the period of execution time regardless of the date of actual receipt by the Client of such notification. Any notification by the

Bank of a justified refusal of a Payment Order may result in the Client being charged a fee.

3.3.4.3 Should the Client elect to proceed with the execution of a Payment Order notwithstanding refusal thereof by the Bank, the Client shall provide the Bank with a new Payment Order containing all the required elements. It will not be sufficient to correct the initial Payment Order.

3.3.5 Information on executed Payment Transactions and claims

A confirmation of every executed transaction will be sent to the Client in the manner as specifically agreed with the Client. The Client shall inform the Bank of any errors which may be contained in the documents issued to him by the Bank. In the absence of a complaint in writing within 30 days as from the dispatch of the documents, the information contained therein shall be deemed to be accurate, unless there is an obvious clerical error, and the Client shall be deemed to have approved these documents. The aforementioned period is increased to 13 months for every complaint concerning an unauthorised or incorrectly executed payment transaction, as long as the Customer acted on a private basis.

3.4 Claims from the Client

3.4.1 Unauthorised Payment Transactions (in case a claim is lodged within the required time period)

If a Payment Transaction cannot be considered by the Bank as authorised by the Client, the Bank shall refund the Client with the amount of the relevant Payment Transaction and, where applicable, restore the debited Payment Account to the state in which it would have been, had the unauthorised Payment Transaction not occurred.

The Client shall, however, remain liable for any loss resulting from an unauthorised Payment Transaction under the following circumstances and subject to the following conditions:

Until notification to the Bank pursuant to the rules on notification of an Incident under these Special Conditions, of the loss or theft of a Payment Instrument or misuse of a Payment Instrument which was made possible because the Client was unable to preserve the security of its personalised security features: the Client remains liable up to an amount of EUR 50.

Notwithstanding the above, the Client shall bear the entirety of the losses incurred before the afore-mentioned notification has been sent to the Bank if, intentionally or as a result of a gross negligence:

- he has failed to satisfy to his obligation to use the Payment Instrument in accordance with these Specific Conditions; and/or
- his notification was sent to the Bank with undue delay.

In any case, the Client shall bear the entirety of the losses resulting from an unauthorised Payment Transaction in the event that he has acted fraudulently, irrespective of the notification of an Incident sent to the Bank.

3.4.2 Non-execution or defective execution of authorised Payment Transactions (in case a claim is lodged in the required time period)

3.4.2.1 The Client acts in the capacity of Payer a) Payment Order initiated by the Client

In the event of a non-execution or a defective execution of a Payment Transaction, and regardless of the possibility for the Bank to be held responsible for such non-execution or defective execution, the Bank will, upon express request of the Client, and without incurring any liability in relation thereto, endeavour to trace the Payment Transaction and to notify the Client of the result of such tracing.

The Bank shall not be held liable for the defective execution of a Payment Order if it can establish that the amount indicated in the Payment Order has been received by the Payee's Payment Service Provider within the required execution time.

In the event that the Bank is liable for the non-execution or defective execution of a Payment Transaction, it shall, if applicable, refund the Client with the total amount of the

Payment Transaction and, where applicable, restore the debited Payment Account to the state in which it would have been, had the wrong Payment Transaction not taken place.

The Client shall have no right to request to be refunded the amount of a Payment Transaction under the conditions set forth above in the case of a late execution of a Payment Order but may have the right to the refund of the fees and interest to which the Client has been subject because of such late execution.

3.4.2.2 The Client acts in the capacity of Payee

a) Payment Order executed in accordance with the Unique Identifier

A Payment Order is deemed duly executed by the Bank as regards the Payee indicated by the Unique Identifier when it is executed in accordance with the Unique Identifier, notwithstanding the fact that the Client may have supplied the Bank with any additional information.

If the Unique Identifier is wrong, the Bank will not be held liable for any damages, which could result from the non-execution or defective execution of a Payment Order when the Bank has executed such Payment Order in accordance with the indicated Unique Identifier. The Client shall have sole responsibility to challenge the Payer and/or the Payer's Payment Service Provider in this respect.

b) Payment Order initiated by the Payer

The Bank may be held liable for the non-execution or defective execution of a Payment Order for which the Client is the Payee only subject to proof by the Client of receipt by the Bank within the required period of the amount mentioned in the Payment Order initiated by the Payer and that such amount has not been credited to his Payment Account after deduction, if applicable, of the fees charged by the Bank in accordance with clause 5 below.

In such case, the Bank shall ensure that the amount of the Payment Transaction is made available to the Client in his Payment Account as soon as possible and, where applicable, credit the Payment Account with the corresponding amount.

3.4.3 Absence of claims or refund requests within the mandatory time limits

In the absence of receipt of any claim or refund request from the Client within the aforementioned period, the Bank cannot be held liable for any damages arising from the execution of a Payment Transaction, whether authorised or not, the non-execution or the defective execution of a Payment Transaction.

4. LIABILITY OF THE BANK

The Bank will not be held liable for damages arising from the defective execution, non-execution or partial execution of its obligations ("Default") under these Specific Conditions, except in the case of gross negligence or wilful misconduct.

In any case, the Bank will not incur any liability should a Default result from abnormal and unforeseeable circumstances be

yond the control of the Bank, such as e.g. interruptions or unavailability of telecommunication systems or more generally of its services (e.g. due to fire or similar disasters, power cuts, failure of computer systems or attacks against the systems of the Bank). The Bank shall not be liable for damages resulting from the implementation of legal provisions, measures taken by public authorities, declared or imminent, acts of war, revolutions, civil wars, fait du Prince, strikes, lockouts, boycotts and picketing, regardless of whether the Bank is itself

a party to the conflict or if its services are only partially affected or where such a Default occurs as a result of the Bank complying with its legal obligations.

5. FEES

5.1 Pricing

The Bank shall charge the Client for its services in accordance with its fees applicable to the type of services to be provided as set out in the fee schedule of the Bank

When a Payment Transaction does not involve a currency conversion, the charges for the execution thereof shall be shared between the Payer and the Payee under the charging code "SHARE".

When the Client authorises a Payment Transaction giving rise to a currency conversion on his side, the Client may choose to apply the charging code "SHARE" (shared costs), "OUR" (at his own expense) or "BEN" (at the Payee's expense), failing which the "SHARE" charging code will automatically be applied.

Before each individual Payment Transaction, the Client undertakes to inform himself about the amount of fees payable in respect of such Payment Transaction.

The Client hereby authorises the Bank to automatically debit from his Payment Account the amount of fees owed in respect of each Payment Transaction to the Bank.

Where the Client is the Payee of a Payment Transaction, he authorises the Bank to debit from the amount to be credited to his Payment Account any fees that may be due to the Bank, before crediting his Payment Account.

The Client hereby accepts that he may be charged additional fees, in particular in case of notification by the Bank of its refusal to execute a Payment Transaction, in case of revocation of a Payment Transaction accepted by the Bank within the meaning of clause 3.3.2.2 above or in case of recovery by the Bank of the amount of a Payment Transaction where the Client has supplied an inaccurate Unique Identifier.

The Client shall remain liable for the payment of fees which are due, even if payment thereof is requested following the closure of the Payment Account.

5.2 Interest rate and exchange rate

5.2.1 Unless otherwise agreed, should an overdraft on a Payment Account be required for the purposes of effecting a payment service in accordance with these Specific Conditions, debit interest at the rate set out in the List of Fees of the Bank shall be charged automatically, without prior notice, on any debit balance in the Payment Account, without prejudice to any other fees, charges, withholding tax or any other expenses or claims that the Bank may have as damages.

This provision shall not be laid out as an authorisation for the Client to create overdrafts on his Payment Account.

Interest charged on an overdraft of the Payment Account is immediately due and payable and will be automatically debited from the Payment Account.

Deposits on the Payment Account shall not bear credit interest, unless otherwise agreed between the Bank and the Client for certain types of Payment Accounts.

5.2.2 Should a foreign exchange transaction be effected for the purposes of providing a payment service under these Specific Conditions, the Bank applies the rate of exchange prevailing at the date of execution of the proposed Payment Transaction. As exchange rates vary from day to day, the Client undertakes to inform himself prior to any Payment Transaction implying a foreign exchange transaction of the applicable exchange rate

The Client may at any time request a copy of these Specific Conditions.

6. AMENDMENTS TO THESE SPECIFIC CONDITIONS

6.1

The Bank may change these "Specific Conditions" and any document dealing (even partially) with matters in relation to payment account(s), without notice if the changes are made in the Client's benefit. Other changes are subject to two months' notice. Amendments or changes are effective two months after their publication. Clients will be informed of the changes on the Bank's website www.danskebank.lu or through Danske eBanking.

6.2

It is expressly agreed that changes due to changes in laws or regulations shall be binding on the Client without any prior notification.

7. DURATION AND TERMINATION

7.1 Duration and conditions for termination

These Specific Conditions are concluded for an undetermined period of time. The Client may close his payment account(s) at any time without notice and free of charge. The Bank may close the Client's payment account(s) after having informed the Client at least 2 months in advance, unless the Bank and the Client agree otherwise.

Outstanding Payment Transactions shall not be affected by the termination of these Specific Conditions. The Specific Conditions and the list of fees of the Bank remain applicable until such time as each outstanding Payment Transaction has been effected.

The termination of these Specific Conditions does not imply termination of any other contractual relationship between the Client and the Bank but as a consequence, the Client will no longer be authorised to effect Payment Transactions in accordance with these Specific Conditions.

Should the Client fail to meet his contractual obligations or should the Bank have reason to believe that it may incur any liability through the continuation of its relationship with the Client or should the Payment Transactions of the Client appear to be contrary to public order or morality, or should the Client fail to meet its obligation to act in good faith, the Bank may terminate with immediate effect, and without prior notice, its relationship with the Client under these Specific Conditions, in which case all obligations, even obligations with a term loan, of the Client shall become immediately due and payable. The Bank may at any time request new collateral or additional guarantees from the Client to cover the commitments of the Client.

7.2 Termination of contractual relationship

Termination of the entire contractual relationship between the Client and the Bank in accordance with the General Terms and Conditions of the Bank will automatically result in the termination of these Specific Conditions. However, during

the period of notice as provided for in these Specific Conditions, the Specific Conditions will continue to apply and the Payment Accounts will remain open only to carry out Payment Transactions. In this context, the Specific Conditions and the relevant provisions of the General Terms and Conditions of the Bank will continue to apply during such notice period.

8. MISCELLANEOUS

8.1 General Terms and Conditions of the Bank

In case of any discrepancy between these Specific Conditions and the General Terms and Conditions of the Bank (which also apply to the provision of payment services), the provisions of the Specific Conditions prevail.

8.2 Complaint, out-of-court redress and limitation period

Without prejudice to any right of recourse before ordinary courts the Client may have, the Client may also refer any claim in connection with these Specific Conditions to the CSSF.

Legal action against the Bank is time barred by 13 months. The limitation period runs from the date of commission or omission of the facts alleged against the Bank.

PART III DANSKE eBANKING TERMS AND CONDITIONS

These are the special terms and conditions that apply to Danske eBanking and they are in addition to the General Terms and Conditions and form part of the Terms of Business.

Unless otherwise stated, where these terms and conditions for Danske eBanking are not consistent with any of the other aforementioned terms and conditions then the terms and conditions for Danske eBanking will apply to the extent of that inconsistency in relation to the operation of the Danske eBanking.

1. USE OF DANSKE eBANKING

Details of how to use Danske eBanking are set out on the website www.danskebank.lu. Please note that not all eBanking services are available through the Mobile Bank LU App or Tablet Bank LU App and the Client accepts a reduced service when using a mobile device (either a mobile phone or a tablet device or any other supported device) to access Danske eBanking.

The Client is requested to log on to full eBanking at www.danskebank.lu regularly to access all available services and to log onto full eBanking at least every 30 days.

The services offered via Danske eBanking may be updated from time to time.

APPS

Users of the Mobile and Tablet versions of Danske eBanking can integrate and use apps that Danske Bank, based on the functions in Danske eBanking, offers in relation to the Mobile and Tablet versions.

Download and use of an app requiring Danske eBanking is subject to same terms and conditions that apply to Danske eBanking and the same security solution. By downloading such an app the User accepts that the Danske eBanking Terms and Conditions in their entirety apply.

1.1 Electronic Mailbox

The Bank provides an Electronic Mailbox facility in Danske eBanking. By entering into an agreement for Danske eBanking the Client automatically registers for receipt of electronic mail

from the Bank and agrees that all future documents sent by the Bank in electronic form will be sent to his Electronic Mailbox accessible through Danske eBanking and he will no longer receive these documents by ordinary mail in paper format, unless a special mail services has been agreed with the Bank or the Client decides to opt out of or terminate the Electronic Mailbox.

The electronic documents received through the User's Electronic Mailbox shall have the same legal validity as paper-based documents.

The Electronic Mailbox facility covers all mail currently and in the future sent by the Bank as electronic mail. Statements, advices and confirmations and other information about balances and transactions on accounts are examples of the documents delivered to the Electronic Mailbox.

The Bank may at any time change the type of documents and/or add new documents to the range of mail sent in electronic format.

The Bank reserves the right to send paper-based mail instead of electronic versions.

The Client is responsible for opening, reading and checking electronic mail just as carefully as if he had received the mail in paper format. The Client has the same duty of care and obligation to notify the Bank of errors, discrepancies and irregularities as if the mail had been sent in paper format.

If for any reason, the Client is unable to gain access to Danske eBanking he is advised to inform the Bank in writing that he wishes to receive paper-based documents by posted letter.

The Client is entitled to terminate the choice of Electronic Mail by following the instruction on line in Danske eBanking or by sending a termination letter to the Bank. The termination will only become effective upon receipt by the Bank. Please note that it may take several days before the change is completed.

If a Danske eBanking Agreement is terminated, respective of the reason, the Client will no longer receive mail in his Electronic Mailbox. Upon termination, the Bank will send mail in paper-based format to the Client's last address of which the Bank has received notice in writing.

The Bank will store the mail sent electronically for at least 5 years. The mail in the Electronic Mailbox will be deleted upon closing of the Client account number related to the mail sent. Electronic mail must be printed or saved mail in another media if the Client wishes to store it elsewhere or for a longer period. The Client is warned that such storage may be unsecure.

The Bank stores a back-up of documents sent in accordance with the statutory requirements in Luxembourg. The Bank may charge fees for reproduction of previously sent mail.

1.2 Limits on use, power of attorney and joint accounts

Where Danske eBanking applies to a joint Client Account, each joint account holder must conclude his own Danske eBanking Agreement to use Danske eBanking and must have his own identification and security items as described in Clause 5 of these conditions. A joint account holder shall remain fully liable for any transactions that another joint account holder or authorised representative thereof may perform via Danske eBanking. The Client cannot use Danske eBanking to inquire about or operate accounts held by a third party, unless the Client has been given a power of attorney to do so.

If a Client wishes to grant another person access to Danske eBanking (including to the Client's Electronic Mailbox), the Client must grant an express power of attorney to that effect to a third person. Access given pursuant to a power of attorney can be given to individuals. Legal persons must appoint an individual as representative in accordance with the Client's articles of association.

Access to Danske eBanking for an attorney or authorised representative must be revoked by notice in writing to the Bank. Unless otherwise agreed between the Client and the Bank the revocation will only become effective 3 working days after the Bank's actual receipt of the notice.

2. PURCHASE AND SALE OF FINANCIAL INSTRUMENTS

Purchase and sale of financial instruments on Danske eBanking is an execution/execution only service. The Client does not get any personal advice when providing execution services, the Bank does assess whether the transaction is appropriate for the Client.

Consequently, the Client is not protected by the general rules on the protection of investors trading in financial instruments.

2.1 Execution of orders

Immediate trades in selected financial instruments may be made through Danske eBanking from Monday to Friday. Orders for trades on a commission basis will be executed depending on the opening hours of the relevant regulated markets or MTF (Multi Trading Facility).

2.2 Risk warning

Access to Danske eBanking is conditional upon the Client having signed a "Risk Disclosure". It is a condition for financial instruments traded via Danske eBanking that the Client is able to evaluate whether he may expect to achieve the purpose of his investment and that he is aware that there is a risk of making a loss.

