



# Documentation

## ABN AMRO Bank (Luxembourg) S.A.

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**ABN·AMRO** Private Banking



# General Terms and Conditions

## ABN AMRO Bank (Luxembourg) S.A.

governing the relations between **ABN AMRO Bank (Luxembourg) S.A.** and its clients.

(version September 2009)

### 1 PRELIMINARY PROVISIONS

**1.1** The business relations between the client and ABN AMRO Bank (Luxembourg) S.A., hereinafter referred to as the “Bank”, are based on mutual trust. The Bank places its facilities at the disposal of the client for the execution of different types of orders. The variety of the business, the large number of transactions and the speed at which they must usually be handled, require, in the interest of a defined and reliable legal relationship, the drawing up of certain general conditions.

**1.2** The contractual relations between the Bank and the client are governed by the following conditions (together with the Bank’s fee schedule the “General Terms and Conditions”) and any other agreements between the parties, the law, rules and customs issued by the International Chamber of Commerce, as well as by agreements among banks and banking customs generally applicable and followed in Luxembourg. These General Terms and Conditions qualify as a framework contract under EU Directive 2007/64/EC on payment services in the internal market.

**1.3** All investments in financial instruments and currencies are subject to market movements and the client may thus make profits but may also sustain losses. Good past performance is no guarantee of good future performance. The client undertakes only to make investments with which he/she is familiar and which are within his/her financial capacity.

**1.4** The Bank is subject to the prudential supervision of the financial supervisory authority in Luxembourg, the Commission de Surveillance du Secteur Financier, the address of which is L-1150 Luxembourg, 110, route d’Arlon. The list of banks established in Luxembourg can be found on the website: [www.cssf.lu](http://www.cssf.lu). The Bank license number is TR-103/88 (reference number of the authorisation letter issued by the “Ministre du Trésor”).

**1.5** The Bank’s registered office and principal place of business is at L-1855 Luxembourg, 46, avenue J.F. Kennedy. The Bank’s contact details are switchboard: +352 2607-1, e-mail address of the relevant relationship manager of the client: [firstname.name@lu.abnamro.com](mailto:firstname.name@lu.abnamro.com) and websites: [www.abnamro.lu](http://www.abnamro.lu) and [www.abnamro.com](http://www.abnamro.com).

In the absence of agreement to the contrary, where the client has been provided with the same document in different languages, the English document will prevail.

### 2 INFORMATION

#### 2.1 INFORMATION FROM THE CLIENT

**2.1.1** At the beginning of the relationship, the client will indicate to the Bank exact data regarding his/her identification (e.g. name/ company name, address/registered office, residence, nationality, civil status, occupation) by providing an official identification document and the origin of assets to be deposited with the Bank. Individuals may be invited by the Bank to prove their legal capacity. Corporate and other legal entities must provide i.e. the most recent certified copy of their Articles of Incorporation, a recent certified excerpt from the Commercial Register and a resolution containing the list of those persons authorised to bind and represent said entity towards third parties.

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.

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 internal account. The Bank will refuse to open an account for the client as long as the client has not duly completed to the Bank’s satisfaction all account opening documents and provided the Bank with all required exhibits.

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 document 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 19.3 and, by extension, in accordance with the law applicable.

The client warrants that he/she will forthwith inform the Bank in writing of any changes to the identification elements mentioned above.

**2.1.2** The client shall deposit with the Bank a specimen of his/her signature and, where applicable, of the signatures of statutory representatives or authorised signatories. The Bank may solely rely on such specimens, irrespective of any entries in commercial registers or other official publications.

Except as otherwise provided herein or by any applicable law and except in cases of gross negligence in the verification of the signature, the Bank shall not be liable for the fraudulent use by a third party of the handwritten signature of the client, whether such signature be authentic or forged.

Except as otherwise provided herein or by any applicable law, should the Bank not identify the fraudulent use of the authentic or forged signature of the client on documents, and effect transactions on the basis of such documents, 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 disposed of by the fraudulent use of such documents. The Bank shall, in such circumstances, be considered as having validly executed the transaction, as if it had received proper instructions from the client.

**2.1.3** Specimens of the signatures of the statutory representatives, authorised agents or proxy-holders that can bind the Bank and represent it, are recorded on a list that the client may review at any time. Only documents bearing such signatures will bind the Bank.

**2.1.4** The client may be represented in dealings with the Bank by one or several agents. Proxies must be in writing and must be deposited with the Bank. Unless otherwise agreed, they shall remain valid, at the latest, two business days following the day the Bank has been informed in writing that one of the legal or contractually agreed causes of termination 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 him/herself.

**2.1.5** 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.

**2.1.6** Microfiches, microfilms, computerised records or other records issued 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.

## 2.2 INFORMATION FROM THE BANK

**2.2.1** The parties hereby acknowledge that:

- (i) the Bank has provided the client with a copy of these General Terms and Conditions including the information and conditions specified under clause 2.2.2 on paper format or another durable medium, in good time before the conclusion of these General Terms and Conditions; or
- (ii) if these General Terms and Conditions have been concluded at the request of the client using a means of distance communication which does not enable the Bank to comply with (i) above, the Bank has fulfilled these obligations immediately after the conclusion of these General Terms and Conditions.

**2.2.2** In addition to the information disclosed herein, the following information are available to the client in the Bank's fee schedule:

- (i) all charges payable by the client to the Bank and, where applicable, the breakdown of the amounts of any charges; and
- (ii) where applicable, the interest and exchange rates to be applied or, if reference interest and exchange rates are to be used, the method of calculating the actual interest, and the relevant date and index or base for determining such reference interest or exchange rate.

Changes in reference interest or exchange rate and information requirements related to the changes may apply immediately in accordance with clause 20.2.

## 3 GENERAL PROVISIONS

For the purposes of these General Terms and Conditions, the term "payment instrument" shall mean any personalised device(s) and/or set of procedures agreed between the client and the Bank and used by the client in order to initiate a payment order.

Payment transactions based on any of the following documents drawn on the Bank with a view to placing funds at the disposal of the beneficiary of the relevant transaction shall not be considered as a payment instrument for the purposes of these General Terms and Conditions:

- (i) paper cheques in accordance with the Geneva Convention of 19 March 1931 providing a uniform law for cheques;
- (ii) paper cheques similar to those referred to in point (i) and governed by the laws of EU member states which are not party to the Geneva Convention of 19 March 1931 providing a uniform law for cheques;
- (iii) paper-based drafts in accordance with the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes;
- (iv) paper-based drafts similar to those referred to in point (iii) and governed by the laws of EU member states which are not party to the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes;
- (v) paper-based vouchers;
- (vi) paper-based traveller's cheques; or
- (vii) paper-based postal money orders as defined by the Universal Postal Union.

### 3.1 OBLIGATIONS OF THE CLIENT IN RELATION TO PAYMENT INSTRUMENTS

#### 3.1.1 (1) The client shall have the following obligations:

- (i) to use the payment instrument in accordance with these General Terms and Conditions; and
  - (ii) to notify the Bank, without undue delay on becoming aware of loss, theft or misappropriation of the payment instrument or of its unauthorised use.
- (2) The client shall obtain rectification from the Bank only if he notifies the Bank without undue delay on becoming aware of any unauthorised or incorrectly executed payment transactions giving rise to a claim and no later than thirteen (13) months after the debit date, unless, where applicable, the Bank has failed to provide or make available the information on that payment transaction in accordance with the provisions of these General Terms and Conditions.

3.1.2 For the purposes of clause 3.1.1(1)(ii), the client shall, in particular, as soon as he receives a payment instrument, take all reasonable steps to keep its personalised security features safe.

### 3.2 BANK'S LIABILITY FOR UNAUTHORISED PAYMENT TRANSACTIONS

Without prejudice to clause 3.1.1(2) in the case of an unauthorised payment transaction, the Bank refunds to the client immediately the amount of the unauthorised payment transaction and, where applicable, restores the debited payment account to the state in which it would have been had the unauthorised payment transaction not taken place.

### 3.3 CLIENT'S LIABILITY FOR UNAUTHORISED PAYMENT TRANSACTIONS

The client shall bear the losses relating to any unauthorised payment transactions, up to a maximum of EUR 150, resulting from the use of a lost or stolen payment instrument or, if the client has failed to keep the personalised security features safe, from the misappropriation of a payment instrument.

The client shall bear all the losses relating to any unauthorised payment transactions if he incurred them by acting fraudulently or by failing to fulfil one or more of his obligations under clause 3.1 with intent or gross negligence. In such cases, the maximum amount referred to in the first paragraph of the present clause shall not apply.

The client shall not bear any financial consequences resulting from use of the lost, stolen or misappropriated payment instrument after notification in accordance with clause 3.1.1, except where he has acted fraudulently.

If the Bank does not provide appropriate means for the notification at all times, of a lost, stolen or misappropriated payment instrument, the client shall not be liable for the financial consequences resulting from use of that payment instrument, except where he has acted fraudulently.

### 3.4 NOMINAL DATA

The client authorises and empowers the Bank to collect, store and process certain personal information concerning the client of the Bank.

The client may at its discretion refuse to communicate such information to the Bank, thereby precluding the Bank from using such data. However, such refusal or preclusion shall be an obstacle to the entry into or to the continuation of the relationship between the Bank and the client.

The personal information in relation to the client is required to enable the Bank to fulfil the services required by the client, and to comply with its legal obligations.

The client authorizes the Bank to outsource the processing of his personal data to a specialized service provider within or outside the EU.

Except for the purpose of outsourcing as provided in the first sentence, the Bank undertakes not to transfer the client's data to any third parties, except if required by law or on the basis of a prior formal authorisation of the client.

The client has a right to access the personal data so related to him and may ask for a rectification thereof in cases where such data is inaccurate and incomplete.

The client has a right to oppose to the use of its data for marketing purposes.

All client related data shall not be retained for longer than the time required for the purpose of its processing, subject to the legal periods of limitation.

### 3.5 MAIL, DISPATCH OF ASSETS

3.5.1 Unless expressly 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 indicated, mail shall be forwarded to any one of such clients.

Dispatch of any communication will be proved, including the date of dispatch, through the communication by the Bank of a printed or computer-stored copy or other mailing record of such communication. The transmission report (in the case of faxes) 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.

The mail will be sent to the client's permanent address. Should the client instruct the Bank to send his mail to another address then the client must still review the mail and inform the Bank of any errors within 30 days of delivery on this address.

Except as otherwise provided herein or by any applicable law, the client will not hold the Bank liable for any adverse consequences that may affect him from the dispatch of the mail to the address designated by the client and will indemnify and hold the Bank harmless of any and all adverse consequences which the Bank might have of this.

Where mail is returned to the Bank with a statement that the addressee 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 later mail; thereafter, the provisions relating to hold-mail shall apply until the Bank is informed in writing of the new address of the client.

The communication with the clients can also take place via our electronic banking system.

In case the client has chosen to use the electronic banking system, the client expressly releases the Bank from any obligation to dispatch and/or communicate the account information or any correspondence regarding the account until the electronic banking system is activated by the Bank.

Except as otherwise provided herein or by any applicable law and except in case of willful misconduct or gross negligence, the Bank shall not be liable towards the client or any third parties for any damages that the client or such third parties may suffer as a result of the absence of communication of the account information by the Bank for the period that the electronic banking system is not yet activated. This provision shall apply mutatis mutandis in case of, but not limited to, the period in which the client does not have access to the electronic banking system because his Digipass is being replaced or a new PIN-Code, user-ID or other electronic aid is issued for the use of the electronic banking system.

The client further agrees that to the extent that certain documents or information might not be available on the electronic banking system, the Bank shall not be liable for the damages (consequential or not) caused to the client as a result thereof, except in case of willful misconduct or gross negligence on the part of the Bank.

The Bank reserves the right to send the documents or information which are not available on the electronic banking system to the client by mail if the Bank deems it necessary in particular for, but not limited to, protecting the interests of the client or the Bank's own interest.

**3.5.2** Mail that the Bank withholds upon the instructions of its client is deemed to have been delivered the business day following the date stated on the documents withheld.

In such case, the Bank is not required to print account statements and other banking documents. It is sufficient for it to keep these available to the client on its computer system and print them out only if requested by the client. Documents stored in this way are deemed to have been delivered to the client on the next working day after the date of the transaction mentioned on the document.

The Bank may destroy withheld mail after a period of five years. The client bears full responsibility for consequences or damages resulting from the dispatch or withholding of mail and undertakes to verify his/her mail on a regular basis.

The Bank is entitled - regardless of any hold mail agreement whether actual or in future - to contact the client directly by any means whatsoever, in case of urgency, in the event of a violation of one of his/her duties or if the Bank is required to do so by law or by any other regulation to which it is subject.

**3.5.3** In general, the Bank will only make physical deliveries of cash and financial instruments to the client, or to a person designated by the client, in the premises of the Bank. The client shall bear the cost of such deliveries.

If, however, the client requests the mailing or transportation of financial instruments, cash or other assets other than payment instruments and related personalised security features to his/her address or to a person designated by the client, such mailing or transportation shall be made at the risk and at the cost 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 mailing or to a known courier service company for transportation. The Bank shall not be obliged to insure the assets remitted for mailing or transportation.

The Bank shall only be liable for gross negligence in which case the obligation of the Bank 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.

The above two paragraphs are without prejudice to anything to the contrary in these General Terms and Conditions or in any applicable law.

## 3.6 ACCOUNT STATEMENTS

**3.6.1** The client shall advise the Bank immediately of errors, divergences and irregularities that appear in any documents, account statements or other mail addressed to him/her by the Bank. The same rule shall apply for any delay in receiving mail. If the Bank receives no written objection within thirty days of the date on which the documents and account statements are dispatched or made available, the operations mentioned therein are deemed to have been approved and ratified by the client (except as provided for in clause 11.2 hereunder).

All transactions, indications and figures stated in the above-mentioned documents shall be considered to be final and accurate. 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.

**3.6.2** The Bank is authorised to correct any material errors it makes with proper value date by a new entry in its books. If, after such a re-entry into the books, the account shows a debit balance, overdraft interest will be automatically due, without formal notice, as from the effective date of the overdraft.



## 4 TRANSFERS AND PAYMENT INSTRUCTIONS/ORDERS

### 4.1 GENERAL PROVISIONS

4.1.1 The Bank places its transfer facilities at the disposal of the client for transfers of cash, financial instruments and precious metals within the Grand Duchy of Luxembourg or abroad. Subject to clause 20.2, these transactions are executed at the expense of the client in accordance with the Bank's fee schedule.

For all orders of payment, transfer or disposal, the Bank retains the right to determine the place and method of execution for carrying out these operations (cash payment, consignment of funds, transfers, cheques or any other method of payment used in normal banking practice).

4.1.2 The Bank draws the client's attention to the following:

- (i) For all transfers of funds the Bank will indicate the account number, the name and the address of the ordering client.
- (ii) Some international securities markets also require the person placing the order and the beneficiary to be identified.
- (iii) Where financial instruments are to be transferred, the Bank may therefore also have to identify the client as the person placing the order on the transfer documents. In certain circumstances the Bank may also ask the client to provide identification elements of the beneficiary of such transfers.
- (iv) By instructing the Bank to execute a payment order or to transfer financial instruments, the client implicitly gives his consent that the abovementioned data are disclosed and processed outside Luxembourg.

4.1.3 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 other European countries and in the US, according to their local legislation. As a result, the US authorities can request access to personal data held in such operating centres for the purposes of fighting terrorism. Any client, instructing his bank to execute a payment order or any other operation, is giving implicit consent that all data elements necessary for the correct completion of the transaction may be processed outside of Luxembourg.

4.1.4 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 or, to the extent possible, reverse any transaction already booked for which the completion has become uncertain.

All funds emanating from uncleared financial 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.

### 4.2 UNIQUE IDENTIFIERS (IBAN NUMBER)

A unique identifier shall be provided by the Bank to the client in order for a payment order to be properly executed. The unique identifier is a combination of letters, numbers or symbols specified by the Bank to the client, in order to identify unambiguously the client and/or his payment account for a payment transaction. For the purpose of these General Terms and Conditions, the unique identifier may also mean the combination of letters, numbers or symbols specified by a payment service provider (other than the Bank) to his client, in order to identify unambiguously his client and/or his client's payment account for a payment transaction.

If a payment order is executed in accordance with the unique identifier, the payment order shall be deemed to have been executed correctly with regard to the beneficiary of the payment transaction specified by the unique identifier.

If the unique identifier provided by the client is incorrect, the Bank shall not be liable for non-execution or defective execution of the payment transaction. In this context, the Bank shall make reasonable efforts to recover the funds involved in the payment transaction.

If the client provides additional information, the Bank shall be liable only for the execution of payment transactions in accordance with the unique identifier provided by the client.

### 4.3 CONSENT AND WITHDRAWAL OF CONSENT

Payment transaction is considered to be authorised only if the client or any other person initiating a payment order (together the "payer") has given consent to execute the payment transaction. A payment transaction may be authorised by the payer prior to or, if agreed between the payer and the Bank, after the execution of the payment transaction.

Consent to execute a payment transaction or a series of payment transactions shall be given in accordance with clause 18.4. In the absence of such consent, a payment transaction shall be considered to be unauthorised.

