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## CONDITIONS KAS BANK N.V. TRIPARTITE SERVICES

**Let op!**  
**Geld lenen kost geld**



\* 'Be careful! Borrowing money costs money'

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## Contents

<b>Terms and Conditions of Tripartite Services .....</b>	<b>5</b>
1 Definitions.....	5
2 Relations between Parties .....	6
3 Scope of the Agreement .....	7
4 No liability for stock market organisations .....	7
5 Reporting.....	7
6 Instructions.....	8
7 Accounts.....	8
8 Settlement; Delivery versus Payment .....	8
9 Margin .....	8
10 Credit Facility .....	9
11 Right of pledge .....	9
12 Custody of Securities and Derivatives .....	9
13 Rights related to Derivatives .....	10
14 Risk of custody outside the Netherlands; Security interests .....	10
15 Records of Securities and/or Derivatives held in custody .....	10
16 Applicable systems.....	11
17 Power of attorney .....	11
18 Costs, charges and fees .....	11
19 Debiting and crediting .....	12
20 Information on benefits received and granted by the Bank .....	12
21 Bank's complaints procedure .....	12
22 KIFID's complaints procedure .....	12
23 Disputes in a court of law.....	12
24 General terms and conditions special requirements, rules and customs.....	12
25 Use of means of communication .....	12
26 Multiple account holders .....	12
27 Assistance; Proof of identity .....	13

28	Disclosure of Customer data .....	13
29	Statements from the Bank .....	13
30	Levy an attachment.....	13
31	Duty to mitigate losses .....	13
32	Liability.....	13
33	Unilateral amendments.....	14
34	Assignment of Agreement .....	14
35	Resignation of the Broker.....	14
36	Immediate payment .....	14
37	Default .....	15
38	Termination.....	15
39	Deviations.....	15
40	Supervision .....	15
41	Severability.....	15
42	Governing law .....	16
43	Dutch version .....	16
44	Domicile .....	16
	<b>Terms and Conditions of Securities Credit .....</b>	<b>17</b>
1	General .....	17
2	Credit Facility .....	17
3	Interest .....	17
4	Pledge .....	17
5	Exceeding the credit limit.....	17
6	Termination and suspension .....	18
7	Joint liability .....	18
8	No waiver .....	18
	<b>Terms and Conditions KAS-Web.....</b>	<b>19</b>
1	Access to KAS-Web .....	19
2	Duty of care of the Bank .....	19

3	Obligations of the Customer .....	19
4	Information and instructions.....	20
5	Liability of the Bank and force majeure.....	20
6	Intellectual property rights .....	20
7	Taking KAS-Web out of service .....	20
8	Fees .....	21
9	Termination of the access .....	21
	<b>Precontractual information.....</b>	<b>34</b>

# Terms and Conditions of Tripartite Services

## PRINCIPLES

### 1 Definitions

In these Terms and Conditions:

**Accounts** means the Cash Account(s) and Securities Account(s) as well as all other accounts including savings accounts, deposit accounts and precious metals accounts;

**Activa** means Cash and Securities;

**Bank** means KAS BANK N.V., a company duly organised under the laws of the Netherlands and having its registered office at De Entree 500 in (1101 EE) Amsterdam, The Netherlands;

**Broker** means any investment firm which, along with the Customer, enters into a Tripartite Agreement with the Bank for the purpose of executing an Investment Agreement entered into by it and the Customer;

**Business Day** means a day on which (i) a Market is open for trading and (ii) the Bank is open for business;

**Cash** means cash in any currency or any rights or entitlements with respect to such cash as the case may be;

**Cash Account** means any cash account opened by the Bank in its books for the account of the Customer;

**Collateral** means, at any time, the aggregate at that time of (i) all Cash and Securities which are or, following delivery or payment to the Customer under a transaction will become, the subject of the security created under this Tripartite Agreement or of any other security in favour of the Bank created under the Tripartite Agreement and (ii) any other form of collateral or security (including by way of guarantee or surety) acceptable to the Bank which, from time to time, is provided by way of security for the Client's Exposure (if any);

**Collateral Obligations** means, at any time, the aggregate amount calculated by the Bank as being required at that time to provide security to the Bank against the risks associated with the Customer's Exposure less the amount that at that time is available to be drawn under any unsecured credit facility that has been granted by the Bank to the Customer;

**Collateral Value** means, at any time, the aggregate at that time of (i) an amount equal to the aggregate Value of Collateral consisting of

Securities multiplied by the Valuation Percentage applicable to that particular type or class of Securities, (ii) an amount equal to the aggregate Value of Collateral consisting of Cash and (iii) in respect of any Collateral not consisting of Securities or Cash, an amount equal to the aggregate value of each such item of Collateral as the Bank, at its sole discretion, may determine;

**Customer** means any person or persons who, along with a Broker, enter(s) into a Tripartite Agreement with the Bank for the purpose of executing an Investment Agreement entered into by the Customer and the Broker;

**Derivatives** means any financial instruments as referred to in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) other than Securities as defined in the Terms and Conditions;

**Designated Counter Account** means the cash account recorded in the Bank's Administration, which the Customer(s) hold on its or their name with another bank;

**Exposure** means, at any time, any moneys, debts, liabilities and obligations of any kind whatsoever (including any requirements to provide margin), whether present or future, actual or contingent, owed by the Customer to the Bank pursuant to, arising out of or otherwise in connection with this Tripartite Agreement;

**Investment Agreement** means a written agreement entered into by the Customer and the Broker containing the details of the investment service or services provided by the Broker to the Customer and the manner in which the Broker shall provide these services;

**Invoice** means a report of essential information concerning any Securities and/or Derivatives transaction executed by or through the Broker for the account and at the risk of the Customer;

**Market** means any market or market segment, exchange or other trading platform or system (whether or not automated) for trading in Securities in respect of which the Bank agrees to provide its services under this Tripartite Agreement; **Party** means any party to the Tripartite Agreement pursuant to which the Bank settles any Securities and/or Derivatives transactions executed by the Broker for the account and at the risk of the Customer;

**Securities** means financial instruments as meant under a, b or c in the definition of financial

instrument in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*);

**Securities Account** means any Securities and/or Derivatives account opened by the Bank in its books for the account of the Customer;

**Securities Financing Transaction** means borrowing or lending Securities, or any repo, reverse repo, purchase-and-sale-back transaction or sale-and-repurchase transaction;

**Services** means the custody of Securities and/or Derivatives that belong to the Customer, the settlement of transactions in Securities and/or Derivatives that were executed by the Broker for the account and at the risk of the Customer, and all applicable regular banking services, including maintaining Accounts, if required extending credit, and currency exchange services;

**Spread Percentage** means, at any time, such percentage figure as is applied by the Bank to a particular type of Security provided as Collateral in accordance with its then prevailing methods and procedures, which may be amended by the Bank from time to time in its reasonable discretion;

**Terms and Conditions** means these Terms and Conditions of tripartite services;

**Tripartite Agreement** means a written agreement entered into by the Bank, the Customer and the Broker pursuant to which the Bank offers Services to the Customer, and of which these Terms and Conditions and other conditions mentioned therein form an integral part;

**Value** means, at any time:

(a) in the case of Collateral in the form of Securities: (i) such price as is equal to the market quotation for the bid price of such Securities or (ii) if unavailable the market value thereof as derived from the prices or rates bid by a reputable dealer for the relevant instrument reasonably chosen in good faith by the Bank, in each case, at close of business on the previous Business Day; and

(b) in the case of Collateral in the form of cash, the amount thereof expressed in euros, any conversion of an amount denominated in any other currency being effected at the relevant rate of exchange between euros and that other currency as set by the Bank at the time of determining its most recent daily foreign exchange rates in accordance with its prevailing procedures;

**Valuation Percentage** means at any time, such percentage figure as is applied by the Bank to a particular Security provided as Collateral or to a

type or class of Securities provided as Collateral in accordance with its then prevailing methods and procedures, which may be amended by the Bank from time to time in its reasonable discretion;

## 2 Relations between Parties

2.1 Under the Investment Agreement, the Broker shall in its own name, and for the account and at the risk of the Customer, execute Securities and/or Derivatives Transactions for the purpose of performing the services agreed between them. Such services consist of the Broker either managing the Customer's assets, providing the Customer with advice or only executing transaction orders given by or on behalf of the Customer ("execution only"). The transactions executed by the Broker may be settled via the Accounts in the manner required under the Terms and Conditions.

2.2 Under the Tripartite Agreement, the Bank shall only provide Services to the Customer and shall not in any way provide the Customer with advice, neither on any investment services or Securities and/or Derivatives transactions nor on credit facilities. Neither is the Bank obliged to provide the Customer with a simplified prospectus, key investor information document or other information reasonably relevant for the adequate assessment of the investment. The Bank is not party to the Investment Agreement and has no knowledge of its terms other than as set out in the Tripartite Agreement.

2.3 The Broker is obligated by law to obtain the best possible result when executing orders for the Customer, and is obligated by law to store information on executed Securities and/or Derivatives transactions, and to make the appropriate notifications to the regulatory authorities concerning these transactions. Prior to executing an order or advice, the Broker shall provide the Customer with a simplified prospectus, key investor information and/or other information reasonably relevant for the adequate assessment of the investment.

2.4 The Broker shall be solely responsible for making inquiries about the Customer's financial position, knowledge, experience, objectives and willingness to take risks or, depending upon the investment service(s) agreed upon under the Investment Agreement, about its knowledge of and experience with any particular Security. The Bank is not privy to that information and shall not take such information into consideration when providing its Services, nor shall it verify whether the Broker is taking such information into consideration. The Bank shall be under no duty to warn either the Customer or the Broker in this regard.

2.5 Prior to the submission to the Bank of the application for a credit facility, the Broker shall provide the Customer with the information that is necessary for an adequate assessment of the credit facility. This information shall include Prospectus Securities Credit KAS BANK N.V.

2.6.1 Only the Broker shall buy and sell Securities and/or Derivates, subscribe to issues for the account and at the risk of the Customer, or otherwise take part in any form of trading involving assets held in the Accounts, and all instructions to the Bank concerning any Securities and/or Derivatives held by the Customer shall be exclusively given by the Broker. If the Customer directly instructs the Bank to perform any of the acts envisaged in the previous sentence, the Bank shall refuse to carry out such instructions and shall refer the Customer to the Broker.

2.6.2 The Bank may carry out instructions from both the Customer and the Broker concerning the financial and administrative settlement of transactions involving assets held in the Accounts, unless Parties have agreed differently. The Broker shall not be responsible for the Bank's execution of such instructions. If the Customer and the Broker issue conflicting instructions to the Bank, the Bank shall only carry out the instruction first received.

2.6.3 Otherwise, the Bank has no direct contact with the Customer other than arising from the Tripartite Agreement.

2.7 The Customer and the Broker may not, towards the Bank, refer to any limitation, default or transgression of power arranged for in the terms of the legal relationship between the two of them, if such terms are not also expressly provided for in the Tripartite Agreement.

### **3 Scope of the Agreement**

3.1 The Bank's services shall extend to the regulated markets, multilateral trading facilities and types of Securities and/or Derivatives designated by the Bank. At the Broker's written request, the Bank may designate such Securities and/or Derivatives that are not admitted for trading on a regulated market or multilateral trading facility. In this regard the Bank may, at any time, impose additional conditions.

3.2 Unless otherwise determined by the Bank, Derivatives transactions not relating to Securities or currencies can only be settled if this is done by cash settlement. Without the Bank's express permission, transactions in securities financing cannot be settled under these Terms and Conditions.

3.3 The Bank may at any time decide to discontinue its services for any particular regulated market, multilateral trading facility or

type of Securities and/or Derivatives. The Bank shall give the Customer and the Broker prior notice of any such decision. After the expiry of a period of time set by the Bank, transactions executed on such a regulated market or multilateral trading facility or in such a type of Securities and/or Derivatives can no longer be settled and instructions given to the Bank regarding any such settlement will not be carried out. The Broker and the Customer shall ensure that, after the expiry of a period of time set by the Bank, the Customer shall no longer hold in its Securities Account any Securities and/or Derivates of the abovementioned type.

3.4 Unless otherwise agreed by the Parties, these Terms and Conditions will apply to all Accounts. Any provisions which, by their nature, cannot apply directly will apply *mutatis mutandis*.

### **4 No liability for stock market organisations**

The Customer cannot hold the regulated market undertaking, any relevant clearing organisation or any 'clearing member' of a regulated market whose services were used, liable for any losses whatsoever, except in the event of an wilful default (*opzet*) or gross negligence (*grove nalatigheid*). The Bank has stipulated this provision for the benefit of the legal entities referred to herein, who have accepted this provision and will be able to refer to it against the Customer.

### **REPORTING**

#### **5 Reporting**

5.1 The Customer instructs the Bank to give the Broker access to all information provided by the Bank to the Customer in relation to the Customer's Accounts and the Securities and/or Derivatives held in those Accounts. The Bank accepts this instruction and shall be under an obligation towards the Broker to comply with the above.

5.2 The Customer instructs the Broker to provide the Bank with an Invoice of a transaction as soon as it has been executed, but in no case later than at the end of the business day on which the transaction was executed. The Broker accepts this instruction and shall be under an obligation towards the Bank to ensure the provision of the Invoice. The Bank shall be under no obligation to verify the contents of the Invoice. The Broker shall provide the Invoice to the Bank in writing, unless the Bank allows the provision in an electronic or digital format, whether or not subject to any terms and conditions set by the Bank. The Customer agrees beforehand to any such provision in an electronic or digital format.

5.3 The Broker shall inform the Customer directly of the Securities and/or Derivatives transactions executed by the Broker for the account and at the risk of the Customer, and of any other activities undertaken by the Broker in relation to the investment service(s) provided by the Broker in such a manner as agreed by them under the Investment Agreement.

5.4 The Bank shall provide the Customer and the Broker with an itemised, written report of the Securities and/or Derivatives and funds held in the Accounts on the closing date of the reporting period, and shall do so annually or so much more often as the Bank may determine at its sole discretion. If the information contained in the report forms a part of any report provided by the Broker to the Customer on the same regular basis or more frequently, the Bank need not provide any such report.