2.3 Trade limits

There is a limit on the maximum amount for each trade. The Bank will also provide information on the limits on request.

2.4 Revocation

Orders for future financial instruments trades may be cancelled until the day before the trade date. The Client may also cancel or delete trades on a commission basis provided they have not yet been executed. Whether cancellation of a trade is possible depends on whether the cancellation has been registered in the system before execution of the trade. Immediate trades cannot be cancelled. The Client should contact the Bank if he is uncertain about the possibilities of cancellation.

3. BANKING SECRECY AND CONFIDENTIALITY

3.1 Banking secrecy

The Luxembourg rules in connection with banking secrecy apply to all information relating to the Client. The structure of Danske eBanking ensures that no information, which could identify the Client, will pass through the infrastructure. However, please be aware that the internet infrastructure for Danske eBanking is processed via our parent company Danske Bank A/S in Denmark and other information, which the Client introduces in the system, such as names of the recipients of transfers, will pass through the infrastructure.

3.2 Transfer of information through SWIFT

Personal data included in money transfers is processed by the Bank and other specialised companies, such as SWIFT (Society for Worldwide Interbank Financial Telecommunication). Such processing may be operated through centres located in foreign countries, according to their local legislation. As a result, the authorities of such countries can request or obtain requests for access to personal data held in such operating centres for the purposes of fighting terrorism or for any other purposes authorised by law. **Any Client instructing the Bank to execute a payment order acknowledges that all data necessary for the correct completion of the transaction may be processed outside the Grand Duchy of Luxembourg.**

3.3 Confidentiality

The services, which the Client receives through Danske eBanking, including price information, are exclusively for the Client's own use. The Client is not allowed to pass on this information to others, with or without consideration, unless the Bank has given permission in writing. Clients and their authorised representatives may share information with the Bank.

4. DANSKE eBANKING DISCLAIMER

Danske eBanking contains a number of research reports, calculations, evaluations and estimates prepared by the Bank. The Bank strives to ensure that the information on the pages is correct and reliable. However, the Bank is not responsible for the accuracy or completeness of the information. Danske eBanking also contains information collected from its business partners. The Bank has selected its business partners very carefully, but the Bank shall not be liable for the information passed on.

Information is exclusively prepared for the Client's guidance and does not constitute and should not be construed as an invitation or offer to buy or sell financial instruments or foreign exchange or to invest in financial instruments. The information, research reports, calculations, performance and estimates of Danske eBanking are not a substitute for the Client's own judgements, and/or professional advice from his/her own legal, tax and accounting advisors, about whether to make any such investments.

5. ACCESS, SECURITY AND IDENTIFICATION

5.1 Receipt of eSafeID and access

Once the Bank has processed the "Access to Danske eBanking - Application Form", the Client receives one letter containing an eSafeID device and UserID number and one letter containing a temporary personal identification number (PIN). For security reasons, it is very important that the Client does not disclose these numbers to others.

The PIN is generated and printed automatically so that no one, except the Client, will know the combination. If the letter has been opened before the Client receives it, is not intact, or if the Client in any way suspects that somebody may have seen the PIN, the Client must contact the Bank immediately so that the Client's Danske eBanking access can be blocked (see clause 16 below). In case the Client has not received the letter containing the PIN code within a reasonable time the Client shall notify the Bank as soon as possible. The PIN shall be provided to the Client solely at his risk.

The Client is the only user who may use the eSafeID and the PIN and he should not disclose this information to others. It is expressly agreed that the eSafeID and the PIN used by the Client to validate instructions from the Client have the same legal value as the Client's written signature.

The Client will recognise as binding on himself all instructions, declarations and messages given in his name in accordance with the conditions.

Once the Client has received the eSafeID, the UserID and the PIN, the Client can access Danske eBanking. In order to reduce risks of access by unauthorised persons to the Client's PIN he must connect directly to the site of Danske eBanking.

5.2 Password

The Client uses the PIN only the first time he logs on to the system. Thereafter the Client should choose his own personal password, which must contain exactly four digits. Once the Client has created his password, the Client shall shred the letter containing the PIN.

The Client shall at all time ensure that no unauthorised third party will have access to his password.

The Client should change his password at least every three months. The Bank recommends learning the password by heart, if possible and deleting all documents where the password is written.

However, if the Client prefers to write the password down, he should be sure to keep it in a safe place so that others cannot get to know it or connect it with Danske eBanking. The Client should never keep the password and the eBanking Agreement number in the same place or in his personal device.

If the Client forgets his password or if the Client's eBanking Agreement is blocked, for example if he repeatedly uses a wrong password to log on to the system, the Client can order another PIN. The Client will then receive, at the Client's costs, a new PIN to log on to the system and he must create a new password.

If the Client in any way suspects that somebody may know his password, the Client must block his eBanking Agreement immediately (see clause 16 below about blocking of agreements).

5.3 Access to the personal device and reporting

It is very important that the Client does not access Danske eBanking if the Client suspects that an unauthorised user has accessed his personal device, or if his personal device is set up in such a way that unauthorised use is possible. To further limit the risk of unauthorised use, the Client should protect his personal device by a log-on password and remember to change the password often.

5.4 Unavailability of Danske eBanking

Access to Danske eBanking depends on the general availability of the Bank's IT infrastructure, which at certain times may be shut down for maintenance purposes. In case of unavailability of Danske eBanking the Client may send his instruction by fax provided that the Client has previously agreed with the Bank that instructions can be given by such means.

5.5 Clause 5 herein also applies to all authorised users being representatives of the Client.

6. LIABILITY OF THE BANK

6.1 General limitations of liability

The Bank shall not be liable for any loss suffered by the Client arising from any act or omission in the course of or relating to the activities or services to which these conditions apply, except such as is caused by the Bank's gross negligence or wilful misconduct.

6.2 Abusive or fraudulent use

Although the Bank has taken all the necessary steps to ensure the protected processing of transactions via Danske eBanking, the Bank is only bound by an obligation to use its best endeavours in this respect. The Bank shall make appropriate arrangements to prevent unauthorised users from accessing the system.

The Client has agreed with the Bank that he can give instructions electronically by means of appropriate identification tools (ID and Password). The Bank shall not be liable in case of fraudulent use by a third party of the actual signature or identification tools used by the Client or his representative.

6.3 Outsourcing

The Bank may outsource certain functions to third party companies to carry out operations on its behalf and the Bank shall not be liable for any loss arising from any act or omission of any agent or third party who performs services pursuant to these Conditions except to the extent that such loss is caused by gross negligence or wilful misconduct in the usual standards of care in the selection of those agents or third parties on the part of the Bank.

6.4 Assistance

Any assistance provided to the Client/user is at the exclusive risk of the Client/user and the Bank shall not be liable in the event the Client/user suffers any loss arising out of that assistance.

7. LIABILITY OF THE CLIENT

The services offered via Danske eBanking are provided at the sole and exclusive risk of the Client.

The Client acknowledges that data transmitted via Danske eBanking may be corrupted or contain viruses and may be accessed by third parties. The Client expressly assumes the risk of such contamination, corruption or unauthorised access. The Client recognises that the use of the internet service irrespective of the amounts involved constitutes conclusive evidence of the instructions, declarations and messages thus given, as if the Client had given those instructions in writing. The Client cannot oppose any instructions executed by the Bank consequent to the use of the internet service.

The Client shall be responsible for any damages that the Client or the Bank may suffer due to his or an authorised user's failure to comply with the undertakings set out in these conditions and, in particular, with the loss of any password or the misuse of such password. The Client or his authorised user is liable for any loss or damage if the means of payment and his password are misused by an unauthorised user, including, but not limited to, situations where:

- (a) the Bank can prove that the Client's/user's password has been misused, or
- (b) the Client/user has not immediately contacted the Bank in a sufficiently diligent manner after the Client/user discovered that another person had knowledge of the Client's/user's password, or
- (c) the Client/user has provided his password to an unauthorised person with, or
- (d) the Client/user failed to follow any of the security instructions in these conditions resulting in an unauthorised use of the Client's/user's eBanking.

The Client is not liable for loss occurring after the Bank has been notified of the blocking of his and/or authorised user's Danske eBanking agreement, as the case may be. Furthermore, the Client is liable for the correct in-keying of the data necessary for the execution of transactions, including those made by an authorised user.

8. USE, STORAGE AND DISSEMINATION OF PERSONAL DATA AND INFORMATION ABOUT ACCOUNT MOVEMENTS

The Bank will register the Danske eBanking Agreement number, the Client reference numbers and custody account numbers and the date of the transaction each time the Client will use Danske eBanking.

The information is used in the Bank's books, statements of account and in connection with subsequent correction of any errors.

The information will only be passed on if required by Luxembourg law or if needed in legal actions concerning claims arising out of the use of the system.

Information on the transactions made is kept on file for a period of 10 years after the end of the calendar year in which the transaction is made.

9. INSIDE INFORMATION

The Client is responsible for respecting the applicable legislation concerning insider trading and market abuse. In this respect, the Bank cannot be held liable for any negligence or violations of regulations that apply to the Client and his transactions.

10. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Danske eBanking includes a package of specialised software which is downloaded onto the user's personal device when connecting. As these software programs are protected, the user is strictly prohibited from infringing inherent rights of intellectual property in any way whatsoever. The rights of the user are governed by the provisions of the Luxembourg act of 18 April 2001 on copyright, as amended.

The user is authorised to download the information contained in the software onto his personal device for own use only, and only for the limited duration necessary to satisfy that personal use. In addition, the user is only authorised to print out or to export to an electronic storage device the downloaded information on the condition that the resulting copies are restricted for the personal use of the user only. In any event, it is strictly prohibited for the user to copy, alter, modify, move, replace, or otherwise interfere with the software provided. In the event of revocation, as well as in the event of the personal device being handed over to a third party, the user undertakes to delete the software from his personal device.

11. COMPLIANCE WITH LOCAL LAW

Danske eBanking can be accessed from anywhere in the world. The Client is responsible for complying with local legal regulations and undertakes to check that the services offered by Danske eBanking are compatible with the regulations in force in the Client's country of residence and in all other jurisdictions where the Client intends to make transactions; particularly, but without limitation, regarding the direct or indirect consequences of investment decisions and the right to subscribe to the product chosen.

The Client should contact his personal advisor, if he is uncertain about the tax consequences of a transaction. The Bank will only make withholding tax credit filings under its Clients' relevant double taxation treaties upon prior expressed request.

The Bank shall not incur any liability if the Client or his representative breaches any laws or regulations when using Danske eBanking.

12. FORCE MAJEURE

In the event of any failure, interruption or delay in performance of any of the Bank's obligations resulting from irresistible and unforeseen acts, events or circumstances beyond the control of the Bank making it materially impossible to fulfil or perform its obligations, the Bank shall not be liable or have any responsibility of any kind for any loss or damage incurred or suffered by the Client as a result.

13. TERMINATION

The eBanking services may be terminated by either the Client or the Bank at any time upon either party giving to the other prior written notice of termination (to take effect 30 (thirty) business days upon receipt or as otherwise specified by applicable laws and regulations).

Termination will not affect any obligation, which may already have been incurred by the Bank on the Client's behalf in respect of any outstanding order or transaction or any rights or obligations, which may have already arisen. Transactions in progress at the date of termination will be completed by the Bank as soon as practicable in accordance with these conditions. The Bank may, however, unilaterally terminate the eBanking services with immediate effect on the basis of the Terms of Business.

14. TECHNICAL SPECIFICATIONS

In order to use Danske eBanking, the Client agrees that he will be responsible for the provision and proper use of all equipment and facilities to enable the Client to access Danske eBanking and all maintenance and support services, including the installation and proper use of any virus detection/scanning programme the Bank may require from time to time.

The Client shall provide to the Bank all details required by the Bank in order to permit access to Danske eBanking and shall keep that information accurate. The Bank may impose such access restrictions or security requirements, arrangements or procedures on the use of Danske eBanking as the Bank may require in its absolute discretion, including the use of user names, login codes, passwords and secure IDs. The Bank may require persons accessing Danske eBanking to be appropriately trained as the Bank may in its discretion determine.

15. AMENDMENT OF THE APPLICATIONS OF THE SYSTEM

The Bank may change the applications of the system at any time without notice.

If the Bank significantly curtails the possible applications under Danske eBanking system, the Client will be informed in advance by one month prior notice. The Client will be deemed to have accepted such changes if the Client fails to object in writing before the proposed date of the entry into force of the relevant changes.

The Bank reserves the right to charge a fee for giving access to Danske eBanking. Information on all fees including fees for

financial instrument transactions, and outgoing payments and transfers can be found in the always current price list "Fees". The Bank may amend all fees at any time, as indicated in the General Terms & Conditions. Information on the current fee in connection to a transaction will also always be part of the information provided before the Client accepts the transaction.

New electronic services are constantly being developed and existing ones refined. Some of the new services the Bank offers to the Client may require a separate eBanking Agreement. The Client will be informed accordingly.

16. BLOCKING AND WARNING AGAINST UNAUTHORISED USE AND IRREGULARITIES

16.1 The Client must immediately inform the Bank if he discovers or suspects irregularities or unauthorised use of his eSafeID or PIN. The Bank will then investigate the matter reported and revert in due course.

The Client can block his account by asking the blocking of the account to the Danske eBanking Help Desk. The Client will receive written confirmation of the blocking, specifying the time when his/her message of the blocking was received.

To regain access to Danske eBanking, the Client must order another PIN.

16.2. The Bank may without notice block the Client's eBanking access, a specific transaction or the payment function on the basis of security concerns.

The Client shall contact Danske eBanking Helpdesk to cancel the blocking.

16.3 The Client shall not respond to an email, SMS (text message) or telephone request, even where this appears to be from the Bank, asking for disclosure of the Client's electronic signature or any part of it. The Bank will never send an email, SMS (text message) or telephone to seek this information. If the Client receives an email, SMS (text message) or a telephone call of this nature then it is likely to be fraudulent. Information about phishing and about known recent attacks can be found on www.danskebank.dk (in Danish).

16.4 Clause 16 herein also applies to users being representatives of the Client.

17. DANSKE eBANKING HELPDESK

For information about installation or for help to solve problems, the Client should contact Danske eBanking Help Desk on +352 46 12 75 550. Further information is available on www.danskebank.lu.

18. AVAILABILITY

Danske eBanking is available 24 hours a day 365 days a year.

19. SEVERABILITY

These specific conditions supersede any previous terms and conditions between the Bank and the Client. If any provision of these specific conditions becomes invalid or contravenes any applicable law, the remaining provisions will not in any way be affected or impaired.

B. GENERAL INVESTOR INFORMATION

1. Our Bank
2. Client Categorisation
3. Investment profile
4. Reporting to regulatory authorities
5. Fees and commissions
6. Conflicts of interest policy
7. Safeguarding of the Client's Financial Assets
8. Information on Commissions

1. OUR BANK

The Bank is subject to the prudential supervision of the financial regulator in Luxembourg, the CSSF (*Commission de Surveillance du Secteur Financier*), the address of which is 283 route d'Arlon, L-1150 Luxembourg.

See also 1.1 to 1.4 in the General Terms and Conditions.

The Bank provides Advisory and Portfolio Management Services.

Non-independent advice

When the Bank gives you advice on securities trading it does so on a non-independent basis.

The advice is termed non-independent since the Bank advises on securities issued by the Bank or by companies closely associated with the Bank.

The advice is based on a general market analysis in which, in addition to securities issued by the Bank or companies closely linked to it, the Bank also offers advice on selected securities from issuers that are not closely linked to the Bank.

2. INFORMATION CONCERNING THE CLIENT CATEGORISATION

The Bank is required to group its clients into three categories as described in Directive 2014/65/EU on markets in financial instruments ("MiFID II") as implemented by Luxembourg law (the "Law") and by Grand Ducal Regulation (the "Regulation")

The three categories are:

- eligible counterparties (other banks, pension funds and insurance companies, etc.)
- professional investors
- retail clients (all other clients).

Based on objective criteria, the categorisation impacts the level of protection afforded the Client as an investor - that is the information and advice the Client is entitled to receive from the Bank. Retail customers enjoy the highest protection, professional customers have less protection and eligible counterparties generally have no investor protection.