Consent may be withdrawn by the payer at any time, but no later than the point in time of irrevocability under clause 5.2. Consent to execute a series of payment transactions may also be withdrawn with the effect that any future payment transaction is to be considered as unauthorised.

#### 4.4 RECEIPT OF ORDERS

4.4.1 The point in time of receipt is the time when the payment order transmitted directly or indirectly by the payer is received by the Bank. The payer shall advise the Bank in accordance with clause 18.4, in each particular case, when payments have to be made within a time limit and when delays in the fulfilment of such orders may cause damage. If the point in time of receipt is not on a business day for the Bank, the payment order shall be deemed to have been received on the following business day. All national public holidays <sup>(1)</sup>, Saturdays, Sundays and all bank holidays are not business days.

Except where provided to the contrary, instructions will only be accepted during the normal business hours of the Bank, between 9am and 5pm; 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.

4.4.2 If the payer and the Bank agree that execution of the payment order shall start on a specific day or at the end of a certain period or on the day on which the payer has set funds at the Bank's disposal, the point in time of receipt for the purposes of clause 4.5.1 is deemed to be the agreed day. If the agreed day is not a business day for the Bank, the payment order received shall be deemed to have been received on the following business day.

4.4.3 The instructions must be complete, accurate and precise in order to avoid mistakes. If the Bank considers the information provided by the payer 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.

4.4.4 Should the Bank fail to execute such payment instructions in a timely fashion, the liability of the Bank towards the payer will be limited to the loss of credit interest resulting from the delay of the payment. Interest will be calculated at the market rate set by law applicable in the country of the relevant currency.

4.4.5 The client specifically empowers the Bank to tape record his/her telephone conversations with the Bank. The tape may be used in court or other legal proceedings with the same value in evidence as a written document.

<sup>(1)</sup> The updated calendar of the public and bank holidays can be downloaded from the following website: <http://www.abbl.lu/articles/abbl-calendar-public-and-bank-holidays-2010#dropdownbox>

#### 4.5 EXECUTION OF PAYMENT TRANSACTIONS

##### 4.5.1 Execution time and value date

- (1) In the context where the client is initiating a payment transaction, the Bank shall ensure that, after the point in time of receipt in accordance with clause 4.4, the amount of the payment transaction is credited to the payment account of the relevant beneficiary at the latest (x) by the end of the next business day; or (y) for paper-initiated payment transactions, by the end of the second business day after the day of receipt (excluded).
- (2) On regular business days payment in Euro received before 4 PM and in other regularly used currencies received by the Bank before 12 AM shall be treated in accordance with (1) of the present article. In case if the order of a payment transaction occurs after these cut off times, the amount of the payment transaction is credited to the payment account of the relevant beneficiary one business day later than the deadlines (x) and (y) provided by (1) of this article.
- (3) The following table shows the specific cut off times with the main currencies used by the Bank.

Country	Currency		Cutoff
	Name	ISO	
Liechtenstein	Swiss Franc	CHF	12:00 am
Czech Republik	Crown	CZK	12:00 am
Denmark	Crown	DKK	12:00 am
Euro Area	Euro	EUR	12:00 am
United Kingdom	Pound Sterling	GBP	12:00 am
Hungary	Forint	HUF	12:00 am
Norway	Crown	NOK	12:00 am
Poland	Zloty	PLN	12:00 am
Sweden	Crown	SEK	12:00 am

Payment transactions' cut off times in any other currencies are based on special agreement.

- (4) Notwithstanding the above, until January 1<sup>st</sup>, 2012, the amount of the payment transaction is credited to the payment account of the relevant beneficiary at the latest (x) by the end of the third business day after the day of receipt (excluded); or (y) for paper-initiated payment transactions, by the end of the fourth business day after the day of receipt (excluded).



- (5) In the context where the client is the beneficiary of a payment transaction, the Bank shall provide a value date and make available the amount of the payment transaction to the client's payment account after the Bank has received the funds in accordance with clause 4.5.1 (2).

The credit value date for the payment account of the beneficiary of a payment transaction is no later than the business day on which the amount of the payment transaction is credited to his bank account.

The Bank shall ensure that the amount of the payment transaction is at the disposal of its beneficiary immediately after that amount is credited to his account.

This Clause shall only apply to (i) payment transactions in euro; (ii) national payment transactions in the currency of the member state of the European Union outside the euro area concerned; and (iii) payment transactions involving only one currency conversion between the euro and the currency of a member state of the European Union outside the euro area, provided that the required currency conversion is carried out in the member state of the European Union outside the euro area concerned and, in the case of cross-border payment transactions, the cross-border transfer takes place in euro.

#### 4.5.2 Non-execution or defective execution

- (1) If the client is the payer

Where a payment order is initiated by the client as payer, the Bank shall, without prejudice to clauses 4.2, 3.1.1(1)(ii) and 6.4.1 be liable to the client for correct execution of the payment transaction, unless the Bank can prove to the client and, where relevant, to the payment service provider of the beneficiary of the payment transaction that the latest has received the amount of the payment transaction, in which case, the beneficiary's bank shall be liable to the beneficiary for the correct execution of the payment transaction.

Where the Bank is liable under the first paragraph, it shall without undue delay refund to the client the amount of the non-executed or defective payment transaction and, where applicable, restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place.

In the above context, the Bank shall regardless of liability, on request, make efforts as soon as practicable to trace the payment transaction and notify the client of the outcome.

- (2) If the payment order is initiated by a payer and the client is the beneficiary

Where the client is the beneficiary of a payment order, the Bank shall be liable to the client for the correct execution of the payment transaction if the Bank has received the amount of the payment transaction from the payer's service provider. The Bank shall immediately place the amount of the payment transaction at the client's disposal and, where applicable, credit the corresponding amount to the client's payment account.

- (3) In addition, the Bank shall be liable to the client for any charges for which it is responsible, and for any interest to which the client is subject as a consequence of non-execution or defective execution of the payment transaction.

#### 4.6 TRANSACTION CONSIDERATIONS

4.6.1 If the Bank, while carrying out orders of the client, uses the services of third parties, the client shall be bound by the customs and the general and special terms and conditions applicable between the Bank and such third parties, as well as by the conditions binding those third parties e.g. when operating on foreign stock exchanges.

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

4.6.2 On certain markets, the Bank may be obliged, under the terms of local legal or regulatory provisions, to reveal the identity of the client under certain circumstances. The client hereby authorises the Bank to supply the relevant persons with the data required to allow the Bank to comply with the local rules of the market on which the client has asked the Bank to act on its behalf.

4.6.3 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 or in financial instruments except where the Bank has granted the client an authorised credit line.

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

4.6.5 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 or financial instruments resulting from transactions. The prior receipt by the client of a note of transfer, or a credit advice by 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, relating i.e. to the cashing in of cheques, amounts credited to the account before payment may subsequently be debited from the account by the Bank if payment is not ultimately effected. The Bank may block such amounts in the account until final clearance.

**4.6.6** The assets held on behalf of clients are held separately from the Bank's own assets in a correspondent's book established in the country of origin of the relevant currency, a sub-custodian or in a clearing system for financial instruments transactions.

These assets may be subject to taxes, duties, restrictions and other measures ruled upon by the authorities of the country of the currency or of the correspondent's residence; the Bank bears no responsibility, nor makes any commitment towards the client resulting from the above-mentioned instances or any other instances beyond the control of the Bank.

The client shall bear, in proportion to his/her share in the assets of the Bank with any such correspondent, sub-custodian or clearing institution, all consequences of an economic, judicial or other nature which may affect such assets with such correspondent, sub-custodian, clearing institution or the country where the assets are invested, and which prejudice the position of the Bank's correspondent, sub-custodian or clearing institutions. Such consequences may i.e. result from: measures taken by the authorities of the country of such correspondent, sub-custodian or clearing institution, or by third countries; bankruptcy, liquidation, force majeure, riots, war or other events not under the control of the Bank.

**4.6.7** 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 pursuant to the exchange rate prevailing on the date of the effective reception.

## 4.7 THE ELECTRONIC BANKING SYSTEM

### 4.7.1 Rights of access/authorisation/general information

The client can apply for the use of the electronic banking system in order to have online access to his account information and to enter into online banking transactions. The electronic banking system provides the user with online access to account information including cash balance and transactions, assets and portfolio valuations, statements and confirmations, and also online communication from the Bank.

The client can also authorise a third party to access the electronic banking system for his account. The client as well as the party or parties authorised by the client to access his account information through the electronic banking system are hereinafter jointly and severally called the "User".

The Bank will make all documents available in PDF format.

The client hereby authorises the third party Users referred to above to exercise the rights accruing to the client in relation to the Bank as further laid down in the relevant powers of attorney.

### 4.7.2 Communications from the Bank

The client agrees that the Bank shall deliver all electronic aids (Digipass, PINCode etc.) to the User at personal visits to the Bank or send these by registered mail or by courier mail to the address(es) indicated in writing by the client.

The electronic banking system may not be used in the absence of any valid address. In the event that any mail sent to the address(es) indicated in writing by the client is returned undelivered for any reason whatsoever, the Bank shall be entitled to discontinue the use of the electronic banking system with immediate effect, but shall be under no obligation to do so.

### 4.7.3 Technical requirements/liability

The User shall be responsible for acquiring and setting up internet access and the use of a computer, as defined by the minimum requirements laid down and informed by the Bank, and for meeting all related costs and expenses in full.

In the first phase of the provision of the service no special software is required in order for the User to access the electronic banking system via the Internet. At the introduction of new services, the User may require special software in order to access the service via the Internet. Such software, if applicable, may be provided by the Bank or any other provider, as the case may be. If the Bank is the supplier of the software, any defects must be reported within one week of receipt thereof, failing which the User shall be deemed to have accepted the software as fully functional.

All electronic aids supplied (e.g. software, digipass) must be used in accordance with applicable terms and conditions. All electronic aids provided shall remain the property of the Bank. The User undertakes not to provide any third party with the electronic aids supplied and to constantly ensure that all electronic aids are safely kept out of reach of such third party. The User undertakes to ensure that third parties shall not have access to the electronic aids, which are personalised devices for the User.

Except as otherwise provided herein or by any applicable law the client shall be responsible for any damages that he or the Bank may suffer due to a failure on the User's behalf to comply with the User's undertakings set out here-above and, in particular the loss of any electronic aids or abuse thereof.

The User is hereby granted a non-exclusive, non-assignable and non-transferable right to use the software supplied or to be supplied by the Bank. The User shall not be permitted to copy or otherwise reproduce the whole or any part of the software, neither in original nor in modified form, whether used in combination with or integrated into other software, for any purpose other than that stipulated under these General Terms and Conditions.

The Bank shall be entitled to claim damages from the User for each copy made or for each use in violation of the provisions contained herein without affecting the right of recourse open to the owner of the intellectual property rights, held by the Bank or the party providing the service, which the User is prohibited from infringing in whatsoever way.

The Bank makes no warranty that the software or electronic aids supplied shall be error-free. Moreover, no warranty is given by the Bank that all elements of the software or electronic aids, or any updates thereof etc. shall meet the User's requirements, or shall function without error in relation to all applications and in conjunction with any other programs selected or installed by the User. In the event of any defects or errors in the software or in the electronic aids, which impair or interrupt the functionality thereof, the User is obliged to refrain from using the software or the electronic aids and to notify the Bank without delay. Except as otherwise provided herein or by any applicable law the Bank excludes all liability for any loss or damage, which may be suffered by the User due to any defects or errors in the software or in the electronic aids.

In the event that any new software releases or electronic aids are provided to the User, which are required for the proper functioning of the electronic banking system, the User shall be obliged to use such releases. If the User fails to do so, the electronic aids and/or software provided by the Bank must be returned immediately and without prior request.

#### 4.7.4 Identification/authorisation

For the purpose of establishing the User's right to use the electronic banking system, the Bank shall verify the identity of the User not by way of signature verification or inspection of some official proof of identity, but by means of the following electronic aids: digipass, PINCode and User-ID. Individuals who identify themselves by means of the aids referred to above shall be deemed by the Bank as authorised to use the electronic banking system. This shall apply regardless of whether such individual is in fact a User as defined in the foregoing clauses of these General Terms and Conditions.

The parties expressly agree that the electronic aids used by the User to access the electronic banking system or to validate the User's instruction shall have the same legal value as the written signature of the User. The client recognises as binding on himself all instructions, declarations and messages given in the User's name in accordance with these General Terms and Conditions.

Except as otherwise provided herein or by any applicable law, the client recognises that the use of the electronic banking system in accordance with the terms set out herein, irrespective of the amount involved, constitutes conclusive evidence of the instructions, declarations and messages thus given, as if such instructions had been given in writing by the User. Except as otherwise provided herein or by any applicable law, the client assumes all risks, particularly those arising from errors in communication or comprehension, including errors as to the identity of the User, resulting from the use, the misuse or fraudulent use of such communication means and relieves the Bank from any responsibility in this respect.

The Bank shall be entitled to comply with any instructions or communications received, provided that such instructions or communications are issued on the basis of an error-free identification check carried out by the electronic banking system. Any action performed once the system has authorised access on the basis of a positive identity check shall be imputed to and be legally binding upon the client.

#### 4.7.5 Obligation to exercise due care

##### (1) Digipass/PINCode

A digipass is required before access can be authorised and serves to authenticate the User. Prior to activating the digipass, the Bank shall send to each User an "initial PINCode" by registered mail or by courier mail. The User is obliged to change the initial PINCode to a personal PINCode when using the electronic banking system for the first time. The PINCode is confidential and must be kept and treated with due care. The Bank strongly recommends that the PINCode should not relate to any easily retraceable numeric data such as birth dates, ID-numbers etc. It is also advisable to change the PINCode at regular intervals. The Digipass must be kept separate from the computer system. It is personal and may not be used by more than one User at the same time. In the event that the Digipass is lost or mislaid, the Bank must be informed immediately.

##### (2) User-ID

A User-ID is required to log on to the electronic banking system. The Bank shall send the User-ID together with the PINCode to the User in the manner provided for in clause 4.7.5 (1) above.

##### (3) Security measures

The Bank must be informed immediately of any unusual or suspicious occurrences.

If there are grounds for suspecting that an unauthorised person has become aware of the PINCode or the User-ID, the User must ensure that the PINCode is changed, deleted or blocked forthwith. In case of 3 incorrect attempts (using wrong PINCode) to log on to the electronic banking system, the digipass will lock and can only be re-opened with the assistance of the Bank. In the event that any electronic aid is lost or mislaid, the Bank must be informed immediately.

The client shall be entirely responsible for ensuring that any third parties to which the electronic aids have been provided also comply with the foregoing conditions. Any breaches of these provisions shall result in the immediate termination of the use of the electronic banking system. The client and/or the User may be held liable for loss or damage due to improper or negligent conduct.

#### 4.7.6 Assumption of risk

Any communications in relation to the account containing account related information and documents (e.g. account balances, statements, transactions etc.) shall be deemed conclusive and shall be legally binding. Communications issued by the Bank (such as stock market quotations or foreign exchange rate quotations) shall not constitute any legally binding offer.

Except as otherwise provided herein or by any applicable law, the Bank shall have the right to refuse or bar access to the electronic banking system at any time without having to give reasons and may also, at its discretion, request that any User whose identity has been established electronically must provide proof of identity by other appropriate means (e.g. by way of signature or personal meeting). The Bank shall assume no liability for any loss or damage arising from such suspension.

The risks resulting from (a) tampering with IT systems by unauthorised persons, (b) wrongful use of PINCodes, (c) data transfer or (d) failure to carry out updates, or failure to carry out updates at the proper time shall be borne by the client.

Except as otherwise provided herein or by any applicable law, the Bank shall not be liable for the fraudulent use by a third party of the electronic aids. Should the Bank not identify the abusive or fraudulent use thereof, and execute instructions given by a fraudulent third party, it shall – except in cases of gross negligence in the verification of such identification tools – be released from its obligation to pay damages to the client. The Bank shall in such circumstances be considered to have acted on proper instruction from the User.

The User shall be obliged to take any precautions required in order to ensure the security of data stored on the User's IT system (e.g. TMP files, Internet caches, PDF downloads, etc.). The User is aware that full responsibility for the storage, preservation and further use of such data and information shall pass to the User, provided the information has been correctly dispatched by the Bank.

#### 4.7.7 Access and Use / Errors in transmission/faults/breakdowns

Access to the electronic banking system is subject to the general availability of the Bank's IT systems. Maintenance, upgrades or other modifications may cause the electronic banking system to become unavailable for a period of time. The Bank will take reasonable measures to ensure that the electronic banking system shall be available and operate correctly. Use of the electronic banking system, however, may be restricted or limited without notice.

The Bank shall not be held liable for any loss or damage suffered by the User as a result of errors in transmission, technical faults, breakdowns, interruptions or illegal access to telecommunications equipment, or any other shortcomings on the part of the electronic banking system or network operators.

Any information of any kind (e.g. financial situation, account balances, net equity statements, general information etc.) sent to the User by the Bank at the User's request is transmitted at the client's own risk. The Bank shall not be liable for failed or unsatisfactory reception of any information sent by the Bank to the User or sent from the User to the Bank.