## **ACCOUNTS, SETTLEMENT, MARGIN**

### **6 Instructions**

6.1 Instructions to the Bank may exclusively be given in writing, by telephone or by any other means permitted by the Bank.

6.2 The Bank shall be entitled, but in the absence of a legal basis shall not be obligated, to record and store telephone conversations with the Customer and the Broker with a view to handling, keeping account of and verifying any information and instructions given by the Customer and the Broker to the Bank. The Bank may use these sound recordings, which it will erase in the course of time, for monitoring purposes and as evidence in case of any disputes.

### **7 Accounts**

The Bank shall open one or more Cash Accounts and one or more Securities Accounts. At the request of the Customer or the Broker, the Bank may, at its sole discretion, open other accounts, including deposit accounts and precious metals accounts. The Accounts will be subject to the terms and conditions adopted by the Bank from time to time.

### **8 Settlement; Delivery versus Payment**

8.1 If so instructed by the Broker, the Bank shall settle the Securities and/or Derivatives transactions that were executed by the Broker for the account and at the risk of the Customer, in accordance with the Terms and Conditions. In doing so the Bank shall credit or debit the Securities Account and, correspondingly and simultaneously, debit or credit the Cash Account with the amount payable or receivable as shown on the Invoice.

8.2.1 The Bank shall only debit the Cash Account and Securities Account if the balance in the relevant Account, at the Bank's sole discretion, allows such debit entry, including the deposit of any margin. The extent of the credit facility as made available in article 10 will also be taken into consideration.

8.2.2 If, in the event of a Derivatives transaction, the Bank was entitled to refuse to debit the Cash Account or Securities Account as per article 8.2.1, and did not exercise that right, the Bank shall nonetheless have until 5.30 p.m. of the following business day to reverse the debit entry by transferring the Customer's relevant position to the Broker against a repayment of the fees, on the grounds that it was not until the debit entry was made that the Bank discovered that the balance in the Account did not permit the debit entry.

8.3 The Customer shall ensure that the balance in the Accounts is at all times sufficient to at least cover the obligations arising from any Securities and/or Derivatives transaction as well as the Customer's margin obligations under article 9. If, upon the instructions from the Bank to the Customer or the Broker, the Customer fails to make up any unauthorised deficit in the Account(s) within the period of time specified by the Bank, the Customer shall be in default without any notice of default being required and without being entitled to refer to any *force majeure* event.

### **9 Margin**

9.1 The Customer is obligated to provide margin by means of providing security to the Bank to the extent and in such form the Bank may require for any short position in Derivatives (including but not limited to financial futures and other futures) held by the Customer with the Bank. The security may also consist of the Securities, cash or other property which the Bank considers acceptable and which are available to him as security under the provisions of article 11 and the credit facility as mentioned in article 10 of these Terms and Conditions. The Bank may, at its sole discretion, require a higher margin than may be required by the rules of the regulated market or multilateral trading facility involved.

9.2 The Bank shall calculate the margin on a daily basis and shall notify the Customer and the Broker of the Customer's ensuing obligations on a monthly basis, or more frequently if so requested.

9.3 The Customer is obliged to ensure that the security given to the Bank shall always be sufficient to meet its obligations to the Bank. If the security has become or is likely to become insufficient, the Customer shall at the first request and in accordance with the Bank's conditions provide additional security to the Bank

or eliminate the unauthorized deficit in a different manner. Failing to fulfil aforementioned obligation, the Bank shall be authorised to close out positions in Derivatives without prior notice and/or to take other measures which it deems necessary to eliminate the (imminent) shortfall.

## CREDIT FACILITY

### 10 Credit Facility

10.1 At the Customer's request or at the request of the Broker acting on the Customer's behalf, the Parties may agree in writing that the Bank will extend credit to the Customer in the form of a current account credit facility under the terms of the Terms and Conditions of Securities Credit of KAS BANK N.V. The Bank reserves the right to refuse the grant of a credit facility without being under any obligation to provide the Customer with reasons for this refusal.

10.2 The Bank shall not provide the Customer with any advice in any way whatsoever about the credit facility.

## RIGHT OF PLEDGE

### 11 Right of pledge

11.1 As a continuing security for the due payment to the Bank of all sums, present or future which the Bank's records show as being owed to it by the Customer at any time on any basis whatsoever, including all interests, costs, charges and fees as mentioned in article 18, the Customer hereby grants to the Bank, and the Bank hereby accepts from the Customer, a first right of pledge (*pandrecht*) over:

- a. all Securities which the Bank or any third party acting on its behalf holds or may in the future hold for or for account of the Customer on any basis whatsoever, including without limitation any shares held in a collective deposit (*verzameldepot*) as defined in the Securities Giro Administration and Transfer Act (*Wet giraal effectenverkeer*);
- b. all rights and claims that the Customer may or may in the future assert against the Bank on any basis whatsoever; and
- c. all other goods that the Bank holds or may in the future hold for or for account of the Customer.

11.2 The right of pledge referred to in article 11.1 shall be deemed to arise on each occasion that the Bank or a third party acting on its behalf comes to hold such Securities and/or other goods or, as the case may be, at the time when such claims arise. Any notification to a third party necessary to perfect the right of pledge is hereby deemed to be given by the Customer to the Bank acting as a representative of such third party, on each occasion any rights of the Customer against such third party arise.

11.3 With regard to Securities, rights, claims and other goods, the Customer represents that it has legal title and interest in it, i.e. it is the sole owner of it, that the Customer has power (*beschikkingsbevoegdheid*) to pledge it, that no other limited rights (*beperkte rechten*) are created over it, except for those expressly mentioned in these Terms and Conditions, and that it is free from encumbrance.

11.4 The Customer shall ensure that the security interest granted to the Bank shall at all times be sufficient to cover all of its obligations to the Bank.

11.5 To the extent necessary, the Bank has, having an irrevocable power of attorney, the power to perform on behalf of the Customer all such things that are necessary to create a pledge over the Securities, rights, claims and other goods from time to time as security for the obligations of the Customer vis-à-vis the Bank as mentioned in article 11.1.

## CUSTODY

### 12 Custody of Securities and Derivatives

12.1 Securities which belong to a collective deposit (*'verzameldepot'*) as meant in the Securities Giro Administration and Transfer Act (*Wet giraal effectenverkeer*) (the 'Act') will be subject to the Act, as well as to these Terms and Conditions. In case of a conflict between any provision of these Terms and Conditions and any provision of the Act, such provision of the Act will prevail. To the extent that such Securities are subject to drawings by lot, the Bank shall see to it that each time a drawing takes place, there shall be allotted to each Customer individually an amount of Securities – designated for redemption – corresponding to his entitlement.

12.2 The Bank may employ any such third parties as the Bank may consider necessary or conducive to assist it in performing its custody obligations for the Customer's Securities and/or positions in Derivatives. The Securities and/or positions in Derivatives that are held in custody by third parties, form a part of the aggregate Securities and/or positions in Derivatives held by the Bank on behalf of its Customers, unless otherwise agreed or the rules or practice of the market or multilateral trading facility where the Securities and/or Derivatives are held provide otherwise.

12.3 If and insofar the Bank employs any third party to provide its custody services of Securities and/or Derivatives, the Bank shall, insofar as it has a choice in the selection of such third party, exercise all due skill care and diligence in the selection, appointment and periodic review of such third parties and of the arrangements for the

holding of Securities. In this regard, the Bank will take into account the expertise and market reputation of the third parties as well as any legal requirements or market practices related to the holding of Securities that could adversely affect the Customer's rights. If the Bank proves that it exercised due care in selecting a third party, the Bank shall not be liable for any omissions of that third party. If the Customer suffers any losses in such a case, the Bank shall however, use all reasonable endeavours to assist the Customer in remedying the loss.

### **13 Rights related to Derivatives**

13.1 The Bank will hold the positions in Derivatives, directly as a "clearing member" or through a third party, towards the clearing organisations linked to the relevant regulated market or multilateral trading facility. The Customer represents that it is known to him that those clearing organisations may impose additional requirements or restrictions, whether or not required by a supervisory authority, which may affect the marketability of the Derivatives or the rights and/or obligations of the Customer under the Derivatives. The Bank disclaims any liability for the acts or omission of such clearing organisation as a result of which the Customer may suffer any loss.

13.2 The rights and/or obligations of the Customer arising out of the positions in Derivatives held for him, may only be exercised respectively fulfilled vis-à-vis the Bank and not vis-à-vis the third parties involved in the custody of such positions in Derivatives, unless otherwise determined by the rules of the relevant regulated market or multilateral trading facility. The Bank makes this stipulation for the benefit of the legal entities referred to herein, who have accepted this provision and will be able to refer to it against the Customer.

### **14 Risk of custody outside the Netherlands; Security interests**

14.1 If the Bank employs a third party for the custody of Securities and/or Derivatives, the Bank shall, to the extent of its abilities and insofar as possible under the laws applicable to the custody by such third party, make every reasonable endeavour to ensure that the Securities and/or Derivatives are held in custody in such a manner as to protect them as much as possible from the insolvency of the Bank or such third party. However, the Bank expressly points out to the Customer, and the Customer is aware of the ensuing risks that:

(a) executing transactions in Securities and/or Derivatives that need to be held in custody outside of the Netherlands implies that the custody of such Securities and/or Derivatives will be subject to laws other than Dutch law which

may afford the Customer less protection than Dutch law does;

(b) the nature of the Securities and/or Derivatives traded by the Broker for the account and at the risk of the Customer, or the investment services relating to such Securities and/or Derivatives, may require that the Securities and/or Derivatives are held in custody for the Customer in a jurisdiction where the holding and safekeeping of Securities and/or Derivatives is not regulated;

(c) the Customer's Securities and/or Derivatives may be held in an account in which Securities and/or Derivatives are held for multiple persons ('omnibus account');

(d) the Customer's Securities and/or Derivatives may not be distinguishable as such from other Securities and/or Derivatives held by a third party for the account of the Bank or for its own account;

(e) in relation to the Securities and/or Derivatives and funds held in the Accounts, the Bank shall have a right of pledge and a right of set-off as described in the Terms and Conditions and the other terms and provisions referred to in the Tripartite Agreement; and

(f) the third parties employed by the Bank to hold the Customer's Securities and/or Derivatives in custody will generally also have liens and encumbrances and any other security rights, privileges and set-off rights with regard to the Securities, Derivatives and funds held by them, which may vary from one third party to the other.

14.2 The aforementioned circumstances may lead to the Customer being unable to retrieve Securities and/or Derivatives placed in custody with the Bank or losing funds due to the insolvency of or other similar problems encountered by any third party employed by the Bank or by the Bank itself, or due to any right of pledge, right of set-off or other liens and encumbrances and any other security rights being exercised.

### **15 Records of Securities and/or Derivatives held in custody**

15.1 The Bank shall keep records of the Securities and/or Derivatives held in custody for the Customer. These administrative services include, without limitation, collecting interest, redemption payments and dividends, exercising or realising subscription rights, effecting conversions, lodging Securities and/or Derivatives for the purpose of meetings, and, in short, doing all such things as are customarily referred to as 'corporate actions'.

15.2 If the Bank employs a third party for the custody of the Customer's Securities and/or Derivatives, such third party shall be charged with the administrative and other services referred to in article 15.1, without prejudice to the duty of

care of the Bank arising from article 12.3 and without prejudice to the obligation of the Bank to pay to the Customer any amounts received from third parties in respect of interest, dividend, redemption or on any other basis.

## **INVESTOR AND DEPOSIT GUARANTEE SCHEMES**

### **16 Applicable systems**

The Customer may be eligible for some form of compensation for its claims against the Bank under the investor compensation scheme and the deposit guarantee scheme, if the Bank is unable to meet its obligations in connection with the Services and the funds entrusted to it by the Customer, and the Dutch Central Bank (*De Nederlandsche Bank*) decides to activate the relevant scheme.

## **POWER OF ATTORNEY**

### **17 Power of attorney**

17.1 The Customer hereby grants an irrevocable power of attorney to the Broker (i) to instruct the Bank to transfer Securities and/or Derivatives from the Securities Account to the Broker and to, simultaneously, credit the amount of the Invoice to the Cash Account or, (ii) if the Broker transfers any Securities and/or Derivatives to the Securities Account, to simultaneously debit the amount of the relevant Invoice from the Cash Account, or (iii) to open savings account(s) with the Bank for the Customer and to transfer cash from the Cash Account to the savings account(s). The Broker may confine itself to giving instructions to transfer the number of Securities and/or Derivatives and cash amount comprising the net balance of the Invoices prepared by the Broker that day. As to transferring to and from the Customer's savings account(s) held with the Bank, the Broker may confine itself to giving instructions to transfer. The Bank may combine the instructions received from the Broker on any business day and confine itself to transferring the number of Securities and/or Derivatives and cash amount comprising the net balance of those instructions.

17.2 The Customer hereby grants an irrevocable power of attorney to the Bank to do all such things which the Bank will be entitled to do in the event of any default by the Customer, including which is the closing out of the Customer's positions, if the Customer, upon a request to that effect by the Bank to the Customer or the Broker, fails to make up any unauthorised deficit in the Account(s) or to provide any security acceptable to the Bank within the time period set by the Bank.

17.3 The Customer hereby grants an irrevocable power of attorney and authorisation to the Bank to do all such things for the account of the Customer's or otherwise as may be necessary or desirable to comply with any mandatory rules of law or any of the terms, conditions, rules, requirements or customs mentioned in article 24.

17.4 The Customer hereby grants a power of attorney to the Broker to, if necessary for any service offered by the Broker to the Customer and provided that the Customer's spending limit so permits, on behalf of the Customer to grant a security interest in favor of the Broker over the assets held in the Accounts, and to do all such things as may be necessary for that purpose. This will include opening one or more pledge accounts in the Customer's name or in the name of the Broker as a pledge. Any such account will be subject to the Terms and Conditions and all other terms and conditions the Bank declares applicable, it being understood that the Bank's right of pledge over the Customer's assets under article 11 will be second-ranking if a security interest is granted to the Broker over those assets.