2.1 Retail Clients

The Retail Client benefits from the widest scope of legal protection for all the services, products and transactions provided by the Bank in relation with markets in financial instruments.

2.2 Professional Clients

The Professional Client benefits from a narrower scope of legal protection than Retail Clients.

When providing investment advice, the Bank is entitled to assume that a Professional Client "per se" is financially able to bear any related investment risk with an investment that falls within the Client's investment objectives.

As regards a Client treated as Professional at his own request, the Bank shall assess both compliance with his investment objectives and his financial capacity to bear the risks associated to the transactions before providing investment advice, advisory or discretionary portfolio management.

For all Professional Clients per se the Bank is authorised to assume that, as regards the products, transactions and services for which the Client is classified as a Professional Customer, the Customer has the required level of experience and knowledge in order to understand the risks involved in relation to those particular investment services, product or transactions and in the management of his portfolio. Consequently, Professional Clients per se are deemed to have the financial capacity to face the risks associated to those investment decisions taken in connection with investment advice provided by the Bank. Therefore, an assessment of the appropriateness of the product, service or transaction shall not therefore be carried out. Entities that must be authorised or regulated to operate in the financial markets automatically qualify as Professional Clients.

2.3 Eligible Counterparties

The categorisation as an Eligible Counterparty shall only have an impact on the following services provided by the Bank:

- Execution of orders on behalf of the Clients;
- Dealing on own account;
- Reception and transmission of Clients' orders;
- Any ancillary service directly related to those transactions.

When the Bank provides one of the aforementioned services to an Eligible Counterparty, it shall neither be obliged to comply with the rules of conduct applicable to the provision of investment services, nor to comply with the obligation to execute orders on terms most favourable to the Client, nor to comply with certain Client order handling rules (all within the meaning of the Law).

The Bank shall nevertheless act honestly, fairly and professionally with Clients categorized as Eligible Counterparties.

2.4 Re-categorisation

2.4.1. Retail Clients

A Retail Client may request to be treated as a Professional Client, if he meets the following criteria:

a) Qualitative criteria
Sufficient expertise, experience and knowledge to understand the risks inherent in the particular transactions and investment services for which the Client wishes to be categorised as a Professional Client.

b) Quantitative criteria

The Retail Client meets at least two of the following criteria:

- a. The Client has carried out transactions of significant size on the relevant market at an average frequency of ten per quarter over the previous four quarters.
- b. The size of the Client financial instruments portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500.000.-.
- c. The Client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services contemplated.

The Client needs to send to the Bank his request for re-categorisation in writing. At its discretion, the Bank may refuse such re-categorisation of the Client.

In case of such re-categorisation, The Bank shall warn the Client that he will benefit from a lower level of protection.

2.4.2. Professional Clients

A Professional Client may require to be treated, either generally, or for one or more particular services or transactions, as a Retail Client, when the Client considers that he is unable to properly assess or manage the risks involved.

The Client needs to send to the Bank his request for re-categorisation in writing. At its discretion, the Bank may refuse such re-categorisation of the Client.

2.4.3 Eligible Counterparty

Eligible Counterparties may require to be treated, either generally, or for one or more particular services or transactions, as a Professional Client.

In case of such re-categorisation, the Bank shall warn the Client that he will benefit from a higher level of protection. The Bank shall among others comply with rules of conduct applicable to the provision of investment services, execute orders of the Client on terms most favourable to him, as well as comply with certain Client order handling rules.

Eligible Counterparties may also require to be treated, either generally, or for one or more particular services or transactions, as a Retail Client. In case of such re-categorisation, the Client is aware that he will benefit from the highest level of protection provided for by the Law and Regulation. The Client needs to send to the Bank his request for re-categorisation in writing. At its discretion, the Bank may refuse such re-categorisation of the Client.

3. INVESTMENT PROFILE

In order to act in the Client's best interest, and before providing investment Advisory and Portfolio Management services, the Bank shall undertake a suitability assessment.

This suitability assessment is based on the information provided by the Client on his knowledge and experience in a given product or service, his financial situation including his ability to bear losses and his investment objectives including his risk tolerance.

On the basis of this information, the Bank establishes an investment profile and communicates this profile to the Client. This will enable the Bank to assess what types of financial instruments or services are appropriate to the Client.

The Bank recommends the Client not to trade in financial instruments not included in his trading range without seeking advice. Such financial instruments may be associated with risks unknown to the Client.

Being a Retail Client does not automatically imply that the Client is an inexperienced investor.

4. REPORTING TO REGULATORY AUTHORITIES

4.1.1 According to MiFIR, (EU Regulation No. 600/2014 on Markets in Financial Instruments) the Bank is obliged to report transactions in financial instruments to the CSSF. The purpose is to enable an effective market analysis by competent authorities supervising the activity and transparency of the financial markets.

4.1.2 Legal Entity Identifier (LEI) and nationality

LEI is an international standard for identifying legal persons (companies, etc.).

Legal persons are required by law to have a LEI in order for the Bank to trade financial instruments, which are admitted for trading on a European trading venue (e.g. Nasdaq Copenhagen).

4.1.3 For natural persons, the Bank is required to obtain information about nationality, including possible dual nationality.

4.1.4 The Bank is obliged to disclose:
For natural persons - his/her name, date of birth and nationality. For legal entities - its LEI.

4.2 When the Bank reports a Client's sales of equities and government bonds, the Bank must disclose whether it constitutes what is known as 'short selling', which is when a client does not own all or part of the sold financial instruments at the time of the sale. The Client must inform the Bank if he/she undertakes short selling. If the Client does not disclose anything with respect to a transaction, the Bank will assume that it is not short selling.

4.3 The Bank shall not be liable for any damages suffered by the Client that may result from the disclosure of his identity and holdings.

5. FEES AND COMMISSIONS

The relevant commissions and fees, as applicable from time to time, are set out in the applicable price list of the Bank (hereinafter referred to as "Fees").

The relevant "Fees", as applicable from time to time, is at the permanent disposal of the Client at the Bank upon request. By entering into a transaction with the Bank, the Client shall be deemed to have accepted the relevant "Fees", unless expressly agreed otherwise.

The Bank may, at any time, change interest rates, commissions, fees and other charges due from the Client. The relevant "Fees" will be amended accordingly and will be held at the disposal of the Client upon request and/or communicated in Danske eBanking. Notices of changes will be communicated on the Bank's Internet website. The Client may terminate the account relations with immediate effect if he does not wish to accept the revised "Fees".

6. CONFLICTS OF INTEREST POLICY

The Bank shall document its procedures for handling conflicts of interest, implement these procedures and provide the Client with the relevant information.

The Bank, as a member of the Danske Bank Group, is part of a global organisation offering a wide range of financial services. From time to time the Bank, or an affiliated or related company, may have interests, which conflict with the Clients' interests or with the duties that the Bank owes to its Clients. These include conflicts arising between the interests of the Bank, Danske Bank A/S, their associates and employees on the one hand and the interests of the Clients on the other and also conflicts between Clients themselves.

The Bank has established procedures, which are designed to identify and manage those conflicts.

These include organisational and administrative arrangements to safeguard the interests of its Clients. A key element of this policy is that persons engaged in different business activities involving a conflict of interest must carry on those activities independently of one another.

Where necessary, the Bank maintains arrangements, which restrict the flow of information to certain employees in order to protect the Clients' interests and to prevent improper access to Client information.

The Bank and/or the Danske Bank Group may also deal as principal for its own investment account and may match transactions with another Client. Procedures are in place in order to protect the Client's interest in this instance.

Further, the Bank's Conflicts of Interest Policy will be disclosed to the Client upon the Client's written request.

7. SAFEGUARDING OF THE CLIENT'S FINANCIAL ASSETS

7.1 Financial instruments

Financial instruments booked to the account of the Client with the Bank are recorded on the Bank's books so as to be separately identifiable from the financial instruments belonging to the Bank and from those belonging to other Clients of the Bank.

In accordance with the Bank's Terms of Business or a separate pledge agreement, the assets of the Client are pledged in favour of the Bank and the Bank may set off its claims against the assets of the Client.

The Bank generally keeps financial instruments in sub-custody with a professional custodian of financial instruments or a clearinghouse (hereinafter referred to as "Sub-custodian"). The sub-custody agreements are generally governed by the laws of the country of establishment of the Sub-custodian. In accordance with the legal requirements incumbent upon it, the Bank shall maintain separate accounts with the Subcustodian - one account for financial instruments belonging to all its Clients and another account for financial instruments belonging to the Bank. Upon request, the Bank shall provide the Client with a list of the Sub-custodians concerned.

a. In the event of the insolvency of the Bank

In the event of the insolvency of the Bank, financial instruments held by the Clients with the Bank are under existing law safeguarded and do not form part of the estate of the Bank. Insolvency proceedings may, however, delay the restitution of the financial instruments to the Client. If, in the event of such insolvency proceedings, the available quantity of specific financial instruments is insufficient, all the Clients whose portfolio includes such specific financial instruments shall bear a proportionate share in the loss, unless the loss may be covered by financial instruments of the same nature belonging to the Bank. In addition, the compensation scheme for investors, *Système d'Indemnisation des Investisseurs* ("SIIL"), shall apply.

In the event of the insolvency of the Bank, the SIIL provides for a maximum coverage of EUR 20.000 in case the Bank is unable to return to the Client the financial instruments owned by the Client but held, administered or managed by the Bank. Legal entities are generally excluded from the benefit of the SIIL scheme. The Bank will provide information on the SIIL compensation scheme on www.danskebank.lu.

b. In the event of the insolvency of a Sub-custodian

In the event of the insolvency of a Sub-custodian, financial instruments kept in sub-custody with such Sub-custodian are, under the laws of many countries, also generally safeguarded, subject to the above-mentioned delays and the risk that the available quantity of specific financial instruments may be insufficient.

In a limited number of countries outside the European Union, it is however possible that financial instruments kept in sub-custody with a Sub-custodian are included in the insolvency estate and that the depositors therefore do not

enjoy a specific right to restitution. Upon request, the Bank shall provide the Client with a list of such countries.

In such a case or in case the Bank, for any other reason, only obtains the restitution of a quantity of specific financial instruments insufficient to satisfy the rights of all the Clients having deposited such specific financial instruments with it, such Clients shall bear the loss in proportion to their deposits in such financial instruments. The Clients cannot exercise their rights in relation to such financial instruments against a Sub-custodian.

In certain countries some or all Sub-custodians may have a security interest or lien over or a right of set-off in relation to the financial instruments kept in sub-custody with them or their general terms of custody may provide for loss sharing in case of default of their own sub-custodian. This may result in situations where the Bank is unable to obtain the restitution of a quantity of financial instruments sufficient to satisfy the rights of its Clients. In such a case the above-mentioned proportionate loss-sharing rule applies.

7.2 Funds

All funds in whatever currency deposited with the Bank become part of the estate of the Bank. In the event of insolvency of the Bank, the Client may lose all or part of his/her deposited funds, as, contrary to financial instruments, deposited funds are included in the insolvency estate. In such case, the deposit-guarantee scheme of the FGDL shall apply.

In the event of deposited funds becoming unavailable due to insolvency of the Bank, the said scheme guarantees to Clients having deposited funds the payment of a maximum amount of EUR 100.000.-. Legal entities are generally excluded from the benefit of the FGDL scheme. The Bank will provide information on the FGDL deposit-guarantee scheme on www.danskebank.lu. Further information on the FGDL is also available on www.fgdil.lu.

7.3 Transfer financial collateral agreements

The Bank does not conclude title transfer financial collateral arrangements with its Clients.

8. INFORMATION ON COMMISSIONS

The Bank hereby informs the Client that in the context of its business relations with other professionals, the Bank may receive, or pay to third parties, commissions with respect to the transactions carried out on behalf of the Client. The Bank will only receive or pay these commissions if all conditions laid down in the Law are met.

The Bank offers advice on selected UCITS/AIFs of which the Bank has the necessary knowledge.

Many of them have a connection to the Bank, including Danske Invest funds. The Bank also offers advice on some UCITS/AIFs that are not affiliated with the Bank. Both the Bank and other entities in the Danske Bank Group enter into collaboration with the issuer in order to receive the necessary information on costs as well as documentation, for example. In addition, the Bank may receive commissions from other professionals when it sells certain UCITS/AIFs.

The list of collaboration agreements can be found on the Bank's website, www.danskebank.lu.

C. EXECUTION POLICY

This policy sets out the principles that the Bank follows when executing orders of retail and professional Clients in financial instruments to ensure that the Bank's Clients obtain best execution. The financial instruments in scope are listed at the end of this policy.

1. BEST EXECUTION – SUMMARY FOR RETAIL CLIENTS

Under the rules governing best execution (the so-called MiFID II rules), the Bank is required to provide its retail Clients (see section 2 below) with a summary of this policy:

The Bank is required to take all **sufficient steps** to obtain the best possible result for the Clients when executing their orders in financial instruments.

This is also known as the Bank's obligation to deliver **best execution**.

This policy explains the different criteria that the Bank will take into account when providing its Clients with best execution.

For **retail Clients** the best possible result shall be determined in terms of the **total consideration**, i.e. the **total price** when Clients buy or sell financial instruments.

Total consideration is the price of the financial instrument and the costs related to execution. The total consideration includes all expenses for the Bank's Clients that are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Specific instructions from a Client regarding an order may affect the Bank's obligation and possibility of delivering best execution and may prevent the Bank from taking the steps that the Bank would otherwise take to comply with this policy.

When executing a Client order, the Bank may act as **principal** by dealing on own account. The Client will then trade the financial instrument in question directly with the Bank.

The Bank may choose to fill the Client's order by transmitting the order to a **broker** who will then supply the financial instrument. When the Bank chooses its way ways of executing orders, the Bank's focus is on ensuring that the Client pays the lowest **total consideration**.

In order to make sure that the Bank can provide best execution on an ongoing basis, the Bank will continuously **monitor** its own performance and the performance of the broker that the Bank uses for executing orders. If the Bank finds that the performance is not satisfactory it will resolve this.

The Bank will publish **periodic reports** demonstrating how the Bank has complied with its obligation to provide best execution.

At the Client's request, the Bank will **demonstrate** that the Bank has executed its Client's order in accordance with this policy. The Bank may not have obtained the best possible result for a Client on a single specific occasion, but the Bank will demonstrate compliance with the policy at the different stages in the order execution process.

Please read the following for more details about how the Bank delivers best execution.

2. SCOPE – RETAIL AND PROFESSIONAL CLIENTS

The Bank is required to divide its Clients into three categories:

- **eligible counterparties** (banks, pension funds and insurance companies, etc.)
- **professional clients** (typically very large corporate clients)
- **retail clients** (all other clients)

This policy applies to retail and professional Clients.

The policy does not apply to Clients classified as an eligible counterparty. However, the Bank will act honestly, fairly and professionally when executing orders from Clients classified as eligible counterparties.

3. BEST EXECUTION AT THE BANK

The Bank provides investment services to its Clients in two business areas where the Bank is subject to best execution obligations.

The two business areas are:

(a) Execution of orders on behalf of Clients and reception and transmission of Clients' orders. Here, the Bank executes orders that Clients place with the Bank. This service begins when **the Client has decided** to buy or sell a financial instrument.

(b) Portfolio management. Here, the Client has given the Bank a mandate to buy or sell financial instruments on the Client's behalf under a portfolio management agreement. The Bank is obliged both to make **decisions to deal**, which serve Clients' best interests, and to **execute these decisions** to deal in accordance with the best execution requirements.

These two business areas are handled separately by the Bank with full functional and structural separation.

Although the Bank's aim in both business areas is to provide the Client with the best result when the Bank executes orders, differences between the two areas exist.

The Bank has delegated the management of the Clients' portfolio to its mother company, Danske Bank A/S.

How Danske Bank A/S provides best execution within portfolio management is explained in the **portfolio management addendum** to this policy.

Exceptions – four-fold cumulative test

The requirement to provide best execution is subject to certain exceptions. These are situations where Clients do not **legitimately rely** on the Bank to provide best execution. This may in particular be the case in quote-driven markets as described below.

If a **professional Client** trades based on a **quote** provided by the Bank, the initial assumption will be that the professional Client does not legitimately rely on the Bank to provide best execution.