#### 4.7.8 Barring of access

The User may specifically request the Bank to immediately bar electronic access to the electronic banking system. The request for barring access may be made by telephone within the working hours of the Bank, provided that such request is immediately confirmed in writing by telefax or letter by the User.

The Bank shall be entitled to bar access to any or all of the services of the electronic banking system, at any time, for objectively justified reasons related to compliance requirements, the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument or, in the case of a payment instrument with a credit line, a significantly increased risk that the User may be unable to fulfil his liability to pay.

In such cases the Bank shall inform the User of the blocking of the payment instrument and the reasons for it in as determined in these General terms and Conditions, where possible, before the payment instrument is blocked and at the latest immediately thereafter, unless giving such information would compromise objectively justified security reasons or is prohibited by other relevant EU or national legislation.

The Bank shall unblock the payment instrument or replace it with a new payment instrument once the reasons for blocking no longer exist.

The Bank shall have no liability towards the User for any loss or damage suffered by the User in respect thereof.

If access has been barred by the Bank or at the request of a User, access may only be restored subject to the written consent of the client.

#### 4.7.9 Charges

The client agrees to pay all fees and expenses related to the enforcement of this clause 4.7, including reasonable legal expenses, as specified in the Bank's fee schedule.

The Bank shall be entitled to charge a fee for specific services, including making the electronic banking system and the electronic aids available to the client/User, in accordance with the Bank's fee schedule as applicable from time to time. The Bank's fee schedule is at the permanent disposal of the client at the Bank. The Bank reserves the right to change its fee schedule at any time in accordance with clause 20.2.

In the event that an electronic aid is lost or mislaid, the User may request the Bank to provide the User with a replacement thereof and the Bank will make such replacement available to the User as soon as possible and may charge an additional fee for such replacement in accordance with the Bank's fee schedule.

The client hereby agrees that any financial consideration etc. due under these General Terms and Conditions (e.g. fees, margins etc.) may be debited by the Bank from the client's account.

#### 4.7.10 Proof of instructions

The parties agree explicitly that the use of the Digipass and the PIN code within the above-mentioned user identification security procedure will be deemed sufficient proof of the authenticity of an order given by the User, and will be considered as the signature by which the User certifies, that the User is the author of the order recorded and its contents.

Notwithstanding the provisions of Article 1341 of the Luxembourg Civil Code, the files of the Bank shall have the same value as an original document and shall be considered proof in the event of any dispute concerning instructions given on the electronic banking system. The Bank and the

client agree to exclude, in case of dispute, the provisions of Article 1341 of the Luxembourg Civil Code and to allow the bringing of evidence of all operations by all means of evidence admitted by commercial law, including witnesses, affidavits etc. Electronic records of operations held by the Bank shall constitute conclusive evidence of operations and have the same value in evidence as a written document.

#### 4.7.11 Termination of the use of the electronic banking system

Both the client and the Bank may give notice in writing to terminate the use by one or more Users of the electronic banking system for the Client's account at any time.

Following termination, the electronic aids (including software) provided by the Bank must be returned to the Bank immediately and without prior request. Notwithstanding such notice of termination, the Bank shall be entitled but not obliged to execute any instructions given before the electronic aids are returned, in a manner that is legally binding on the client, and to make appropriate charges.

#### 4.7.12 Responsibility and Liability

The electronic banking system may potentially be accessed anywhere in the world and it is the sole responsibility of the User to comply with the legislation applicable in the User's country of residence, as well as with the legislation applicable in the country in which the User intends to make transactions via the electronic banking system. The User undertakes to check that services offered hereunder are compatible with these regulations. Except as otherwise provided herein or by any applicable law, the Bank shall not be held liable for any negligence or violations of regulations that apply to the User and which occurred solely by granting the User access to the electronic banking system or through the execution of instructions hereunder.

The electronic banking system is not intended for those who are subject to legal jurisdictions in which the use of such services is prohibited (by reason of nationality, permanent place of residence of the person concerned or on any other grounds). Users to whom such restrictions apply are not permitted to use the electronic banking system.

#### 4.7.13 Banking secrecy/data protection

The User is aware that access to the electronic banking system via internet service providers and the transmission of data is not secure and is also aware of the risks, which may result from the fact that the service is supplied over open systems which are accessible to third parties (such as public and private data transmission networks, internet servers, access providers) and that data may also be transferred via foreign data transmission networks. The User acknowledges that the downloading of e.g. statements etc. also takes place via public data transmission networks.

The Bank will make reasonable efforts to ensure that the electronic banking system is available and operating correctly and safely and will reasonably protect the electronic banking system against failures. The service, however, is delivered "as is" and the Bank does not guarantee security of the service or prevention from loss of, alteration of, improper

or fraudulent access to the account information or data. The Bank makes no representation or warranty whatsoever, express or implied, relating to or resulting from the use of or inability to use the Service, mistakes, omissions, service interruptions, deletion of files, loss or modification of contents or data, errors, defects, misdeliveries, delays in operation or transmission or any failure of performance, whether or not limited to circumstances beyond its control, communication failure, theft, destruction, fraudulent, wrongful or unauthorised access to any server, records, programs or services directly or indirectly related to the system.

The User authorises and empowers the Bank to collect, store and process certain nominal information concerning each User. The nominal information in relation to the User is required to enable the Bank to fulfil the services requested by the User, and to comply with its legal obligations. The User is entitled to ask for a printed copy of recorded nominal data pertaining to the User and may require a rectification of the data in cases where such data is inaccurate and incomplete. The User has a right of opposition regarding the use of data pertaining to the User for marketing purposes.

The User may refuse to communicate such information to the Bank, thereby precluding the Bank from establishing computer records. However, such refusal or preclusion shall be an obstacle to the entry into or to the continuation of the relationship between the Bank and the client. The Bank undertakes not to transfer the User's data to any third parties, except if required by law.

## 5 PAYMENT INSTRUCTION/ ORDER ISSUES

### 5.1 REFUSAL OF PAYMENT ORDERS

5.1.1 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/she has towards the Bank.

In such circumstances, the refusal and, if possible, the reasons for it and the procedure for correcting any factual mistakes that led to the refusal shall be notified to the client, unless prohibited by other relevant EU or national legislation.

The Bank shall provide or make available the notification at the earliest opportunity, and in any case, within the periods specified in clause 4.5.1.

The Bank may charge for the above notification in if the refusal is objectively justified and such charge is disclosed in the General Terms and Conditions and specified in the Bank's fee Schedule.

5.1.2 In cases where all the conditions set out in these General Terms and Conditions are met, the Bank shall not refuse to execute an authorised payment order unless prohibited by other relevant EU or national legislation.



5.1.3 For the purposes of clauses 4.5.1 and 4.5.2 a payment order of which execution has been refused shall be deemed not to have been received.

## 5.2 IRREVOCABILITY OF A PAYMENT ORDER

The client may not revoke its payment order once it has been received by the Bank, unless otherwise specified in the present clause.

In the case referred to in clause 4.4.2 the client may revoke a payment order at the latest by the end of the business day preceding the agreed day.

After the time limits specified in the present clause, the payment order may be revoked only if agreed between the client and the Bank.

The Bank may charge for the above-mentioned revocation if such charge is disclosed in the Bank Fee Schedule.

## 6 FEES, COMMISSIONS, DUTIES

### 6.1 GENERAL

6.1.1 The Bank shall invoice its services to the client in accordance with the Luxembourg laws and customs within the banking system and the nature of the transactions involved. The client shall pay to the Bank all interest, fees, 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/her assignees by providing its services. In particular, the client shall bear the costs for the dispatch of mail, telecommunication and other charges incurred by the Bank in any legal or administrative proceedings against the client. The Bank's fee schedule, as applicable from time to time, is (to the extent required by law) provided to the client and at the permanent disposal of the client at the Bank. Subject to clause 2.2.2 and unless otherwise provided for by applicable law or in these General Terms and Conditions, the client shall enquire with the Bank about the fees applicable to a foreseen transaction. By entering into transactions with the Bank, the client shall be deemed to have accepted the Bank's fee schedule, unless expressly agreed otherwise.

6.1.2 Without prejudice to clause 20.2, the Bank may, at any time, change interest rates, commissions, fees and other charges due by the client. The Bank's fee schedule will be amended accordingly, and the latest version of the Bank's fee schedule will (to the extent required by law) be provided to the client and held permanently at the disposal of the client as mentioned hereabove.

6.1.3 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 is or may be held liable and which relate to transactions executed by the Bank in its relationship with the client. The Bank is authorised to debit any amount so due from any of the client's account irrespective of the settlement date of the original transactions.

### 6.2 INTEREST

Without prejudice to clause 20.2 and unless otherwise agreed, or otherwise set out in the Bank's fee schedule, debit interest at the rate set out in the Bank's 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. In the absence of such rate, the interest rate will be fixed by the Bank in accordance with its refinancing interest rate plus a margin of five percent.

This provision may not be interpreted as authorising the client to have any debit balances on his/her accounts. Interest charged on current account debit balances is capitalised on a semester basis, unless otherwise agreed with the Bank.

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

Current account deposits in whatever currency shall not, unless otherwise agreed, bear interest.

### 6.3 ACCOUNT MANAGEMENT DUTIES, BANKING INFORMATION

6.3.1 The Bank does not assume any duties regarding the management of the client's assets and/or liabilities. In particular, 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 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.

The client shall personally verify the accuracy of information provided by the Bank. Such information is given for information purposes only and the Bank shall only be liable for gross negligence.

If, on a spontaneous basis or upon request of the client, the Bank gives advice or expresses opinions regarding the management of assets, the Bank shall use its best endeavours, but shall only be liable for gross negligence.

6.3.2 The Bank is entitled to furnish normal banking information commonly available to the public about corporate and other legal entities and individuals registered in the trade register, unless the client has advised the Bank specifically to the contrary.

6.3.3 Except as otherwise provided herein or by any applicable law, 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.

### 6.4 SPECIAL EVENTS

6.4.1 Notwithstanding anything to the contrary in these General Terms and Conditions, no liability shall be triggered in cases of abnormal and unforeseeable circumstances beyond the control of the Bank or any party pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all efforts to the contrary.



The Bank shall not be liable for any prejudices arising from events of political or economic nature which interrupt, disorganise or disturb, totally or partially, the services of the Bank or any of its national or foreign correspondents, 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 obligations covered by national or EU legislation, 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.

**6.4.2** The Bank shall be entitled to bar access to any or all of the services, at any time, for objectively justified reasons related to the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument or, in the case of a payment instrument with a credit line, a significantly increased risk that the client may be unable to fulfil his liability to pay.

In this context, the client authorises the Bank to block the client's accounts with the Bank, or to take such other measures in cases of extra-judicial opposition notified to the Bank by third parties on the assets of the client; if the Bank is informed, even unofficially, of any effective or alleged unlawful undertakings of the client or of the beneficial owner of the account; if there exists any third party claims on the assets held by the client with the Bank.

In such cases the Bank shall inform the client of the blocking of the payment instrument and the reasons for it as determined in these General Terms and Conditions, where possible, before the payment instrument is blocked and at the latest immediately thereafter, unless giving such information would compromise objectively justified security reasons or is prohibited by other relevant EU or national legislation.

The Bank shall unblock the payment instrument or replace it with a new payment instrument once the reasons for blocking no longer exist.

The Bank shall have no liability towards the client for any loss or damage suffered by the client in respect thereof.

If access has been barred by the Bank or at the request of a client, access may only be restored subject to the written consent of the client.

**6.4.3** 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 heirs 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 agent of the deceased or incapacitated client.

## 7 GUARANTEES

### 7.1 SINGLE CURRENT ACCOUNT

All transactions between the client and the Bank are based on a relationship of mutual trust. 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 personal 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").

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

All credit or debit transactions between the client and the Bank pass through a single current account where they become mere credit or debit items of the account and generate at any moment, and in particular at the closing of the account, a single net due credit or debit balance (the "Single Current Account").

If the client has opened several accounts (e.g. accounts in foreign currencies, call accounts, forward accounts, time deposits, credit accounts, deposit accounts for financial instruments or fungible precious metal deposits, metal accounts), such accounts shall only form elements of one Single Current Account, even if they bear different account numbers. Any foreign currency balance 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.

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 Single Current Account with the amount of discounted bills of exchange and promissory notes that are not yet due at the date of the closing of the account, and with any amount due under any other obligations of any nature owed by the client to the Bank, be they direct or indirect, present or future, actual or contingent. Upon closing the account, all transactions, including term operations, shall become immediately due.

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

### 7.2 SET-OFF

It is expressly agreed that amounts due to the client by the Bank and those due to the Bank by the client are interrelated. Hence, the Bank is authorised to withhold performance of its own obligations if the client does not fulfil any of his/her obligations.

Should a client not pay or threaten to be in default of paying a mature or maturing debt to the Bank, all debts 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, without formal notice and in the order of priority it considers most suitable, against the assets of the client deposited with the Bank.

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.

### 7.3 SPECIFIC RULES

It is expressly agreed that all assets of the client, guarantees and sureties of any kind given to the Bank with regard to a particular transaction or to cover a debit balance of a sub-account, shall cover the debit balances 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 debit or credit interest, as the case may be.

The remittal or conventional relief of a debt granted to a joint debtor of the client will not discharge the latter's debt and other obligations toward the Bank.

### 7.4 PLEDGE

**7.4.1** The client herewith pledges in favour of the Bank all 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 balance from time to time on the client's account, in whatever currency. The pledged financial instruments, precious metals and claims will serve as a guarantee for any present and future payment obligations of the client vis-à-vis the Bank whether in principal, interest, fees or costs resulting i.a. from advances, loans, overdrafts, forward transactions, counter-guarantees etc.

**7.4.2** If the client does not honour, by due date, any payment obligation towards the Bank, the Bank shall be immediately authorised, to the extent permitted by applicable law, or otherwise four (4) days from the dispatch of a notice of summons, to appropriate or sell the financial instruments in accordance with applicable legal provisions and to offset cash claims of the client against secured claims of the Bank. To the extent permitted by applicable law, 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 the value of which shall be determined pursuant to their market value on the date of the set-off.

To the extent permitted by applicable law, in case of an attachment order or conservatory measures are initiated on the client's account, 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.

In order to offset cash claims the Bank may terminate a time deposit before its maturity if required.

The above notice (in case required by applicable law) may be made by mail or fax. The transmission report shall constitute in case of a fax conclusive evidence of the dispatch of the notice.

The Bank is authorised, at any time, to make a currency conversion for the purposes of the enforcement of the pledge and the satisfaction of its claims.

**7.4.3** Amounts presently due or to be due in the future by the client from time to time to the Bank shall not exceed at any time the loanable value of the pledged assets. The loanable value of the pledged assets is determined pursuant to a margin table adjusted from time to time by the Bank. The client agrees to be bound by this table as shall be applicable from time to time. The applicable table is available upon request at the premises of the Bank. The client is invited to regularly inform himself of the contents of such table. The loanable value of the pledged assets is determined in the exclusive interest of the Bank, which may renounce to it on a discretionary basis.

The Bank will have the right, in the normal course of business, to require the client to provide the Bank with additional margin requirements whether in financial instruments, precious metals or cash, if the collateral value, as calculated by the Bank, of the current pledged portfolio, deposits or other assets of the client drops below 95% of its outstanding debts. The client is obliged to contact the Bank in order to find a suitable arrangement. Without appropriate measures by the client within a period set by the Bank, the Bank shall be entitled to liquidate such of the client's position as the Bank considers necessary to ensure that the loanable value of the pledged assets does not drop below the required percentage of the outstanding debts, and in such context the Bank may enforce all or part of the pledge. In case the loanable value, as calculated by the Bank, of the current pledged portfolio, deposits or other assets drops below 85% of the outstanding debts, the Bank will have the right in the normal course of business, to liquidate the client's position and in such context to enforce all or part of the pledge, either immediately in case permitted by applicable law, or otherwise 48 hours after an unsuccessful notice of summons (as described in clause 7.4.2) by registered mail and requiring the client to settle its debts.

## 8 OVERDRAFT FACILITY

The Bank may, at its discretion and on an uncommitted basis and without further documentation, grant to the client from time to time an occasional overdraft in an amount varying between EURO 0 and EURO 500.000.

Such amount must never exceed the loanable value of the assets pledged by the client in favour of the Bank.

The interest rate will be fixed by the Bank in accordance with its rates and conditions as mentioned in the Bank's fee schedule, as applicable from time to time, or at such a rate as may be agreed upon between parties.

Credits will be granted by the Bank to the client for an undetermined period and are revocable by either of the parties with a five (5) days notice.

## 9 ACCOUNTS

### 9.1 GENERAL

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

The description and nature of each account and particular terms of its function are defined by the document relating to the opening of the account and the special or particular conditions, if such exist.

To that effect, these General Terms and Conditions are to be considered as a master agreement between the client and the Bank.

### 9.2 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 may individually dispose of the assets in the joint account. Hence, the joint account can be credited, debited or closed by each holder of the joint account alone. In this respect, each joint holder may i.a. manage the assets in the joint account, create debit balances, grant powers of attorney to third parties, pledge the assets, perform any act of disposal on the account, without the Bank having to advise the other joint holders or their heirs thereof.