17.5 The Customer hereby grants a power of attorney to the Broker to instruct the Bank to transfer any amount owed by the Customer to the Broker for services provided by the Broker to the Customer from the Cash Account to the Broker. The Customer may request the Bank to reverse the transfer within three calendar months of the amount being debited.

17.6 The Customer hereby grants an irrevocable power of attorney to the Bank to sell the Securities and/or Derivatives held in the Securities Account and to credit the proceeds to the Cash Account if the Customer, upon termination of the Tripartite Agreement and despite being so requested by the Bank, fails to close the Securities Account and transfer his Securities and/or Derivatives to another bank.

## **CHARGES**

### **18 Costs, charges and fees**

The Customer shall pay to the Bank all costs, charges and fees for services provided by the Bank at the Bank's customary rates. The Bank may amend its rates at any time. Costs shall include all costs associated with exercising the right of pledge, the costs of measures taken by the Bank and any third party employed by the Bank, necessary to acquire, preserve or exercise its rights under the Tripartite Agreement, and all other costs incurred by the Bank in and out of court if the Bank becomes involved in any action or dispute between the Customer and a third party including, for these purposes, the Broker.

## 19 Debiting and crediting

The Bank shall charge the Customer for the costs, charges, fees and debit interest owed by the Customer to the Bank by debiting the Customer's Cash Account. Any credit interest owed by the Bank to the Customer will be credited to the Customer's Cash Account.

## 20 Information on benefits received and granted by the Bank

If the Bank, in connection with any Services provided by it under the Tripartite Agreement, grants to or receives from any person other than the Customer any commission, fees or non-financial benefits which are not necessary to provide or enable such Services, the Bank shall provide the Customer with a summary of the material features of the scheme underlying such commission, fees or non-financial benefits, and shall upon request provide the Customer with further details.

## DISPUTE RESOLUTION

### 21 Bank's complaints procedure

If the Customer takes the position that the Bank has defaulted in its services to the Customer, the Customer may file a complaint with the Bank. The complaint will be handled according to the Bank's customary complaints procedure, which is based on, among other things, the rules of the Financial Services Complaints Institute (*Stichting Klachteninstituut Financiële Dienstverlening (KIFID)* at [www.kifid.nl](http://www.kifid.nl)).

### 22 KIFID's complaints procedure

The Customer may submit a dispute with the Bank to KIFID ([www.kifid.nl](http://www.kifid.nl)) in accordance with the latter's rules. The Bank shall lend its assistance to the "Ombudsman", shall conform to the binding advice issued by the Financial Services Dispute Resolution Committee (*Geschillencommissie Financiële Dienstverlening*), and shall unconditionally comply with such binding advice within the time period stated.

### 23 Disputes in a court of law

Any disputes between the Parties arising from the Tripartite Agreement which cannot be submitted to KIFID will be submitted to the competent court in The Netherlands.

## GENERAL PROVISIONS

### 24 General terms and conditions special requirements, rules and customs

24.1 The relationship between the Customer and the Bank shall also be subject to the General Banking Conditions of KAS BANK N.V., if and insofar the Tripartite Agreement does not deviate from those general terms and conditions.

24.2 All acts performed by the Bank for the Customer and the Broker will be subject to the rules, requirements and customs existing in the place and at the time of such performance.

24.3 All transactions in Securities and/or Derivative that are not admitted for trading on a regulated market, and the settlement of such transactions, will also be subject to the terms and conditions, rules, requirements and customs applicable to such Securities and/or Derivatives, transactions and settlement.

24.4 In case any provision of the Tripartite Agreement conflicts with any rule contained in the rules, terms and conditions, requirements or customs referred to in article 24.2 and 24.3, such rule will prevail, unless otherwise provided for in the Tripartite Agreement.

### 25 Use of means of communication

25.1 The Bank makes use of data carriers or means of communication for its communication with the Customer of declarations, confirmations made available, account overviews, invoices or other documents or other information.

25.2 Where the Tripartite Agreement requires that a notification be given in writing, this will not include a notification by fax or by e-mail.

### 26 Multiple account holders

26.1 If an account is registered to multiple Customers (where necessary, hereinafter to be referred to as the "**Relevant Customer(s)**"), such Customers shall be authorised both jointly and individually to issue instructions to the Bank unless otherwise agreed with the Bank in writing, and without prejudice to the Bank's right to require that all Relevant Customers cooperate with all or any particular instructions so as to protect its interests. The following conditions shall apply:

upon the death of a Relevant Customer, the other Relevant Customer will remain authorised;

upon the notification in writing by a Relevant Customer to the Bank that it no longer wants each Relevant Customer to be authorised to issue instructions individually, the Relevant Customers may give joint instructions only;

any notification or statement given to a Relevant Customer will be considered to have been given to all Relevant Customers;

the acknowledgement or approval by a Relevant Customer of any statement submitted by the Bank will be binding upon all Relevant Customers; a Relevant Customer shall be jointly and severally liable to the Bank for the full amount of all of the other Relevant Customer's existing and future obligations to the Bank;

the Bank may set off any amount owed by a Relevant Customer against any amount owed to the other Relevant Customer;

the addresses and names to which the Accounts are registered may only be notified or amended by the Relevant Customers acting jointly;

an Account may only be opened or closed by the Relevant Customers acting jointly;

the credit facility may only be applied for and cancelled by the Relevant Customers acting jointly;

the Tripartite Agreement may only be terminated by the Relevant Customers acting jointly.

26.2 Instructions as referred to in this article mean any order or instruction which the Customer may issue directly to the Bank under the Tripartite Agreement, including instructions to settle the Accounts upon termination of the Tripartite Agreement.

## **27 Assistance; Proof of identity**

At the Bank's first request, the Customer and the Broker shall fully cooperate in any act, including the provision of information, which the Bank considers necessary to properly comply with its legal obligations or to properly deliver the services to be provided by the Bank under the Tripartite Agreement. In particular, the Customer and the Broker shall offer such cooperation as the Bank may need to let it meet the requirements imposed upon it to establish the identity and background of its customers.

## **28 Disclosure of Customer data**

28.1 The Bank shall process any Customer data received for the purpose of concluding and performing financial services agreements and the managing of relations arising from such agreements, including preventing and opposing fraud and conducting activities aimed at expanding its customer base.

28.2 The Customer consents to the Bank disclosing Customer data from its records to third parties, including regulated market undertakings and related organisations, multilateral trading facilities, any regulatory and tax authorities, and, if necessary, the Central Credit Registration Office (*Stichting Bureau Krediet Registratie - BKR*) in Tiel, if and insofar the Bank is required to do so under any mandatory rule, and to the Bank disclosing any such Customer data to regulated market undertakings and related organisations, multilateral trading facilities and any regulatory authorities, as the Bank or such abovementioned

organisations or authorities consider necessary or desirable. Mandatory rules shall include, without limitation, any obligations of the Bank arising from agreements with domestic or foreign tax authorities pursuant to which the Bank is authorised to act as a 'Qualified Intermediary' or to act in a similar capacity, the rules of the regulated market undertakings and related organisations and the multilateral trading facilities, and situations in which the Bank is required to disclose Customer data in order to perform an obligation to the Customer.

28.3 The Customer and the Broker warrant to the Bank that the Customer data supplied by them is accurate.

28.4 The Customer shall notify the Broker and the Bank in writing of any changes in his residency status, address, place of residence or registered office no later than on the date of such change.

## **29 Statements from the Bank**

Any statement sent or made available to the Broker will be considered to be a statement sent or made available to the Customer.

## **30 Levy an attachment**

If any of the Customer's assets held at any time by the Bank are garnished, neither the Broker nor the Customer may execute any Securities and/or Derivatives transactions, or have such transactions executed, for the account and at the risk of the Customer, or exercise any rights in relation to such Securities and/or Derivatives, unless expressly so permitted by the garnishor. In the event of a garnishment, the Bank may take any measure for the account and at the risk of the Customer, including exercising or closing out positions, in order to maintain the asset position existing at the time of the garnishment as much as possible and limit the risk of a reduction in assets.

## **31 Duty to mitigate losses**

If the Broker or the Customer believes that services were not properly provided or any other irregularity has occurred, the Broker or the Customer, as the case may be, shall without delay take any measures to limit the losses which might arise from such irregularity.

## **32 Liability**

32.1 The Bank shall deliver all of its services under the Tripartite Agreement for the account and at the risk of the Customer.

32.2 The Bank shall not be liable to the Customer or the Broker for any losses or damage, except if and insofar any such losses or damage

are the direct and reasonably foreseeable result of any non-performance of an obligation of the Bank in providing its services. The Bank shall not be liable to the Customer for the acts and omissions of the Broker, including but not limited to the investment strategy of the Broker or any transactions executed or not executed by the Broker.

32.3 The Bank shall not be liable to the Customer or the Broker for any losses suffered by them as a result of any measures taken by the Bank or any third party employed by the Bank, on the grounds of a mandatory provision or in connection with any extraordinary circumstances.

32.4 The Broker and the Customer shall indemnify the Bank against any claims asserted by the other Party or any third party in relation to the services provided by the Bank.

### **33 Unilateral amendments**

The Bank may amend the Tripartite Agreement, these Terms and Conditions and other applicable terms and conditions. Any such amendment will take effect four weeks – or as many more weeks as the Bank may determine – after the date on which the Bank notifies the Customer and the Broker of the amendment in writing, as evidenced by the date of the notification, unless the Customer or the Broker notifies the other two Parties in writing that it does not agree with the amendment.

### **34 Assignment of Agreement**

The Customer hereby consents to the Broker at any time assigning the legal relationship between itself and the Customer arising from the Tripartite Agreement to another investment company, provided that:

an investment agreement is in place between the Customer and the assignee on the day when the legal relationship is assigned;

in relation to the assignment, assignor warrants that the assignee shall confirm no later than on the day that the legal relationship is assigned that it is authorised under the Dutch Financial Supervision Act (*Wet financieel toezicht*) to provide the investment service(s) that it will provide to the Customer;

the assignor notifies the Customer in writing no less than one calendar month prior to the day of the assignment of the legal relationship between them, of its intention to do so, giving a clear description of the assignee;

all Securities transactions executed by the Broker in its own name and for the account and at the risk of the Customer must be settled on or before the day that the legal relationship is assigned.

### **35 Resignation of the Broker**

35.1 If the Broker is, for whatever reason, unable to execute transactions in Securities and/or Derivatives for the account and at the risk of the Customer, the Bank may, notwithstanding article 2.4 of these Terms and Conditions, allow the Customer, for a period set by the Bank, to provide instructions to the Bank in writing, by telephone or by any other means permitted by the Bank to execute and settle a transaction in Securities and/or Derivatives for the account and at the risk of the Customer ('execution only'). The Bank may also allow the Customer to issue a power of attorney in the manner required by the Bank to a regulated investment firm for the purpose of providing instructions for the account and at the risk of the Customer. As to the instructions received, the Bank is only obliged to verify whether the Customer has a sufficient balance in the Accounts to cover the obligations arising from the transaction to be executed. The settlement of transactions executed by or through the Bank for the account and at the risk of the Customer and the custody of Securities and/or Derivatives are as far as possible governed by these Terms and Conditions.

35.2 The Bank shall not manage the Customer's assets held in the Accounts or elsewhere. The Bank shall not in any way provide the Customer with advice or provide assistance in any other way in respect of the composition of its assets, its investment portfolio or any transaction in Securities and/or Derivatives. The Customer represents that it is known to him that the Bank does not examine the appropriateness of the execution only services and the transactions executed by or through the Bank and that the Bank, therefore, is not able to warn the Customer about the appropriateness of the services and the transactions. It is the sole responsibility of the Customer to determine his investment strategy and to make decisions as to whether or not execute transactions, and, when the Customer is unable to do that, to seek independent professional advice from a capable advisor or broker.

35.3 The Bank shall not assume or continue the legal relationship between the Broker and the Customer by providing its execution only services, and the Bank shall, therefore, not in any way be responsible or liable for what the Broker has done or omitted on the basis of its legal relationship with the Customer.

### **36 Immediate payment**

36.1 In any of the following events, if the Customer owes the Bank any amount under the Tripartite Agreement, such amount plus accrued interest and any and all other amounts owed by the Customer to the Bank, present or future, will become fully and immediately due and payable, and the Customer shall promptly pay such amount(s) to the Bank, failing which the

Customer shall be in default without any prior notice of default being required:  
the Customer fails to meet any obligation under the Tripartite Agreement, including the excess of the credit limit defined in article 10, or any other obligation to the Bank howsoever arising;  
the Customer fails to provide additional or substitute security at the Bank's first request;  
the Customer is in a position in which it becomes reasonably doubtful that it will be able to meet or continue to meet all or any part of its payment or other obligations to the Bank or any other creditor, or to bear or continue to bear any reasonably expected losses;  
a debt rescheduling order is given in relation to the Customer (moratorium, bankruptcy, debt rescheduling for private individuals), or has been applied for, or the Customer proposes or considers proposing a composition with all or any part of its creditors;  
any of the Customer's assets have been attached by a creditor (including any garnishment against assets held by the Bank);  
the Customer no longer has free disposition of all or any part of its assets;  
if the Customer is a private individual, it dies or is assigned a court-appointed guardian (*curator*);  
if the Customer is a legal entity, it is dissolved, converted into another legal form, involved in a merger or demerger, or has amended its articles of association, unless the amendment is of minor importance;  
any power of attorney as referred to in article 17 has been cancelled or, generally, the Customer terminates the Tripartite Agreement.

36.2 If and as soon as the Broker or the Customer is aware of any of the circumstances mentioned in article 36.1, it shall so notify the Bank in writing immediately.

### **37 Default**

If the Customer is in default, the Bank may: without any prior warning, exercise its right of pledge, whether or not by selling the Customer's Securities and/or Derivatives, and close out or have others close out the Customer's outstanding positions, including without limitation by buying and selling, and do all such other things it deems necessary to reduce or eliminate the risk exposure of any outstanding positions;  
discontinue all or any part of its services under the Tripartite Agreement with immediate effect, without prejudice to its right to terminate the Tripartite Agreement.