This assumption will be checked against the so called four-fold cumulative test, published by the European Commission to establish whether a Client may rely on the Bank to provide best execution. The four-fold cumulative test encompasses the following criteria:

- which party initiates the transaction. If the Client initiates a transaction it is less likely that the Client will be relying on the Bank to provide best execution.
- Questions of market practice and the existence of a convention to “shop around”. In some markets, it is common practice that the Client solicits quotes from various sources and then bases its decision to deal on these quotes. Under these circumstances, the Client could not expect the dealer chosen to owe best execution.
- the relative levels of price transparency in a market. In markets where the Bank has ready access to prices in the relevant markets and the Client does not, the Client is more likely to rely on the Bank to provide best execution.
- the information provided by the Bank and any agreement reached between the Client and the Bank may impact on whether the Bank owes best execution.

For **retail clients**, the result of the four-fold cumulative test will normally be that the Client is entitled to best execution when the Client trades based on a quote provided by the Bank.

4. FACTORS AFFECTING BEST EXECUTION**4.1 Factors**

When the Bank chooses how to ensure best execution for the order, the following factors are taken into consideration:

- price
- costs
- speed
- likelihood of execution and settlement
- type and size of the order
- any other factor considered relevant to the execution of the order

In general, the Bank prioritises the factors on the basis of the following elements:

- the Client’s situation and the objective of the order
- current market conditions
- the specific financial instrument that the order concerns
- relevant execution venues

By default, the Bank will consider the following factors to be the most important:

Price and costs: In most cases, the **price** of the financial instrument and the **costs**, including commissions and fees, related to the execution are the essential factors for ensuring best execution.

For **retail clients** the best possible result shall be determined in terms of the **total consideration**. Total consideration means the price of the financial instrument together with the costs related to execution, including all expenses incurred by the client that are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

It is not always possible to execute Clients’ orders at the best price, but the Bank will always strive to execute Clients’ orders in accordance with the Bank’s policy.

The Bank strives to execute purchase orders at the lowest sales price offered and to execute sales orders at the highest purchase price offered.

Certain financial instruments (**OTC instruments**) do not have what could be defined as an observable market price, either because they are not admitted to trading on any trading venue or because trading does not take place on the relevant trading venue(s). For such instruments, the Bank must check the fairness of the price by using relevant market data and also, where possible, by making a comparison with similar or comparable products.

Speed and likelihood of execution: Next to price and costs, the Bank considers, by default, speed and likelihood of execution to be the most important factors when ensuring best execution.

Speed is the rate at which the Bank progresses an order. If a Client provides no instructions regarding the speed at which the order should be carried out, the Bank will seek to achieve prompt execution of the entire order.

Likelihood of execution is the likelihood that the Bank will be able to fill a Client’s order in full or at least a substantial part of it.

This factor will be of particular relevance if, for instance, the financial instrument in question is illiquid or if the Client limits the price of the order at a price that does not correspond to the prevailing market price.

Market conditions for the relevant financial instrument may cause the Bank to prioritise the likelihood of execution. An order may therefore be executed at the execution venue(s) that have the necessary liquidity and depth of trading interests to ensure timely execution and the smallest possible effect on the price level.

Likelihood of settlement: Generally, the Bank expects Clients' orders that the Bank executes to be settled in a timely fashion. If a particular execution strategy may compromise the likelihood of settlement, then that strategy will not be pursued even if it would result in a better price.

Other relevant factors: While the Bank considers the abovementioned factors to be the predominant ones there may be situations where additional factors may influence the strategy to obtain best execution.

4.2. Client instructions

If a Client provides the Bank with instructions regarding an order or any aspect of it, the Bank will execute the order in accordance with such instructions to the extent reasonably possible.

However, please note that these instructions may prevent the Bank from taking the steps that the Bank would otherwise take to comply with this policy. Therefore, the Bank may not be able to ensure best execution in respect of the aspect(s) of the trade where the Bank acts in accordance with such instructions.

If Clients' instructions only cover certain parts or aspects of the order, the Bank will endeavour to ensure best execution in respect of any other part or aspect of the Client's order.

If a Client does not provide any instructions, the Bank will exercise its own discretion regarding the order in accordance with this policy.

4.3 Market abuse or insider trading

If the Bank suspects market abuse or insider trading, the Bank has the right not to execute an order.

5. ORDER EXECUTION

5.1 Own account and brokers

When executing a Client's order, the Bank chooses the place of execution that, in the Bank's opinion, will provide the Client with the best result.

The Bank is a subsidiary of Danske Bank A/S and the Bank's Client orders are transmitted to Danske Bank A/S for execution. The orders are then executed subject to Danske Bank A/S' order execution policy. Danske Bank A/S' order execution policy is available at www.danskebank.com/bestexecution.

The Bank may also act as principal by dealing on own account. Clients will then trade the financial instrument in question directly with the Bank. Such trades are carried out by the Bank with Danske Bank A/S on a back-to-back basis.

At the Client's request, the Bank can provide additional information about the consequences of trading outside trading venues.

The Bank may execute orders by combining Clients' trading interests (Clients' buy and sell orders). The Bank may do this outside a trading venue or by concluding the transaction under the rules of a trading venue.

The Bank executes orders promptly, fairly and expeditiously and in the sequence in which they are received.

5.2. List of brokers

The most recent list of major execution venues and brokers, per financial instrument for retail and professional clients is available at www.danskebank.lu/bestexecution,

As described in more detail in section 6 below, the Bank will continuously monitor the execution quality that the Bank delivers to its Clients. This includes monitoring the performance of Danske Bank A/S.

6. MONITORING, EVALUATION AND CHANGES

The Bank monitors and evaluates the effectiveness of this policy and the measures taken to comply with it.

The monitoring of the effectiveness of this policy takes place on a consistent basis by the trading desks directly responsible for delivering best execution as well as by internal control functions at the Bank that operate independently from the functions executing client orders.

The Bank assesses, on a regular basis and at least once a year, whether Danske Bank A/S meets the Bank's standards. If not, the Bank will make the necessary changes.

If the Bank finds that it does not fulfil its best execution obligations, the Bank will change its policy and relevant measures promptly and effectively.

The Bank monitors in accordance with this policy that Danske Bank A/S delivers best execution as part of the outsourced portfolio management.

The Bank has also established a **Best Execution Committee** for the purpose of ensuring that information about execution quality in the Bank is gathered and considered centrally.

7. REPORTING

Once a year, the Bank will publish at www.danskebank.lu/bestexecution, information on the top five execution venues in terms of trading volumes, by class of financial instruments for all executed orders of retail and professional Clients.

As part of this report, the Bank will publish for each class of financial instruments, a summary of its analysis and conclusions based on the Bank's detailed monitoring of the quality of execution

obtained by the Bank on the execution venues where the Bank executed all its Client orders in the previous year.

The Bank will publish a similar report for its top five brokers.

8. CHANGES TO THE POLICY

Any changes to the Bank's order execution policy will be published on the Bank's website.

All clients with whom the Bank has an ongoing client relationship will be informed of any material changes to the Bank's order execution arrangements or this order execution policy.

9. FURTHER INFORMATION

For further information the Bank refers to the General Terms and Conditions, General Investor Information, Risk Disclosure as well as specific trading arrangements between the Bank and the Client, if any.

By entering into the Bank's Terms of Business the Client expressly consents to that the Bank executes orders as described in this Policy including the possibility that trades might be done outside a regulated market or a multilateral trading facility (MTF).

FINANCIAL INSTRUMENTS COVERED BY THIS POLICY, AS DEFINED BY THE MIFID II RULES

- (1) Transferable securities;
- (2) Money-market instruments;
- (3) Units in collective investment undertakings;
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- (5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;
- (11) Emission allowances

PORTFOLIO MANAGEMENT ADDENDUM

To Danske Bank A/S's Order Execution Policy

1. PURPOSE OF THIS ADDENDUM

This addendum sets out the principles that Danske Bank A/S applies when executing decisions to deal on the best possible terms in connection with providing portfolio management services to you.

Portfolio management services are provided by Asset Management, which is part of a separate Wealth Management business unit in Danske Bank A/S. Asset Management carries out its activities independently of the other activities of Danske Bank A/S.

The portfolio management investment service consists of managing your portfolio of financial instruments in accordance with the investment mandate we have agreed with you. When providing portfolio management, we act on a discretionary basis, which means that we make the decision when to buy or sell financial instruments on your behalf.

We have an obligation to act in your best interest when making decisions to deal. This means that we must aim at making investment decisions that are beneficial for you, that is, which financial instruments to buy or sell and when to carry out the investment decision.

The obligation to provide best execution begins once we have made the decision to initiate the purchase or sale of a particular financial instrument.

References in this addendum are made to the Order Execution Policy of Danske Bank A/S (hereinafter referred to as "OEP") where applicable to the portfolio management services.

2. BEST EXECUTION OBLIGATION

"Best execution" means that we must take all sufficient steps to obtain the best possible results for you on a continuous basis when we execute decisions to deal.

We are required to take into account the execution factors described in sections 4 and 5 and to determine their relative importance on the basis of the characteristics of your portfolio mandate.

It should be noted that the best execution requirement does not mean that we must obtain the best result for you on every single occasion.

Rather, we monitor on an ongoing basis that the processes for providing you with best execution in accordance with this addendum work well when executing decisions to deal on your behalf.

3. SCOPE OF CUSTOMERS

We provide best execution to all our portfolio management customers.

However, where we have agreed to specific terms in the portfolio management agreement or receive specific instructions from you, we execute the decisions to deal in accordance with those terms and instructions, collectively referred to as "Specific Conditions".

Specific Conditions have precedence over what is stated in this addendum. This means that Specific Conditions may prevent us from taking the steps that we would otherwise have taken to comply with this addendum. Therefore, we may not be able to ensure best execution in respect of the aspect(s) of the transaction where we are acting in accordance with Specific Conditions.

We always strive to ensure the best possible result for you within the framework of any Specific Conditions.

4. SELECTION AND MONITORING OF FINANCIAL INTERMEDIARIES

Selection process

Our primary goal when selecting brokers, execution venues and counterparties, collectively referred to as "financial intermediaries", is to select the providers that enable us to provide best execution to you on a continuous basis, taking into account the execution factors described in sections 4 and 5.

We choose "financial intermediaries" in accordance with the same criteria as described sections 5.2.1 and 5.2.2 of the OEP.

In connection with the portfolio management services, we generally act in an agency capacity, meaning that we execute decisions to deal in our own name, but on your behalf, without realising any gain or loss on the transaction. When providing portfolio management services, we do not act as principal by dealing on own account.

In our selection of financial intermediaries, however, we may choose another unit of Danske Bank A/S to provide brokerage services. When we choose another unit of Danske Bank A/S, that unit may act as principal by dealing on own account in a transaction in accordance with the OEP.

We choose our financial intermediaries on the basis of an assessment of their capability to best carry out any given transaction in your best interest.

This may lead to us selecting another unit of Danske Bank A/S to execute a transaction. Any dealing or relationship between units is conducted in accordance with Danske Bank A/S's Conflict of Interest policy.

A list of applicable financial intermediaries per class of financial instrument can be found here: [here *https://danskebank.com/about-us/corporate-governance/best-execution*](https://danskebank.com/about-us/corporate-governance/best-execution)

Monitoring of selected financial intermediaries Regularly, and at least once a year, we assess our selected financial intermediaries on the basis of their ability to meet the set criteria and provide execution on a continuous basis in accordance with this addendum. The assessment will include evaluating and comparing published execution quality reports of the financial intermediaries to ensure that the selected providers meet their best execution obligations.

5. EXECUTING DECISIONS TO DEAL

Aggregations and allocations

When providing portfolio management services, we act in your best interest, and we secure equal treatment of all our customers. We will therefore aggregate orders to be placed on the market for execution where we make a decision to deal the same financial instrument for several customers at the same time. Aggregation of orders is common practice.

Executed aggregated orders are allocated among the customer portfolios using the traded price. When orders are executed by multiple fills over the day, we allocate the financial instruments in question using a calculated average price. If the aggregated orders can be executed only partially, we allocate on a pro rata basis, which means that you will receive your proportion of the partially executed order taking into account the best possible final result for you, and the equal treatment of all customers. We may deviate from the pro rata allocation if we justifiably believe that the expected benefits of the executed aggregated order cannot be realised by receiving a pro rata allocation.

Placing orders on the market

Where our investment process results in taking decisions to deal on your behalf, we have different choices for execution:

1. We may execute the decision to deal on a trading venue, that is, a Regulated Market, Multilateral Trading Facility ("MTF") or Organised Trading Facility ("OTF"). When providing portfolio management services, we do not have direct access to any regulated market, but we can access them indirectly by placing an order through a broker, including a unit of

Danske Bank A/S providing brokerage services, which is a member of the relevant regulated market.

2. We may also execute transactions outside trading venues (Over The Counter ("OTC")). The counterparty then acts as principal by dealing on own account. This includes situations where the counterparty, including a unit of Danske Bank A/S providing brokerage services, acts in its capacity as Systematic Internaliser ("SI") (see section 6 of the OEP).
3. We may take decisions to deal that result in buying a financial instrument on behalf of one customer portfolio mandate and selling the same financial instrument under another customer portfolio mandate. We normally execute such deals on a trading venue or via a broker, including a unit of Danske Bank A/S providing brokerage services. We execute such simultaneous crossing deals only when we believe it is in your best interest.

In certain market situations, such as where there is insufficient liquidity or where, due to the specific nature of the class of financial instrument, there may be only one appropriate financial intermediary available or approaching multiple financial intermediaries for a competing quote would be likely to have an adverse effect on the price of the transaction because of possible information leakage, we will, to safeguard your best interest when executing a decision to deal, try to validate the price by all available means.

Under such circumstances, we may not, however, be able to obtain the same level of information for our assessment of the decision to deal as we would have had if the financial instrument had been available through multiple financial intermediaries or otherwise widely traded. We may also execute decisions to deal where offers are made to us without asking for quotes from other brokers if we believe this is in your best interest.

When we carry out a transaction under your ISDA Master Agreement or any other relevant agreement, for example a Global Master Repurchase Agreement, we are in some cases, particularly in relation to executing decisions to deal in financial derivatives instruments or securities financing transactions, constrained in the number of counterparties with whom we can enter into a transaction on your behalf.

In these situations, our ability to deliver best execution is restricted, depending on the number of counterparties you have entered into agreements with and their suitability for the types of transactions we execute decisions to deal in. Such transactions are covered by the order execution policy of the counterparty.

Execution factors

Using our reasonable judgement, we weigh the execution factors at the time of execution in accordance with your portfolio mandate and any Special Conditions, the type of the deal, financial instrument involved and prevailing market conditions.

The execution factors are the price at which we can execute the decision to deal, the cost and the speed of execution, the likelihood of execution and settlement, the size and nature of the order to be placed on the market and any other consideration relevant to execution, such as the market impact.

Obtaining the best price for the size of the aggregated order, we place on the market while minimising the market impact are the key factors for all of our decisions to deal.

The likelihood of execution often depends on liquidity in the market or on whether a specific broker can or will provide the necessary liquidity to fill an order.

When taking all sufficient steps to obtain the best possible results for you, we apply different execution criteria depending on the class of financial instrument or the type of a transaction we execute on your behalf.

Criteria may include, but are not limited to

- whether or not the financial instrument is traded on a trading venue or OTC
- the size of the transaction relative to other transactions in the same class of financial instrument
- minimising the possible market impact
- access to liquidity
- your portfolio mandate and Special Conditions laid down by you
- commission rates and other costs
- characteristics of the financial intermediaries capable of executing the order

An overview of the key execution factors can be found on the last page of this addendum.

6. MONITORING AND REPORTING

Monitoring

For monitoring and evaluation of the effectiveness of this addendum, see section 9 of the OEP (Monitoring, evaluation and changes).

Top five venues and brokers

For reporting about Danske Bank A/S's top-five venues and brokers, see section 10.2. of the OEP (Top five venues and brokers).

7. CHANGES TO THE ADDENDUM

Any changes to this addendum will be published on Danske Bank A/S's website.

All customers with whom we have an ongoing relationship are informed of any material changes to the execution arrangements or this addendum.

8. MORE INFORMATION

For more information, please contact your account manager.

