

## **Business Terms for Custody Services**

*This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.*

The following Business Terms apply to custody accounts at Nykredit Bank. You can find the latest Danish version at [nykredit.dk](http://nykredit.dk).

### **A. General rules**

#### **A1. Rules governing the deposit and registering of securities in safe custody**

The rules apply to custody accounts and cash accounts with Nykredit Bank (the "Bank").

The Bank's current general business terms for business and personal customers apply to both custody accounts and cash accounts.

#### **A.2 Opening of custody account**

In connection with the opening of a custody account, the Bank requires the name, address and civil registration (CPR) number of personal customers and the central business registration (CVR) number of business customers. Documentation of the CPR number must be presented by way of a copy of a passport or driver's licence as well as national health insurance card or another form of identification with an imprinted CPR number. Documentation of the CVR number must be presented in the form of a transcript from the Danish Business Authority or another identification document with an imprinted CVR number.

In case of co-account holders, the same information and documentation must be provided on these.

Furthermore, you and your agents/authorised signatories must provide the Bank with a specimen signature.

The Bank must be informed immediately in writing of any name or address changes as well as any changes with respect to your agents/authorised signatories.

Furthermore, a cash account must be held with the Bank in which income from the custody account may be deposited, from which custodian fees, etc, may be withdrawn and from which net amounts related to the purchase/sale of securities may be withdrawn/deposited.

Empty custody accounts will be closed automatically after a period of 12 months.

#### **A.3 Safe custody and liability**

The Bank is liable for damage to deposited securities if the Bank has failed to keep the securities safe. On deposit, the Bank will not check for discrepancies nor title discrepancies in relation to and the authenticity of physical securities. This also applies to foreign securities.

#### **A.4 Reservations regarding amounts deposited with the Bank**

Deposits on cash accounts with the bank of interest from bonds, redemption and prepayment amounts, dividend from equities and investment fund units as well as other amounts are subject to the Bank's final receipt of the amounts. In case of non-payment to the Bank, the Bank will be entitled to charge back amounts deposited into your cash account. This applies notwithstanding the specification of the deposits in statements of account or notices of deposit.

#### **A.5 Nykredit Bank's liability for damages**

The Bank is liable for damages resulting from any delay or default in performing its obligations including if such delay or default is due to errors or negligence.

Even in areas where a stricter statutory liability applies, the Bank is not liable for losses due to:

- the breakdown of/lack of access to IT systems or damage to the data of these systems which can be attributed to the below events regardless of whether the Bank itself or an external supplier is responsible for the operation of the systems
- failures in the Bank's power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and hacking);
- strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Bank itself or its organisation and regardless of the reason for the conflict. This also applies when the conflict only affects part of the Bank;
- other circumstances beyond the control of the Bank.

The Bank's exemption from liability does not apply if:

- the Bank should have anticipated the factor which caused the loss when the agreement was concluded or should have avoided or overcome the reason for the loss;
- current legislation renders the Bank liable for the factor that caused the loss.

#### **A.6 Statement of custody accounts**

If you hold securities in custody accounts, you will receive a quarterly statement. The statement will be prepared as at the last business day in December and shows the entries recorded in the custody account and the disclosures made to the tax authorities. A portfolio statement can be ordered at any time against a fee.

#### **A.7 Custody fee**

A fee will be charged for the safekeeping and registration of securities in safe custody. Furthermore, the Bank may charge fees for services rendered following requests from the custody account holder or any co-holders. A list of the Bank's fees may be obtained from the Bank upon request.

#### **A.8 Rules governing other types of custody accounts, etc**

Special rules apply to pledged custody accounts, pension plan custody accounts, asset management custody accounts including the management of funds, trust funds and funds belonging to persons under guardianship. These rules may be obtained from the Bank.

#### **A.9 Safe custody of securities and other funds**

Your securities are normally kept in a separate custody account in your name.

Your securities may be kept in omnibus accounts provided that you are informed thereof and have given your consent. An omnibus account is an account in which the securities of several customers are registered in the name of the Bank, but kept separately from the Bank's own securities. Nykredit Bank uses omnibus accounts for securities kept outside Denmark and in certain instances for settlement purposes.

Nykredit Bank keeps a separate register of securities kept in omnibus accounts with foreign business partners. Your title to the registered securities is entered clearly in the register. This ensures that you have a secured claim in case of Nykredit Bank's insolvency.

According to the Danish Act on a guarantee scheme for depositors and investors, the Guarantee Fund will cover losses suffered by individual investors of up to EUR 20,000 if a bank is unable to return the securities held in safe custody or omnibus accounts on behalf of investors. For further information, please see [gii.dk](http://gii.dk).

## **B. Rules governing equities/convertible bonds**

### **B.1 New subscription**

If new equities and/or bonds, including convertible bonds with a pre-emption right for existing shareholders and/or bondholders, are offered for subscription pursuant to current legislation, the Bank will notify you by ordinary post if possible within the deadline for subscription.