### **38 Termination**

38.1 Each Party may terminate the Tripartite Agreement at any time by notifying each of the other Parties in writing, without being under any obligation to provide the other Parties with reasons for its termination. Upon request the Bank shall inform the Client the reason for its

termination. The Tripartite Agreement shall be terminated at the end of the notice period as stated in the termination notice or, in the absence of any such notice period, on the day following receipt of the termination notice by all Parties, though in that case no later than the fifth business day following the date of the termination notice.

38.2 Upon termination of the Tripartite Agreement, any Securities and/or Derivatives transactions already initiated and any outstanding Derivatives positions will be settled in accordance with the provisions of the Tripartite Agreement if and insofar this is possible, and the Tripartite Agreement will continue to apply accordingly.

38.3 Upon termination of the Tripartite Agreement the Accounts will be maintained until they are closed.

38.4 A termination of the credit facility and/or KAS-Web facility will not imply the termination of the Tripartite Agreement.

38.5 The closing of an Account during the term of the Tripartite Agreement – if and insofar this is possible – will not imply the termination of the Tripartite Agreement.

## **39 Deviations**

These Terms and Conditions may be deviated from, provided that this is done expressly, unambiguously and in writing. If that is not the case, these Terms and Conditions will in all cases take precedence over any other arrangements made by the Parties, without prejudice to article 24 of these Terms and Conditions.

## **40 Supervision**

The Bank has a banking license in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and is under the supervision of *De Nederlandsche Bank* in Amsterdam (phone no. 0800 - 0201068) that is exercising prudential supervision. The Bank can also operate as an investment company (*beleggingsonderneming*) as defined in the Dutch Financial Supervision Act and is for that purpose registered with the *Stichting Autoriteit Financiële Markten* (phone no. 0900 5400 540) that is exercising conduct supervision.

## **41 Severability**

If any of the terms of these Terms and Conditions are to any extent invalid or unenforceable, the remainder of this Terms and Conditions shall remain in full force and effect.

#### **42 Governing law**

The Tripartite Agreement, the Terms and Condition and other applicable terms and conditions will be governed by the laws of the Netherlands, unless imperative law prescribes otherwise or Parties agree on a different governing law.

#### **43 Dutch version**

The Tripartite Agreement and the Terms and Conditions have been drawn up in Dutch and in English. The Parties expressly agree that the Dutch version will be binding. The English version is as true as possible reproduction of the Tripartite Agreement and the Terms and Conditions

concluded between the Parties as evidenced by the Dutch version, and will constitute the basis for any action in any court of law other than a Dutch court of law. If the English version should vary from the Dutch version, the Dutch version will be decisive and, in that case, an accurate and non-varying English translation of the Dutch version will constitute the basis for any action in any such court.

#### **44 Domicile**

For the purpose of performing the Tripartite Agreement, the Parties are domiciled at the addresses stated at the top of the Tripartite Agreement. All documents intended for any Party must be sent to the address so stated.

# Terms and Conditions of Securities Credit

## 1 General

Besides these Terms and Conditions of Securities Credit, the relationship between the Customer and the Bank shall also be subject to the Terms and Conditions of Tripartite Services. In the event of conflict, these Terms and Conditions of Securities Credit will prevail, unless otherwise agreed upon. Terms defined in the Terms and Conditions of Tripartite Services have the same meaning in this Terms and Conditions of Securities Credit on the understanding that "Terms and Conditions" will refer to these Terms and Conditions of Securities Credit.

## 2 Credit Facility

2.1 Prior to entering into the Tripartite Agreement, the Broker shall provide the Customer with information for the purpose of adequate assessment of the current-account credit facility.

2.2 The Customer will only be entitled to the current-account credit facility, as of the moment of signing the Tripartite Agreement by which the Customer declares to have received and accepted the Terms and Conditions and after having granted to the Bank a security interest over the Securities in relation to the credit facility and when all other conditions of the Terms and Conditions for the provision of the credit facility are fulfilled.

2.3 The amount of the credit under the credit facility and the credit limit is determined on the basis of the collateral value as set by the Bank of (i) the Securities pledged to the Bank and (ii) any other form of collateral or security acceptable to the Bank, reduced with the amount of the Customer's obligations and liabilities whether present or future, actual or contingent, owed by the Customer to the Bank (including any requirements to provide margin in respect of Derivatives' positions) ("**Obligo**"), insofar as those obligations and liabilities are not covered by any other security interest. Notwithstanding the foregoing, the total amount of the credit could never exceed 70%, or another percentage as set by the Bank, that is published on the Bank's website and/or is made available on the conditions overview of the Bank, of the value of the Securities pledged to the Bank. The Bank may amend this percentage or set additional conditions to the maximum of credit to be provided.

2.4 If the Customer holds more than one account, the Customer and the Bank may, notwithstanding article 2.3 and subject to further conditions of the Bank, agree upon in writing that the amount of the credit to be provided under the

credit facility and the credit limit shall be determined on the basis of the pledged Securities administered on one or more accounts of the Customer, the Obligo's administered on those accounts and/or any other collateral or securities acceptable to the Bank.

2.5 On each business day, the Bank shall calculate the collateral value of the listed or exchange traded Securities per type or class in accordance with the Bank's prevailing drawing percentage. The collateral value of a Security also depends on the value that the relevant Security represents in the Securities portfolio provided as collateral. The Bank will at its sole discretion determine the collateral value of other Securities and collateral.

2.6 The collateral value of a Security can be amended by the Bank at all times with immediate effect and without prior notice to the Customer by the Bank. The Bank will inform the Customer on an amendment of the collateral value of a Security on the day that such amendment becomes effective.

2.7 At the Customer's request, the Bank will provide the Customer with an overview of the prevailing drawing percentages in respect of the listed or exchange traded Securities. The collateral value of the other Securities shall be determined by the Bank on an ad hoc basis.

## 3 Interest

The credit provided under the credit facility shall bear such interest as the Bank customarily charges for current account credit facilities with Securities collateral. The interest rate is determined by the Bank from time to time. At the Customer's request the Bank will provide the Customer with information on the interest rate.

## 4 Pledge

The right of pledge that the Customer has granted to the Bank in accordance with the Tripartite Agreement and article 11 of the Terms and Conditions of Tripartite Services shall also serve as a continuing security for the due payment to the Bank of all sums, present or future under the credit facility, including all interests, costs, charges and fees which the Bank's records show as being owed to it by the Customer.

## 5 Exceeding the credit limit

5.1 If the credit limit determined in line with article 2 of these Terms and Conditions is exceeded by way of (i) the value fluctuation of the Securities pledged or any other collateral or security provided to it or (ii) an amendment of the

drawing percentages, or (iii) any other reason, this will be remedied by the Customer on first written demand of the Bank within such period of time as the Bank may require.

5.2 If the Customer fails to comply with article 5.1, the Bank shall be entitled, without any requirement to provide prior written notice to the Customer and without prejudice to its other rights under these Terms and Conditions, to sell or otherwise realize the Securities pledged and any collateral or security provided to it or any part thereof at such price or rate as the Bank deems reasonable in accordance with the applicable laws and to apply the net proceeds in reduction or payment of the credit.

5.3 Without prejudice to its other rights under these Terms and Conditions, the Bank is entitled to charge the Customer a(n additional) fee for the amount exceeding the credit limit (unauthorised overdrafts) determined in accordance with article 2 of these Terms and Conditions.

## **6 Termination and suspension**

6.1 The Customer may terminate the credit facility without cause or costs by giving to the Bank written notice thereof specifying the date on which termination is to be effective. The Bank may terminate the credit facility without cause or costs by giving to the Customer not less than two (2) months written notice thereof specifying the date on which termination is to be effective. The Customer shall be obliged to repay all outstanding cash advances drawn under the credit facility, including the accrued interest and all other fees owed to the Bank under these Terms and Conditions by the effective date of the termination.

6.2 The credit facility and the credits provided thereunder can be terminated or suspended with immediate effect by the Bank, whereupon the outstanding credit together with accrued interest and all other payment obligations of the Customer under the credit facility shall become immediately and entirely due and payable and should be paid immediately without any requirement to provide prior written notice to the Customer if any of the situations set out in article 36.1 of the Terms and Conditions of tripartite services occurs and/or occurs in relation to any guarantor, joint debtor or any other person who has provided any other form of security to the Bank in respect of the credit, and/or if the

guarantee or surety provided to the Bank by a third party in respect of the credit is withdrawn or terminated by the relevant third party and/or if a third party who has provided, and/or if a third party who has provided or has agreed to provide collateral or security in respect of the credit fails to perform its obligations under the (promised) collateral or security, or if a situation arises whereby the collateral and/or security provided is not sufficient in the opinion of the Bank.

## **7 Joint liability**

7.1 If the account to which the credit relates is held in the name of more than one Customer or if the Customer is a partnership, each Customer respectively each partner of the partnership shall be individually and jointly liable for all sums outstanding under these Terms and Conditions. The obligations arising from these Terms and Conditions are joint and several obligations for the successors of the Customers. The Customers hereby subordinate their existing and future obligations against each other arising from recourse and/or subrogation to any existing and future rights on any basis whatsoever of the Bank towards them. Consequently, the Customers cannot exercise their rights against each other as long as the Bank's has a claim against them individually or collectively under or in relation to these Terms and Conditions or on any other basis whatsoever.

7.2 If the Bank releases one or more Customers or partners of the Customer from joint and several liability, or if the Bank reaches a final settlement with one or more of them, this will be done solely on the condition that the other Customers and partners remain jointly liable for the entire amount of the financial obligations under these Terms and Conditions. The obligations of the Customers released from joint and several liability could not be deducted from the obligations of the remaining Customers by them.

## **8 No waiver**

No failure or delay by the Bank or time or indulgence given by the Bank in or before exercising any remedy or right under or in relation to these Terms and Conditions shall operate as a waiver. The Bank shall at all time be entitled but not obliged to require the Customer to comply with its statutory and contractual obligations.

# Terms and Conditions KAS-Web

## 1 Access to KAS-Web

1.1 Besides these Terms and Conditions KAS-Web, the access to and the use of KAS-Web shall also be subject to the Terms and Conditions of Tripartite Services. In the event of conflict, these Terms and Conditions KAS-Web will prevail, unless otherwise agreed upon. Terms defined in the Terms and Conditions of Tripartite Services have the same meaning in this Terms and Conditions KAS-Web on the understanding that "Terms and Conditions" will refer to these Terms and Conditions KAS-Web.

1.2 Subject to these Terms and Conditions and article 4, the Bank will provide the Customer access to KAS-WEB to enable the Customer to communicate with the Bank and/or to obtain information from the Bank through the Internet in connection with the services provided by the Bank to the Customer.

1.3 The Bank will provide the Customer with a log-in code, PIN codes, passwords, user-IDs or other security means or instruments (the "**Security Devices**") and technical, procedural and organisational regulations, safety measures, user information and other written specifications (the "**Documentation**") that the Customer requires for the access to, and the use of KAS-WEB.

1.4 The Bank retains the right to make such alterations to the Security Devices or the Documentation at all times if the Bank deems them necessary or appropriate. The Bank will inform the Customer of such alterations as soon as reasonably possible after they have been made, through KAS-WEB.

1.5 The Bank will make a helpdesk facility available to the Customer which can be reached by telephone. The Documentation will also contain information regarding the availability of this facility, restrictions regarding the availability thereof and other provisions for the use of that facility.

## 2 Duty of care of the Bank

2.1 The Bank will exercise reasonable care in providing the Customer access to KAS-WEB and in making the helpdesk facility available to the Customer, and will use its best efforts, as much as reasonably possible, to ensure accurate and correct functioning of KAS-WEB.

2.2 The Bank will use its best efforts to repair possible failures in the accurate and correct operation of KAS-WEB and will execute the maintenance activities as quickly as possible, and if reasonably possible, outside normal business hours.

## 3 Obligations of the Customer

3.1 The Customer will do all that may be expected from a reasonable and careful user of an Internet application that provides access to information relating to financial services. For this purpose, the Customer shall procure that the computer hardware and software he uses is and shall remain at all times to be compatible and suitable for the use of KAS-WEB, and that his computer will not threaten or prevent the proper and undisturbed functioning of, or access to, KAS-WEB.

Subject to article 3.2 hereof, the User shall do anything, or to do something, that, in either case might threaten the proper and undisturbed functioning of KAS-WEB.

3.2 The Customer shall in all respects comply with the requirements set out in the Documentation. Without prejudice to the aforementioned, the Customer shall comply with the requirements set out in the Documentation regarding the correct use of KAS-WEB, the Security Devices and the Documentation. The Customer shall take all measures required to prevent any fraudulent, unauthorised, improper or incorrect use of KAS-WEB, the Security Devices or the Documentation.

3.3 The Customer shall be responsible and liable for any loss, damage, costs and expenses ("Damage") resulting from fraudulent, unauthorised, improper or any other incorrect use of KAS-WEB, the Security Devices or the Documentation, except to the extent that such Damage is the direct result of an attributable failure of the Bank or otherwise attributable to the Bank pursuant to these Terms and Conditions.

3.4 If and as soon as the Customer becomes aware of, or suspects, that the Security Devices are lost, disappeared or stolen, or that fraudulent, unauthorised, improper or any other incorrect use of KAS-WEB or the Security Devices has occurred, the Customer is obliged to notify the Bank immediately thereof. If the aforementioned announcement has been made verbally, the Customer must promptly confirm such announcement to the Bank in writing stating the date and time on which the verbal announcement was made as well as the name of the involved staff member of the Bank that the Customer has spoken to.