The termination of the joint account requires, however, the unanimous consent of the all joint holders.

In the case of death or incapacity of one of the joint holders, the surviving holder(s) may continue the joint account in the name of the remaining jointly contracting parties, unless 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) have summoned the Bank by registered mail to freeze the joint account.

All holders of the joint account shall jointly and severally be liable to the Bank for all obligations arising from the joint account, whether jointly or individually contracted by them. Hence, in the event that the joint account shows a balance in favour of the Bank, the joint account holders shall be considered as jointly and severally responsible for repayment in full of such debt towards the Bank of principal, interest, commissions and charges.

All operations of any kind, all payments, deliveries of securities and settlements carried out by the Bank based on the single signature of one of the joint creditor account holders will discharge the Bank accordingly in respect of the other joint account holder(s) and the signatory himself/herself, as well as in respect of deceased joint account holder(s), in respect of the heirs and representatives, including minors of one or other of the joint account holder(s), and of any third parties.

These provisions on the joint account exclusively govern the business relations between the joint holders and the Bank, notwithstanding any internal agreement between co-holders concerning in particular, rights of property between the joint holders and their legal heirs, assignees or successors.

The admission of an additional joint holder is subject to the unanimous consent of all the other joint holders.

None of the joint holders is empowered to revoke a power of attorney granted by another joint holder. A joint holder may, however, revoke alone a power of attorney granted by himself/herself and one or several joint holders collectively.

If, for any reason whatsoever, which the Bank need not take into consideration, any one of the joint holders, or his authorised attorney, prohibits the Bank in writing from executing another joint holder's or another joint holder's authorised attorney's instructions, the joint and several rights between the joint holders towards the Bank shall immediately cease to have effect, subject to the joint and several liability of the joint holders which shall remain unaffected. In this case, the rights attached to the joint account may no longer be exercised individually and the Bank shall only comply with the instructions given by all the joint holders, their heirs, assignees or successors.

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, to the extent permitted by applicable law, also against financial instruments, the value of which shall be determined pursuant to their market value on the date of the set-off.

The joint holders of this joint account undertake jointly and severally to indemnify the Bank against any proceedings which may be brought against it as a result of the execution of the provisions of this clause 9.2.

### 9.3 COLLECTIVE ACCOUNT

The Account can only operate under the joint signature of all the collective account holders.

In particular, the account holders must collectively provide instructions to the Bank in order to dispose of funds, grant powers of attorney to third parties or carry out transactions or any other operation, all orders having to be signed by each account holder. A proxy granted jointly by all the collective holders of the account may be revoked upon a single instruction of one of the collective holders of the account.

The collective account implies a joint and several liability among all collective holders. Under such passive solidarity, each account holder is liable towards the Bank for any commitments contracted by all the collective holders, whether these commitments have been contracted in the joint interest of these holders, in the interest of any one of them or in the interest 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 of the account holders, whatever the nature or the currencies of such accounts and, to the extent permitted by applicable law, also against financial instruments, 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.

In the case of death or incapacity of an account holder, 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 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.

## 9.4 NUMBERED ACCOUNTS / SPECIAL DESIGNATION ACCOUNTS

**9.4.1** All correspondence from the Bank bearing the number and/or letter combination and/or special designation set out in the account opening form will be considered addressed to the client.

Except where provided for the contrary by law, the Bank shall apply the number and/or letter combination and/or special designation in its correspondences with the client.

The client expressly acknowledges to be personally liable for all the acts and documents bearing this number and/or letter combination and/or special designation.

The Bank will be free of all responsibility, and the client will assume full responsibility, for any consequences arising from the Bank's designating the account with a number and/or letter combination and/or a special designation chosen by the client and, in general, from all consequences arising from the use of such accounts. The client will indemnify the Bank for all costs and damages the Bank may suffer due to legal or other actions instituted or threatened in connection with the account(s).

If the Bank is in doubt about any order given in relation to such a number and/or letter combination or special designation, it may refuse the execution of such order. The Bank is, in advance, discharged of all legal or other consequences that may result from such a refusal and also released from any responsibility it could be charged with in connection with the abusive use of a special designation.

The termination of the number and/or letter combination or special designation agreement must be notified in writing and will enter into force two business days following receipt of the termination letter by the Bank, or the dispatch of the termination letter by the Bank. In the case of termination, the client must indicate to the Bank the new designation of the account, failing which the account shall be designated by the name of the first account holder mentioned on the account opening form.

The Bank is authorised but is not obliged to credit funds, financial instruments, and other valuables to the account even if these are received in the real name of the client with no mention of the designated number and/or letter combination and/or special designation unless an account exists in the real name of the client.

The Bank is authorised to debit the account with its prevailing commission for this service, as outlined in the Bank's fee schedule.

**9.4.2** The client declares that the chosen special designation is purely imaginary and that the choice was made without intending to appropriate the name of any person and without knowing any facts or circumstances that would damage any person or institution with any right to such name.

The Bank may, at its discretion, refuse a designation chosen by the client.

## 10 SAFEKEEPING ACCOUNTS

### 10.1 MISCELLANEOUS

Upon request of the client, the Bank may accept to keep in custody financial instruments of all kinds, registered or bearer, and precious metals.

It is expressly agreed that the Bank has no obligation whatsoever to insure any deposited item, unless this has specifically been agreed upon in writing with the client.

All deposits will be kept in either:

- (i) a global deposit with the Bank or a correspondent, or
- (ii) in a collective central deposit.

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

### 10.2 FINANCIAL INSTRUMENTS

Financial instruments deposited with the Bank must be 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 in the financial instruments he/she 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 in good physical condition, the Bank may debit those financial instruments or financial instruments of equal market value 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.

### 10.3 FUNGIBLE ACCOUNT

Unless otherwise expressly agreed in writing, all financial instruments shall be deposited in a fungible account. Consequently, the Bank has only to return to the client financial instruments of the same nature as those deposited with the Bank.

### 10.4 BANK SERVICES

Without the express order of the client and 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.

The Bank will not forward information, proxies or notices for shareholders' or bondholders' meetings, nor exercise any voting rights unless expressly instructed to do so by the client, who agrees to bear the relevant cost.

Unless otherwise agreed, it shall be incumbent upon the client to take all other appropriate measures to safeguard the rights attached to deposited financial instruments, in particular to give instructions to the Bank to exercise or sell subscription rights, or to exercise any option rights.

The Bank shall be under no obligation to inform the client of any rights relating to financial instruments 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 instructions from the client, the Bank shall be authorised 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.

The Bank will not collect tax credits under the provisions of any double taxation treaties applicable to the client, unless the Bank is expressly instructed so by the client. These amounts will be collected in the name and at the cost of the client.

## 10.5 WITHDRAWAL, FEES AND CHARGES

Reasonable advance notice must be given to the Bank for any withdrawal. Withdrawals are subject to the provisions of clause 3.5.3.

Charges for safe custody are calculated according to the Bank's fee schedule as applicable from time to time. They are payable at the end of each period and are due for the whole period, except in the case of written agreement to the contrary.

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.

## 10.6 RESPONSIBILITY

The Bank is not responsible for any imperfections or problems relating to financial instruments deposited with the Bank.

The client must monitor the operations that need to be carried out in connection with the assets deposited with the Bank. The Bank's obligations are limited to the administration of assets as defined herein.

In case the client's assets are managed by a third party manager, the Bank will act simply as the depository 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 forewarn or advise the client on the investment decisions taken.

Forfeiture and prejudice arising from the lack of exercise of rights and obligations of any nature concerning deposited financial instruments and coupons are entirely borne by the client.

The Bank, as depository for financial instruments, has no other principal or ancillary obligations other than those expressly set out herein.

In its capacity as depository for financial instruments, the Bank shall only be liable for gross negligence. If the Bank sub-deposits the financial instruments in deposit with third parties, its liability shall be limited according to clause 4.6.1.

In case of the loss of financial instruments due to the Bank, the Bank shall only be liable to, at the choice of the Bank, either replace the financial instruments with identical financial instruments or to refund the value which the financial instruments had on the date on which they were lost.

# 11 FINANCIAL INSTRUMENTS TRANSACTIONS

## 11.1 ORDERS

All orders from the client for the purchase and sale of financial instruments and equivalent assets and transactions on derivatives are carried out by the Bank, at its discretion, as a commission agent contracting in its own name, without having to specially notify the client, or as a trader for its own 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 a stock market order, the client's account must necessarily present sufficient cover, either in cash or in financial instruments. The Bank has the right to refuse the acceptance of stock market orders without having to provide any reason.

In the absence of cover or delivery, the Bank may execute orders at the exclusive risk of the client. If, within twenty-four hours of execution, the cover or deliveries have not yet been fulfilled, the Bank may, at its discretion, liquidate the transactions at the sole risk of the client and the client shall indemnify the Bank for any resulting damages.

**11.1.1** In the absence of specific instructions, the Bank will choose the place and manner of execution of the client's instructions.

All orders will be executed in accordance with the rules and practices of the market 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 agrees to hold the Bank harmless for any damage that may arise therefrom.



11.1.2 Orders not bearing an expiry date remain generally and notwithstanding the provisions in clause 11.1.3 valid only during the day they have been placed in the relevant market. Orders given by the client for an undetermined period ("good till cancelled") remain valid as determined by the rules and practices of the relevant market; however, they shall ultimately expire at the end of the calendar year during which they were given.

11.1.3 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. The Bank carries out instructions relating to the same categories of financial instruments received from different clients, in the order in which they are received.

In case the Bank receives from a client several orders the total value of which exceeds the funds available to such client, the Bank may execute such orders as it deems fit, regardless of the date they bear or the date on which they were received by the Bank.

11.1.4 At its discretion, the Bank may:

- (i) refuse to execute sales orders before the financial instruments are received;
- (ii) refuse to execute orders relating to credit, forward or premium transactions;
- (iii) execute purchase orders only up to the available balance in the client's account;
- (iv) repurchase, at the expense of the client, sold financial instruments which were defective or not delivered in time;
- (v) debit the account of the client with financial instruments equivalent to the financial instruments (or an amount equivalent to their value if the financial instruments 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; and
- (vi) consider as a new order any instructions which are not specified as a confirmation of or change to an existing order.

The client bears all legal consequences arising from the remittance for sale of restricted financial instruments.

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.

11.1.5 The client understands and agrees

- (i) that the Bank may purchase or sell financial instruments for other customers 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;
- (ii) that financial instruments may be purchased or sold for the client's account which are in business relations with the Bank and its affiliated companies, or in which employees of the Bank, or its affiliated companies, may serve as directors;
- (iii) 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; and
- (iv) that the Bank may, from time to time, purchase and sell financial instruments from and to any account maintained by any other customer with the Bank or related companies of the Bank.

11.1.6 The client empowers the Bank to use the financial instruments deposited by the client with the Bank in the name, for the benefit and at the risk of the Bank, for the purpose of pledging such financial instruments as surety for pending transactions in a recognised financial instruments clearing system or within the group of companies of the Bank.

11.1.7 Brokerage and other fees will apply to the execution of purchase, sale and option orders, independently of any 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.

The Bank may receive kick-backs of commissions in the context of its business relations with other professionals, and it is agreed that these kick-backs are excluded from the contractual framework with the client and accrue thus to the Bank without the Bank having to refund them to the client.

## 11.2 CLAIMS

Claims regarding stock market orders must be made to the Bank in writing:

- (i) with regard to the execution of an order, at the time when the notice or account statement reaches the client, but, at the latest, within eight (8) days following the dispatch of the notice or account statement; and
- (ii) with regard to the non-execution of an order, within eight (8) days of the day when the notice of execution or account statement 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.

## 12 TERM DEPOSITS

The duration, interest rates and applicable rules regarding term deposits are confirmed to the client following the opening of the account. The client is informed of all future amendments.

Term deposits shall 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 premature termination of a term deposit, or, if it accepts such termination, to charge its costs and, if any, a penalty to the client.

## 13 SAFE-DEPOSIT BOXES

The Bank has safe-deposit boxes at the disposal of its clients having an account relationship with the Bank. The client wishing to rent a safe-deposit box shall enter into a special agreement with the Bank for this purpose. The applicable rental fees shall be mentioned in the Bank's fee schedule. The Bank has to use its best efforts to ensure security of the items held by the client in the safe-deposit box, but shall not be liable for the loss, theft or any damage affecting items deposited in the safe-deposit box, except in cases of gross negligence in the execution of its best efforts obligation.

## 14 FIDUCIARY ACCOUNTS

It is expressly agreed that all present and future fiduciary transactions between the Bank and the client shall be governed, unless the contrary has been agreed upon in writing, by the law of 27 July 2003 on the trust and fiduciary contracts.

The Bank may hold assets of the client on fiduciary basis with any entity of the ABN AMRO group.

## 15 FORWARD TRANSACTIONS

The Bank may, upon explicit request, 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/her sole cost and risk. The client is aware of the risks involved by such transactions, including the risk of losing higher amounts than those invested or than those held with the Bank. 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/her position may be liquidated even at a loss and he/she will have to bear any damages resulting therefrom.

## 16 COMMERCIAL BILLS, CHEQUES AND OTHER INSTRUMENTS OF A SIMILAR NATURE

16.1 Without prejudice to clause 3.1 relating to payment instruments, the client must give separate instructions to the Bank on each occasion if speedy means of execution are necessary for the collection of cheques and commercial bills. When such instructions have been given, the Bank shall be liable for negligent execution of such instructions; when no such instructions have been given, the Bank shall in respect of the use of speedy means of execution only be liable for gross negligence.

16.2 In case the Bank handles commercial bills or cheques abroad, it shall only be liable for gross negligence.

16.3 Commercial bills not stamped or not sufficiently stamped may be returned by the Bank. In the absence of instructions to the contrary, the Bank may present on maturity commercial bills in its possession and cause them to be protested if not paid. The Bank may also send commercial bills drawn on other places for these purposes at an appropriate time.

16.4 If the documents are presented for collection (e.g. commercial bills, cheques and direct debits) and the Bank credits the countervalue 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 documents are payable at the Bank.

16.5 If information obtained by the Bank in respect of a party liable on a bill of exchange is not to its satisfaction, or if the acceptance by a party liable on a commercial bill is protested or if the standing of a party liable on a commercial bill substantially deteriorates, the Bank may debit the account before maturity for any commercial bill discounted or deposited for collection, and may do so irrespective of the status of the account and, in particular, without regard to any previous off-setting. The same applies to cheques.

16.6 The Bank may debit the account of the client in case commercial bills or cheques deposited for collection or discounted by it are not paid up on presentation, or in case the free disposal of the proceeds is restricted through legal or official measures, 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 commercial bills or cheques are payable.

16.7 The Bank may also debit the client's account if the commercial bills or cheques cannot be returned. In case the commercial bills or cheques are not returned, the Bank shall only be liable for gross negligence. The Bank will endeavour to collect the countervalue of commercial bills and cheques debited but not returned and will assign its rights to the remittent.

16.8 The owner of cheques is solely liable for their use. He shall bear the consequences of their loss, theft or abusive or fraudulent use.

If the Bank is redebited of the amount of the commercial bills or 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. If the Bank is informed of the issue of a cheque by the client, it may block an amount equal to the amount for which the cheque has been issued, by debiting the client's account until such cheque has been presented for payment. The Bank may also, at any time, undertake such an action if a stop order is made against the payment of a cheque, until the courts have rendered a final decision on the merits of such stop order.

16.9 If commercial bills are received by the Bank, the underlying claims relating to such commercial bills 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 favor 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. The same shall apply to other items received for collection, in particular cheques, direct debits, payment orders or invoices.

16.10 In case the Bank obtains acceptances or guarantees in relation to commercial bills, the Bank is obliged to examine specially the genuineness of the signature, the authority and identity of the signatory, whereas the Bank shall only be liable for gross negligence.

16.11 Cover for commercial bills accepted by the Bank for account of a client must be in the hands of the Banks at least one business day before their due date, otherwise the Bank will charge within its reasonably exercised discretion an appropriate special commission; the acceptance commission covers only the acceptance itself.

16.12 Commercial bills of exchange payable at the Bank must only be honoured by the Bank in case written instructions for payment with all necessary data have been received in good time and if sufficient cover is available.

16.13 Upon request of the client, the Bank issues 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 general terms for credit cards of the relevant card service provider which shall form an integral part of these General Terms and Conditions.

## 17 PRECIOUS METALS

17.1 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.

17.2 Precious metals and coins deposited by the client with the Bank, or acquired by the Bank on the client's behalf, shall be lodged in a fungible deposit unless otherwise agreed with the client.

17.3 As far as possible, physical delivery of metals and coins shall be made in Luxembourg, all expenses being borne by the client. If the client requires delivery to be made in another location, and such delivery is possible in the opinion of the Bank, it shall be at the client's risk and expense. The client shall notify the Bank at least fifteen business days before the physical delivery. The procedure for delivery shall be laid down by the Bank at its discretion.

17.4 Deposits of precious metals shall be recorded and evidenced by book entries into custody accounts opened in the name of the client and the Bank will issue a receipt in the name of the client for the values on deposit. Receipts and statements thereof may be neither assigned nor pledged.

## 18 INVESTMENT SERVICES AND ANCILLARY SERVICES

This section "Investment Services and Ancillary Services" governs the provision by the Bank of investment services and ancillary services in relation to financial instruments.