Portfolio Management – Overview of generally applied execution criteria

Class of financial instrument	Applicable venues	Description	Key execution factors
Equities, exchange-traded funds, depositary receipts	Regulated market, MTF, SI	<p>Executed through a broker on a regulated market or as SI or directly at a MTF.</p> <p>Market impact on the basis, for example, of illiquidity or the size of the order may mean that orders are executed more slowly than would normally be the case, or that orders are directed to a particular financial intermediary.</p>	<ol style="list-style-type: none"> 1. Price and cost 2. Likelihood of execution (liquidity) 3. Speed <p>“Speed is mainly important if we expect that the market will move in a direction which will have a negative impact on the price.”</p>
Bonds	OTC, MTF, OTF, SI	<p>Request for quote (“RFQ”) from several counterparties either bilaterally or through a MTF or an OTF.</p> <p>If, on the basis, for example, of illiquidity or the size of the order, obtaining multiple quotes have an impact on the market price or an adverse impact on the obtainable price, the number of requested quotes can be limited to one.</p>	<ol style="list-style-type: none"> 1. Price and cost 2. Likelihood of execution (liquidity)
Money market instruments	OTC, MTF, OTF, SI	<p>Request for quote (“RFQ”) from several counterparties either bilaterally or through an MTF or an OTF.</p> <p>If, on the basis, for example, of illiquidity or the size of the order, obtaining multiple quotes may have an impact on the market price or an adverse impact on the obtainable price, the number of requested quotes can be limited to one.</p>	<ol style="list-style-type: none"> 1. Price and cost 2. Likelihood of execution (liquidity)
Units in collective investment schemes	Transfer agent or other appointed distributor	<p>Normally executed via the transfer agent appointed by the fund management company in accordance with the prospectus or similar documentation. A transfer agent or another appointed distributor is normally the single execution venue to which the orders are directed for subscriptions or redemptions.</p>	<p>Timeliness of the placement of the order according to the rules set by the fund management company</p>
Exchange traded derivatives	Regulated market, MTF, SI	<p>Executed through a broker on a regulated market or as SI or directly at a MTF.</p> <p>Market impact on the basis, for example, of illiquidity or the size of the order may mean that orders are executed more slowly than would normally be the case, or that orders are directed to a particular financial intermediary.</p>	<ol style="list-style-type: none"> 1. Price and cost 2. Likelihood of execution (liquidity) 3. Speed
OTC derivatives	OTC, MTF, OTF, SI	<p>Request for quote (“RFQ”) from several counterparties either bilaterally or through a MTF or an OTF.</p> <p>The number of counterparties we can ask for RFQ is restricted to the agreements made available for us to trade on behalf of.</p> <p>If, on the basis, for example, of illiquidity or the size of the order, obtaining multiple quotes may have an impact on the market price or an adverse impact on the obtainable price, the number of requested quotes can be limited to one.</p>	<ol style="list-style-type: none"> 1. Price and cost 2. Likelihood of execution (liquidity)

D. RISK DISCLOSURE

Overview of the main characteristics and risks of financial instruments.

This Risk Disclosure does not pretend to describe all risks inherent to investments in financial instruments. Its objective is rather to give basic information and to make clients aware of the existence of the risks inherent to all investments in financial instruments. The Client should not enter into any investment transaction before being sure to master all the risks and having adapted his investments to his assets, needs and experience.

The purpose of the information contained in the present document is to give a brief outline of the main characteristics and risks associated to financial instruments in which you may invest.

Should the Client have any specific queries or if he is interested in particular financial instruments, the Client is recommended to contact the Bank for further information.

This Part D does not deal with the tax or legal consequences pertaining to transactions in financial instruments. Therefore, the Bank recommends the Client to request tailor-made advice on these issues from his own specialists before any investment.

I. BASIC RISKS

These risks apply to any type of investment. However, depending on the relevant financial instrument, one or several of the risks described here below may apply cumulatively, therefore entailing an overall increase in the level of risk incurred by the investor.

1. Economic risk

Changes in the activity of a market economy always influence prices of financial instruments and exchange rates. Prices are fluctuating more or less according to the downward or growth trends of the economic activity. The duration and scope of the economic downward or growth trends are variable, as are the repercussions of those variations on the different sectors of the economy. In addition, the economic cycles may vary depending on the different countries.

Failure to take these factors into account as well as a mistaken analysis of the development of the economy when taking an investment decision may lead to losses. In particular, one must take into account the impact of the economic trends on the evolution of investment prices.

Depending, inter alia, of economic trends, good past performance of a financial instrument is no guarantee of good future performance of the same investment. Price losses, entailing losses to the investor, are always possible.

Therefore, an investor must at all times ensure that his investments are appropriate in view of the economic situation and, if necessary, make necessary changes in his portfolio.

2. Risk of inflation

Losses in value of a currency may cause financial damage to an investor in relation to investments made by the latter. In this context, such a loss in value may have an influence on the actual value of the existing patrimony of the investor as well as the actual yield that ought to be realised through this patrimony.

One should thus take into account actual yields, i.e. the difference between the nominal interest rate and the inflation rate for fixed-rate products.

Therefore, when the inflation rate exceeds the yield generated by the financial instruments (gains in capital and interests), this will lead to a loss in the value of the capital actually invested.

3. Country risk and transfer risk

It may happen that a foreign debtor, although solvent, be unable to pay interest or repay his debts upon maturity or even completely defaults on his debts due to the unavailability of the foreign currency or to currency exchange controls triggered, for instance, by economic, political or social instability in the relevant country.

The ensuing unavailability of the foreign currency or currency exchange controls may indeed lead to defaults on payments for the investors. Concerning financial instruments issued in a foreign currency, the investor risks to receive payments in a currency which turns out not to be convertible anymore because of exchange controls.

Moreover, even in the absence of any crisis, state intervention in some economic sectors (e.g. nationalisation) may have an influence on the value of investors' assets. In certain extreme cases, investors' assets can even be confiscated or frozen by local authorities or investors' rights can be restricted.

As a matter of principle, there is no means to hedge against such risks. However, country ratings published in the financial press can be a useful guide for investors from that point of view.

Finally, more generally, instability in the political and/or economic and/or social situation of certain countries may lead to quick price fluctuations.

4. Exchange rate risk

Since currency exchange rates fluctuate, there is an exchange rate risk whenever financial instruments are held in a foreign currency. Depending on exchange rates, the same investment may generate profits or entail losses.

Moreover, since the activities of companies are, to a greater or lesser extent, related to exchange rates, fluctuations in these latter rates are likely to have an impact on the price of the financial instruments they issue.

Material elements affecting the exchange rate of currencies are in particular the inflation rate of a country, the gap between domestic interest rates and foreign rates as well as between domestic and foreign productivities, the assessment of economic activity forecasts, the political situation in the world and the safety of investments in general. Additionally, psychological events, such as lack of confidence in political leaders, may weaken the exchange rate of a domestic currency.

5. Liquidity risk

The possibility for an investor to sell financial instruments at any time at market prices is described as liquidity.

Therefore, insufficient liquidity of the market may prevent an investor from selling off financial instruments at market prices. Fundamentally, a distinction has to be made between a lack of liquidity caused by market offer and demand and a lack of liquidity due to the characteristics of the financial instrument or market practices.

A lack of liquidity due to market offer and demand arises when the offer or the demand for one financial instrument at a certain price is non-existent or extremely low.

Under those circumstances, purchase or sell orders may either not be carried out immediately, and/or only partly (partial execution) and/or at unfavourable conditions. In addition, higher transaction costs may apply.

A lack of liquidity due to the inherent characteristics of the financial instrument or to market practice may occur, for example, because of a lengthy transcription procedure for a transaction on registered shares, long performance delays because of market practices or other limitations of trade, short-term liquidity needs that cannot be covered quickly enough by the sale of the financial instruments or long lock-in periods before being entitled to execute a transaction, in particular for alternative investment funds.

6. Psychological risk

Irrational factors may affect the overall evolution of prices, such as for example tendencies, opinions, rumours which may cause important drops in prices, although the financial situation and future perspectives of the relevant companies have not evolved unfavourably.

7. Risks related to leveraged investments

The use of borrowed monies to finance the purchase of financial instruments is referred to as leverage and aims at increasing the potential return of an investment. The proceeds of a loan or other borrowings are reinvested with the intent of earning a greater rate of return than the cost of interest.

Leverage involves the assumption of greater risk: if an investor uses leverage to make an investment and the investment moves against the investor, his loss is much greater than it would have been had the investment not been leveraged, as leverage can magnify gains or losses. Leverage can also be created through derivatives such as options, futures, margin and other financial instruments.

Credit-financed purchases of financial instruments contain several additional risks.

To begin with, additional collateral may be required – sometimes at very short notice – in case the credit limit guaranteed is exceeded due to the evolution of the price of the collateral. If the investor turns out to be unable to provide such collateral, the company may be forced to sell deposited financial instruments at an unfavourable moment. Moreover, the loss suffered due to an adverse evolution of the price of a financial instrument may exceed the initial investment amount. Fluctuations of prices of the financial instruments constituting the collateral may influence the capacity to repay loans in a negative way.

The investor needs to be aware that, as a consequence of the leverage effect entailed by the purchase of credit-financed financial instruments, the sensitivity to price fluctuations of those investments will be proportionally more important with the consequence that chances of gains increase, as do the risks of losses. The risks entailed by such purchases rise according to the importance of the leverage.

8. Interest rate risk

Generally speaking, fluctuations in interest rates, whether short-term or long-term rates, may have substantial adverse consequences on the prices of financial instruments.

9. Risk of insolvency of the issuer or of the clearing and settlement system

In case of insolvency of the issuer of financial instruments or of the clearing and settlement system on which those instruments are negotiated, an investor may lose part or all the monies he has invested.

10. Additional risks on emerging markets

Emerging markets are the markets of the countries in which the percentage share of income per inhabitant is considered as average or low by the World Bank. More practically, this concept encompasses markets established in countries which are characterised by a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market which is still at the development stage and a weak economy. This concept of emerging markets encompasses a large number of markets established in South America, Eastern Europe and certain Asian countries.

Generally speaking, on these markets, the risks identified above are enhanced.

Indeed, political or economic changes (e.g. inflation, exchange rate) will have more influence on investments' prices in emerging markets than in other countries. Likewise, emerging markets usually react more deeply and durably in case of natural disaster or war.

Moreover, emerging markets often have less elaborated rules for clearance and settlement of transactions with the consequence that processing errors or default in delivery of instruments are more likely to occur.

Finally, regulatory supervision over these markets and rules to protect investors are often weak.

11. Other basic risks

11.1 Information risk

It is the risk of poor investment decisions arising from a lack of information, incomplete information or inaccurate information. This may be due in turn to the use by the investor of unreliable sources, the misinterpretation of originally accurate information by the latter or can be due to communication errors.

11.2 Transmission risk

When placing an order, the investor must provide certain details necessary for its execution by the company (financial instrument, type of order, volume, execution date, etc.). The more precise the order placed is, the smaller the risk of transmission error is.

11.3 Risks pertaining to transaction costs

The company as well as other domestic or foreign-based parties may be involved in the execution of an order (e.g. brokers), in which case the fees and commissions of these persons will be passed on to the investor.

An investment becomes profitable only once all these costs have been covered.

II. SPECIFIC INVESTMENT RISKS

1. TERM DEPOSITS

These are cash deposits remunerated at a fixed maturity date and rate, determined in advance.

1.1 Characteristics:

- Yield: payment of interests;
- Duration: short-term (up to 4 years), medium-term (4-8 years) or long-term (more than 8 years);
- Interests: interests depend on the terms and conditions of the deposit; e.g. fixed interest for the entire duration or variable interest often linked to financial market rates (e.g. LIBOR or EURIBOR).

1.2 Advantages:

Depending on market conditions, these products may provide a higher return than other fixed-income products.

1.3 Risks:

These products are mainly subject to the risks of inflation, exchange and interest rate and of insolvency of the counterparty, as described under I. above.

2. BONDS

A bond is a certificate or evidence of a debt on which the issuing company or governmental body promises to pay the bondholders a specified amount of interest for a specified length of time, and to repay the loan on the expiration date. A bond may be in bearer or registered form. At issuance, the par value of one bond represents a fraction of the total amount of the loan. The interest payments on bonds may be either fixed or variable. The duration of the loan as well as the terms and conditions of repayment are determined in advance. Certain structured products may take the form of a bond and, therefore, these products will be described under the chapter "structured products".

The purchaser of a bond (the creditor) has a claim against the issuer (the debtor).

2.1 Characteristics:

- Yield: interest payments, possible increases in value (difference between the purchase/issuance price and the sale/redemption price);
- Duration: short-term (up to 4 years), medium-term (4-8 years) or long-term (more than 8 years);
- Currency: national currency of the investor or foreign currency. It can be provided that repayment of capital and interest payments can be made in different currencies. In such a case, an option can be associated to the bond in order to limit the exchange rate risk;
- Form: individual documents with specific nominal values (which can be delivered to the investor) or collectively represented by a global certificate, which is deposited with a custodian bank;
- Issue price: at par (100% of the nominal value), below par (the issue price is lower than the nominal value) or above par (the issue price is higher than the nominal value);
- Place of issuance: it can be the domestic market of the investor or also a foreign market;
- Repayment:
 - scheduled repayment: unless otherwise provided for or unless the issuer becomes insolvent, the loans are repaid either on the maturity date, or through annual instalments (generally after a lock-in period), or at different dates determined by drawing lots (generally after a lock-in period);
 - unscheduled repayment: the issuer may reserve the right to repay at a date he will determine, at his own discretion, at a later stage;
- Interests: interests depend on the terms and conditions of the loan; e.g. fixed interest for the entire duration or variable interest often linked to financial market rates (e.g. LIBOR or EURIBOR). In this latter case, a minimum and/or maximum rate can be provided;
- Particular features (e.g. relations between the issuer and the investor): set out in the terms and conditions of issue of the relevant bond.

2.2 Advantages:

Depending on market conditions, these products may provide a higher return than other fixed-income products.

2.3 Risks:

2.3.1 Insolvency risk

The issuer risks to become temporarily or permanently insolvent, entailing his incapacity to pay back interests and/or the principal amount of the loan. The solvency of an issuer may change depending on the evolution of certain factors during the life of the bond. This may be due in particular to the general evolution of the economy, changes related to the company, the economic sector of the issuer and/or the relevant country as well as political changes entailing substantial economic consequences.

This risk is more or less important depending on whether the bonds are issued by a governmental body or a private institution. This risk is also related to the nationality of the issuing governmental body or the type or sector of activity of the private institution which issued the bonds (credit institution, industrial undertaking, etc...) as well as, more generally, the creditworthiness of the latter.

This risk is more limited if the bonds are collateralised. However, in such a case, the additional protection granted to the investor will have to be assessed on the basis of the status and creditworthiness of the guarantor.

From that point of view, it should be noted that, as a matter of principle, bonds issued by entities which are considered as safe generally offer lower returns. However, the risk of total loss of the investment is correlatively lower.

The deterioration of the issuer's creditworthiness does equally influence in a negative manner the price of the relevant financial instruments.

2.3.2 Interest rate risk

The uncertainty concerning the evolution of interest rates entails that the purchaser of a fixed-rate financial instrument bears the risk of a decrease in the price of such financial instrument in case of a rise in interest rates. The sensitivity of the bonds to fluctuations in interest rates depends in particular on the period remaining until maturity of the bond and the level of nominal interest rates.

2.2.3 Anticipated refunding risk

The issuer of a bond may include a provision allowing him to repay earlier the bondholder in case for instance of a decrease in interest rates in the markets. Such an early repayment can have an impact on the yield expected by the investor.

2.3.4 Risks specific to bonds redeemable by drawing lots

The maturity date of bonds that are redeemable by lot is difficult to determine so that unexpected changes may take place in the yield of such bonds.

2.3.5 Risks related to the country of issue

If the bond is issued on a foreign market, it will in principle be governed by the law of the country of issue. The investor must thus inquire about the possible impact of the applicability of this foreign law on his rights.