3.5 Upon the receipt of the announcement referred to in article 3.4, the Bank will take all measures that can reasonably be expected from it to prevent or mitigate the adverse consequences of the reported event as much as possible, without accepting any liability for the Damage the Customer

suffers as a result of the reported event. After the Customer has notified the Bank of, or where the Bank has not provided the Customer with the appropriate means to notify it of, the loss, disappearance, or theft of the Security Devices, the Customer shall not bear any Damage resulting from the use of KAS-Web, except in the events of the Customer's fraudulent, unauthorised, improper or any other incorrect use of the Securities Devices or KAS-Web.

#### **4 Information and instructions**

4.1 The Bank will notify the Customer in writing (including by way of electronic communication) and/or through KAS-WEB regarding the instructions that, insofar as applicable, can be provided and the information that can be obtained through KAS-WEB and regarding any other conditions for the use of KAS-WEB. The Bank retains the right, at any moment and without prior notification to the Customer, to amend the instructions that can be provided and the information that can be received.

4.2 Instructions from the Customer communicated through KAS-WEB will have the same legal effect as written instructions signed by the Customer. The Customer is bound by to instructions communicated through KAS-WEB and executed by the Bank. The Customer cannot revoke or cancel instructions communicated through KAS-WEB. The content of an instruction is completely proven by the Bank's administration, except for evidence to the contrary.

#### **5 Liability of the Bank and force majeure**

5.1 Without prejudice to article 32 of the Terms and Conditions of Tripartite Services, the Bank shall not be liable for any Damage or any other loss the Customer may suffer, as a result of any malfunctioning, unavailability or any other failure of, or interruption to, KAS-WEB as a result of force majeure, meaning any event beyond the reasonable control of the Bank, including, but not limited to, international conflicts, violent or armed actions, measures taken by any government authority, exchange organisation or supervisory authority, boycotts, market disturbances, prohibitions or obligations pursuant to any applicable legislation or regulations or court order in any relevant jurisdiction, labour disturbances among the staff of the Bank or third parties, power failures or breakdowns in communication links or equipment or software of the Bank or of third parties (including any temporary or permanent unavailability of the Internet for whatever reason). Should any force majeure event referred to in this Article 5.1 occur, then the Bank shall, without prejudice to the fact that the Bank shall not incur any liability for such force majeure event, take such measures as may reasonably be required from it in order to mitigate the resulting adverse effects for the Customer.

5.2 The Bank is not liable for any Damage or any other loss as a result of i) any act or omission of the Customer, (ii) any fraudulent, unauthorised, improper or incorrect use of KAS-WEB, (iii) failures in the functioning of the Security Devices and/or KAS-WEB or (iv) the incorrect receipt or loss of data, unless this Damage is the direct result of an attributable failure of the Bank.

5.3 The Bank is not liable for any Damage or any other loss, resulting from the effect of any legislation or regulation which apply, if KAS-WEB is used outside the Netherlands. If the Customer uses KAS-WEB outside the Netherlands, the Customer will indemnify and hold the Bank harmless for any Damage incurred by the Bank or any other loss incurred by the Bank as a consequence of the applicability of such legislation or regulations.

#### **6 Intellectual property rights**

6.1 The Customer agrees to and acknowledges that all intellectual property rights and any other property rights of the Bank or its licensors with respect to KAS-WEB, the Security Devices and all instruments and data related to KAS-WEB that the Bank has provided to the Customer, shall remain vested in the Bank or its licensors and shall not transfer to the Customer.

6.2 Unless otherwise agreed upon in writing by the Bank and the Customer, the Customer will see to it that KAS-WEB and/or the Security Devices and Documentation regarding KAS-WEB as well as any other information provided to the Customer under these Terms and Conditions, shall under no circumstances be (i) copied, amended or adapted, (ii) disclosed, accessible or in any other way transferred to third parties.

#### **7 Taking KAS-Web out of service**

7.1 The Bank may at any time de-activate KAS-WEB or otherwise apply restrictions or make alterations to KAS-WEB or the access of the Customer thereto, in case the Customer fails to comply with any of its obligations pursuant to these Terms and Conditions or in case the Bank, in its sole discretion, deems it prudent or necessary in the interest of the correct and undisturbed functioning of KAS-WEB or access thereto.

7.2 Without prejudice to the provisions of article 5 of these Terms and Conditions, no such de-activation, limitation or change as referred to in this article shall result in any liability on the part of the , including the refund of fees paid by the Customer.

7.3 Insofar as reasonably possible, the Bank will notify the Customer in advance of a de-activation, limitation or change as referred to in this article, on the understanding that such notification is not required if, in the Bank's judgment, such de-activation, limitation or change should be made immediately.

## **8 Fees**

8.1 The Customer agrees to pay the Bank such fees for the use of KAS-WEB as stated in the Documentation. The Bank is authorised at all times to change the amount of the fees to be paid.

8.2 Notwithstanding the provisions of these Terms and Conditions, the Bank shall not be responsible for the fact that the Customer may not be able to gain access to KAS-WEB. In particular, but without prejudice to the aforementioned, all costs and expenses made by the Customer to obtain and hold connection with the Internet in general and KAS-WEB in particular, including hardware cost and telecommunication costs as well as the costs related to the services of an Internet provider, shall be for the account of the Customer.

8.3 Unless otherwise agreed upon, the Bank will be authorised to debit the cash account of the Customer held with the Bank as appointed by the Customer for the fees, costs and other expenses related to the services offered under these Terms and Conditions as soon as they are due and payable.

## **9 Termination of the access**

9.1 The services under these Terms and Conditions and the access to KAS-WEB can be terminated by both parties in writing with due regard of a term of at least 30 (thirty) days.

9.2 Without prejudice to the rights of the Bank arising from these Terms and Conditions, the Bank will be authorised at any time to terminate or suspend the services under these Terms and Conditions and/or access to KAS-WEB with immediate effect and without further notification, if any of the events mentioned in article 36.1 of the Terms and Conditions of Tripartite Services occurs.

9.3 The services under these Terms and Conditions and the access to KAS-WEB will terminate with immediate effect if the Bank no longer provides services to (any Customer of) the Customer and/or upon receipt by the Bank of a written notification that the Customer does not agree with an amendment of these Terms and Conditions as referred to in article 33 of the Terms and Conditions of Tripartite Services.

9.4 After the termination of the services under these Terms and Conditions and the access to KAS-WEB, the Customer will return the Security Devices and Documentation to the Bank or hand them over in any other manner in accordance with the instructions of the Bank.

9.5 Termination or suspension of the services under these Terms and Conditions and the access to KAS-WEB does not entitle the Customer to refund of already paid fees and shall not affect Customer obligation with regard to fees which are at date of termination due and payable.

## General Banking Conditions

***This is a translation of the original Dutch text. This translation is furnished for the customer's convenience only. The original Dutch text will be binding and will prevail in the case of any inconsistencies between the Dutch text and the English translation.***

**As a bank, we are aware of our social function. We aim to be a reliable, service-oriented and transparent bank, which is why we, to the best of our ability, seek to take into account the interests of all our customers, employees, shareholders, other capital providers and society as a whole.**

**These General Banking Conditions (GBC) have been drawn up in consultation between the Dutch Banking Association (*Nederlandse Vereniging van Banken*) and the Consumers' organisation (*Consumentenbond*). This took place within the framework of the Coordination Group on Self-regulation consultation of the Social and Economic Council (*Coördinatiegroep Zelfreguleringsoverleg van de Sociaal-Economische Raad*). Consultations were also held with the Confederation of Netherlands Industry and Employers (*VNO-NCW*), the Dutch Federation of Small and Medium-Sized Enterprises (*MKB-Nederland*), the Dutch Federation of Agriculture and Horticulture (*LTO Nederland*) and ONL for Entrepreneurs (*ONL voor Ondernemers*).**

**The GBC will enter into force on 1 March 2017. The Dutch Banking Association has filed the text with the Registry of the District Court in Amsterdam under number 60/2016 on 29 August 2016.**

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### **Article 1 – Applicability**

*The GBC apply to all products and services and the entire relationship between you and us. Rules that apply to a specific product or service can be found*

*in the relevant agreement or the specific conditions applicable to that agreement.*

1. These General Banking Conditions (GBC) contain basic rules to which we and you must adhere. These rules apply to all products and services that you purchase or shall purchase from us and the entire relationship that you have or will have with us. This concerns your rights and obligations and ours.

2. For the services that we provide, you shall enter into one or more agreements with us for services (i.e services including also products) that you purchase from us. If an agreement contains a provision that is contrary to the GBC, then that provision will prevail above the GBC.

3. If you enter into an agreement for a product or service, specific conditions may apply to the agreement. These specific conditions contain rules that apply specifically to that product or that service.

*An example of specific conditions:*

You may possibly enter into an agreement to open a current account. Specific conditions for payments may apply to that agreement.

If the specific conditions contain a provision that is contrary to the GBC, then that provision will prevail above the GBC. However, if you are a consumer, that provision may not reduce rights or protection granted to you under the GBC.

4. The following also applies:

a) You may possibly also use general conditions (for example, if you have a business). In that case, the GBC will apply and not your own general conditions. Your own general conditions will only apply if we have agreed that with you in writing.

b) You may (also) have a relationship with one of our foreign branches. This branch may have local conditions, for example, because they are better geared to the applicable laws in that country. If these local conditions contain a provision that is contrary to a provision in the GBC or a provision in the Dutch specific conditions, then in that respect the local conditions will prevail.

## Article 2 – Duty of Care

*We have a duty of care. You must act with due care towards us and you may not misuse our services.*

1. We must exercise due care when providing our services and we must thereby take your interests into account to the best of our ability. We do so in a manner that is in accordance with the nature of the services. This important rule always applies. Other rules in the GBC or in the agreements related to products or services and the corresponding special conditions cannot alter this.

We aim to provide comprehensible products and services. We also aim to provide comprehensible information about these products and services and their risks.

2. You must exercise due care towards us and take our interests into account to the best of your ability. You must cooperate in allowing us to perform our services correctly and fulfil our obligations. By this, we mean not only our obligations towards you but also, for example, obligations that, in connection with the services that we provide to you, we have towards supervisory bodies or tax or other (national, international or supranational) authorities. If we so request, you must provide the information and documentation that we require for this. If it should be clear to you that we need this information or documentation, you shall provide this of your own accord.

You may only use our services or products for their intended purposes and you may not misuse them or cause them to be misused. Misuse constitutes, for example, criminal offences or activities that are harmful to us or our reputation or that could damage the working and integrity of the financial system.

## Article 3 – Activities and objectives

*We ask you for information to prevent misuse and to assess risks.*

1. Banks play a key role in the national and international financial system. Unfortunately, our services are sometimes misused, for instance for money laundering. We wish to prevent misuse and we also have a legal obligation to do so. We require information from you for this purpose. This information may also be necessary for the assessment of our risks or the proper execution of our services. This is why, upon our request, you must provide us with information about:

- a) your activities and objectives

- b) why you are purchasing or wish to purchase one of our products or services

- c) how you have acquired the funds, documents of title or other assets that you have deposited with us or through us.

You must also provide us with all information we need to determine in which country/ countries you are a resident for tax purposes.

2. You must cooperate with us so that we can verify the information. In using this information, we will always adhere to the applicable privacy regulations.

## Article 4 – Non-public information

*We are not required to use non-public information.*

1. When providing you with services, we can make use of information that you have provided to us. We may also make use of, for example, public information. Public information is information that can be known to everyone, for example, because this information has been published in newspapers or is available on the internet.

2. We may have information outside of our relationship with you that is not public. You cannot require us to use this information when providing services to you. This information could be confidential or price-sensitive information.

*An example:*

It is possible that we possess confidential information that a listed company is experiencing financial difficulties or that it is doing extremely well. We may not use this information when providing investment advice to you.

## Article 5 – Engaging third parties

*We are allowed to engage third parties. We are required to take due care when engaging third parties.*

1. In connection with our services, we are allowed to engage third parties and outsource activities. If we do so in the execution of an agreement with you, this does not alter the fact that we are your contact and contracting party.

*A few examples:*

- a) Assets, documents of title, securities or financial instruments may be given in custody to a third party. We may do so in your name or in our own name.

- b) Other parties are also involved in the execution of payment transactions.

We can also engage third parties in our business operations to, for example, enable our systems to function properly.

2. You may possibly provide us with a power of attorney for one or more specific legal acts. With this power of attorney, we can execute these legal acts on your behalf. Such legal acts are then binding for you. At least the following will apply with regard to any powers of attorney that we may receive from you:

a) If a counterparty is involved in the execution, we may also act as the counterparty.

*For example:*

We have your power of attorney to pledge credit balances and other assets that you have entrusted to us to ourselves (see Article 24 paragraph 1 of the GBC). If we use this power of attorney, we pledge your credit balances with us to ourselves on your behalf.

b) We may also grant the power of attorney to a third party. In that case, this third party may make use of the power of attorney. We are careful in choosing the third party to whom we grant the power of attorney.

c) If our business is continued (partially) by another party as the result of, for example, a merger or demerger, this other party may also use the power of attorney.

3. We exercise the necessary care when selecting third parties. If you engage or appoint another party yourself, then the consequences of that choice are for your account.

## **Article 6 – Risk of dispatches**

*Who bears the risk of dispatches?*

1. We may possibly send money or financial instruments (such as shares or bonds) upon your instructions. The risk of loss of or damage to the dispatch is then borne by us.

For example, if the dispatch is lost, we will reimburse you for the value.

2. We may also send other goods or documents of title, such as proof of ownership for certain goods (for example, a bill of lading), on your behalf. The risk of loss of and damage to the dispatch is then borne by you. However, if we cause damage through carelessness with the dispatch, then that damage is for our account.

## **Article 7 – Information about you and your representative**

*We require information about you and your representative. You are required to notify us of any changes.*

### **1. Information**

We are legally obliged to verify your identity. Upon request, you are to provide us with, among others, the following information:

a) *Information about natural persons*

i. first and last names, date of birth, place of residence and citizen's (service) number. You must cooperate with the verification of your identity by providing us with a valid identity document that we deem suitable, such as a passport.

ii. civil status and matrimonial or partnership property regime. This information may determine whether you require mutual consent for certain transactions or whether you possess joint property from which claims may be recoverable.

b) *Information about business customers*

legal form, registration number with the Trade Register and/or other registers, registered office, VAT number, overview of ownership and control structure.