In case of discrepancy between this section "Investment Services and Ancillary Services" and any other section contained in these General Terms and Conditions, the former shall prevail.

### 18.1 INVESTMENT AND ANCILLARY SERVICES, INVESTMENTS AND INVESTMENT STRATEGIES

To the extent required by and in accordance with applicable law and these General Terms and Conditions, the Bank has separately provided the retail client or the professional client (as defined hereinafter) with information on the Bank and its investment and ancillary services, financial instruments, investments and investment strategies designed to help the client to understand their nature and risks. The Bank will update this from time to time and communicate (to the extent required by and in accordance with applicable law and these General Terms and Conditions) to the retail client or the professional client such updated information. The retail client or the professional client should refer to the relevant and most recent information provided by the Bank before entering into a transaction in any of the financial instruments concerned.

## 18.2 CLIENT STATUS

### 18.2.1 Notification of client status

#### (1) General

The client has been separately notified of his/her status as either an eligible counterparty (the "Eligible Counterparty") or as a professional client (the "Professional Client") or as a retail client (the "Retail Client"). Subject to the client's right to request a different status as referred to below, the Bank will treat the client as such for all relevant purposes. Categorisation has taken place based on the Bank's internal client categorisation process. Different rules and different levels of protection apply to the client depending on the client categorisation.

#### (2) Changes to Professional Client / Eligible Counterparty status

If the Bank has classified the client as a Professional Client or an Eligible Counterparty, the client agrees to notify the Bank immediately if he/she considers at any point that he/she does no longer fall within the definition of a Professional Client or an Eligible Counterparty.

Should the Bank become aware that the client classified by it as a Professional Client / Eligible Counterparty no longer fulfils the initial conditions that made him eligible for a Professional Client / Eligible Counterparty treatment, the Bank may take appropriate action, including re-categorising the client as a Professional Client or a Retail Client.

#### (3) Eligible Counterparty status

If the Bank has classified the client as an Eligible Counterparty, the Bank will only treat the client as such for Eligible Counterparty business. For any other type of service the Bank offers to the client, the Bank will treat the client as a Professional Client.

### 18.2.2 Notification of right to request different status

The client may request a different status under certain conditions, as explained in the client classification letter provided to the client.

## 18.3 LANGUAGE

The Retail Client may communicate with the Bank in English. All standard documents of the Bank may be obtained by the Retail Client in English.

Communications between the Bank and the Retail Client may also be in a language other than English agreed between the Bank and the Retail Client from time to time, as reflected in the Bank's files.

## 18.4 METHODS OF COMMUNICATION, PROVISION OF INFORMATION

Information will be provided by the Bank to the client in paper format or, if the client requests it or the Bank so chooses and the client consents to this (to the extent required by and in accordance with the applicable law and these General Terms and Conditions), by e-mail or by any other communication tools.

The Bank makes available monthly to the client the following information in a manner which allows the client to store and reproduce information unchanged:

- (i) a reference enabling the client to identify each payment transaction and, where appropriate, information relating to the beneficiary;
- (ii) the amount of the payment transaction in the currency in which the client's payment account is debited or in the currency used for the payment order;
- (iii) the amount of any charges for the payment transaction and, where applicable, a breakdown thereof, or the interest payable by the client;
- (iv) where applicable, the exchange rate used in the payment transaction by the client's Bank, and the amount of the payment transaction after that currency conversion; and
- (v) the debit value date or the date of receipt of the payment order.

These monthly reports shall only be made available for payment transactions covered by the EU Directive 2007/64/EC on payment services in the internal market. The issuance of reports on any other transactions are based on later agreement between the Bank and the client.

The Bank shall notify the Retail Client of any material changes to the information it has provided to the Retail Client using the same medium in which it was originally provided (unless agreed otherwise). Where this results in a change in the terms on which the Bank does business with the Retail Client, the Bank will give the Retail Client at least 10 business day's prior notice of the change, except as otherwise provided herein or by any applicable law. Any such change will become effective on the date specified in the notice.

Unless expressly agreed to the contrary, the client may communicate with the Bank in writing, by post, fax or subject to certain conditions, by e-mail. The above communications will be to the address, fax number or, subject to certain conditions, e-mail specified in these General Terms and Conditions, account opening form or in any later notification of change in writing. The client must be able to prove the existence and content of all communications.

In general, 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, it is explicitly agreed that the account statements of the Bank conclusively prove that the transactions mentioned thereon have been fulfilled in accordance with oral orders given by the client.

Except as otherwise provided herein or by any applicable law, 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.

The client and the Bank expressly agree that, notwithstanding the provisions of Article 1341 of the Civil Code, 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.

The Bank herewith expressly makes the client aware that e-mail is not a secure means of communication. By initiating and/or accepting to communicate by e-mail, the client acknowledges and accepts all the related risks, including but not limited to the risk that the information could be intercepted, corrupted, amended, lost, destroyed by unauthorised third parties, or could contain viruses.

The Bank shall not be liable towards the client or any third party for damages that the client or such a third party may suffer as a result of any error in communication, or any loss of information, including confidential information, triggered by any potential viruses, interceptions or interference of e-mails.

Communications between the client and the Bank are taken to be received:

- (i) if sent by post: 3 business days after the date of posting (or 5 if sent to or from a place outside Luxembourg);
- (ii) if withheld by the Bank upon the instructions of the client: the business day following the date stated on the documents withheld;
- (iii) if sent by fax: at the time shown in a transmission report that indicates that the whole fax was sent;
- (iv) if sent by e-mail or through the Bank's electronic banking system: on the day following dispatch; or
- (v) if posted on the website of the Bank: on the day following such posting; and
- (vi) if communications from the Bank are made by referring in any of its documents to a website on which they are posted, they are deemed to have been received by the client on the date that the relevant document bears.

Orders may also be given by telephone, e-mail or through the website of the Bank if the client has previously agreed this with the Bank.

## 18.5 ACCESSIBILITY OF INFORMATION AND CONDITIONS & REPORTING

**18.5.1** At any time during the contractual relationship the client shall have a right to receive, on request, a copy of these General Terms and Conditions as well as the information specified in clause 2.2.2 on paper or if the client requests it or

the Bank so chooses and the client consents to this (to the extent required by and in accordance with the applicable law and these General Terms and Conditions), by e-mail or by any other durable medium.

**18.5.2** The Bank will send to the client reports on the service provided to the client at least twice a year and will include in these reports the costs associated with the transactions and services undertaken by the Bank for the client.

## 18.6 CONFIRMATIONS (FOR THE EXECUTION OF ORDERS OTHER THAN THROUGH A DISCRETIONARY INVESTMENT MANAGEMENT MANDATE)

When the Bank has carried out an order on behalf of the Retail Client or the Professional Client, it will (to the extent required by applicable law) provide the Retail or Professional Client with a trade confirmation.

In addition, the Bank will send at least once a year to the Retail Client or the Professional Client for whom it holds financial instruments a statement of those financial instruments unless such a statement has been provided in any other periodic statement. To the extent required by and in accordance with applicable law and these General Terms and Conditions, the statements will be sent to the Retail Client or the Professional Client.

## 18.7 PERIODIC STATEMENTS WITH RESPECT TO DISCRETIONARY INVESTMENT MANAGEMENT

Where the Bank is managing investments for the Retail Client or the Professional Client, the Bank will either send to the Retail Client or the Professional Client or, if the Retail Client or the Professional Client specifically agrees in writing, make available on its website, a statement of the account of the Retail Client or the Professional Client.

The Bank will also send to the Retail Client a statement of the valuation and composition of his/her portfolio and/or any client assets and client money held. The Bank will do this after the end of each semester. Alternatively, the Retail Client may either request that the Bank send him/her a statement of his/her account every three (3) months or the Retail Client may elect to receive information about transactions the Bank has executed on his/her behalf on a transaction-by-transaction basis, in which case the Bank will send him/her a statement of his/her account every 12 months and will also provide him/her with a confirmation of each trade executed on his/her behalf. If the portfolio of the Retail Client is a leveraged portfolio, the Bank will provide him/her with a statement every month.

If the Professional Client elects to receive information about transactions the Bank has executed on his/her behalf on a transaction-by-transaction basis, the Bank will provide the essential information concerning each transaction to him/her after the execution of such a transaction.

## 18.8 CONTINGENT LIABILITY TRANSACTIONS

Where the Bank is managing investments for the Retail Client and the account of the Retail Client includes an uncovered open position in a contingent liability transaction for which the Bank has agreed a loss threshold the Bank will report to the Retail Client any loss exceeding the applicable threshold, if any, agreed between the Bank and the Retail Client no later than the end of the business day on which the threshold is exceeded or (where it is exceeded on a non-business day), the next business day.

## 18.9 EXECUTION-ONLY SERVICES IN RELATION TO NON COMPLEX PRODUCTS

### 18.9.1 General

In the event that the Bank provides the Retail Client or the Professional Client with execution-only services in relation to non-complex instruments (which includes shares admitted to trading on a regulated market, money market instruments, bonds and UCITS), the Bank is not required to obtain information from the Retail Client or the Professional Client regarding his/her knowledge and experience so as to enable the Bank to make an assessment as to the appropriateness of the product or service provided or offered.

Therefore, the Retail Client or the Professional Client will not benefit from the protection of the relevant conduct of business rules requiring the Bank to assess the appropriateness of the product or service for the Retail Client or the Professional Client.

### 18.9.2 Updating information

The Retail Client or the Professional Client will be responsible for ensuring that all information provided to the Bank for the purpose of assessing whether a product or service is appropriate for him/her are kept up to date.

The Bank is entitled to assume that the Professional Client has the necessary knowledge and experience in the investment field relevant to the product or service being provided. If the Professional Client does not consider that he/she has the necessary knowledge and experience, he/she must make the Bank aware of this prior to the provision of such product or service and provide the Bank with the information referred to above.

## 18.10 CLIENT ASSETS AND CLIENT MONEY

### 18.10.1 Use of financial instruments by the Bank

Upon the client's express consent, the Bank may use the client's financial instruments in relation to securities financing transactions (i.e., stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back) or otherwise for its own account or for the account of another customer.

### 18.10.2 Information when holding client assets and/or client money

Where the assets of the Retail Client are held by a third party, the Bank is not liable for the acts or omissions of that third party or for any loss or damage the Retail Client may incur other than as a direct result of negligence, wilful default or fraud on part of the Bank in the initial selection of the third party custodian. In the event of the default or insolvency of the third party custodian, the Retail Client may not recover all of his/her assets.

Where the Bank has deposited the assets of the Retail Client in safe custody with a third party, that third party may hold the assets of the Retail Client in an omnibus account for all of the Bank's clients. In the event of the insolvency or default of the third party, if there is a shortfall in the omnibus account, the Retail Client may not recover all of his/her assets.

It may not be possible under the relevant national law of a third party for assets held on behalf of the Retail Client or the Professional Client by that party to be separately identifiable from the assets belonging to that third party or belonging to the Bank. In the event of the insolvency or default of the third party, if there is a shortfall in assets available to settle all claims, the Retail Client or the Professional Client may not recover all of his/her assets.

Where the assets or money of the Retail Client or Professional Client are held under the law of a jurisdiction other than the EEA, the Retail Client's or Professional Client's rights in the event of a default or insolvency may be different (and may be reduced) in the event of an insolvency or default.

## 18.11 CONFLICTS OF INTEREST

Under applicable regulation the Bank is required to have arrangements in place to manage conflicts of interest between the Bank and its clients and between its different clients.

The Bank operates in accordance with a conflicts of interest policy the Bank has put in place for this purpose under which the Bank has identified those situations in which there may be a conflict of interest and, in each case, the steps the Bank has taken to manage that conflict.

The Bank has provided to the Retail Client separately a summary of its conflicts of interest policy. Further details of this will be provided on request to the Retail Client.

Where the arrangements under the conflicts of interest policy are not sufficient to manage a particular conflict, the Bank will inform the client of the nature of the conflict.

The client acknowledges that his/her portfolio may include ABN AMRO products.

## 18.12 INDUCEMENTS

In the course of providing services to the Retail Client or Professional Client, the Bank may pay or receive fees, commissions or other non-monetary benefits to or from third parties. A summary of the essential terms of such arrangements will be, to the extent required by and in accordance with the applicable law and these General Terms and Conditions, provided in a separate document.



Additional detailed information of such amounts can be provided to the Retail Client or the Professional Client upon written request.

## 18.13 SUITABILITY

### 18.13.1 General

Where the Bank makes a personal recommendation to the Retail Client or the Professional Client or takes a decision to deal on behalf of the Retail Client or the Professional Client in the course of providing the service of investment advice or managing the Retail Client's or the Professional Client's portfolio, the Bank is obliged to take reasonable steps to assess whether such services are suitable for the Retail Client or the Professional Client based on information provided by the Retail Client or the Professional Client on the Retail Client's or the Professional Client's investment objectives, financial status and knowledge and experience in the relevant investment field.

The Bank is entitled to assume that the Professional Client has the requisite knowledge and experience in the relevant investment field. Except where the Bank has opted up the client to Professional Client status, the Bank is also entitled to assume that the Professional Client is able financially to bear any related investment risks consistent with his/her investment objectives. If the Professional Client does not consider this to be the case he/she must make the Bank aware of this prior to the provision of one of the services mentioned in this section by the Bank to the Professional Client and provide the Bank with any available information as to the level of his/her knowledge and experience and/or financial situation as appropriate.

### 18.13.2 Updating suitability information

Where the Bank has requested that the Retail Client or the Professional Client provides it with information regarding the Retail Client's or the Professional Client's (i) investment objectives, (ii) financial status and (iii) knowledge and experience in the investment field relevant to the product or service being provided to the Retail Client or the Professional Client for the purposes of assessing suitability, it is the Retail Client's or the Professional Client's responsibility to ensure that such information is kept up to date.

### 18.13.3 Investment advice

Where a personal recommendation is made to the Retail Client or the Professional Client, unless expressly otherwise stated at the time the recommendation is made, it is valid only at the time it is made and must not be relied on at any time after the Bank makes it.

### 18.13.4 Best execution

When executing orders on the behalf of the Retail Client or the Professional Client and when placing orders with, or passing orders to, other entities for execution, the Bank will do this in accordance with its order execution policy (the "Order Execution Policy") as amended from time to time.

The Bank has separately provided the Retail Client or the Professional Client with a summary of the Order Execution Policy. The summary of the latest version of the Order Execution Policy is available by contacting the Retail Client's or Professional Client's relationship manager.

There are a number of situations where the Bank will not owe any duty of best execution to the Retail Client or the Professional Client as more fully set out in the Order Execution Policy. These include the following scenarios:

Where the Professional Client contacts the Bank to be provided with a quote for a particular financial instrument, unless expressly requested in writing to the contrary, and the Bank accepts such request, the Bank will not owe the Retail Client or the Professional Client an obligation of best execution in respect of that transaction.

Similarly, when the Retail Client or the Professional Client gives the Bank specific instructions and the order is executed in accordance with these instructions, the Bank will have discharged its duties to the extent of those instructions.

Where the Retail Client or the Professional Client directly accesses the markets through direct market access provided by the Bank, the Bank will not owe the Retail Client or the Professional Client best execution other than where the Bank has discretion as to where to direct an order in relation to the execution venue.

## 18.14 ORDERS HANDLING

### 18.14.1 General

The Bank handles client and own account orders promptly and in due turn subject to market conditions. The Bank may aggregate the client's order(s) with its own orders and/or with orders of other clients.

In some cases aggregation may operate to the Retail Client's or the Professional Client's disadvantage and in other cases aggregation may operate to the Retail Client's or the Professional Client's advantage. By agreeing to these General Terms and Conditions the client agrees that the Bank may aggregate the client's order in this way and acknowledges that in some cases this may result in the client obtaining a less favourable result than would otherwise be the case.

### 18.14.2 Limit Orders

By agreeing to these General Terms and Conditions, the client is expressly instructing the Bank not to make public any limit order the client may place with the Bank in respect of shares traded on a regulated market where that order cannot immediately be executed. The client may, at any time, revoke this instruction for any particular transaction where the client does require immediate publication of the relevant order.

In any event, the Bank will not publish any limit order from the client that the Bank cannot immediately execute where the limit order is large in scale in comparison to normal market size.

## 19 TERMINATION OF BUSINESS RELATIONSHIP

19.1 The client may, at any time and without having to state any reason, unilaterally give notice of termination and put with eight days' notice from dispatch of the termination letter an end, either totally or in part, to their relationship.



The above eight days' notice shall not apply to payment services for which a notice of termination may be given unilaterally by the client with 1 month notice and/or by the Bank with two months notice.

Except as otherwise provided herein or by any applicable law, 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, i.e. if: the client is in breach of his/her contractual obligations; the Bank is of the opinion that the financial position of the client is threatened; the guarantees obtained are insufficient, or the guarantees requested have not been obtained; the Bank is of the opinion that by continuing its relationship with the client it may be subject to a liability claim; the operations of the client appear to be contrary to public policy or standards of decency; the client fails in his/her duty of good faith.

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.

Charges for payment services levied on a regular basis shall be payable by the client proportionally up to the termination of the contract. If such charges are paid in advance, they shall be reimbursed proportionally.