2.3.6 Risks of specific kinds of bonds

Concerning some kinds of bonds, additional risks may exist: e.g. floating rate notes, reverse floating rate notes, zero coupon bonds, bonds in a foreign currency, convertible bonds, index or option-linked bonds, subordinated bonds etc..

For those types of bonds, the investor should make inquiries about the risks described in the issuance prospectus and not purchase such financial instruments before being certain to master all risks.

The developments here below only aim at providing a brief outline on the additional risks incurred by the investor in relation to specific bonds.

A. Floating rate bonds

Floating rate bonds can take several forms, such as for instance:

- a. floor floater bonds, which are variable-interest bonds, which pay a minimum level of interest. Therefore, in the event that the sum of the reference rate and the spread falls below this level, the investor will receive payment of interests at least at the minimum rate determined in advance. Conversely, for cap floater bonds, the rate of interest paid to the investor is limited to a maximum amount determined in advance.

For these bonds, it is not possible to anticipate, as of their issue, the actual yield of the investment since the latter vary according to the fluctuations of market rates;

- b. for certain variable-interest bonds, it can be provided that the interest rate moves in the opposite direction to market rates (i.e. reverse floating rate bonds). For these medium or long-term bonds, the interest rate payable to the investor is calculated according to the difference between a fixed rate of interest and a reference rate (e.g. 16% minus LIBOR). This means that the investor's interest income rises when the reference rate falls. The price of these bonds is usually subject to higher market fluctuations than the fixed-rate bonds having the same maturity;
- c. there are also convertible floating rate bonds, which give the investor or the issuer (depending on the terms and conditions of the bonds) the right to convert the note into a normal fixed-interest bond. If the issuer reserves this right, the actual yield of the bond may be lower than that contemplated by the investor.

B. Zero bonds

Zero bonds do not have interest coupons attached. Instead of periodic payments of interests, the investor receives the difference between the redemption price and the issue price (in addition to the repayment of the principal amount). Such bonds are usually issued at a discount to their nominal value, and redeemed on maturity at par. The size of the discount granted to the investor depends on the maturity of the bond, the borrower's creditworthiness and prevailing market interest rates.

Hence, such bonds offer investors a fixed lump-sum payment at a future date if the bond is held until maturity (which may have various tax implications depending on the countries). On the contrary, if the bond is sold before maturity, the investor will only receive payment of the sale price of the bonds.

Therefore, if market interest rates decrease, the price of these bonds falls more sharply than for other bonds with the same maturity and credit rating. Moreover, in case of foreign currency denominated zero bonds, there is also an increased exchange rate risk because interest payments are not made on a regular basis over the life of the bond but there is only payment of a lump sum at a future date determined in advance.

C. Combined-interest bonds or step-up bonds

For combined-interest bonds or step-up bonds, the investor does not receive interest payments at a single, fixed rate over the entire life of the bond. However, such bonds are similar to fixed-rate bonds in so far as the interest rate is determined in advance and does not depend on fluctuations in market rates. Instead, the rate of interest only changes during the term of the bond, following a pattern agreed at the time of issue.

Indeed, with combined-interest bonds, it is agreed that there will be no coupon for the first years of the life of the bond but an above-average coupon will be paid to the investor for the remaining years. These bonds are usually issued and redeemed at par.

With step-up bonds, a relatively low coupon is paid initially, and a very high one is paid to the investor for the following years. These bonds are usually issued and redeemed at par.

D. Phased interest rate bonds

These bonds are actually a hybrid of fixed and variable-interest notes. They usually have a maturity of 10 years, and pay a fixed coupon for the first years. Afterwards, during a period of several years, the investor will receive interests calculated on the basis of a variable interest rate in line with market rates. For the last years of the life of the bond, the bond reverts to paying a fixed rate of interest to the investor.

E. Index-linked bonds

For these bonds, the redemption amount and/or interest payments are determined on the basis of the level of an index or of a managed account determined in advance - at redemption or on the interest payment date - and thus are not fixed. These bonds are often zero bonds.

Such bonds are usually issued in two "tranches": bull bonds (that appreciate in value if the index rises) and bear bonds (that appreciate in value if the index falls). The investor runs the risk of price losses if the value of the index falls (bull bonds) or if the value of the index rises (bear bonds).

F. Subordinated bonds

For these bonds, investors ought to inquire about the ranking of the debenture compared to other debentures of the issuer since, in case of a bankruptcy of the issuer, those bonds will only be reimbursed after repayment of all higher ranked creditors (preferential and *pari passu* bonds).

However, generally, the better the position of the creditor in case of insolvency is, the lower the return of the bond will be.

G. Convertible/warrant bonds

In this case, the investor is granted the right to exchange the bonds, at a specific time or within a specific period, for shares in the issuer at a ratio determined in advance. There is usually a

minimum lock-in period during which an investor cannot exercise his right of conversion. In case the right of conversion is not exercised, the bonds remain fixed-interest notes, repayable at par on maturity.

Because they offer a conversion right, such bonds usually offer a lower interest rate than ordinary bonds. The price of these bonds is essentially determined by the price of the underlying shares. Indeed, if the price of the shares drops, the price of the bonds falls as well. Therefore, the risk of price losses is higher than for bonds without conversion rights [but usually lower than the risk of price losses associated to a direct investment in the relevant shares].

There are also bonds, which give the investor the right to subscribe for shares, in addition to the bond and not as an alternative. This subscription right is certificated by a warrant, which is detachable from the bond. This warrant can be traded separately.

The shares in the issuer can be purchased by the investor on surrender of the warrant, on terms agreed in advance. The investor continues, in addition hereto, to hold the bond until maturity. As for bonds with conversion rights, the periodic interest payments are usually relatively low. Moreover, the price of such bonds, with the warrant attached, will equally track the price of the underlying shares. If the bonds are without the warrant attached, they amount to traditional bonds and, therefore, their price is mainly determined by market rates.

Certain special forms of the bonds described in the preceding paragraph give the holder of the warrant the right to buy or sell another bond determined in advance at a fixed price.

H. Mortgage bonds

Danish mortgage-credit institutions issue mortgage bonds and mortgage covered bonds (in Danish SDRO) secured on real estate. In addition, banks and mortgage-credit institutions issue covered bonds. (in Danish SDO)

Generally, investments in mortgage bonds are low-risk, but investments in covered bonds and mortgage-covered bonds carry an even lower risk. The reason is that the issuer must ensure that the value of the underlying assets results in a loan-to-value ratio not exceeding certain limits, for example 80% for loans to finance private homes. Accordingly, the issuer must provide other assets, such as government bonds, as collateral if the value of a home falls.

The issuer default risk in the Danish mortgage- credit market is relatively low because the institutions rate all borrowers and secure the loans on real property.

Mortgage-credit institutions issue three types of mortgage bonds, mortgage covered bonds and covered bonds:

- callable mortgage bonds
- non-callable bonds
- bonds issued to finance rate cap loans (floating rate).

Danish banks usually issue non-callable bonds only.

Mortgage-related bonds are also issued in countries other than Denmark.

Callable bonds

Interest and instalments on callable bonds are paid quarterly, unlike payments on government bonds, non-callable bonds and bonds issued to finance rate cap loans.

If a home loan is financed by callable bonds, the homeowner has

a right to prepay the loan (by redeeming the bonds) and take out a new loan. If you invest in callable bonds and the borrower decides to prepay the loan, your bonds may be redeemed at par even if the current market price is higher. Hence, you will have to buy other bonds, which will entail additional costs, and in many cases the yield will be lower than the yield on the bonds redeemed.

The prepayment risk of callable bonds is an important reason why these bonds generally offer slightly higher yields than government bonds.

Non-callable bonds

Non-callable bonds are usually based on bullet loans.

You receive interest once a year and the bonds are repaid at par at maturity. The risk on non-callable bonds is very similar to the risk on government bonds, which makes non-callable bonds a popular alternative to government bonds. If homeowners want to repay their loans by redeeming the bonds, they must do so at the market price of the bonds - not at par.

3. SHARES

A share is a certificate evidencing the rights of the shareholder, to whom it is granted, in a company. Share may take bearer or registered form. One share of stock represents a fraction of the share capital of a corporation.

3.1 Characteristics:

- Yield: dividend payments and increases in value of the financial instrument are possible;
- Shareholder's rights: financial and ownership rights; those rights are determined by the law and the articles of incorporation of the issuing company;
- Transferability: unless otherwise provided by law, the transfer of bearer shares does not, as a matter of principle, require any formalities, as opposed to the transfer of registered shares which is often subject to limitations

3.2 Advantages:

In principle, the investor has voting rights and shares the profits of the company. He may equally obtain higher returns than for investments in term deposits or bonds.

3.3 Risks:

3.3.1 Entrepreneurial risk

A share purchaser is not a creditor of the company, but makes a capital contribution and, as such, becomes a co-owner of the corporation. Consequently, he is participating in the development of the company as well as in the related opportunities and risks, which may entail unexpected fluctuations in the value of such investment. An extreme situation would consist in the bankruptcy of the issuing company, which would have as a consequence the complete loss of the invested amount.

3.3.2 Price fluctuation risk

Share prices may undergo unforeseeable price fluctuations causing risks of losses. Increases and decreases in prices in the short, medium and long-term alternate without it being possible to determine the duration of those cycles.

As a matter of principle, the general market risk must be distinguished from the specific risk attached to the company itself. Both risks influence the evolution of share prices.

3.3.3 Dividend risk

The dividend of a share mainly depends on the profit realised by the issuing company. Therefore, in case of low profits or even losses, it may happen that dividend payments are reduced or that no payments are made.

4. BONUS CERTIFICATES

Bonus certificates represent patrimonial rights as defined in the terms and conditions of issue of those bonds.

4.1 Characteristics:

In general, they come in the form of par value debt instruments that entitle their holder to a part of the profit of the company. As a matter of principle, fixed or variable distribution bonus certificates must be distinguished from bonus certificates with option or conversion right.

4.2 Risks:

4.2.1 Absence of distribution or reduction of repayment

In case of losses by the issuing company, interest payments may be halted if no minimal interest payment has been provided for. In addition, the repayment of the principal amount may be reduced.

4.2.2 Issuer risk

The bankruptcy of the issuer entails the complete loss of the invested funds.

5. INVESTMENT FUNDS

An investment fund is a company or an organised joint ownership which is collecting funds from a certain number of investors and which is engaged in reinvesting those funds according to the principle of risk spreading and to make its stockholders or members benefit from the results of its asset management.

5.1 Characteristics:

- **Open-ended funds:** in an open-ended fund, the number of shares/units and, consequently, of participants cannot, in principle, be determined. The mutual fund may issue new shares/units or redeem existing shares/units. Towards investors, the mutual fund is obliged to redeem shares/units, at its own expenses, at the agreed redemption price and in line with the contractual provisions;
- **Closed-ended funds:** in a closed-ended fund, the issue of shares/units is limited to a number determined in advance. As opposed to open-ended funds, the redemption of the shares/units by the fund is not mandatory. Shares/units may only be sold to third parties or, in some cases, on the stock exchange. The price of the shares/units depends on market offer and demand.

5.2 Advantages:

The holder of shares/units receives part of the income of the fund.

As a result of the diversification of the underlying investments made by the fund, the chances of profits increase or, at least, the risks of losses are limited.

For the investments made by the fund, the latter usually benefits from better market conditions (in particular for costs) than the conditions, which would apply to the investor if he invested directly in the same products.

5.3 Risks:

5.3.1 Management risk

Since the yield of investments made by a fund depends, among other factors, on the capacities of the managers and on the quality of their decisions, errors in the management of the fund may lead to losses or loss of profits.

5.3.2 Risk of a drop in share/unit prices

Investment fund shares/units bear the risk of a drop in their prices, this drop reflecting the decrease in value of the financial instruments or currencies that compose the asset portfolio of the fund, any other things remaining equal. The higher the diversification of the investments made by the fund is, the lower at least theoretically, the risks of losses are.

Conversely, risks are more important if the fund makes more specialised and less diversified investments. It is therefore important to pay attention to the general and specific risks attached to financial instruments and currencies contained in the fund's portfolio.

The investor must inquire about the risks specific to each fund by consulting, among others, the relevant prospectus.

6. DERIVATIVES

Derivatives are financial instruments the value of which varies according to the value of an underlying asset; the underlying asset may be the price of a share, a market index, an interest rate, a currency, the price of raw materials or even another derivative.

Concerning derivatives, a distinction must be made in particular between:

- a. option transactions**, which give to one of the parties the right, but not the obligation, to enter into a transaction. One party (the seller of the option) is irrevocably bound to perform while the other one (the purchaser of the option) is free to exercise the option or not;
- b. forward transactions**, where the parties enter into a transaction, which will have to be performed at a specified date in the future. In a forward transaction, parties bind themselves irrevocably to perform the transaction concluded between them at the specified date.

Transactions on such products trigger higher risks of losses and can even lead to the total loss of the invested funds. Since such transactions can lead to margin calls over the life of the product, investors must ensure that they have sufficient liquid assets before entering into such transactions.

6.1 Option transactions

Options are derivative instruments the value of which tracks the evolution of the value of the underlying asset. The purchaser of an option receives, after having paid a premium to his counterpart, the seller of the option, the right to purchase (call) or to sell (put) the underlying asset at maturity or during a certain period for a strike price determined in advance.

The characteristics of the option can be standardised or defined on a case-by-case basis between the purchaser and the seller.

6.1.1 Characteristics:

- **Duration:** the duration of the option starts from the day of the subscription until the day of the maturity of the option right;
- **Link between the option and the underlying asset:** this link underlines the number of units of the underlying asset that

- the holder of the option has the right to purchase (call) or to sell (put) by exercising his option right;
- Strike price: the strike price is equal to the price agreed upon earlier at which the holder of the option may purchase or sell the underlying asset when he exercises his option right;
 - Strike date: options which can be exercised on any trading day up until the maturity date are called "American style" options. Options, which can be exercised only on their maturity date, are called "European style" options. The latter can nonetheless be traded on the secondary market before their maturity if the market is liquid;
 - Conditions of exercise: the option can be with physical settlement, in which case the buyer of a call option can demand physical delivery of the underlying asset against payment of the strike price or the buyer of a put option can deliver to the seller of the option the underlying asset, against payment of the strike price by the seller. The option can also be with cash settlement, in which case the difference between the strike price and the market value of the underlying asset is due, provided nonetheless that the option is "in-the-money";
 - Options "in-the-money", "out-of-the-money", "at-the-money":

A call option is "in-the-money" if the market value of the underlying is higher than the strike price. Conversely, a call option is "out-of-the-money" if the current market value of the underlying asset is lower than the strike price.

A put option is "in-the-money" if the market value of the underlying asset is lower than the strike price. Conversely, a put option is "out-of-the-money" if the current market value of the underlying asset is higher than the strike price.

When the market value and the strike price are the same, the option is "in-the-money";

- Price of the option: The price of an option depends on its intrinsic value as well as on a variety of factors (time value), in particular the remaining life of the option and the volatility of the underlying asset. The time value reflects the chance that the option will be "in-the-money". Therefore, this latter value is higher for long duration options with a very volatile underlying asset.
- Margin: over the lifetime of an option, the seller must provide as collateral, either the corresponding amount of the underlying asset or another form of collateral. The margin is determined by the bank. Stock exchanges stipulate a minimum margin for listed options. If the margin cover provided by the investor proves to be insufficient, the bank is entitled to request additional collateral, sometimes at a very short notice;
- Form: Option certificates (warrants, listed options): the rights and obligations associated to the relevant option are securitised. They are sometimes listed on the stock exchange.
- Traded options: these are standardised options for which the rights and obligations are not securitised and which are traded on certain specific stock exchanges.
- Over-the-counter (OTC) options: these are options traded outside a stock exchange or agreed directly off-exchange between the parties. Their level of standardisation depends on market practices. They can also be tailor-made to meet investors' needs. This type of option is not listed and rarely takes the form of a certificate;
- Leverage: every change in the price of the underlying asset entails a proportionally higher change in the price of the option right;
- Purchase of a call or a put: the buyer of a call option speculates on a rise of the price of the underlying over the life of the option, which causes an increase in the value of his

option right. Conversely, the buyer of a put option benefits from a drop in the price of the underlying;

- Sale of a call or a put: the seller of a call option anticipates price drops of the underlying asset whereas the seller of a put profits from a rise in the value of the underlying asset.