You are required to cooperate with us so that we can verify the information. We use this information for, for example, complying with legal obligations or in connection with the services that we provide to you.

We may also need this information with regard to your representative. Your representative must provide this information to us and cooperate in our verification of this information. This representative may be, for example:

a) a legal representative of a minor (usually the mother or father)

b) an authorised representative

c) a director of a legal entity.

### **2. Notification of changes**

We must be notified immediately of any changes to the information about you and your representative. This is important for the performance of our legal obligations and our services to you.

You may not require a representative for your banking affairs initially; however, you may require a representative later on. We must be informed of this immediately.

Consider the following situations, for example:

a) your assets and liabilities are placed under administration

b) you are placed under legal constraint

c) you are placed in a debt management scheme, are granted a (temporary) moratorium of payments or you are declared bankrupt, or

d) you are, for some reason, unable to perform all legal acts (unchallengeable) yourself.

### 3. Storing information

We are permitted to record and store information. In some cases, we are even required to do so. We may also make copies of any documents, for example, a passport, that serve to verify this information for our administration. We adhere to the applicable privacy laws and regulations in this respect.

## Article 8 – Signature

*Why do we require an example of your signature?*

1. You may have to use your signature to provide consent for orders or other acts that you execute with us. There are written signatures and electronic signatures. In order to recognise your written signature, we need to know what your signature looks like. We may ask you to provide an example of your written signature and we may provide further instructions in connection with this. You must comply with this. This also applies with regard to your representative.

2. We will rely on the example of your signature until you inform us that your signature has changed. This also applies for the signature of your representative.

3. You or your representative may possibly act in different roles towards us. You can be a customer yourself and also act as a representative for one or more other customers. You may have a current account with us as a customer and also hold a power of attorney from another customer to make payments from his current account. If you or your representative provides us with an example of your signature in one role, this example is valid for all other roles in which you deal or your representative deals with us.

## Article 9 – Representation and power of attorney

*You can authorise someone to represent you; however, we may impose rules on such an authorisation. We must be notified of any changes immediately. You and your representative must keep each other informed.*

### 1. Representation

You can be represented by an authorised representative or another representative. We may impose rules and restrictions on representation. For instance, rules regarding the form and content of a

power of attorney. If your representative acts on your behalf, you are bound by these acts.

We are not required to (continue to) deal with your representative. We may refuse to do so, due to, for example:

- a) an objection against the person who acts as your representative (for example, due to misconduct);
- b) doubts about the validity or scope of the authority to represent you.

Your authorised representative may not grant the power of attorney granted to him to a third party, without our approval. This is important in order to prevent, for example, misuse of your account.

### 2. Changes in the representation

If the authority of your representative (or his representative) changes or does not exist or no longer exists, you must inform us immediately in writing. As long as you have not provided any such notification, we may assume that the authority continues unchanged. You may not assume that we have learned that the power of attorney has changed or does not exist or no longer exists, for example, through public registers.

After your notification that the authority of your representative has changed or does not exist or no longer exists, we require some time to update our services. Your representative may have submitted an order shortly before or after this notification. If the execution of this order could not reasonably have been prevented, then you are bound by this.

3. Your representative adheres to the same rules as you. You must keep each other informed. All rules that apply to you in your relationship with us also apply to your representative. You are responsible for ensuring that your representative adheres to these rules. You and your representative must constantly inform each other fully about everything that may be important in your relationship with us.

*For example:*

Your representative has a bank card that he or she can use on your behalf. This representative must comply with the same security regulations that you must comply with. When we make these regulations known to you, you must communicate these regulations to your representative immediately.

## Article 10 – Personal data

*How do we handle personal data?*

1. We are allowed to process your personal data and that of your representative. This also applies to data regarding products and services that you purchase

from us. Personal data provide information about a specific person. This includes, for example, your date of birth, address or gender. Processing personal data includes, among others, collecting, storing and using it.

If we form a group together with other legal entities, the data may be exchanged and processed within this group. We may also exchange personal data with other parties that we engage for our business operations or for the execution of our services. By other parties we mean, for example, other parties that we engage to assist with the operation of our systems or to process payment transactions.

We adhere to the applicable laws and regulations and our own codes of conduct for this.

2. The exchange of data may mean that data enter other countries where personal data are less well-protected than in the Netherlands. Competent authorities in countries where personal data are available during or after processing may launch an investigation into the data.

#### **Article 11 (Video and audio) recordings**

*Do we make video / audio recordings of you?*

1. We sometimes make video and/or audio recordings in the context of providing our services. You may possibly appear in a recording. When we make recordings, we adhere to the laws and regulations and our codes of conduct. For example, we make recordings for:

a) *Sound business operations and quality control*

We may, for example, record telephone conversations in order to train our employees.

b) *Providing evidence*

We may, for example, make a recording of:

- i. an order that you give us by telephone; or
- ii. the telephone message with which you notify us of the loss or theft of your bank card.

c) *Crime prevention*

For example: video recordings of cash machines.

2. If you are entitled to a copy of a video and/or audio recording or a transcript of an audio recording, please provide us with the information that will help us to retrieve the recording, for instance: the location, date and time of the recording.

#### **Article 12 – Continuity of services**

*We aim to ensure that our facilities work properly. However, breakdowns and disruptions may occur.*

Our services depend on (technical) facilities such as equipment, computers, software, systems, networks and the internet. We try to ensure that these facilities work properly.

What can you expect as far as this is concerned? Not that there never will be a breakdown or disruption. Unfortunately, this cannot always be prevented. We are not always able to influence this. Sometimes a (short) disruption of our services may be required for activities such as maintenance. We strive, within reasonable limits, to avoid breakdowns and disruptions, or to come up with a solution within a reasonable period.

#### **Article 13 – Death of a customer**

*After your death*

1. In the event of your death, we must be notified of this as soon as possible, for example, by a family member.

You may have given us an order prior to your death. This may concern a payment order, for example. Until we receive the written notification of your death, we may continue to carry out orders that you or your representative have given. After we have received the notification of your death, we still require some time to update our services. For this reason, orders that we were given prior to or shortly after the notification of your death may still (continue to) be executed. Your estate is bound by these orders, provided their execution could not reasonably be prevented.

2. If we request a certificate of inheritance, the person who acts on behalf of the estate is required to provide us with it. This certificate of inheritance must be drawn up by a Dutch civil-law notary. Depending on the size of the estate and other factors, we may consider other documents or information to be sufficient.

3. You may have more than one beneficiary. We are not required to comply with information requests from individual beneficiaries. For instance, information requests concerning payments via your account.

4. Relatives may not know where the deceased held accounts. They are then able to acquire information from the digital counter that banks have collectively established on the website of the Dutch Banking Association or another service established for this purpose.

#### **Article 14 – Communicating with the customer**

*How do we communicate with you?*

1. Different possibilities for communicating with you  
We can communicate with you in different ways. For instance, we can make use of post, telephone, e-mail or internet banking.

#### 2. Post

You must ensure that we always have the correct address data. We can then send statements, messages, documents and other information to the correct address. Send us your change of address as soon as possible.

If, due to your own actions, your address is not or no longer known to us, we are entitled to conduct a search for your address or have one conducted, at your expense. If your address is not or no longer known to us, we are entitled to leave documents, statements and other information for you at our own address. These are then deemed to have been received by you.

You may make use of one of our products or services together with one or several others. Post for joint customers is sent to the address that has been indicated. If joint customers do not or no longer agree on the address to which the post should be sent, we may then determine which of their addresses we will send the post to.

#### 3. Internet banking

If you make use of internet banking, we can place statements, messages, documents and other information for you in internet banking. You must ensure that you read those messages as soon as possible.

In the GBC, internet banking refers to the electronic environment that we have established for you as a secure communication channel between you and us. Internet banking also includes mobile banking and (other) apps for your banking services or similar functionalities.

#### 4. E-mail

We may agree with you that we will send you messages by e-mail. In that case, you must ensure that you read such message as soon as possible.

### **Article 15 – The Dutch language**

*In which language do we communicate with you and when is a translation necessary?*

1. The communication between you and us takes place in Dutch. This can be different, if we agree otherwise with you on this matter. English is often chosen for international commercial banking.

2. If you have a document for us that is in a language other than Dutch, we may require a translation into Dutch. A translation into another language is only permissible if we have agreed to it. The cost of producing the translation will be borne by you. The translation must be performed by:

- a) a translator who is certified in the Netherlands for the language of the document, or
- b) someone else whom we consider suitable for this purpose.

### **Article 16 – Use of means of communication**

*Care and security during communication.*

In order to prevent anything from going wrong in the communication process, you should be cautious and careful with means of communication. This means, for example, that your computer or other equipment is equipped with the best possible security against viruses, harmful software (malware, spyware) and other misuse.

### **Article 17 – Information and orders**

*Information that we require from you for our services.*

1. We require information from you for the execution of our services. If we ask for information, you must provide us with it. It could also be the case that we do not request information but that you should nevertheless understand that we require this information. This information must also be provided.

*For example:*

You have an investment profile for your investments. If something changes as a result of which the financial risks become less acceptable for you, you must take action to have your investment profile modified.

2. Your orders, notifications and other statements must be on time, clear, complete and accurate. For example, if you wish to have a payment executed, you must list the correct number of the account to which the payment must be made.

We may impose further rules for your orders, notifications or other statements that you submit to us. You must comply with these additional rules. If, for example, we stipulate the use of a form or a means of communication, you are required to use this.

3. We are not obligated to execute orders that do not comply with our rules. We can refuse or

postpone their execution. We will inform you about this.

In specific cases, we may refuse orders or a requested service even though all requirements have been complied with. This could be the case, for example, if we suspect misuse.

#### **Article 18 – Evidence and record keeping period of bank records**

*Our bank records provide conclusive evidence; however, you may provide evidence to the contrary.*

1. We keep records of the rights and obligations that you have or will have in your relationship with us. Stringent legal requirements are set for this. Our records serve as conclusive evidence in our relationship with you; however, you may, of course, provide evidence to the contrary.

2. The law prescribes the period for which we must keep our records. Upon expiry of the legal recordkeeping period, we may destroy our records.

#### **Article 19 – Checking information and the execution of orders, reporting errors and previously provided data**

*You must check information provided by us and the execution of orders and you must report errors. Regulations for previously provided data.*

##### 1. Checking data and the execution of orders

If you make use of our internet banking, we can provide you with our statements by placing them in internet banking. By statements, we mean, for example, confirmations, account statements, bookings or other data. You must check statements that we place in internet banking for you as soon as possible for errors such as inaccuracies and omissions. In the GBC, internet banking refers to the electronic environment that we have established for you as a secure communication channel between you and us. This includes mobile banking and (other) apps for your banking services or similar functionalities.

Check written statements that you have received from us as soon as possible for errors such as inaccuracies and omissions. The sending date of a statement is the date on which this occurred according to our records. This date can be stated on, for example, a copy of the statement or dispatch list.

Check whether we execute your orders correctly and fully. Do this as quickly as possible. The same applies to any orders that your representative submits on your behalf.

##### 2. Reporting errors and limiting loss or damage

The following applies in respect of errors that we make when executing our services:

a) If you discover an error (in a statement, for example), you must report this to us immediately. This is important because it will then be easier to correct the error and loss or damage may possibly be avoided. Moreover, you are required to take all reasonable measures to prevent an error from resulting in (further) loss or damage.

*For example:*

You instructed us to sell 1,000 of your shares and you notice that we only sold 100. If you would still like to have your instructions carried out to the full, then you should notify us of this immediately. We can then sell the remaining 900. In this way, a loss caused by a drop in prices may possibly be avoided or limited.

It may be that you are expecting a statement from us but do not receive it. Report this to us as soon as possible. For example, you are expecting an account statement from us but do not receive it. Then we can still send this statement to you. You can check it for any errors.

b) If we discover an error, we will try to correct it as quickly as possible. We do not require your permission for this. If a statement submitted earlier appears to be incorrect, you will receive a revised statement. It will reflect the fact that the error has been corrected.

c) Should a loss or damage arise, you may be entitled to compensation, depending on the circumstances.

##### 3. Information provided earlier

You may receive information that we have already provided to you again if you so request and your request is reasonable. We may charge you for this, which we will inform you about beforehand. We are not required to provide you with information that we have provided earlier if we have a good reason for this.

#### **Article 20 – Approval of bank statements**

*After a period of 13 months, our statements are deemed to have been approved by you.*

It may be that you disagree with one of our statements (such as a confirmation, account statement, invoice or other data). You may, of course, object to the statement, but there are rules that govern this process. If we do not receive an objection from you within 13 months after such a

statement has been made available to you, the statement will be regarded as approved by you. This means that you are bound by its content. After 13 months, we are only required to correct arithmetical errors. Please note: this does not mean that you have 13 months to raise an objection. According to Article 19 of the GBC, you are required to check statements and report inaccuracies and omissions to us immediately. Should you fail to do so, then damage may be for your account, even if the objection is submitted within 13 months.

#### **Article 21 – Retention and confidentiality requirements**

*You must take due care with codes, forms and cards. Suspected misuse must be reported immediately.*

1. You must handle codes, forms, (bank) cards or other tools with due care and adequate security. This will enable you to prevent them from falling into the wrong hands or being misused by someone.
2. A code, form, card or other tool may in fact, fall into the wrong hands, or someone may or may be able to misuse it. If you know or suspect such is the case, you must notify us immediately. Your notification will help us to prevent (further) misuse.
3. Take into account that we impose additional security rules (such as the Uniform Security Rules for Private Individuals).

#### **Article 22 – Rates and fees**

*Fees for our products and services and changes to our rates.*

1. You are required to pay us a fee for our products and services. This fee may consist of, for example, commission, interest and costs.
2. We will inform you about our rates and fees to the extent that this is reasonably possible. We will ensure that this information is made readily available to you, for example, on our website or in our branches. If, through an obvious error on our part, we have not agreed upon a fee or rate with you, we may charge you at most a fee according to the rate that we would charge in similar cases.
3. We may change a rate at any time, unless we have agreed with you on a fixed fee for a fixed period. Rate changes may occur due to, for example, changes in market circumstances, changes in your risk profile, developments in the money or capital market, implementation of laws and regulations or measures by our supervisors. If we change our rates

based on this provision, we will inform you prior to the rate change to the extent that such is reasonably possible.