**19.2** 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.

Independent of a formal notice of termination of the relationship, the Bank may, at any moment, require the reimbursement of credits that it has granted, terminate collateral or any surety and other guarantees granted in favour of the client, 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/her, may endanger the prompt and complete discharge of his/her obligations. The Bank may, at any time, request new or supplementary sureties or guarantees from the client to cover his/her obligations towards the Bank. If the client fails to comply with such request within the therein prescribed period, the Bank may consider the business relationship with the client as terminated. The Bank may cover short positions by making corresponding purchases.

**19.3** The client must withdraw all his/her assets with the Bank or give the Bank appropriate transfer instructions with respect to such assets within one month from the termination of the account relationship. The Bank may, at any time thereafter, sell all financial instruments held for the client and convert all cash positions into one single currency. 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.

**19.4** The General Terms and Conditions will continue to govern the winding up of positions until the final liquidation of the account.

The contractual interest rate, commissions and fees, as set out in the relevant Bank's fee schedule, 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.

The above provisions are without prejudice to the Luxembourg laws and regulations governing the rights of the parties to declare these General Terms and Conditions unenforceable or void.

## 20 MISCELLANEOUS

**20.1** The Bank has adhered to the deposit-guarantee scheme of l'Association pour la garantie des dépôts ("AGDL") together with a large number of banks of the financial sector of Luxembourg. This scheme guarantees to the depositors, pursuant to the provisions set by the law and articles of incorporation of the AGDL, in the event of cash deposits becoming unavailable due to the insolvency, the payment of a maximum amount of EUR 100,000,- for each client.

The AGDL also guarantees in favour of investors a maximum coverage of EUR 20,000 in case the bank is unable to refund the investors with the funds owed to the clients or owned by the latter and held on their behalf by the Bank within the context of investment operations or in case the Bank is unable to return to the client financial instruments and other financial instruments owned by the client 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 an insolvency of the Bank and can thus be claimed directly by the client.

Legal entities are generally excluded from the benefit of the AGDL scheme. Further information in relation to the deposit-guarantee scheme can be obtained upon request from the Bank or by contacting the AGDL.

### 20.2 CHANGES TO THESE GENERAL TERMS AND CONDITIONS

**20.2.1** Should the Bank intend to amend these General Terms and Conditions, the Bank will immediately inform the client indicating the clauses it intends to modify or add, as well as the contents of these amendments or additions.

- (i) The amendments or additions are deemed to be accepted by the client if the client has not addressed a written disapproval to the Bank within thirty (30) days of dispatch. In case the client wishes to oppose to such amendments, the client is entitled to terminate the account relationship with immediate effect.

- (ii) Section (i) above shall not apply to amendments relating to payment services in relation to which any changes to these General Terms and Conditions as well as to the information and conditions specified in clause 2.2.2 shall be proposed and notified by the Bank to the client no later than two (2) months before their proposed date of application.

20.2.2 In case the client wishes to oppose to such amendments, the client is entitled to terminate the account relationship without charge, before:

- (i) the expiry of the thirty (30) day period in the case of section 20.2.2 (i) above; or
- (ii) the date of the proposed application of the changes in the case of section 20.2.2 (ii) above.

The amendments are deemed to be accepted by the client if the client has not addressed a written disapproval to the Bank before the expiry of the thirty (30) day period or the effective date, respectively.

20.2.3 Changes in the interest or exchange rates may be applied immediately and without notice. These changes shall be based on the reference interest or exchange rates indicated on the Bank Fee Schedule. The client shall be informed of any change in the interest rate at the earliest opportunity in accordance with clause 18.4. However, changes in interest or exchange rates which are more favourable to the clients, may be applied without notification to the client.

## 20.3 OUT-OF-COURT COMPLAINT PROCEDURES

### 20.3.1 With the Bank

If the client has a complaint about the Bank the client should raise it in the first instance with his/her relationship manager. If the client is not satisfied with the response given by the relationship manager, the client may raise the matter with the Bank's managing director. A copy of the Bank's internal complaints handling procedure is available upon the client's request.

### 20.3.2 With the Commission de Surveillance du Secteur Financier

The client and other interested parties, including consumer associations, may submit complaints to the Commission de Surveillance du Secteur Financier, as described under clause 1.4, with regard to the Bank's alleged infringements of the provisions of the Luxembourg laws.

Where appropriate and without prejudice to the right to bring proceedings before a court in accordance with Luxembourg procedural laws, the reply from the Commission de Surveillance du Secteur Financier shall inform the complainant of the existence of the out-of-court complaint and redress procedures set up in accordance with Article 83 of the EU Directive 2007/64/EC on payment services in the internal market.

## 20.4 GOVERNING LAW AND JURISDICTION

The relationship between the Bank and its client shall be governed by the laws of the Grand Duchy of Luxembourg. All disputes shall be of the exclusive competence of the Courts of Luxembourg City, Grand Duchy of Luxembourg, unless the Bank chooses to bring an action against the client before any other court having jurisdiction, including the court of the country where assets of the client are located.

In case of litigation, the client accepts that, for summary proceedings and for the enforcement of a guarantee, service of process be made to his/her attention at the registered office of the Bank where he/she elects domicile for that purpose. The same applies for ordinary proceedings if the client is domiciled outside the European Union.

Legal proceedings against the Bank are statute-barred after a period of three (3) years. The statute limitation period commences on the date on which the facts for which the Bank is blamed were committed or omitted. Any legal proceeding engaged after such period is statute-barred.

# Client categorization

## ABN AMRO Bank (Luxembourg) S.A.

Subject: Your client category under MiFID

As you may know, one of the implications of MiFID is that clients will be categorised to reflect the level of protection they will receive from their banks. The purpose of this letter is to inform you about the difference in protections and rights owed to Private Clients\* and Professional Clients:

The categorisation allocated to you by ABN AMRO Bank (Luxembourg) S.A. on the basis of the information available, is indicated in the Account Opening Form. You will be treated in accordance with this category unless we agree otherwise.

The categorisation is based on the following criteria: assets, number and volume of transactions and, knowledge and experience in the financial sector.

If you have been categorized as a Private Client, you have the right to request to be categorised as Professional Client. This will result in receiving a lower level of client protection from us than you would otherwise be entitled to.

If you have been categorized as a Professional Client, you have the right to request to be categorised as Private Client. This will result in receiving a higher level of client protection from us than you would otherwise be entitled to.

We may under certain conditions be willing to satisfy such requests. If you wish to know if you are eligible to such a change of category, please contact your Relationship Manager for further information.

The difference in protections and rights owed to Private Clients and Professional Clients are described in the Annex.

Should you have any questions regarding the above, please don't hesitate to contact us.

\* Which falls under the "Retail Client" MIFID category as opposed to "Professional Client" and "Eligible Counterparty" categories. This categorization is standard for all banks operating in the EU.

## ANNEX

The following paragraphs describe the difference in protections and rights owed to Private Clients and Professional Clients:

### 1 COMMUNICATIONS WITH PRIVATE CLIENTS AND FINANCIAL PROMOTIONS

In relation to all information addressed to, or disseminated in such a way that it is likely to be received by, a Private Client, we must ensure that information: (1) includes our name; (2) is accurate and in particular does not emphasise any potential benefits of relevant business or a relevant investment without also giving a fair and prominent indication of any relevant risks; (3) is sufficient for, and presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received; and (4) does not disguise, diminish or obscure important items, statements or warnings. This requirement does not apply in the case of Professional Clients. When we communicate advertisements and other financial promotions to Private Clients we are required to ensure that certain form and content requirements are included and that certain internal approval and record-keeping procedures are followed. Most of these rules are inapplicable to financial promotions to Professional Clients.

In addition, we must ensure that a financial promotion is consistent with any information provided to a Private Client in the course of carrying on designated investment business or ancillary services.

We are, however, in addition required to ensure that all information provided to both Private and Professional Clients is clear, fair and not misleading.

### 2 SUITABILITY

If we make a personal recommendation or manage investments for a Professional Client we are entitled to assume that, in relation to the products, transactions and services for which the Professional Client is so classified, the client has the necessary level of experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio. In the case of a Private Client, this assumption may not be made and we would be required to satisfy ourselves that the Private Client does have the necessary level of experience and knowledge.

### 3 APPROPRIATENESS

When assessing appropriateness for a Professional Client, we may assume that the Professional Client has the necessary experience and knowledge in order to understand the

risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the client is classified as a Professional Client. In the case of a Private Client this assumption may not be made and we would be required to satisfy ourselves that the Private Client does have the necessary level of experience and knowledge.

#### 4 BEST EXECUTION

Additional obligations apply when providing best execution to Private Clients. Where we execute an order on behalf of a Private Client, the best possible result must be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which must include all expenses incurred by the client which are directly related to the execution of the order. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Private Client.

Where there is more than one competing venue, to deliver best execution for a Private Client, we must also take into account our own commissions and costs for executing the order.

We must provide Private Clients with certain details on the execution policy in good time before the provision of the service. "Appropriate information" must be provided to Professional Clients.

#### 5 ORDER EXECUTION

In relation to order execution, we must inform a Private Client about any material difficulty relevant to the proper carrying out of orders promptly on becoming aware of the difficulty.

#### 6 REPORTING TO CLIENTS

Our obligations to report to clients in respect of transactions (including trade confirmations and periodic statements) are more stringent and detailed in the case of Private Clients. We will provide Professional Clients with regular reports.

#### 7 OUTSOURCING OF PORTFOLIO MANAGEMENT FOR PRIVATE CLIENTS TO A NON-EEA STATE

When a MiFID credit institution or investment firm outsources the investment service of portfolio management to Private Clients to a service provider located in a non-EEA state, then unless the outsourcing only concerns ancillary activities connected with portfolio management, (for example IT processes or execution only activities) it must ensure that the following conditions are satisfied:

- (a) the service provider must be authorised or registered in its home country to provide that service and must be subject to prudential supervision;
- (b) there must be an appropriate cooperation agreement between the Commission de Surveillance du Secteur Financier ("CSSF") and the supervisor in the non-EEA State.

- (c) If one or both of those conditions are not satisfied, the MiFID credit institution or investment firm may enter into such an outsourcing only after it has given prior notification in writing to the CSSF of the proposed outsourcing agreement and the CSSF does not object to that agreement within three months of receipt of this notification.

The above is not required in relation to the outsourcing of portfolio management for Professional Clients.

#### 8 SYSTEMATIC INTERNALISERS' OBLIGATIONS TO PRIVATE CLIENTS

Systematic internalisers are required to have certain standardised rules applicable to their services. Generally they may discriminate between Private Clients (as a whole) and Professional Clients (as a whole) but may not discriminate between different Professional Clients or between different Private Clients. As a result of being treated as a Professional Client we may apply different standards to you than if you were a Private Client.

#### 9 CUSTODY AND CLIENT MONEY

In the case of Private Clients, we need confirmation (in the form of prior written consent, specific written instruction or written agreement, depending on the particular requirement) of the Private Client in order to do certain things. In the case of a Professional Client, it is sufficient simply to notify the customer that we may do these things. These are set out in detail in the General Terms and Conditions where relevant.

#### 10 COMPLAINTS HANDLING/COMPENSATION

We are covered by the Association pour la Garantie des Dépôts ("AGDL") deposit-compensation scheme. If you are a Private Client you may be entitled to compensation from the Scheme if we cannot meet our obligations to you. This will be dependent on the type of business and the circumstances of the claim. This scheme guarantees payment to the depositors up to certain amounts, pursuant to the provisions set by the law and the articles of incorporation of the AGDL, in the event of cash deposits becoming unavailable due to insolvency or, as applicable, in case we would be unable to refund the investors with the funds owed to the clients or owned by us and held on their behalf. These are set out in detail in the General Terms and Conditions where relevant.

# Best execution policy

## ABN AMRO Bank (Luxembourg) S.A.

### SUMMARY OF THE ORDER EXECUTION POLICY

As referred to in the General terms and Conditions of ABN AMRO Bank (Luxembourg) S.A. (article 14.14), this document provides further insight on our order execution policy.

#### THE PURPOSE OF THIS POLICY

This policy summarises the arrangements ABN AMRO Bank (Luxembourg) S.A. has put in place under MiFID to meet our obligations to take all reasonable steps to obtain the best possible result when we execute orders in financial instruments on your behalf and to act in your best interests when we place orders with, or pass orders to, other firms for execution. In this Policy we refer to both these obligations as our obligation of best execution.

#### APPLICATION OF THIS POLICY

This Policy applies when we accept an order to execute on your behalf or in other circumstances where we have expressly agreed that you are relying on us to protect your interests. It also applies where we place orders with, or pass orders to, others for execution.

#### THE FACTORS WE TAKE INTO ACCOUNT TO ACHIEVE THE BEST RESULTS WHEN WE EXECUTE

In meeting our best execution obligation to you, we take into account the following factors:

- price,
- costs,
- speed of execution,
- likelihood of execution and settlement,
- size of order,
- nature of the order (e.g. whether a market or limit order or a negotiated transaction),
- any impact your order, when and if published, may have on the market price,
- any other consideration relevant to the execution of your order,

known as the “execution factors”. The relative importance of these factors varies between different financial instruments.

#### CRITERIA RELEVANT IN RELATION TO A PARTICULAR TRADE

We will take into account the following criteria in relation to any particular trade:

- the characteristics of the client;
- the characteristics of the order;
- the characteristics of the financial instrument to which the order relates; and

- the characteristics of the execution venues to which the order can be directed.

Taking into account these criteria, the most important factors to determine the best possible result for clients receiving the highest level of protection under MiFID are:

- price,
- transaction costs,
- speed,
- likelihood of execution and settlement, and
- size

Of these factors, price is critical and the most important. Costs, speed, likelihood of execution and settlement and size are of equal importance (but less than price).

#### THE INSTRUMENTS THIS POLICY COVERS

- Equities
- Derivatives
- Fixed Income
- Funds
- Structured Products

#### EXECUTION VENUES

Based on the above, we have selected a number of execution venues that meet our criteria for delivering best execution to you in particular financial instruments.

Not all execution venues which could provide a price for the financial instrument are included. Reasons for exclusion include the costs of connecting to the venue or the higher costs of executing on your behalf. This may mean that sometimes a better quoted price may have been available on another venue, but that the costs of executing your order there would make the cost to you higher than the venues we have selected.

At times, we might ourselves act as the execution venue. Where we do this, we will consider alternative venues and will only act as execution venue where we conclude that this enables us to provide the best possible result for you.

The venues on which we place significant reliance are:

- **Equities:**
  - Europe:
    - RBS London
    - Man Securities London
    - CAIC Cheuvreux Paris
    - Deutsche Bank Frankfurt
  - North America:
    - USA:
      - BBH New York
      - CAPIS Dallas
    - Canada:
      - RBC Toronto (via RBC Geneva)
      - National Bank Financial Geneva
    - Asia:
      - CAIC Cheuvreux Paris

- **Derivatives:**  
Deutsche Bank Frankfurt  
Deutsche Bank Baltimore  
UBS Zurich
- **Fixed Income:**  
RBS London  
Deutsche Bank London  
Caboto Milano  
IMI Milano  
Merrill Lynch London  
RBC London  
UBS Zurich  
Morgan Stanley London  
ING Amsterdam  
JP Morgan London  
DeGroof Luxembourg  
Dexia / BIL Luxembourg  
Fortis Brussels  
Fortis Luxembourg  
Nordea Denmark  
Banco Santander Madrid  
KBL Luxembourg  
Rabobank Amsterdam  
Societe Generale London  
BCEE Luxembourg  
BNP London
- **Funds:**  
BGL Luxembourg  
Brown Brothers Harriman  
New York  
International Fund Services and  
Asset Management Luxembourg
- **Structured Products:**  
ABN AMRO PIP Amsterdam / London  
Issuer

We will regularly review venues against those criteria (in particular where there is a material change which might affect our ability to achieve best execution on a consistent basis), and will do a full formal review at least annually.

Where we are not responsible for the actual execution but instead pass orders to another firm for execution, we will ensure that the intermediary's execution policy is consistent with our own as specified in this document.

## AGGREGATION OF ORDERS

When you agree to this policy, you are permitting us where applicable to aggregate orders with those of other clients to be worked on or executed at the same time. We will only do this where it is unlikely that aggregation will work overall to the disadvantage of any client whose order is to be aggregated. However it is possible that the effect of aggregation may work to your disadvantage in relation to a particular order.

## ALLOCATION OF TRANSACTIONS

If we are unable to execute aggregated orders in full then, unless you agree to waive this right, all orders will be allocated the relevant financial instruments pro rata to the size of the original orders.

If we have aggregated your order with our own, but not achieved execution of the total aggregate amount, then your order will be allocated in preference to our own (unless you would not have achieved such favourable execution without our participation).

## SPECIAL SITUATIONS

### Dealing on a request for quote basis

Where you are a Professional Client this policy does not apply where we quote a price to you at your request or in other situations in which you are not relying on us to protect your interests. Where you are a Retail Client this policy may not apply in these circumstances but we will act on the basis that you are generally relying on us to protect your interests and we will make it clear to you where we understand this is not the case.