Within a fixed deadline, you must notify the bank if:

- you wish to accept the invitation to subscribe;
- you wish to try to sell the subscription rights;
- you wish to try to buy/sell supplementary/excess subscription rights.

If the Bank has not received your instructions within the fixed deadline or if you do not make funds available for the subscription, the Bank may sell the subscription rights at the best possible price on your account. However, the Bank will not be liable for the realisation of any sale.

If the value of the subscription rights is lower than the costs of a potential sale, the Bank may abstain from selling the rights.

After expiry of the subscription period, VP Securities A/S will cancel any unexercised subscription rights registered with VP Securities A/S without prior notification to you.

### **B.2 Bonus shares**

If it is announced pursuant to current legislation that bonus shares will be issued, the Bank will notify you of this by ordinary post if possible within the deadline.

Within a fixed deadline, you must notify the bank if:

- you wish to buy the bonus shares;
- you wish to sell the rights;
- you wish to buy/sell supplementary/excess rights.

If the Bank has not received your instructions within the fixed deadline or if you do not make funds available for the purchase of rights, the Bank will buy the largest possible number of bonus shares and will be entitled to sell any excess rights at the best possible price on your account.

However, the Bank will not be liable for the realisation of any sale.

If the value of the equity rights is lower than the costs of a sale, the Bank may abstain from selling the rights.

VP may cancel unexercised equity rights registered with VP Securities A/S without prior notification to you.

### **B.3 Convertible bonds**

At the time of conversion of convertible bonds announced pursuant to current legislation, the Bank will notify you by ordinary post if the deadline allows notification.

Within a fixed deadline, you must notify the bank if:

- you wish to convert the convertible bonds into equities;
- you wish to collect the convertible bonds upon maturity.

If the Bank has not received your instructions within the fixed deadline, the Bank will be entitled, but not obliged, to choose, on your account and at your risk, the option most advantageous to you in the Bank's opinion.

#### **B.4 Tender offer**

If the Bank is the custodian bank of a minority shareholder who receives a tender offer in connection with the transfer of a controlling interest, the Bank will not be liable to you if you fail to accept such offer within the fixed deadline.

### **C. Rules governing securities registered with VP Securities A/S**

For bonds, equities and other securities registered with VP Securities A/S, the following terms apply.

#### **C.1 Registering with VP Securities A/S**

VP Securities A/S registers issues and trading in bonds, equities and other securities eligible for registration as well as the rights they carry.

Securities are registered in custody accounts with VP Securities A/S opened by the Bank on your behalf.

You will be notified of changes to the registrations in the custody account unless you have declined this option. The Bank forwards trade confirmations in connection with securities trades.

#### **C.2 Interest**

On the due date, interest received from bonds will be credited to your cash account.

#### **C.3 Redemptions/prepayments**

Following the redemption of bonds, custody accountholders and their agents, if any, will be notified of amounts redeemed, unless this option has been declined.

On the due date, the redemption amounts received will be deposited into your cash account.

#### **C.4 Dividend**

Dividends received on equities and investment fund units – with the deduction of withholding tax, if any – will be credited to your cash account after the general meeting at which the dividend distribution was adopted.

#### **C.5 Foreign securities registered with VP Securities A/S**

Returns on foreign securities will be transferred from VP Securities A/S to the Bank, which will transfer the return to your cash account following exchange, if necessary.

It is not possible to register foreign bonds registered with VP Securities A/S in the name of the holder, although this may be possible in the bond's original form in its country of issue.

To the same extent as the Bank, you are subject to the applicable rules of law and practice in the issuer's country of domicile, which may imply a duty of disclosure as against foreign authorities and companies with respect to your name and address, the size of the portfolio, composition, return, etc.

#### **C.6 Registration of rights to securities**

Registration of rights to securities in the Bank's custody including purchase and sale is performed by the Bank on request (application). An application for registration must be made by letter or email. The Bank must have received the application by 16:00. Applications received after this time will be considered as having reached the Bank at the beginning of the subsequent business day.

The Bank will submit an application for the registration of a right to VP Securities A/S for final verification and registration. The registration will take legal effect from the time the claim is finally verified by VP Securities A/S.

On request, the applicant may obtain written confirmation of the time when the application for registration was received by the Bank.

#### **C.7 4.3.7. Documentation of registration**

In connection with any application for registration, the Bank may require documentation evidencing

- that the application has been made by the relevant party;
- the claim is registrable;
- the right is valid.

The Bank may require other necessary information for the purpose of the registration – if not received, the application for registration will be refused. If an application for registration is refused, grounds for refusal will be given.

#### **C.8 Registration in the name of the holder**

A request for registration of equities, etc in the name of the holder must be made to the Bank, which will file an application with VP Securities A/S. The registration will take effect from the date of registration with VP Securities A/S.