6.1.2 Advantages:

Over the lifetime of the option, the beneficiary of the option is granted the right to purchase or sale certain assets. The chances of profits are important due to the leverage effect linked to the use of an underlying asset. For the counterparty, such a transaction mainly permits to increase the return on an existing position.

6.1.3 Risks:

a. Price risk

Options may be traded on stock exchanges or over-the-counter and follow the law of offer and demand. An important point for the determination of the price of an option consists, on the one hand in determining whether there is a sufficient liquidity of the market for the relevant option, and on the other hand in determining the actual or expected evolution of the price of the corresponding underlying asset. A call option loses value when the price of the underlying asset decreases, whereas the opposite is true for put options. The price of an option does not solely depend on the price fluctuations of the underlying asset but a series of other factors may come into play, such as for instance the duration of the option or the frequency and intensity of the fluctuations in the value of the underlying asset (volatility). Consequently, drops in the value of the option may appear although the price of the underlying asset remains unchanged.

b. Leverage risk

Due to the leverage effect, price modifications of the value of the option are generally higher than the changes in the price of the underlying asset. Thus, during the lifetime of the option, chances of gains for the holder of an option as well as risks of losses are higher. The risk attached to the purchase of an option increases with the importance of the leverage effect of the relevant option.

c. Purchase of an option

The purchase of an option represents a highly volatile investment and the likelihood that an option reaches maturity without any value is relatively high. In this case, the investor loses all the funds used for the payment of the initial premium as well as commissions. Pursuant to the purchase of an option, the investor can maintain his position until maturity, he can enter into an opposite transaction or, for "American-style" options, exercise the option before maturity.

The exercise of the option may either entail the payment in cash of a differential amount or the purchase or the delivery of the underlying asset. In case the option's object consists in futures contracts, its exercise causes the taking of a position in futures, which supposes the acceptance of some obligations concerning security margins.

d. Sale of an option

The sale of an option entails, generally speaking, higher risk-taking than its purchase.

Indeed, even if the price obtained for an option is fixed, the losses that the seller may incur are potentially unlimited.

If market prices of the underlying asset vary in an unfavourable way, the seller of the option will have to adapt his security margins in order to maintain his position. If the sold option is an "American-style" option, the seller may be required at any

moment to settle the transaction in cash or to purchase or deliver the underlying asset. If the underlying of the option consists in futures contracts, the seller will take a position in futures and will have to respect obligations concerning security margins.

The seller's risk exposure may be reduced by keeping a position on the underlying asset (financial instruments, index or other) corresponding to the sold option.

e. Purchase of the underlying asset in case of short sale

The seller of an uncovered call option does not have a corresponding quantity of the underlying asset at his disposal upon the conclusion of the contract (short sale).

In the case of options with physical settlement, the potential loss for the investor amounts to the difference between the strike price paid for the delivery of the underlying assets in case the option right is exercised and the price he will have to pay to acquire the relevant underlying asset. For options with cash settlement, the risk of loss for the investor amounts to the difference between the strike price and the market value of the underlying.

Since the market value of the underlying can move well above the strike price when exercising the option, the risk of loss for the investor cannot be determined in advance and is, theoretically at least, unlimited.

This risk is more important for "American-style" options which may be exercised at any time and thus at a highly unfavourable time for the seller of the option.

Another risk for the investor selling the option is also to be unable to obtain the requested underlying when the option is exercised or to have the possibility to obtain it only at very unfavourable conditions (in particular for costs) due to the situation of the markets.

In this context, it must be reminded that the potential loss can also be greater than the value of the margin cover provided by the investor.

f. Specific risks associated to options traded over-the-counter (OTC)

A position arising from the purchase or the sale of an OTC option can only be closed with the approval of the counterparty.

g. Specific risks associated to combined options

A combination consists in the conclusion of two or more option contracts based on the same underlying, which differs in the option type or the characteristics of the option.

The number of possible combinations is important. Therefore, the risks involved by any particular combination cannot be described in the present document. Consequently, the investor must inquire about the specific risks associated to the contemplated combination.

It can nonetheless be noted that for any combination, the cancellation, at a certain point, of one or more options may entail substantial changes in the risk position of the investor.

h. Specific risks associated to "exotic" options

These options are subject to additional conditions or agreements. Their payment structures cannot be obtained by using a combination of transactions.

They can take the form of tailor-made OTC options or warrants. The range of exotic options is unlimited so that it is impossible to describe the risks entailed by each "exotic" option in the present document.

However, the most common "exotic" options entail the following additional risks compared to normal options.

6.1.4 Options depending on the overall evolution of the underlying

It is not just on expiration or exercise date of the option that the market value of the underlying is important.

The investor needs to take into account potential fluctuations in the market value of the underlying during all the life of the option in order to assess the chances of gains or risks of losses.

a. Barrier options

The rights attached to such options arise (knock-in options) or expire (knock-out options) fully and irrevocably only when, during a period determined in advance, the market value of the underlying reaches a fixed threshold.

b. Pay-out options

Payout options grant a right to payment of a fixed amount, agreed in advance:

- Digital option: Payment occurs only if, upon maturity, the market value of the underlying is above (digital call) or below (digital put) the strike price. In this case, if the option is "in-the-money", the seller of the option must pay the amount initially agreed on.
- Lock-in option: Payment occurs only if, during the life of the option or a specified time period during this lifetime, the market value of the underlying reaches a threshold determined in advance. Indeed, when the fixed threshold is reached, the seller of the option must pay the amount initially agreed on, irrespective of the subsequent evolution of the price of the underlying.
- Lock-out options: The fixed payment only occurs if during all the life of the option or a specified time period during this lifetime, the market value of the underlying never reaches a threshold or certain thresholds determined in advance. In such a case, whenever the fixed threshold or thresholds are reached, the option becomes invalid and thus loses its value, irrespective of the subsequent evolution of the price of the underlying.

c. Asian options

For these options, an average value is derived from the market value of the underlying over a specified time period. This average is used to fix the underlying's value which must be delivered (average-rate option) or the strike price which must be paid (average-strike option). The calculation of an average value for the underlying can result in:

average-rate option: the value of the option on its maturity date being lower for the buyer and considerably higher for the seller than the difference between the strike price and the market value of the underlying upon maturity;

average-strike option: the strike price of a call option being higher than the price originally agreed or the strike price of a put option, being lower than the price originally agreed.

d. Lookback options

The market value of the underlying is recorded periodically over a specified time period.

For a strike look back option, the lowest value (call option) or the highest value (put option) of the underlying becomes the strike price.

For a price look back option, the strike price remains unchanged but the highest value (call option) or the lowest value (put option) is used in calculating the value of the underlying.

Therefore, the risk is that the calculated strike price or calculated value of the underlying varies considerably from the prevailing market prices on the maturity date.

Consequently, in the above-mentioned cases, the seller must be aware that upon calculation or exercise of the right, the most unfavourable strike price or market value will be applied.

e. Contingent options

Buyers of such options must only pay the premium if the market value of the underlying reaches or exceeds the strike price during the life of the option ("American-style" option) or on the maturity date ("European-style" option).

The risk is thus to be compelled to pay the entire premium even if the option is only just "in-the-money" or "at-the-money".

f. Cliquet and ladder options

- Cliquet options: the strike price is periodically modified for the following period - in general at regular intervals - to bring it in line with the market value of the underlying. An intrinsic value is then, if applicable, calculated and accumulated over the lifetime of the option.
- Ladder options: in this case, the modifications take place periodically only when the underlying reaches specified market prices. Normally, only the higher market value is taken into account.

On the maturity date, the seller of a cliquet option is required to pay all the accumulated lock-in market values in addition to any intrinsic value of the option and the seller of a ladder option must pay the highest lock-in market value. For the seller, the amount to be paid can thus be considerably higher than the option's intrinsic value on the maturity date.

6.1.5 Options on several underlyings

a. Spread and outperformance options

Both types of options are based on two underlyings.

With a spread option, the absolute difference in movement between the value of the two underlyings forms the basis for calculating the option's value.

With an outperformance option, the relative difference, i.e. the percentage improvement of the value of one underlying over the other, is taken into account.

The risk is that, despite a positive performance of the market value of both underlyings, the performance difference between the underlyings may be equal or even lower, thus having an impact on the value of the option.

b. Compound options

The underlyings of such options are options.

Such products can consequently entail large leverage effects, which may trigger important financial obligations.

6.2 Forward transactions

Futures are contracts traded on a stock exchange and standardised as regards the quantity of the underlying asset and as regards the maturity date of the transaction. Over-the-counter (OTC) or forward contracts are contracts that are not traded on a stock exchange and which may be standardised or individually negotiated between purchaser and seller.

6.2.1 Characteristics:

- **Initial required margin:** be it a future purchase or sale of an underlying asset, an initial margin is fixed when the contract

is concluded. This margin is generally expressed in percentage of the value of the contract;

- **Variation margin:** during the entire life of the contract, a variation margin is periodically determined and required from the investor. It represents the accounting benefit or loss, derived from the modification of the contractual price or the price of the underlying asset.

The variation margin may exceed the initial required margin by far. The computation method for the variation margin, be it during the life of the contract or at closing, depends on the stock-exchange rules and on the specific contractual provisions of each contract. The investor must immediately provide the company with variation margin upon request from the latter;

- **Liquidation:** in general, the investor may, at any time during the life of the contract, sell off or liquidate the contract before maturity, either by selling the contract or by entering into an opposite contract as regards the delivery and reception obligations. In this latter case, the provisions of the opposite contract will be such as the delivery and reception obligations arising from both contracts cancel one another out. The liquidation puts an end to the risk positions incurred: gains and losses accumulated until liquidation are realised;

- **Settlement:** contracts that have not been sold off until settlement must be performed by the relevant parties. Contracts having as underlying tangible property assets may be performed by effective delivery of the assets as well as by cash settlement (although physical delivery settlement is more common) while contracts having as underlying reference rates (to the exception of currencies) cannot be performed by actual delivery of the underlying. In case of an effective delivery of the underlying, the contractual obligations need to be performed in full, whereas for cash settlement contracts, only the difference between the price agreed upon when concluding the contract and the market price upon performance of the contract is payable.

Therefore, investors need more available funds for contracts providing for the actual delivery of the underlying asset than for contracts providing for cash settlement.

6.2.2 Advantages:

Chances of gains are important depending on the market value of the underlying upon maturity, especially because the principal amount originally invested is low. Such products may also permit to secure existing positions.

6.2.3 Risks:

a. Modification of the value of the contract or the underlying asset

The investor incurs a risk if the evolution of the actual value of the contract or of the underlying is not in line with the evolution forecasted by the investor when concluding the contract.

Despite a rise in the price of the contract or the underlying, the forward seller will have to deliver the underlying asset at the initially agreed upon price, which may be far lower than the current price. For the seller, the risk is equal to the difference between the price agreed upon when concluding the contract and the market value on maturity date. As the market value may theoretically rise in an unlimited manner, the loss potential for the seller is unlimited and may considerably exceed the required margins.

In case the value of the contract or the underlying asset decreases, the forward purchaser will still have to accept the underlying asset at the price agreed upon in the contract, which can be potentially very much higher than the current market value. Therefore, the buyer's risk consists in the difference between the price agreed upon when concluding the contract and the market value on the maturity date.

Thus, the maximum the purchaser may lose is the initially agreed upon price. This loss may however exceed by far the required margins.

Transactions are regularly evaluated (mark-to-market) and the investor will need to have permanently at his disposal a sufficient margin cover. In case the margin becomes insufficient during the forward transaction, the investor will have to provide a variation margin at very short notice, failing which the transaction will be liquidated before due term, generally at loss.

b. Difficult or impossible sell off

In order to limit excessive price fluctuations, a stock exchange may fix price limits for certain contracts. In such a case, the investor has to keep in mind that, whenever a price limit is reached, it may be very difficult if not momentarily impossible to sell off the contract. Thus, every investor should, before entering into a forward contract, make an inquiry concerning the existence of such limits.

It will not always be possible (depending on the market and the terms and conditions of the transaction) to sell off contracts at any moment in order to avoid or to reduce the risks of a pending transaction.

Stop-loss transactions, if they are possible, may only be performed during office hours of the company. They do not allow to limit losses to the indicated amount, but they will be performed once the threshold is reached in the market and they become at that time an order to perform such a transaction at the then current market price.

c. Purchase of the underlying in case of short sale

To sell an underlying on a forward basis without owning it when concluding the contract (short sale) entails the risk that the seller will have to buy the underlying asset at an extremely unfavourable market price in order to be able, upon maturity, to perform his obligation to deliver effectively the underlying.

d. Specific risks associated to over-the-counter transactions (OTC)

For standardised OTC transactions, the market is in general transparent and liquid. Therefore, the selling off of contracts can normally be done. However, no market exists for OTC transactions agreed individually between the purchaser and the seller. That is why the closing-out is only possible with the agreement of the other party.

e. Specific risks associated to forward exchange products

A forward exchange transaction allows the selling or the purchase of a currency at a future date and at a price fixed when the contract is concluded.

This type of investment permits to eliminate the exchange risk. Moreover, no premium has to be paid upon conclusion of the contract.

The main risk for the investor is the loss of profit in the event the evolution of market rates is more favourable than the evolution of exchange rates anticipated when concluding the contract.

f. Specific risks associated to combined transactions

The number of possible combinations is important. Therefore, the risks involved by any particular combination cannot be described in the present document. Consequently, the investor must inquire about the specific risks associated to the contemplated combination.

It can nonetheless be noted that, generally, the risks associated to such combined transactions may vary when elements of this combination are sold off.

7. STRUCTURED PRODUCTS OR EMTN

Structured products are combinations of two or more financial instruments, forming together a new investment product. At least one of them must be a derivative product.

Structured products with capital protection are the most frequently traded.

Such products can be traded either on the stock exchange or over-the-counter.

Due to the important number of possible combinations, each structured product has its own risks since the risks associated to each of the elements of this combination can be reduced or even eliminated or enhanced due to such a combination. Consequently, the investor must inquire about the specific risks associated to the relevant structured product. Such information is available, for instance, in the commercial brochures or form sheets describing the product.

7.1 Structured products with capital protection (e.g. GROI, PIP, PEP, GRIP)

7.1.1 Characteristics:

- Two elements: such products consist generally of two elements: a fixed-income investment (e.g. bond or money market investment) and an option or combination of options. This enables the investor to participate in the price movements of one or more underlying assets while at the same time limiting potential losses. The capital protection component may, if applicable, only cover a portion of the capital invested. Moreover, the participation and protection elements can be separated into two separate components in order to ensure the independency of the two components or even to permit to sell them separately;
- Capital: fully or partially secured (upon maturity). The capital protection component determines how much of the nominal value of the structured product will be paid out to the investor, irrespective of any price movements in the option component;
- Yield: the option component or direct investment in a risky underlying asset determines how and to what extent the investor can benefit from price movements in the underlying. Therefore, this component determines the potential return over and above the capital protection component;
- Flexibility: these products can be tailored to suit the needs of each client and are adaptable to all types of underlyings.

7.1.2 Advantages:

Such products enable the investor to invest on a market while reducing the risk of losing capital, which would exist if he invested directly on the same market. Returns may be higher than those of monetary or bond investments with an equivalent level of protection.

7.1.3 Risks:

a. Risks at the level of the capital protection component

The capital protection is linked to the nominal value of the product rather than its issue price or purchase price on a secondary market. Therefore, the investor benefits from a guarantee only up to the nominal value of the product with the consequence that capital protection does not necessarily mean 100% repayment of the capital invested. Consequently, the protection will be reduced if the issue/purchase price is higher than the nominal value and, conversely, increases if the issue/purchase price is lower than the nominal value, in particular if the product has been purchased at a price, which was different from par or after the original issue. The level of protection depends on the creditworthiness of the issuer. The capital is therefore protected only if the issuer of the protection can meet his obligations.

The maximum loss is thus limited to the difference between the purchase price and the amount of the capital protection upon maturity. However, over the life of the product, its price can fall below the level of the capital protection amount, which increases the risk of loss in case of sale prior to expiration. Capital protection is only guaranteed for the investor if the latter holds on the product until maturity but is not ensured if early repayment is requested.