### Direct market access

Where we offer you direct market access through an electronic system, this enables you to place orders which are routed directly to an exchange's order book. We will be treated as having satisfied our best execution obligation to you when you place specific instructions through the direct market access we provide to you.

### Less liquid products

Where you ask us to execute an order for you, or where we place or pass an order for execution with a third party, in a financial instrument for which there is a limited market and/or limited liquidity and/or limited price transparency, we may be unable to obtain competing prices.

In these circumstances it will then be your responsibility to seek competing prices from other investment firms if you choose to. If you accept our quote and instruct us accordingly to deal, this will satisfy our obligations to you under this policy.

If we deal with you in a financial instrument that we have created or for which we are the only execution venue, we will, on request, explain to you how the price was constructed, including any relevant external references.



If we negotiate the terms of an OTC product directly between us, then we will not be treated as acting on your behalf, and an instruction from you to execute the transaction will not be regarded as an order within the terms of this policy.

#### Structured Products

For Structured Products issued by ABN-AMRO or related issuing vehicles, and where we agree to make two-way prices, the execution venue will generally be ABN-AMRO itself where we have concluded that on a consistent basis this will ensure delivery of the best possible outcome to you. We will also generally be the execution venue where ABN AMRO is the main liquidity provider in its issued products (including providing liquidity to exchanges where products are listed).

Where our own structured products are listed and where we make a market in those products, the starting point for pricing before adjustments for liquidity, size and credit rating, will be the price ABN AMRO is supplying to the relevant exchange.

For ABN AMRO's own structured products where there is no listing but where we are an execution venue and market maker, the price we will give will be based on prevailing market conditions.

#### ABNORMAL MARKET CONDITIONS

This policy will not apply at a time of severe market turbulence, and/or internal or external system failure where instead the ability to execute orders on a timely basis, or at all, will become the primary factor. In the event of system failure we may not be able to access all of our chosen execution venues: you will be notified when placing an order if this condition has been invoked.

#### MONITORING

We will monitor the quality of our execution arrangements generally and selected venues regularly, promptly making any changes where a need is identified. You will be notified of any material change to the policy – for instance the emergence of a new execution venue on which we intend to place material reliance – before it becomes effective. Changes that are not material will be included on our website when they take effect.

We will in any event review these arrangements each year, to ensure that we continue to deliver the best outcome to you in executing your orders.

#### WARNING – SPECIFIC INSTRUCTIONS

Where you give us a specific instruction in relation to the execution of an order, we will execute in accordance with your instruction but you should be aware that the instruction may prevent us from following our execution policy and from taking the steps we have designed and implemented to obtain the best possible result for executing orders.

#### AFTERCARE

Upon request we will demonstrate to you that we have complied with this policy for any transaction we have executed on your behalf.

#### AGREEMENT

In giving your agreement to this policy you are confirming that you have read and understood all material referenced here.

#### AMENDMENTS

We will reissue this policy where there is a material change in the arrangements summarised above.

# Conflicts of interest

## ABN AMRO Bank (Luxembourg) S.A.

### ABN AMRO CLIENT DISCLOSURE: CONFLICTS OF INTEREST POLICY

Under the Markets in Financial Instruments Directive ("MiFID", as implemented by the Luxembourg law of July 13<sup>th</sup> 2007) ABN AMRO is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage such conflicts of interest. ABN AMRO has put in place a policy to meet this obligation and set out below is a summary of that policy and the key information that is needed by clients to understand the measures ABN AMRO is taking to safeguard the interests of its clients.

#### ABN AMRO's Conflict of Interest Policy

ABN AMRO's Conflicts of Interest policy sets out how ABN AMRO will:

- identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to clients' interests;
- establish appropriate mechanisms and systems to manage those conflicts; and
- maintain systems in an effort to prevent actual damage to clients' interests through the identified conflicts.

#### What is a "conflict of interest"

A conflict of interest under MiFID is a conflict that arises in any area of ABN AMRO's business in the course of providing its clients with a service which may benefit ABN AMRO (or another client for whom ABN AMRO is acting) whilst potentially materially damaging another client where ABN AMRO owes a duty to the client. There may be a conflict where ABN AMRO (or anyone connected to ABN AMRO including another ABN AMRO affiliate):

- is likely to make a financial gain (or avoid a loss) at the expense of its client;
- is interested in the outcome of the service provided to its client where the interests of ABN AMRO is distinct from that of the client;
- has a financial or other incentive to favour the interests of one client over another;
- carries on the same business as a client;
- receives money, goods or services from a third party in relation to services provided to a client other than standard fees or commissions.

ABN AMRO has carried out an exercise to identify conflicts of interest that exist in its business and has put in place measures it considers appropriate to the relevant conflict in an effort to monitor, manage and control the potential impact of those conflicts on its clients. The conflicts identified include:

- those between clients with competing interests;
- those between the personal interests of staff of ABN AMRO and the interests of ABN AMRO or its clients where those interests may be different;

- those between an intermediary and the interest of ABN AMRO or its clients where those interests may be different;
- those between the interest of an ABN AMRO unit or its staff other than ABN AMRO Bank (Luxembourg) S.A. and the interest of ABN AMRO or its clients where those interests may be different.

The measures adopted by ABN AMRO in an effort to manage the conflicts identified are generally within one of the following categories:

#### Policies and procedures

ABN AMRO has adopted numerous internal policies and procedures in order to manage recognised conflicts of interests. These policies and procedures will be subject to our normal monitoring and review processes.

#### Information barriers

ABN AMRO has put in place procedures to control or prevent the flow of information between ABN AMRO business units and entities where the interests of clients of one business unit or entity may conflict with the interests of clients of another ABN AMRO business unit or entity or with ABN AMRO's own interests.

#### Separate supervision and segregation of function

Where appropriate, ABN AMRO has arranged for the separate supervision of those carrying out functions for clients whose interests may conflict, or where the interests of clients and ABN AMRO may conflict and has taken steps to prevent the simultaneous or sequential involvement of a relevant person in separate services or activities where such involvement may impair the proper management of conflicts of interest.

#### Disclosure

Where there is no other means of managing the conflict or where the measures in place do not, in the view of ABN AMRO, sufficiently protect the interests of clients, the conflict of interest will be disclosed to clients to enable an informed decision to be made by the client as to whether they wish to continue doing business with ABN AMRO in that particular situation.

#### Declining to Act

Where ABN AMRO considers it is not able to manage the conflict if interest in any other way it may decline to act for a client.

# MiFID summary on inducements

## ABN AMRO Bank (Luxembourg) S.A.

### SUMMARY OF INDUCEMENTS RECEIVED OR PAID

The MiFID directive aims at helping every bank and financial institutions operating in the European Union to provide their clients with the utmost level of business transparency. Within ABN AMRO Bank (Luxembourg) S.A. we consider this as an opportunity to build up on our commitment to the highest level of service and trust with our clients

Therefore, as referred to in the General Terms and Conditions of ABN AMRO Bank (Luxembourg) S.A. (article 14.12), this document provides you with the essential terms of the fees, commissions or other non-monetary benefits that we may pay to or receive from the providers of products which you may choose or which we may recommend to you.

#### 1. MONETARY BENEFITS RECEIVED: REBATES LINKED TO THE DISTRIBUTION OF UNDERTAKINGS FOR COLLECTIVE INVESTMENTS ("UCI") PRODUCTS AND DERIVATIVES

To allow you to benefit from diversified investment opportunities and to enhance the quality of the service we provide to you, we may receive certain rebates or commissions on the UCI and derivative products (ABN AMRO and non ABN AMRO products) that we distribute. Such rebates or commissions are generally granted or paid to us by the promoters of the concerned products. These commissions are usually calculated on the basis of the management fee of the promoters which in turn may vary depending on the nature of the product, the classes of concerned assets or underlying assets, on the investments, on the net asset value, its periodicity, on the rates that we have negotiated in the relevant the distribution agreements, on the number of issued units etc.

We may also receive such rebates or commissions when we provide an investment advice to you or when we manage your portfolio on a discretionary basis. In doing so, we will act in your best interests, as the advice we provide to you and our selection of products for your account are not influenced by the rebates or commissions that we may receive. Indeed, in accordance with our conflicts of interest policy, the negotiation of the rebates and commissions is independent from our commercial activity and is not communicated to our client facing staff. Specific procedures to ensure that an efficient segregation is preserved between the tasks and functions of the concerned employees and third parties have been put in place. Please refer to our conflicts of interest policy for further details.

You should also be aware that the rebates or commissions that we may receive in this context aim at enhancing the quality of the services we provide to you as they allow us to maintain at all times a fair and independent selection process of the products. Indeed, to regularly review and reassess the performance, management, risk monitoring etc. of the relevant products providers and hence enhancing the quality of our selection, it is necessary for us to maintain an infrastructure specifically dedicated to analyse the promoters' investment strategies, to perform due diligences, organize meetings etc. This continuous follow-up is partly performed thanks to the above-mentioned inducements.

The rebates that we may receive on the management fees of our selected providers of UCI and derivative products are comprised between 0 basis points and half of the amount of the applicable management fees.

#### 2. NON-MONETARY BENEFITS RECEIVED

We may receive from our business partners, without limitation, some financial analysis that we can use in combination with other information to determine our investment strategy and to tailor our investment advice to your needs. The selection of our business partners is done based on objective criteria which do not take into account these benefits and which are in line with our conflict of interests policy.

#### 3. INDUCEMENTS PAID: REFERRAL AGENTS AND THIRD PARTIES

To broaden our client-base, we may have to pay commissions to third parties such as referral agents who do not offer custody services or investment services. These third parties select for their clients the credit institutions which offer the best services.

The remunerations that we may pay to these third parties consist in a commission calculated on the basis either of commissions received on transactions made by you, or of an amount depending on the assets deposited with us or on the services chosen by you, or of an amount linked to the subscription fees on certain UCI. The aim of these commissions is to enhance the quality of the services we provide to you, as without the intervention of the referral agent we would not be able to provide our services to you.

The commissions paid in this respect do not exceed, as applicable a maximum of 60% of the transaction, or 0.55% on the value of the assets deposited with us.

#### 4. DISCLAIMER

For the sake of completeness, a disclaimer regarding the statements mentioned in this summary is attached in Annex 1. You are kindly invited to read its content carefully.

## ANNEX 1 TO THE SUMMARY OF INDUCEMENTS RECEIVED OR PAID

### DISCLAIMER

This material was prepared by the ABN AMRO Bank (Luxembourg) S.A. affiliate named on the cover or inside cover page. It is provided for informational purposes only and does not constitute an offer to sell or a solicitation to buy any security or other financial instrument. While based on information believed to be reliable, no guarantee is given that it is accurate or complete. While we endeavour to update on a reasonable basis the information and opinions contained herein, there may be regulatory, compliance or other reasons that prevent us from doing so. The opinions, forecasts, assumptions, estimates, derived valuations and target price(s) contained in this material are as of the date indicated and are subject to change at any time without prior notice. The investments referred to may not be suitable for the specific investment objectives, financial situation, knowledge and experience or other individual needs of recipients and should not be relied upon in substitution for the exercise of independent judgement. The stated amounts mentioned herein are as of the date indicated and are not a representation that any transaction can be effected at this price. Neither ABN AMRO nor other persons shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. This material is for the use of intended recipients only and the contents may not be reproduced, redistributed, or copied in whole or in part for any purpose without ABN AMRO's prior express consent. In any jurisdiction in which distribution to Private/Retail customers would require registration or licensing of the distributor which the distributor does not currently have, this document is intended solely for distribution to professional and institutional investors.

# Product & Service Risk Disclosure

## ABN AMRO Bank (Luxembourg) S.A.

### PART I: INTRODUCTION

This Disclosure Booklet is intended to give you information and guidance on and a warning of the risks associated with the investment products and services that we may offer you in the course of dealing with you so that you are reasonably able to understand the nature of the services and of the specific types of investment being offered and the risks that may arise in connection with this, which will, consequently allow you to make investment decisions on an informed basis. This Disclosure Booklet cannot disclose all the risks that you might encounter in relation to the specific products and services listed below and from time to time we may provide you with additional disclosures and risk warnings that you must also take into account when making an investment decision.

You must not rely on the guidance contained in this Disclosure Booklet as investment advice based on your personal circumstances, nor as a recommendation to enter into any of the services or invest in any of the products listed below. Where you are unclear as to the meaning of any of the disclosures or warnings described below, we would strongly recommend that you seek independent legal or financial advice.

You should not deal in these or other products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the product and/or service is suitable for you in light of your circumstances and financial position and, where necessary, you should seek appropriate independent advice in advance of any investment decisions.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any investment.

All financial products carry a certain degree of risk and even low risk investment strategies contain an element of uncertainty. The types of risk that might be of concern will depend on various matters, including how the instrument is created or drafted. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments or become involved in any financial products you should be aware of the guidance set out below.

### PART II: PRODUCTS AND INVESTMENTS

Set out below is an outline of the major risks that may be associated with certain generic types of Financial Instruments, which should be read in conjunction with Parts III and IV.

#### 1. SHARES AND OTHER TYPES OF EQUITY INSTRUMENTS

##### 1.1 General

A risk with an equity investment is that the company must both grow in value and, if it elects to pay dividends to its shareholders, make adequate dividend payments or the share price may fall. If the share price falls, the company, if listed or traded on-exchange, may find it difficult to raise fur-

ther capital to finance the business, and the company's performance may deteriorate relative to its competitors, potentially leading to further reductions in the share price. Ultimately the company may become vulnerable to a takeover or may go into liquidation.

Shares have exposure to all the major risk types referred to in Part III below. If the Company is private (in other words, not listed or traded on an exchange) or is listed but only traded infrequently, there may also be a certain amount of liquidity risk, whereby shares could become very difficult to dispose of.

##### 1.2 Ordinary shares

Ordinary shares are issued by limited liability companies as the primary means of raising risk capital. The issuer has no obligation to repay the original cost of the share, or the capital, to the shareholder until the issuer is wound up (in other words, the issuer company ceases to exist). In return for the capital investment in the share, the issuer may make discretionary dividend payments to shareholders who could take the form of cash or additional shares.

Ordinary shares usually carry a right to vote at general meetings of the issuer.

There is no guaranteed return on an investment in ordinary shares for the reasons set out in 1.1 above and in a liquidation of the issuer ordinary shareholders are amongst the last creditors who have a right to repayment of their capital and any surplus funds of the issuer.

##### 1.3 Preference shares

Unlike ordinary shares, preference shares give shareholders the right to a fixed dividend, the calculation of which is not based on the success of the issuer company. They therefore tend to be a less risky form of investment than ordinary shares.

Preference shares do not usually give shareholders the right to vote at general meetings of the issuer, but shareholders will have a greater preference to any surplus funds of the issuer than ordinary shareholders, should the issuer go into liquidation.

##### 1.4 Penny shares

There may be an extra risk of losing money when shares are bought in some smaller companies, including penny shares. There may be a big difference between the price you buy the shares at and the price you sell the shares at, which could result in a loss to you. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up. In relative terms the opportunities and risks of gains and losses are increased by an investment in penny shares.

##### 1.5 Depositary Receipts

Depositary Receipts (ADRs, BDRs, etc.) are negotiable certificates typically issued by a bank which represents a specific number of shares in a company, traded on a stock exchange which is local or overseas to the issuer of the



Receipt. They may facilitate investment in the companies due to the widespread availability of price information, lower transaction costs and timely dividend distributions. The risks involved relate both to the underlying share (see 1.1 - 1.3 above) and to the bank issuing the Receipt.

## 2. WARRANTS

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security could result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

The right to subscribe for any of the investment products listed in 1 above or 3 or 4 below which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the pre-determined time-scale then the investment becomes worthless.

If subscription rights are exercised, the warrant holder may be required to pay to the issuer additional sums (which may be at or near the value of the underlying assets). Exercise of the warrant will give the warrant holder all the rights and risks of ownership of the underlying investment product.

A warrant is potentially subject to all of the major risk types referred to in Part III below.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant). For these instruments, see 6.3 below.

## 3. MONEY-MARKET INSTRUMENTS

A money-market instrument is a borrowing of cash for a period up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see 4 below), money-market instruments may be exposed to the major risk types in Part III below, in particular, credit and interest rate risk.

## 4. DEBT INSTRUMENTS/BONDS/DEBENTURES

All debt instruments are potentially exposed to the major risk types in Part III below, in particular credit risk and interest rate risk.

Debt securities may be subject to the risk of the issuer's inability to meet principal and/or interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity and other economic factors, amongst other things. When interest rates rise, the value of corporate debt securities can be ex-

pected to decline. Fixed-rate transferable debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

## 5. UNITS IN COLLECTIVE INVESTMENT SCHEMES

Collective investment schemes and their underlying assets are potentially exposed to all of the major risk types referred to in Part III below.

There are many different types of collective investment schemes. Generally, a collective investment scheme will involve an arrangement that enables a number of investors to 'pool' their assets and have these professionally managed by an independent manager. Investments may typically include gilts, bonds and quoted equities, but depending on the type of scheme may go wider into derivatives, real estate or any other asset. There may be risks on the underlying assets held by the scheme and investors are advised therefore to check whether the scheme holds a number of different assets, thus spreading its risk. Subject to this, investment in such schemes may reduce risk by spreading the investor's investment more widely than may have been possible if he or she was to invest in the assets directly.