#### **C.9 Deposit of registered shares**

In connection with the deposit of registered shares, a request for the registration of the shares in the name of the holder will be registered unless you leave other instructions. In connection with the sale of such shares, the Bank will be authorised to deregister the shares.

#### **C.10 Deposit of bearer shares**

In connection with a deposit of bearer shares, a request for registration in the name of the holder will only be registered if requested by you. In case of a sale of bearer shares registered in the name of the holder, the Bank will be authorised to deregister the shares.

#### **C.11 Termination of registration with VP Securities A/S**

When an investment security ceases being registered with VP Securities A/S, account holders and rights holders, if any, will be notified hereof. The notification will contain information on the procedure for delivery of documents in replacement of the registered securities.

### **C.12 Complaints**

Complaints about a decision on the registration, change or cancellation of rights or the Bank's refusal of an application for registration must be made in writing to the Complaints Board for CSDs, Weidekampsgade 14, DK-2300 Copenhagen S. Complaints must be filed not later than six weeks after registration with the central securities depository has been made. The Complaints Board may in special cases process complaints after expiry of the complaints deadline. Upon filing of a complaint, a complaints fee will be payable.

Please find detailed rules on complaints in Executive Order No 206 of 11 March 1997 on the Complaints Board for CSDs issued by the Danish Financial Supervisory Authority.

### **C.13 Legislation**

The rules governing bonds, equities, etc registered with VP Securities A/S are laid down in the Danish Securities Trading Act, the Danish Financial Business Act and related executive orders.

## **D. Rules governing Danish securities not registered with VP Securities A/S**

### **D.1 Bonds**

The Bank will monitor the redemption and cancellation of bonds if so announced pursuant to current legislation or via the redemption lists released by bond issuers.

Bonds redeemed and coupon interest will be collected on maturity.

### **D.2 Equities**

The Bank will collect dividend warrants from equities held in custody, etc if the Bank receives information on the time and place of cashing in the dividend warrants. According to specific agreement, the Bank will undertake to register securities in the name of the holder or to the bearer.

### **D.3 Scrips, etc**

The Bank will exchange scrips, etc with equities or bonds and talons with new coupon sheets.

### **D.4 Special securities**

Securities falling outside the above categories of these terms will be kept in custody as special securities. The Bank will not collect coupon interest/cash in dividend warrants, etc or undertake any reporting to the tax authorities with respect to such securities.



## **E. Rules governing foreign securities**

### **E.1 Safe custody and registration of foreign securities**

Foreign securities and Danish securities that are only traded on foreign stock exchanges will be held in custody with the Bank's foreign business partners.

In accordance with the Danish Act governing capital markets, the Bank may, in accordance with agreement with you, keep your securities in omnibus accounts. An omnibus account is an account in which the securities of several custody accountholders are registered in the name of the Bank, but kept separately from the Bank's own securities. In relation to foreign business partners, Nykredit Bank only applies omnibus accounts.

The Bank keeps a separate register of foreign securities deposited with foreign business partners. Your title to the registered securities is entered clearly in the register.

Should one of our foreign business partners enter into suspension of payments, bankruptcy, etc, Nykredit will be entitled to withdraw the securities from the omnibus account. This is done on behalf of the customers listed as owners of the securities.

With respect to securities in omnibus accounts, you will not be covered by the rules of compensation laid down in the Danish Act governing capital markets. The Bank is, however, liable for the acknowledged or adjudicated errors and solvency of foreign business partners.

To the same extent as the Bank, you are subject to the rules of law and practice applicable to the foreign execution venue as well as the general business terms of foreign business partners. This may imply a reporting duty to foreign authorities and companies with respect to your name and address as well as portfolio size and composition, and returns.

### **E.2 Interest on bonds, redemptions/prepayments and dividends on equities**

With respect to custody accounts containing foreign securities kept and registered with a business partner appointed by the Bank, dividend from equities, interest on bonds and redemption and prepayment amounts will, after conversion, if required, be deposited into the depositor's account following notification from the foreign business partner that the amounts have been cleared to the Bank.

Amounts will be deposited subject to the Bank's receipt of the amount. If the Bank does not receive the amounts, it will be entitled to charge back the amounts deposited. This applies despite the absence of any mention thereof in the statement of account or notice of deposit.

The Bank will not be liable in any way for the recovery of foreign dividend/coupon tax unless otherwise agreed

### **E.3 New subscription, bonus shares, etc regarding foreign securities**

If the Bank receives notification of the new issue of equities and/or subscription of bonds including convertible bonds and warrants and the issue of bonus shares, the Bank will inform you by ordinary post if possible within the deadline for subscription. See "B. Rules governing equities/bonds".

Subscriptions as well as the booking of proceeds, etc will not be completed before the basis of settlement has been made available to the Bank by the foreign business partner.

### **E.4 General meetings**

The Bank will not forward information to you about annual or extraordinary general meetings. You cannot expect to be allotted any voting rights at a general meeting unless specifically agreed in advance.