4. We are permitted to debit our service fee from your account. This debit may result in a debit balance on your account. You must then immediately clear the debit balance by depositing additional funds into your account. You must take care of this yourself, even if we do not ask you to do so. The debit balance does not have to be cleared if we have explicitly agreed with you that the debit balance is permitted.

#### **Article 23 – Conditional credit entries**

*In the event that you expect to receive a payment through us, we may then be willing to provide you with an advance on this payment. This will be reversed if something goes wrong with this payment.*

If we receive an amount for you, then you will receive a credit entry for this amount with us. Sometimes, we will credit the amount already even though we have not yet (definitively) received the amount. In this way, you can enjoy access to the funds sooner.

We do set the condition that we will be allowed to reverse the credit entry if we do not receive the amount for you or must repay it. Thus we may have to reverse the payment of a cheque because it turned out to be a forgery or not to be covered by sufficient funds. If it concerns the payment of a cheque, we refer to this condition when making the payment.

When reversing the credit entry, the following rules apply:

- a) If the currency of the credit amount was converted at the time of the credit entry, we may reconvert the currency back to the original currency. This takes place at the exchange rate at the time of the reconversion.
- b) We may incur costs in connection with the reversion of the credit entry. These costs will be borne by you. This may, for example, include the costs of the reconversion.

#### **Article 24 – Right of pledge on, among others, your credit balances with us**

*You grant us a right of pledge on, among others, your credit balances with us and securities in which you invest through us. This right of pledge provides us with security for the payment of the amounts that you owe us.*

1. You are obliged to grant us a right of pledge on assets as security for the amounts that you owe us. In this regard, the following applies:

a) You undertake to pledge the following assets, including ancillary rights (such as interest), to us:

i. all (cash) receivables that we owe you (irrespective of how you acquire that receivable)

ii. all of the following insofar as we (will) hold or (will) manage it for you, with or without the engagement of third parties and whether or not in a collective deposit: moveable properties, documents of title, coins, banknotes, shares, securities and other financial instruments

iii. all that (will) take the place of the pledged assets (such as an insurance payment for loss of or damage to assets pledged to us).

This undertaking arises upon the GBC becoming applicable.

b) The pledge of assets is to secure payment of all amounts that you owe us or will come to owe to us. It is not relevant how these debts arise. The debts could, for example, arise due to a loan, credit (overdraft), joint and several liability, suretyship or guarantee.

c) Insofar as possible, you pledge the assets to us. This pledge arises upon the GBC becoming applicable.

d) You grant us a power of attorney to pledge these assets to ourselves on your behalf and to do this repeatedly. Therefore, you do not have to sign separate deeds of pledge on each occasion. The following also applies to this power of attorney:

i. This power of attorney furthermore implies that we may do everything necessary or useful in connection with the pledge, such as, for example, give notice of the pledge on your behalf.

ii. This power of attorney is irrevocable. You cannot revoke this power of attorney. This power of attorney ends as soon as our relationship with you has ended and is completely settled.

iii. We may grant this power of attorney to a third party. This means that the third party may also execute the pledge. For example: If we form a group together with other legal entities, we may, for instance, delegate the execution of the pledge to one of the other legal entities. This power of attorney arises upon the GBC becoming applicable.

e) You guarantee to us that you are entitled to pledge the assets to us. You also guarantee to us that no other party has any right (of pledge) or claim to these assets, either now or in the future, unless we explicitly agree otherwise with you.

2. In respect of the right of pledge on the assets, the following also applies:

a) You can ask us to release one or more pledged assets. We will comply with this request if the remaining assets to which we retain rights of pledge provide us with sufficient cover for the amounts that you owe us or will come to owe us. By release, we mean that you may use the assets for transactions in the context of the agreed upon services (for example, use of your credit balances for making payments). For assets that we keep for you, release means that we return the assets to you. Other forms of release are possible if we explicitly agree upon this with you.

b) We may use our right of pledge to obtain payment for the amounts that you owe us. This also implies the following:

i. If you are in default with regard to the payment of the amounts that you owe to us, we may sell the pledged assets or have them sold. We may then use the proceeds for the payment of the amounts that you owe us. You are considered to be in default, for example, when you must pay us an amount due by a specific date and you do not do so. We will not sell or have any more of the pledged assets sold than, according to a reasonable assessment, is required for payment of the amounts that you owe us.

ii. If we have a right of pledge on amounts that we owe you, we may also collect these amounts. We may then use the payment received for the payment of the amounts that you owe us, as soon as those payments are due and payable.

iii. If we have used the right of pledge for the payment of the amounts that you owe us, we will notify you of this fact as soon as possible.

## **Article 25 – Set-off**

*We can offset the amounts that we owe you and the amounts that you owe us against one another.*

1. We may at any time offset all amounts you owe us against all amounts we owe you. This offsetting means that we “cancel” the amount you owe us against an equal amount of the amount we owe you. We may also offset amounts if:

- a) the amount you owe us is not due and payable
- b) the amount we owe you is not due and payable
- c) the amounts to be offset are not in the same currency
- d) the amount you owe us is conditional.

2. If we wish to use this article to offset amounts that are not due and payable, there is a restriction. We then only make use of our set-off right in the following cases:

a) Someone levies an attachment on the amount we owe you (for example, your bank account credit

balance) or in any other manner seeks recovery from such claim.

b) Someone obtains a limited right to the amount we owe you (for instance, a right of pledge on your bank account credit balance).

c) You transfer the amount we owe you to someone else.

d) You are declared bankrupt or subject to a (temporary) moratorium of payments.

e) You are subject to a legal debt management scheme or another insolvency scheme. This restriction does not apply if the claims are in different currencies. In the latter case, we are always permitted to offset.

3. If we proceed to offset in accordance with this article, we will inform you in advance or otherwise as soon as possible thereafter. When making use of our set-off right, we adhere to our duty of care as specified in Article 2 paragraph 1 of the GBC.

4. Amounts in different currencies are set off at the exchange rate on the date of set-off.

#### **Article 26 – Collateral**

*If we so request, you are required to provide us with collateral as security for the payment of the amounts you owe us. This article lists a number of rules that may be important with respect to providing collateral.*

1. You undertake to provide us with (additional) collateral as security for the payment of the amounts that you owe us immediately at our request. This collateral may, for example, be a right of pledge or a mortgage on one of your assets. The following applies with regard to the collateral that you must provide to us:

a) This collateral serves as security for the payment of all amounts that you owe us or will come to owe us. It is not relevant how these debts arise. These debts could arise due to, for example, a loan, credit (overdraft), joint and several liability, suretyship or guarantee.

b) You are not required to provide more collateral than is reasonably necessary. However, the collateral must always be sufficient to cover the amounts that you owe us or will come to owe us. In assessing this, we take into account your risk profile, our credit risk with you, the (coverage) value of any collateral that we already have, any change in the assessment of such factors, and all other factors or circumstances for which we can demonstrate that they are relevant for us.

c) You must provide the collateral that we require. If, for example, we request a right of pledge on your

inventory, you cannot provide us with a right of pledge on company assets instead.

d) Providing collateral could also be that you agree that a third party, who has obtained or will obtain collateral from you, acts as a surety or guarantor for you and is able to take recourse against such. This agreement also includes that we may stand surety or act as guarantor for you towards that third party and that we are able to take recourse from the collateral that we will obtain or have obtained from you.

e) If we demand that existing collateral be replaced by other collateral, you must comply. This undertaking arises upon the GBC becoming applicable.

2. If another bank continues all or part of our business and as a consequence you become a client of this other bank, there is the issue of whether the other bank can make use of our rights of pledge and rights of mortgage for your debt. In the event that no explicit agreement is made at the time of the establishment of the right of pledge or right of mortgage, the agreement applies that this right of pledge or right of mortgage is intended as security not only for us but for the other bank as well. If the collateral pertains to future amounts that you may come to owe us, this also applies to the future amounts that you may come to owe that other bank.

3. We can terminate all or part of our rights of pledge and rights of mortgage at any moment by serving notice to this effect. This means, for example, that we can determine that the right of pledge or right of mortgage does continue to exist but, from now on, no longer covers all receivables for which it was initially created.

4. If we receive new collateral, existing collateral will continue to exist. This is only different if we make an explicit agreement to that effect with you on this. An example is the case where we mutually agree that you should provide new collateral to replace existing collateral.

5. It may be that we, by virtue of previous general (banking) conditions, already have collateral, rights to collateral and set-off rights. This will remain in full force in addition to the collateral, rights to collateral and set-off rights that we have by virtue of these GBC.

#### **Article 27 – Immediately due and payable**

*You are required to comply with your obligations. Should you fail to do so, we can declare all amounts that you owe us immediately due and payable.*

You are required to promptly, fully and properly comply with your obligations. By obligations, we are not only referring to the amounts that you owe us, but also other obligations. An example of the latter is your duty of care under Article 2 paragraph 2 of the GBC. You may nevertheless possibly be in default with regard to the fulfilment of an obligation. In that event, the following applies:

a) We may then declare all amounts that you owe us immediately due and payable, including the claims arising from an agreement with which you do comply. We will not exercise this right if the default is of minor importance and we will comply with our duty of care as specified in Article 2 paragraph 1 of the GBC.

*For example:*

Suppose you have a current account with us on which, by mutual agreement, you may have a maximum overdraft of EUR 500. However, at one point in time your debit balance amounts to EUR 900. You then have an unauthorised debit balance of EUR 400 on your current account. If, in addition, you have a mortgage loan with us, this deficit is not sufficient reason to demand repayment of your mortgage loan. Of course, you must comply with all of your obligations in connection with the mortgage loan and settle the deficit as soon as possible.

b) If we do declare our claims immediately due and payable, we will do so by means of a notice. We will tell you why we are doing so in that notice.

### **Article 28 – Special costs**

*Which special costs may we charge you?*

1. We may become involved in a dispute between you and a third party involving, for example, an attachment or legal proceedings. This may cause us to incur costs. You are required to fully compensate us for any such costs as we are not a party to the dispute between you and the other party. Such costs may consist of charges for processing an attachment that a creditor levies on the credit balances that we hold for you. They may also involve the expense of engaging a lawyer.

2. We may also incur other special costs in connection with our relationship. You are required to compensate us for these costs to the extent that compensation is reasonable. These costs could concern appraisal costs, advisory fees and costs for extra reports. We will inform you why the costs are necessary. If there is a legal regime for special costs, it will be applied.

### **Article 29 – Taxes and levies**

*Taxes and levies in connection with the providing of our services will be paid by you.*

Our relationship with you may result in taxes, levies and such. You are required to compensate us for them. They may include payments that we must make in connection with the services that we provide to you (for example: a fee owed to the government when establishing security rights). Mandatory law or an agreement with you may result in some other outcome. Mandatory law is the law from which neither you nor we can depart.

### **Article 30 – The form of notifications**

*How can you inform us?*

If you want to inform us of something, do so in writing. We may indicate that you may or should do this in another manner, for example, through internet banking, by e-mail or telephone.

### **Article 31 – Incidents and emergencies**

*You cooperation in response to incidents and emergencies or the imminent likelihood of them.*

It may happen that a serious event threatens to disrupt, disrupts or has disrupted the providing of our services. One example is a hacker attack on the banking internet system.

Within reasonable limits, we can ask you to help us continue to provide an uninterrupted service and to prevent damage as much as possible. You are required to comply with this. However, you must always check that the request is, in fact, coming from us. If in doubt, you should contact us.

### **Article 32 – Invalidity or annulability**

*What is the result if a provision proves to be invalid?*

In the event that a provision in these GBC is invalid or has been annulled this provision is then invalid. The invalid provision will be replaced by a valid provision that is as similar as possible to the invalid provision. The other provisions in the GBC remain in effect.

### **Article 33 – Applicable law**

*Principle rule: Dutch law applies to the relationship between you and us.*

Our relationship is governed by the laws of the Netherlands. Mandatory law or an agreement with you may result in a different outcome. Mandatory law is the law from which neither you nor we can depart.

## **Article 34 – Complaints and disputes**

*How do we resolve disputes between you and us?*

1. We would very much like you to be satisfied with the providing of our services. If you are not satisfied, do inform us of this. We will then see if we can offer a suitable solution. Information about the complaints procedure to be followed can be found on our website and is also available at our offices.

2. Disputes between you and us shall only be brought before a Dutch Court. This applies when you appeal to a court as well as when we do so. Exceptions to the above are:

- a) If mandatory law indicates a different competent court, this is binding for you and us.
- b) If a foreign court is competent for you, we can submit the dispute to that court.
- c) You can refer your dispute with us to the competent disputes committees and complaint committees.

## **Article 35 – Terminating the relationship**

*You are authorised to terminate the relationship. We can do so as well. Termination means that the relationship is ended and all current agreements are settled as quickly as possible.*

1. You may terminate the relationship between you and us. We can do so as well. It is not a condition that you are in default with regard to an obligation in order for this to occur. When we terminate the relationship, we adhere to our duty of care as specified in Article 2 paragraph 1 of the GBC. Should you inquire as to why we are terminating the relationship, we will inform you in that respect.

2. Termination means that the relationship and all on-going agreements are terminated. Partial termination is also possible. In this case, for example, certain agreements may remain in effect.

3. If there are provisions for the termination of an agreement, such as a notice period, they shall be complied with. While the relationship and the terminated agreements are being settled, all applicable provisions continue to remain in force.

## **Article 36 – Transfer of contracts**

*Your contracts with us can be transferred if we transfer our business.*

We can transfer (a part of) our business to another party. In that case, we can also transfer the legal relationship that we have with you under an agreement with you. Upon the GBC becoming applicable, you agree to cooperate in this matter in advance. The transfer of the agreement with you is also called a transfer of contract. Naturally, you will be informed of the transfer of contract.