The reduction in risk may be achieved because the wide range of investments held in a collective investment scheme can reduce the effect that a change in the value of any one investment may have on the overall performance of the portfolio. Although, therefore, seen as a way to spread risks, the portfolio price can fall as well as rise and, depending on the investment decisions made, a collective investment scheme may be exposed to the many different major risk types in Part III below.

When a financial instrument is the subject of a current offer to the public and when a prospectus has been published in connection with this offer, copies of this prospectus may generally be obtained upon request from the issuer (or its duly authorized representative) of the financial instrument.

## 6. DERIVATIVES, INCLUDING OPTIONS, FUTURES, SWAPS, FORWARD RATE AGREEMENTS, DERIVATIVE INSTRUMENTS FOR THE TRANSFER OF CREDIT RISK, FINANCIAL CONTRACTS FOR DIFFERENCES

The risks set out in 6.1 - 6.5 below may arise in connection with all types of derivative contract, whether it is in the form of a listed instrument, an OTC instrument, or a securitised product such as a note or a certificate.

### 6.1 Derivatives Generally

A derivative is a financial instrument, the value of which is derived from an underlying asset's value. Rather than trade or exchange the asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the underlying asset. A premium may also be payable to acquire the derivative instrument.

There are many types of derivative, but options, futures and swaps are among the most common. An investor in derivatives often assumes a high level of risk, and therefore invest-

ments in derivatives should be made with caution, especially for less experienced investors or investors with a limited amount of capital to invest.

Derivatives usually have a high risk connected with them, predominantly as there is a reliance on the performance of underlying assets, which is unpredictable. Options or futures can allow a person to pay only a premium to have exposure to the performance of an underlying asset, and while this can often lead to large returns if the investor has made correct assumptions with regard to performance, it could lead to a 100% loss (the premium paid) if incorrect. Options or futures sold “short” or uncovered (i.e. without the seller owning the asset at the time of the sale) may lead to great losses if, depending on the nature of the derivative, the price of the underlying asset falls or rises significantly.

If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated off-exchange derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

On-exchange derivatives are subject, in addition, to the risks of exchange trading generally, including potentially the requirement to provide margin. Off-exchange derivatives may take the form of unlisted transferable securities or bi-lateral “over the counter” contracts (“OTC”). Although these forms of derivatives may be traded differently, both arrangements may be subject to credit risk of the Issuer (if transferable securities) or the counterparty (if OTCs) and, like any contract, are subject also to the particular terms of the contract (whether a one-off transferable security or OTC, or a master agreement), as well as the risks identified in Part III below. In particular, with an OTC contract, the counterparty may not be bound to “close out” or liquidate this position, and so it may not be possible to terminate a loss-making contract.

Derivatives can be used for speculative purposes or as hedges to manage other investment risks. In all cases the suitability of the transaction for the particular investor should be very carefully considered.

You are therefore advised to ask about the terms and conditions of the specific derivatives and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of an underlying asset and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or Clearing House to reflect changes in the underlying asset.

Normal pricing relationships between the underlying asset and the derivative may not exist in all cases. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to assess ‘fair’ value.

The points set out below in relation to different types of derivative are not only applicable specifically to these derivatives but are also applicable more widely to derivatives generally. All derivatives are potentially subject to the major risk types in Part III below, especially market risk, credit risk and any specific sector risks connected with the underlying asset.

## 6.2 Futures/Forwards/Forward rate agreements

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The ‘gearing’ or ‘leverage’ often obtainable in futures and forwards trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures and forwards transactions have a contingent liability, and you should be aware of the implications of this, in particular margining requirements: these are that, on a daily basis, with all exchange-traded, and most OTC off-exchange, futures and forwards, you will have to pay over in cash losses incurred on a daily basis and, if you fail to, the contract may be terminated. (See further 1 and 2 of Part IV below).

## 6.3 Options

There are many different types of options with different characteristics subject to the following conditions.

**Put option:** a put option is an option contract that gives the holder (buyer) of the option the right to sell a certain quantity of an underlying security to the writer of the option at a specified price (the strike price) up to a specified date (the expiration date).

**Call option:** a call option is an option contract that gives the holder (buyer) the right to buy a certain quantity of an underlying security from the writer of the option, at a specified price (the strike price) up to a specified date (the expiration date).

**Buying options:** Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you must acquire the future. This will expose you to the risks described under ‘futures’ and ‘contingent liability investment transactions’. Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

**Writing options:** If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position (as explained in 6.2 above) and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you (or make a cash payment to the option buyer referenced to the market price and the exercise price), however far the market price has moved away from the exercise price.

If you already own the underlying asset which you have contracted to sell (known as 'covered options') the risk of writing options may be reduced. If you do not own the underlying asset (known as 'uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure. It is recommended that you seek independent advice in this regard.

#### 6.4 Traditional Options

Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to affect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

#### 6.5 Contracts for differences

Certain derivatives are referred to as contracts for differences. These can be options and futures on the index of an exchange, as well as equity, currency and interest rate swaps amongst others. However, unlike other futures and options (which may, depending on their terms, be settled in cash or by delivery of the underlying asset), these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option as referred to in 6.2 and 6.3 above. Transactions in contracts for differences may also have a contingent liability.

#### 6.6 Swaps

A swap is a derivative where two counterparties exchange one stream of cash flows against another stream.

A major risk of old off-exchange derivatives, (including swaps) is known as counterparty risk, whereby a party is exposed to the inability of its counterparty to perform its obligations under the relevant Financial Instrument. If a party, A, wants a fixed interest rate loan and so swaps a variable rate loan with another party, B, thereby swapping payments, this will synthetically create a fixed rate for A. However, if B goes insolvent, A will lose its fixed rate and will be paying a variable rate again. If interest rates have gone up a lot, it is possible that A will struggle to repay.

The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation to cover swaps trading over a broad range of underlying assets. As a result, the swap market for certain underlying assets has become more liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

### 7. COMBINED INSTRUMENTS

Any combined instruments, such as a bond with a warrant attached, is exposed to the risk of both those products and so combined products may contain a risk which is greater than

those of its components generally, although certain combined instruments may contain risk mitigation features, such as principal protected instruments.

## PART III: GENERIC RISK TYPES

### 1. GENERAL

The price or value of an investment will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance.

The nature and extent of investment risks varies between countries and from investment to investment. These investment risks will vary with, amongst other things, the type of investment being made, including how the financial products have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the Issuer, the diversification or concentration in a portfolio (e.g. the amount invested in any one currency, security, country or issuer), the complexity of the transaction and the use of leverage.

The risk types set out below could have an impact on each type of investment.

### 2. LIQUIDITY

The liquidity of an instrument is directly affected by the supply and demand for that instrument and also indirectly by other factors, including market disruptions (for example a disruption on the relevant exchange) or infrastructure issues, such as a lack of sophistication or disruption in the securities settlement process. Under certain trading conditions it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to intended amounts, but market conditions may make it impossible to execute such an order at the stipulated price. In addition, unless the contract terms so provide, a party may not have to accept early termination of a contract or buy back the relevant product.

### 3. CREDIT RISK

Credit risk is the risk of loss caused by borrowers, bond obligors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating.

### 4. MARKET RISK

#### 4.1 General

The price of investments goes up and down depending on market supply and demand, investor perception and the prices of any underlying or allied investments or, indeed, sector and economic factors. These can be totally unpredictable.

## 4.2 Overseas markets

Any overseas investment or investment with an overseas element can be subject to the risks of overseas markets which may involve different risks from the markets of the country in which you live and the workings of which you may be familiar with. In some cases the risks will be greater. The potential for profit or loss from transactions on overseas markets or in overseas denominated contracts will be affected by fluctuations in foreign exchange rates.

## 4.3 Emerging Markets

Price volatility in emerging markets, in particular, can be extreme. Price discrepancies can be common and unpredictable movement in the market is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure and regulation found in more developed markets. For example, these markets might not have regulations governing manipulation and insider trading or other provisions designed to “level the playing field” with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by political risk. It may be difficult to employ certain risk and legal uncertainty management practices for emerging markets investments, such as forward currency exchange contracts or derivatives.

## 5. CLEARING HOUSE PROTECTIONS

On many exchanges, the performance of a transaction may be “guaranteed” by the exchange or clearing house. However, this guarantee is usually in favour of the exchange or clearing house member and cannot be enforced by the client who may, therefore, be subject to the credit and insolvency risks of the firm through whom the transaction was executed. There is, in any event, no clearing house for off-exchange OTC instruments which are not traded under the rules of an exchange (although unlisted transferable securities may be cleared through a clearing house).

## 6. INSOLVENCY

The insolvency or default of the firm with whom you are dealing, or of any brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent or, indeed, investments not being returned to you. There is also insolvency risk in relation to the investment itself, for example of the company that issued the bond or of the counterparty to the off-exchange derivative (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

## 7. CURRENCY RISK

In respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a currency other than that in which your account is denominated, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions.

The weakening of a country’s currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

## 8. INTEREST RATE RISK

Interest rates can rise as well as fall. A risk exists with interest rates that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other products.

## 9. REGULATORY/LEGAL RISK

All investments could be exposed to regulatory or legal risk.

Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors. For this reason, this risk is greater in emerging markets but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

The type of laws and regulations with which investors are familiar in the EEA may not exist in some places, and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that an overseas investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in overseas courts.

## 10. OPERATIONAL RISK

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products. Business risk, especially the risk that the business is run incompetently or poorly, could also impact on shareholders of, or investors in, such a business. Personnel and organisational changes can severely affect such risks and, in general, operational risk may not be apparent from outside the organisation.

## PART IV: TRANSACTION AND SERVICE RISKS

### 1. CONTINGENT LIABILITY INVESTMENT TRANSACTIONS

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered into the contract.

### 2. COLLATERAL

If you deposit collateral as security with us, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a regulated market (see 3 below), with the rules of that exchange (and the associated clearing house) applying, or trading on another exchange or, indeed, off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain from us how your collateral will be dealt with.

#### 2.1 Effect of absolute title transfer

Where your collateral is subject to total title transfer to us, you should note that:

- (a) the assets cease to be your assets and you will no longer have a proprietary claim over them. They will not be held subject to the rules of the applicable regulator in safe custody (where they are financial instruments) or subject to client money protection (where they are cash). The assets become our assets and we can deal with them in our own right;
- (b) you will have an unsecured contractual claim against us for re-transfer of equivalent assets; and
- (c) as a result, the assets will not be subject to a trust or otherwise insulated in our insolvency. And, in such event, you may not receive back everything so transferred to us and you will only rank as a general creditor.

### 3. SHORT SALES

Selling “short” means to sell equity shares that you do not own at the time of the sale. The seller has an obligation to deliver the product sold at the settlement date which will generally be a few days later than the trade date, so he will either go into the market to buy the shares for delivery, he will “borrow” the shares under a stock lending arrangement (for further detail on this see 11 below).

Short selling is a technique used by investors who want to try and profit from the falling price of a share. If the price of the share drops after the investor has sold short (in other words at the time when he is buying or borrowing the shares for delivery), the investor will make a profit. If however the price of the share rises after the investor has sold short, the investor will have automatically made a loss, and the loss has the potential to get bigger and bigger if the price of the share continues to rise before the investor has gone into the market to buy or borrow the share to settle the short sale.

### 4. OFF-EXCHANGE TRANSACTIONS

MiFID categorises certain exchanges as regulated markets. Transactions which are traded elsewhere may be exposed to substantially greater risks.

### 5. LIMITED LIABILITY TRANSACTIONS

Before entering into a limited liability transaction, you should obtain from us a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

### 6. COMMISSIONS

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable.

### 7. SUSPENSIONS OF TRADING AND GREY MARKET INVESTMENTS

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Transactions may be entered into in:

- (a) a security whose listing on an exchange is suspended, or the listing of or dealings in which have



been discontinued, or which is subject to an exchange announcement suspending or prohibiting dealings; or

- (b) a grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the security is not already listed or admitted to dealings on another exchange.

There may be insufficient published information on which to base a decision to buy or sell such securities.

## 8. LIFFE: EXCLUSION OF LIABILITY

Euronext LIFFE is the derivatives arm of the pan-European stock exchange Euronext.

- (a) You understand that business on the London International Financial Futures ("LIFFE") market operated by LIFFE may from time to time be suspended, restricted or closed for such period as may be determined in the interests of maintaining a fair and orderly market in accordance with the Rules of LIFFE. Any such action may result in our, and through us your, being prevented from or hindered in entering into Transactions in accordance with the Rules of LIFFE.
- (b) We and the Exchange wish to draw to your attention that, inter alia, business on the market may from time to time be suspended or restricted or the market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with LIFFE's Rules on the occurrence of one or more events which require such action to be taken in the interests of, inter alia, maintaining a fair and orderly market. Any such action may result in our being unable, and through us, you being unable to enter into contracts in accordance with LIFFE's Rules. Furthermore we, and through us you, may from time to time be prevented from or hindered in entering into contracts in accordance with LIFFE's Rules as a result of a failure of some or all market facilities. We and the Exchange wish to draw the following exclusion of liability to your attention. Unless otherwise expressly provided in LIFFE's Rules or in any other agreement to which the Exchange is party, we and the Exchange shall not be liable to you for loss (including any indirect or consequential loss including, without limitation, loss of profit), damage, injury or delay, whether direct or indirect, arising from any of the circumstances or occurrences referred to above or from any act or omission of the Exchange, its officers, employees, agents or representatives under LIFFE's Rules or pursuant to the Exchange's obligations under statute or from any breach of contract by or any negligence howsoever arising of the Exchange, its officers, employees, agents or representatives.

- (c) LIFFE has a number of powers which, if exercised, may impact upon our ability to submit an order on behalf of you or which may lead to the cancellation of an order after submission to the LIFFE CONNECT™ Trading Host prior to execution. In particular, in addition to the powers already available to LIFFE (including those in relation to investor protection and proper markets), you should be aware that, in respect of LIFFE CONNECT™:

- LIFFE has the power to suspend our access, or access via a particular ITM or ITMs, following a single warning, and to terminate our access under certain conditions;
- LIFFE will cancel all outstanding orders on our default;
- orders outside the price limits will be rejected automatically by the Trading Host;
- all orders (with the exception of GTC orders) will be cancelled automatically at Market Close or when the ITM under which the order was submitted is logged out without the order being transferred to an alternative ITM;
- all orders (including GTC orders) will be cancelled at close of business on the Last Trading Day of the expiry month to which they relate; and
- all orders (with the exception of GTC orders) will be cancelled automatically if the Trading Host fails.

For the purposes of this paragraph 19 of this Annex, the terms "GTC order", "ITM", "Last Trading Day", "LIFFE CONNECT™", "Market Close" and "Trading Host" shall have the meanings ascribed to them in the LIFFE Rules.

## 9. LONDON METAL EXCHANGE (LME)

The LME is the world's premier non-ferrous metal market. We would like to draw your attention that business on the LME entails some specific risks. You should familiarise yourself with such risks by consulting the publications issued from time to time by the LME and by consulting the LME's website at [www.lme.co.uk](http://www.lme.co.uk).

## 10. DEPOSITED CASH AND PROPERTY

You should familiarise yourself with the protections accorded to you in respect of money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which had been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.



## 11. STABILISATION

Transactions may be carried out in securities where the price may have been influenced by measures taken to stabilise it.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Regulations allow stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

- (a) limit the period when a stabilising manager may stabilise a new issue;
- (b) fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (c) require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

## 12. NON-READILY REALISABLE INVESTMENTS

Both exchange listed and traded and off-exchange investments may be non-readily realisable. These are investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate your position.

## 13. STOCK LENDING/REPO'S

The effect of lending (or repo'ing) securities to a third party is to transfer title to them to the borrower (or repo purchaser) for the period that they are lent (or repo'ed). At the end of the period, subject to default of the borrower (or repo purchaser), the lender (or repo seller) receives back securities of the same issuer and type. The borrower's (or repo purchaser's) obligation to transfer equivalent securities is secured against collateral (which is usually transferred by a title transfer mechanism pursuant to market standard agreements). There is, accordingly, credit risk. Lending (or repo'ing) securities may affect your tax position.

## 14. STRATEGIES

Particular investment strategies will carry their own particular risks. For example, certain strategies, such as 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position.

## Mailing Frequency

### ABN AMRO Bank (Luxembourg) S.A.

Dear Client,

We would like to inform you that, as required by MiFID, the confirmations of your trades will be made available to you within a maximum of 24 hours. Such trade confirmations will be accessible on our Insight e-banking system or provided to you on request to your Relationship Manager.

If you do wish to receive your trade confirmations within 24 hours and haven't subscribed to Insight e-banking yet, we kindly ask you to contact your Relationship Manager.

If you do not wish to use this option your mailing frequency will be weekly, monthly, quarterly or half-yearly as requested by you.

In case you have entrusted the management of your investments to an Independent Asset Manager, then please inform us whether the mail should be sent to the Independent Asset Manager, to yourself or to both.

Yours faithfully,

ABN AMRO Bank (Luxembourg) S.A.





ABN AMRO Bank (Luxembourg) S.A.

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