Upon maturity, if the capital is not guaranteed up to 100%, the investor will not be repaid the full amount originally invested.

b. Risks at the level of the option/direct investment component

Depending on the evolution of prices in financial markets, this component can expire without value. The risks associated to this component are the same as the risks associated to the relevant option or option combination or direct investment used.

Due to the existence of a capital protection, the investor may obtain a lower return than the return he would have obtained if he had invested directly in the underlying.

c. Liquidity risk

The liquidity of the investment is usually ensured only above a certain amount, subject most of the times to a bid/offer spread and/or a penalty in case the product is not held on until maturity.

7.2 Structured products without capital protection: convertible reverse or discount certificate

7.2.1 Characteristics:

- Term product: the investor receives a guaranteed coupon in a given currency but accepts a risk on his capital on maturity;
- Underlying assets: shares, indexes, baskets, etc.;
- Capital: protected if the market value of the underlying is not lower than the strike price on maturity;
- Repayment: in cash or by delivery of the underlying, at a strike price determined in advance, if this strike price has fallen or been exceeded. On the maturity date, if the price of the underlying asset is higher than the strike price, the investor receives the guaranteed coupon plus 100% of the capital initially invested (in cash). If the price of the underlying asset is lower than the strike price, the investor receives the guaranteed coupon plus the underlying asset at the strike price;
- Flexibility: such products can be adapted to all types of underlyings;

- Discount certificate: in this case, the investor receives the coupon only upon maturity but originally purchases this product at a discount.

7.2.2 Advantages:

Incomes are higher than for investments in money market products.

They are short-term investments and thus it is easier to assess potential earnings.

7.2.3 Risks:

a. Risks at the level of the capital

The capital protection is not guaranteed if the investor receives the underlying asset instead of the capital invested upon maturity.

The capital risk is closely linked to the evolution of the price of the underlying asset.

b. Liquidity risk

The liquidity of the investment is usually ensured only above a certain amount.

c. Exchange rate risk

For the products denominated in currencies other than that of the underlying asset, the investor is exposed to an additional exchange risk.

7.3 Specific case of certain credit derivative instruments

7.3.1 Credit linked notes ("CLN")

7.3.1.1 Characteristics:

An investment in a CLN can be compared to a direct investment in a floating rate note issued by the same entity.

7.3.1.2 Risks:

a. Dual risk

An investor in a CLN bears the credit risk of both the issuer of the CLN itself and of the underlying credit reference entity/ies. In case of a credit event, the investor receives either a debt instrument (i.e. a bond or a loan) issued or guaranteed by the relevant credit reference entity or a cash settlement amount linked to the market price of such debt instrument, calculated on the basis of the relevant credit event.

b. Risk enhanced by the scope of the notion of "credit event"

The term credit event is defined in broad terms and encompasses more than simply a bond default of the relevant reference entity. Indeed, this concept encompasses, for example, an extension of the repayment date of a loan or a decrease in the rate of interest payable on such loan. Therefore, the holder of a CLN can suffer a loss due to a credit event even though a traditional bond default did not occur. In other words, the probability that a credit event occurs is higher than the probability that a bond default occurs.

c. Scope of the risk of loss

A credit event might result in a CLN suffering a greater loss than the average loss suffered by bonds from that same reference entity since the issuer of the CLN generally has a wider choice of the debt instruments to be delivered on a default and could choose to deliver the lowest priced debt instrument. This risk is mitigated in some structures through pre-defined recovery rates, which determine in advance for instance the loss in case of a credit event.

Moreover, a higher loss may occur as a result of a delivery of a bond or loan with a duration longer than the duration of the CLN itself or in case of a valuation using such a bond/loan. However, major rating agencies are aware of these two characteristics and incorporate them into their ratings of CLNs.

7.3.2 Collateralised debt obligations (CDO)

7.3.2.1 Characteristics:

Collateralised debt obligations are also structured products based on an underlying basket or portfolio of debt instruments, which can be bonds, loans and/or credit default swaps. A CDO is usually divided into several tranches providing different levels of risk exposure for the basket of underlying debt instruments. Commonly, the most junior tranche is an “own funds” tranche and the tranches then go up in increasing seniority and correspondingly higher credit ratings.

7.3.2.2 Advantages:

Through these, synthetic structures the investor gains exposure to underlying credits, which are not always available through direct bond investments.

7.3.2.3 Risks:

a. Risks related to the system of tranches

Losses on the portfolio are borne firstly by the holders of the “own funds” tranche and subsequently by the holders of the various tranches in order of seniority. The holders of a senior tranche only incur a loss due to a relevant credit event if all the own funds and the capital of the more junior tranches have been lost. Therefore, tranches, which are not “own funds” tranches, have some degree of protection against losses whereas the “own funds” tranche and the more junior tranches represent a leveraged exposure to the fluctuations of the underlying portfolio.

Credit events on a small portion of the underlying portfolio can lead to significant or total loss of the capital invested in the “own funds” tranche and the more junior tranches.

b. Risks related to the long-term nature of the product

The value of any credit derivative can vary significantly before maturity depending on factors including, for instance, the occurrence of credit events and movements of credit spreads in the portfolio.

Moreover, like any debt instrument, the initial rating of any credit derivative can be upgraded or downgraded. A credit rating of a particular instrument reflects the (long-term) default risk of that instrument until it matures, and not short-term market risk. Investors in a credit derivative should generally have a long-term investment perspective and the ability to hold the product until maturity.

c. Risk related to the low liquidity

Such instruments are generally illiquid even though a secondary market may exist.

8. SYNTHETIC PRODUCTS

Synthetic products - essentially covered options and certificates - are characterised by their identical or similar profit and loss structures when compared with specific traditional financial instruments (shares or bonds). They result from the combination of two or several financial instruments in the same product. Basket certificates, based on a specific number of selected shares, are one typical example. Synthetic products can be traded either on a stock-exchange or over-the-counter.

Due to the important number of possible combinations, each synthetic product has its own risks. However, generally, the risks associated to synthetic products are not always the same as the risks associated to the financial instruments they contain. Consequently, before an investment in such products, the investor must make thorough inquiries about these specific risks, for instance by consulting the product description.

8.1 Covered options (e.g. BLOC warrants, DOCUs, GOALS)

8.1.1 Characteristics:

- Limited loss: when purchasing a covered option, the investor purchases an underlying asset (share, bond or currency) and, at the same time, writes a call option on that same asset. In return, the investor is paid a premium. The latter limits his loss in case the price of the underlying falls;
- Limited potential gain: the potential return from any increase in the underlying asset's market value is limited to gains up to the option's strike price;
- Collateral: for traditional covered options, the investor must lodge the underlying asset as collateral, thus becoming a passive investor;
- Synthetic covered options: this type of product is based on the idea of duplicating or reproducing traditional covered options. But this duplication is achieved by means of a single transaction. Both the purchase of the underlying asset and the writing of the call option are carried out synthetically using derivatives. The purchase price of such a product is identical to that of the underlying minus the premium received for the sale of the call option. Hence, the synthetic product is sold more cheaply than its underlying;
- Settlement: either cash settlement or physical delivery of the underlying are possible upon maturity: If the market value of the underlying is higher than the strike price, the investor is paid a specified cash amount as settlement. If, however, it is lower than the strike price, the investor receives physical delivery of the underlying asset.

8.1.2 Advantages:

By writing a call option (traditional covered option) or by the return from the sale of a call option included into the product price (synthetic covered option), any loss in the price of the underlying triggers a lower loss than that which could be suffered in case of a direct investment in the underlying asset.

8.1.3 Risks:

Unlike structured products with capital protection, synthetic covered options do not contain a hedge against losses in the market value of the underlying.

Therefore, if the price of the underlying increases and that, upon maturity, it is higher than the strike price of the option, the investor will receive the price originally agreed upon in the form of a cash payment. If the price of the underlying upon maturity is lower than the price contemplated by the investor when purchasing the product, the yield of such product may be lower

than the return of an investment on the monetary market with the same maturity.

If the price of the underlying, upon maturity, is equal or lower than the strike price of the option, the investor will receive the underlying. The potential loss that may be suffered by the investor is thus linked to a possible drop in the market value of the underlying until maturity. The risk of loss is therefore unlimited, as if the investor had invested directly in the underlying asset.

However, the premium of the option mitigates the consequences of a potential loss of profit in relation to the underlying.

8.2 Certificates/EMTN (e.g. PERLES)

8.2.1 Characteristics:

- Diversification: a certificate entitles an investor to purchase a right which is based on several underlyings or has a value derived from several indicators;
- Main types of certificates:
 - index certificates: these reflect a whole market being based on an official index (e.g. DAX, CAC, etc.);
 - region certificates: these are derived from a series of indexes or companies from a certain region (e.g. Eastern Europe, Pacific area, etc.);
 - basket certificates: these are derived from a selection of national or international companies active in the same sector (e.g. biotechnology, telecoms, etc.), indexes, bonds or other underlyings;
- Guarantee: these certificates are securitised;
- Maturity and trading: the maturity of these certificates usually ranges between one to three years. However, these certificates can be traded at any time;
- Limited duration: they are incorporated in an instrument and thus these certificates have a limited duration;
- Investor's rights: no voting right and no right to dividend/interests in relation to the underlying assets;
- Repayment: repayment occurs upon maturity and equals:
 - a set amount per index point for an index certificate;
 - the difference between the market value upon maturity and the strike price for a region or basket certificate.

8.2.2 Advantages:

For a minimum of capital investment, the investor can achieve diversification over a broad range of instruments or risk factors and thus mitigate the latter.

This type of product offers the same potential of gains or losses than a similar direct investment in the underlying assets but, due to the diversification of the index, it is possible to limit or even eliminate the risks specific to the companies composing this index and thus to limit the risk of loss of the full amount invested.

They are usually low-cost products (in particular because they have no rights to dividends/interests or voting rights vested in them).

8.2.3 Risks:

a. Transfer of risk

Investments in index, region or basket certificates basically involve the same level of potential loss as direct investments in the corresponding shares themselves. However, they offer greater risk diversification.

However, this does not mean the risks are eliminated - they may simply be transposed onto the market or sector on which the certificate is based.

b. Absence of rights

In contrast to direct investments, certificates do not confer any voting rights nor do they entitle the investor to payments of dividends or interests in relation to the underlying assets.

Therefore, a drop in the price of the certificate cannot be counterbalanced by payments of dividends or interests.

c. Issuer risk

In addition to the risk of insolvency of the companies constituting the underlyings of the certificate, the investor is exposed to the issuer risk, that is to say the risk of insolvency of the credit institution issuing the certificate.

d. Leverage risk

Due to the leverage effect, price modifications of the value of the certificate are generally higher than the changes in the price of the underlying assets. Thus, during the lifetime of the certificate, chances of gains as well as the risks of losses are higher. The risk attached to the purchase of a certificate increases with the importance of the leverage effect of the relevant certificate.

Such certificates are usually more volatile instruments than normal certificates and can lose their entire value very quickly.

9. "ALTERNATIVE" INVESTMENTS AND OFF SHORE FUNDS

9.1 Characteristics:

An "alternative investment" consists in an investment in a domestic or foreign investment fund the style of which is completely different from traditional investments in shares and bonds due to the type of investments made by the relevant fund. Hedge funds are the most usual alternative investments. Their investment style is often based on short sales, leverage effects and derivatives. Hedge funds can choose freely the products and markets (including emerging markets) in which they want to invest and their trading methods. Such funds usually set high minimum investment requirements for investors. The remuneration of the managers of these funds is often linked to the performance of said fund.

Investments in private equity funds are also included in this category (venture capital, financing of acquisitions of companies).

The word "off shore" funds points to investment funds located in offshore centres, like for example the Bahamas, the Bermuda, the Cayman Islands, Panama or the Dutch West Indies.

Each fund has its own risks and therefore it is not possible to describe in details the risks associated to investments in such products in the present document but it is only possible to provide summary information. Consequently, the investor must inquire, on a case-by-case basis, before investing in such products, for instance by consulting the prospectus of the fund.

9.2 Advantages:

The prospects of gains are usually attractive for the level of risk incurred (volatility risk).

9.3 Risks:

a. Leverage risk

In this domain, investment strategies can entail high risks. For example, by using the leverage effects, a slight change of the market may lead to important gains but also losses. In some situations, the entire investment may be lost.

b. Lack of information

The net asset value of such investment instruments is usually not known at the time when the investor decides to invest or to redeem his investment. This is due to the fact that, in principle, a notice period is necessary before such a transaction can be performed. Consequently, the net asset value can only be calculated once the investment has been made or redeemed. Moreover, very often, investors in "alternative investments" only have very little information at their disposal. The sometimes very complex strategies of the investment funds frequently lack transparency for investors. Strategic changes, that may lead to a significant increase of the risks, often remain unclear or even completely underestimated by investors.

c. Potential lack of liquidity

Alternative investments may be more or less liquid.

Sometimes, liquidity is very poor.

Most of these investments are subject either to lock-in periods, or redemption penalties if investments are redeemable within a certain period of time. This is due to the relatively illiquid nature of the investments encompassed in such instruments, which tend to be made with a long-term investment view.

Moreover, many of the investment techniques used in the alternative investment industry involve investments either in illiquid financial instruments, or in instruments, which are subject to legal or other restrictions on transfer. Therefore selling an alternative investment position may only be possible periodically or on certain dates after a notice period of several weeks, for example four times a year, on specific dates. Due to bid/ask spreads, the payment of sales proceed may not amount to the net asset value of the instrument.

Share redemption for hedge funds will only be possible monthly, either quarterly or annually. Concerning private equity funds, the lock-in period may last up to 10 years or more.

Finally, due to the complexity of the underlying investments made by these funds, adjustments in the net asset value may be necessary after receipt of the revised annual accounts. As a consequence, certain alternative investment funds block part of the shares of the investor, if the latter decides to sell off 100% of his shares, until receipt of the revised annual accounts.

d. Minimal regulation

An important number of funds in this sector are located in offshore centres ("off shore" funds). Frequently, those offshore centres only impose minimal regulations on the funds. As a consequence, numerous problems or delays may appear during the carrying out of buy or sell orders for which the company cannot be held liable. The enforceability of the investor's rights is not systematically guaranteed.

The investor interested in "alternative investments" and notably "off shore" funds needs to be aware of those risks. Before entering into a transaction, the actual investment products should be carefully examined.

e. Additional risks associated to private equity funds

Private equity investments typically carry the following additional risks:

- *No assurance of investor return:* The risk for the investor is that he may not recoup the full invested amount, and may even lose it entirely. Past investment performance of these instruments is no guarantee of future investment performance, particularly as the nature of the investment environment is constantly changing (new geographic areas, new specialised areas, etc.). In particular, there is often strong competition to acquire portfolio companies during a cyclical upturn, whilst it may be difficult to withdraw from such investments during a cyclical downturn;
- *Low liquidity:* These funds usually have a term of seven to fifteen years. There is no recognised secondary market in such private equity investments. As a result, the penalty to withdraw from a private equity fund (which will usually require payments over a number of years) can be extreme, up to and including complete forfeiture to any rights to monies already invested in such an investment.

As regards the funds that an investor commits to pay to the fund, the investor must pay particular attention to the notice periods, usually very short ones (which may be as short as seven days,) and should make sure that he has sufficient liquid assets set aside to meet these calls for payments at a short notice.

10. INVESTMENTS IN REAL ESTATE

Real estate investments comprise investments into "real" assets, such as residential housing, office buildings, retail properties, etc.

10.1 Characteristics:

Such investments are generally made through investment funds or listed investment companies, thus providing a certain degree of diversification. Such diversification generally reduces portfolio volatility and serves as a hedge against inflation.

Some real estate investments may have elements of private equity investments.

10.2 Risks:


a. Potentially limited liquidity

Liquidity and tradability of investments linked to real estate can vary a great deal. Such investments are usually illiquid and it may not be always possible to realise profits in the short term.

Listed investment companies and open-ended investment funds investing in real estate generally have a daily market. On the other hand, real estate investments such as closed-ended funds may provide liquidity only monthly, quarterly, or annually with compulsory holding periods of at least several years.

b. Leverage effect

In case of leverage effect, movements in the market may generate major gains, but also high losses.



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