## **Article 37 – Amendments and supplements to the General Banking Conditions**

*This article indicates how amendments of and supplements to the GBC occur.*

The GBC can be amended or supplemented. Those amendments or supplements may be necessary because of, for example, technical or other developments. Before amendments or supplements come into effect, representatives of Dutch consumer and business organisations will be approached for consultation. During these consultations, these organisations can express their opinions on amendments or supplements and about the manner in which you are informed about them.

Amended or supplemented conditions will be filed with the Registry of the District Court in Amsterdam and will not come into effect until two months after the date of filing.

## Precontractual information

KAS BANK N.V. has its registered office at Amsterdam and has its principal place of business at Nieuwezijds Voorburgwal 225, 1012 RL Amsterdam, the Netherlands. The Bank is a bank as defined in the Financial Supervision Act (Wet op het financieel toezicht) and has a banking license of the Dutch Central Bank (DNB), which exercises prudential supervision on the Bank (Westeinde 1, 1017 ZN Amsterdam, toezichtslijn@dnb.nl, phone number +31 (0)900 5200 520). The Bank can also act as investment organisation as defined in the Financial Supervision Act and is in that capacity registered at the Netherlands Authority for the Financial Markets (AFM), which supervises the behaviour of the Bank (phone number +31 (0)900 5400 540).

The Bank communicates in Dutch with its customers. Upon request, the Bank will provide significant documents in English (if possible). You can contact the Bank through your relationship manager or [www.kasbank.com](http://www.kasbank.com) and by phone at +31 (0)20 - 5575911.

### Characteristics and risks of investing

#### The risks of investing

Investment entails risk. Due to their specific characteristics, this applies to all types and forms of investment. The level of risk depends on the nature and characteristics of the investment. An investment may be speculative to a greater or lesser degree. Generally investments with a higher expected return involve higher risks. The most frequent risks of investment and the characteristics of investment instruments are explained briefly below. It is not an exhaustive description: it is a general description of the characteristics and the risks that may occur, and this description is not tailored to a personal or individual situation.

Other risks may also play a role in case of specific investments. Please refer to your broker or asset manager for the risks of a specific investment or for more information about the characteristics and risks of investment.

#### **Market risk**

Market risk is the risk related to the volatility of the market as a result of fluctuating sentiment in the financial markets. Investments may lose value inter alia as a result of developments in the general economic situation. A deterioration of economic growth, for example, may have a negative impact on the value of a company. As a consequence the value of the company's shares of that company may decrease.

#### **Interest risk**

Changes in both the short and the long term interest may influence the value of investments. The interest risk is the risk that the value of an investment decreases if the market rate of interest increases. Rising interest may lead to reduced consumption and higher interest expense for a company. This could put the profit of a company under pressure. An interest rate increase could therefore have a

negative effect on the value of shares, bonds and investment funds that invest in shares and bonds. An interest rate increase usually also has a negative impact on share prices, because it will increase the cost of investment(s). Existing bonds with fixed interest compensation also become less attractive if interest rates rise.

#### **Credit risk**

Credit risk is the risk that the debtor (company or government) is unable to meet their payment obligations (interest and/or repayment of a loan) or even goes bankrupt. This means, for example, that no interest can be paid, that the money paid in is not repaid or that the investment loses all of its value. The likelihood of payment problems or a bankruptcy depends on the creditworthiness of the debtor. The creditworthiness may differ per debtor and determines to a large extent the risk of an investment. In case of a bankruptcy, the investor becomes a creditor with respect to the assets of the bankrupt party.

#### **Liquidity risk**

The liquidity risk depends on the volume of both the transactions in the investment and the free tradability. The liquidity risk is the risk that an investment cannot be traded or cannot be traded against a price in line with the market on the stock exchange as a result of a lack of buyers and sellers.

#### **Currency risk**

The currency risk should be taken into account in particular when investing in non-euro listed financial instruments. The currency risk is the risk that an investment loses value as a result of a change in the exchange rate of a foreign currency compared to the euro. If the exchange rate of that other currency drops compared to the euro this has a negative impact on the value of the investment in that other currency. The currency risk may arise in connection with investments that are listed in foreign currencies, investments that are sensitive to changes in the exchange rate or when maintaining liquid assets in a foreign currency.

#### **Price risk**

Price risk is the risk that the price develops negatively due to the results of (the underlying value of) the investment or the general sentiment in the market.

#### **Reinvestment risk**

Reinvestment risk is the risk that there is no equivalent reinvestment possibility at the moment the investment is repaid.

#### **Other risks**

Various other factors may also have an effect on the general price development of investments, such as the inflation and political and tax developments.

## **Characteristics of investing**

### **Shares**

A share is proof of participation in a company's equity capital. Usually, the right to vote and entitlement to dividend (profit-sharing) are attached to shares. The price of a share and the amount of the dividend distribution depend inter alia on economic developments, media coverage of the company and the dividend policy adhered to. The price of a share will fluctuate as the profit expectations of a company become less certain. Shareholders are subordinated to other creditors in the event a company goes bankrupt.

### **Bonds**

Bonds are acknowledgments of debt that form part of a loan that is issued by a government (government bond) or by an institution or company (corporate bond). A buyer of a bond lends a certain amount to the issuer of a bond for a fixed term and interest rate. Zero-coupon bonds are an exception to the above. The issuer does not pay interest on these bonds during the duration of the loan.

Investing in bonds entails risk. The risk of bonds is expressed inter alia in the applicable market rate of interest and the issuer's creditworthiness, since an increasing market rate of interest causes the price of the bond to drop. In addition, a decrease in the creditworthiness of the issuer leads to a higher risk that payment of the interest and repayment of the bond cannot be performed, which will result in a price decrease of the relevant bond.

### **Convertible bonds**

A convertible bond is a bond that, under certain conditions and during the so-called conversion period, can be converted into shares against the conversion price. Distinction is made between convertibles and reverse convertibles. A convertible grants the investor the right to exchange a bond at the end of its term against a fixed number of shares. In case of a reverse convertible, the holder is obliged to purchase a fixed number of shares against a set price.

Convertible bonds have the same risks as the risks inherent to bonds and shares. The risk of reverse convertibles is that the investor is obliged to purchase shares at an unexpected moment.

### **Investment funds**

An investment fund invests investors' money on a collective basis. An investment fund creates the possibility for private investors to invest in financial instruments that are generally not available to private investors. This way investors outsource the management of the investment to the manager of the investment fund, who is a specialised asset manager. The manner in which the manager composes the investment portfolio is described in detail in the prospectus of the investment fund. The manager of an investment fund builds a portfolio in accordance with a fixed distribution over the various investment categories. The most important asset classes are share funds, bond funds, property funds and mixed funds. Share funds in turn are often

subdivided into regions, themes or sectors. As most share funds can invest in shares, depositary receipts for shares, warrants and options, the risks of these types of securities also apply to share funds. Also the risks of bonds, convertible bonds and (interest rate) options will apply to most bond funds. Investment funds do apply a high degree of spread which means that the impact of individual risks will generally be less.

Investment funds can be subdivided into open-end and closed-end funds. Most funds are open-end, which means that the manager is allowed to increase the investments if new money flows into the fund. Open-end means the manager is continuously obliged to purchase or repurchase the securities at the request of the participant. Continuously means at regular intervals, for example daily, monthly or at least once per year. The open-end fund may lay down in its conditions that it does not purchase participation rights in special circumstances. Open-end funds are always listed around their intrinsic value (= value of the fund investments/ number of participation rights). The number of shares is fixed in case of closed-end funds. The price is determined by supply and demand within the fund. The vast majority of investment funds is open-end.

The risk of an investment fund depends strongly on the objective of the investment fund.

In principle, a prospectus and a financial information leaflet are mandatory for investment funds. These provide you with all relevant information concerning the fund, the costs and the risks. You can request the prospectus and the financial information leaflet from your broker/asset manager.

### **Options**

An option is a contract with which a party (the writer) provides the option to the buyer whereby the buyer acquires the right to purchase (call option) or sell (put option) during a pre-determined period of time (the life) a fixed number of an underlying value against an execution price agreed in advance. The term underlying value refers to a fixed number of shares or bonds, a quantity of a product or commodity, an index or a currency. The buyer pays a price for this right to the writer. The price of an option is generally a fraction of the value of the underlying value. A price fluctuation of the underlying value results in a major profit or loss for the holder of an option. This is also referred to as leverage. The buyer of an option runs the risk of losing the price paid for the option. The risk of losing all of the money paid will increase as the exercise price is higher, in case of a call option, or lower, in case of a put option.

### **Futures**

A future is a contract whereby both the buyer and the seller are obliged to purchase or sell in the future a pre-determined quantity of the underlying value against a price that is agreed now. The underlying value is usually an index or currency. Only a limited part of the actual value has to be deposited when a future is traded. This is also referred to as the

margin. However, a price fluctuation may lead to significant losses (or profits). A margin provides a certain degree of cover for a possible price drop. There remains a risk that the loss exceeds the amount of the margin.

### **Exchange Traded Funds (ETFs)**

ETFs, which are also referred to as index funds or index trackers, are listed investment institutions that are open-ended by nature and closely follow an underlying or basket of values. The underlying value of an ETF can differ significantly; varying from shares, stock market indices, sector indices to individual commodities or other assets. Most plain vanilla ETFs are composed on the basis of full replication of a single underlying index and are characterised by a broad spread, passive management and low costs. A plain vanilla ETF is a transparent product. There are also more complex and more high-risk ETFs that are less transparent. These ETFs each have their own product characteristics and specific risks. These characteristics may differ significantly from the product characteristics of the plain vanilla ETFs.

### **Turbos/Speeders/Sprinters**

Turbos, also known as speeders or sprinters, are listed financial instruments that are issued by banks or other financial institutions to be used by investors to speculate with a leverage on a possible price increase or price drop of certain underlying values. The underlying values can include shares, indices, currencies or commodities. Turbos are partly financed by the investor; the remainder is financed by the institution that issues the turbos. A relatively small movement in the underlying value may result in a higher change in the value of the turbo. This is also referred to as the leverage. Because of the risks inherent to turbos they are aimed at professional investors who are familiar with their leverage. Turbos are primarily seen as speculative instruments with a high risk of losing the investment.

### **Warrants**

A warrant seems similar to an option, but is something quite different. The main difference is that while options are traded on the stock exchange warrants are issued by a bank or another issuing institution. A warrant represents the right to purchase, during a set period, a certain number of (depository receipts for) shares or bonds (or, on rare occasions, a certainty quantity of foreign currency) against a price pre-determined by the institution that issues them. If the institution that issued the warrant is unable to comply with its payment obligations and ultimately goes bankrupt this means the investment in the warrant is lost entirely.

## **Summary of the Policy regarding Conflicts of interest**

### **Introduction**

When executing (investment) services or activities, the first matter of importance is the interest of the customer. However, situations may occur in which the interest of another customer or that of the bank,

or the personal interest of a staff member play such a role that a conflict of interest may arise.

KAS BANK distinguishes the following conflict of interest types:

#### **Business conflicts of interest**

- conflicts between the interests of KAS BANK and one or more customers
- conflicts between the interests of two or more KAS BANK customers.

#### **Personal conflicts of interest**

- conflicts between the personal interests of a staff member (or person otherwise attached to KAS BANK) and the interests of KAS BANK or the interests of customers.

#### **Potential conflicts of interest**

KAS BANK is not involved in individual asset management or investment advice (other than passive asset management in the context of institutional risk management), public investment recommendations or analyses, market making, issues or corporate finance, which (relatively) restricts the chance of conflicts of interest.

KAS BANK however, does execute other (investment) services and activities that, whether or not in combination, may result in a conflict of interests: particularly trading for own account, the receipt and forwarding of customer orders, execution of orders for the account of customers, custody and management of financial instruments, clearing and settlement and credit facilities.

KAS BANK has identified the circumstances within its business operation that may involve the risk of a conflict of interest; it particularly concerns:

- the trade for own account while the bank also receives orders and forwards them on behalf of customers, executes customer orders and passive asset management in the context of institutional risk management on behalf of customers
- receive and forward orders on behalf of different customers, the execution of orders of different customers, passive asset management for the benefit of different customers, securities lending for different customers
- receive commission from third parties for the execution of an (investment) service for the benefit of a customer
- the presence of price-sensitive information
- accept and offer business gifts and invitations for entertainment by staff members
- execution of outside activities by staff members

#### **Control measures**

The basic principle is that conflicts of interest must be prevented as much as possible. Conflicts of interest that cannot be prevented, must be properly

controlled. For this purpose, KAS BANK has taken several measures to prevent that the interests of customers are harmed as a result of conflicts of interest.

- the administrative organisation and organisational set-up of the bank offer guarantees for a sufficient degree of independence between the different services and activities executed by KAS BANK
- several internal guidelines and procedures are applicable within the bank to be able to control potential conflicts of interest; these guidelines and procedures are updated on a regular basis and the compliance therewith will be supervised
- commissions of third parties related to an (investment) service provided to a customer are exclusively permitted if the customer has been clearly advised thereof in advance and the provision of the commission is of benefit to the quality of the relevant services and does not damage the bank's obligation to dedicate itself to the interests of the customer
- all KAS BANK staff members are governed by the internal measures regarding the handling

of price-sensitive and other confidential information

- all KAS BANK staff members are governed by the rules of conduct regarding the execution of private investment transactions; a restricted list is also applicable and all private investment transactions must be reported
- all KAS BANK staff members are governed by the rules of conduct regarding the acceptance and offering of business gifts and invitations for entertainment. A notification requirement is applicable for the receipt of business gifts or invitations and the receipt of business gifts must be restricted to small presents with a limited commercial value
- the acceptance of outside activities is governed by measures. Some outside activities require the prior written approval of the Managing Board.

If the measures taken are insufficient to prevent the interests of customers from being harmed, the conflicts of interest will be reported to the customer prior to the commencement of the services to enable him to take a well-considered decision.

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