General Business Terms and Conditions for trading financial instruments etc. in Danske Bank

Applicable as from 1 January 2018

These General business terms and conditions (the General Business Terms) are based on Norwegian legislation and legislation in the EU and EEA which investment firms are obliged to comply with. These General Business Terms supersede in their entirety earlier versions of the General Business Terms.

Danske Bank’s Customers are assumed to have accepted these General Business Terms as binding on themselves when the Customers, after having signed a customer agreement for provision of investment services (the Agreement) or received a copy of the General Business Terms, submit orders to, or enter into contracts or carry out transactions with Danske Bank.

1. Danske Bank in Brief

1.1. Contact Information

Danske Bank
Reg. of Business Enterprises
NO 977 074 010 MVA
Mailing address: PO Box 4700, 7466 Trondheim
Phone: Private (+47) 987 08540
Phones Business [+47] 987 06030
Email: danske@danskebank.no
Website: www.danskebank.no

1.2. Communication with Danske Bank

1.2.1. The Customer’s written inquiries are to be sent by email, letter or, pursuant to agreement, using SWIFT or some other electronic communication to the entity in Danske Bank or the contact person that is the correct recipient. If the Customer does not know the correct addressee for the inquiry, the Customer must contact Danske Bank.

1.2.2. Customers may communicate with Danske Bank in Norwegian or English.

1.3. Tied agents

1.3.1. Danske Bank may use Tied agents to market its services, obtain assignments, receive and impart orders, and place financial instruments and investment services offered by Danske Bank.

1.3.2. Danske Bank is liable for all the activities carried out by the agent on behalf of Danske Bank. An overview of Danske Bank’s Tied agents is to be found at www.danskebank.no

1.4. The services Danske Bank is authorised to provide in Norway

1.4.1. Investment services

Danske Bank will offer the following investment services:

1. receipt and transmission of orders on behalf of clients in connection with one or more financial instruments,
2. execution of orders on behalf of clients,
3. purchase/sale of financial instruments for own account,
4. portfolio management,
5. investment advice,
6. underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis,
7. placing of financial instruments without a firm commitment basis.

1.4.2. Ancillary services

Danske Bank will offer the following ancillary services:

1. the safekeeping and management of financial instruments,
2. advice on an undertaking’s capital structure, industrial strategy and related issues, as well as advice and services in connection with mergers and acquisitions,
3. the preparation and dissemination of investment recommendations, financial analyses and other forms of general recommendations relating to transactions involving financial instruments,
4. services relating to underwriting,
5. services relating to underlying commodity derivatives and derivatives when these services are linked to investment services or ancillary services mentioned in this provision.

1.5. Investment advice

Danske Bank is licensed to provide investment advice. Danske Bank’s investment advice is not to be regarded as independent investment advice according to the conditions stipulated in the legislation.
1.6. Supervisory Authority

Danske Bank A/S is supervised by the Danish Financial Supervisory Authority (Finanstilsynet), Danske Bank in Norway is supervised by the Norwegian Financial Supervisory Authority (Finanstilsynet) with regards to the exercise of the services covered by the license.

- Finanstilsynet, Gi Kongevej 74A, 1850 Fredriksberg C, Denmark
- Finanstilsynet, Revierstredet 3, 0151 Oslo, Norway

2. The scope of the General Business Terms

2.1. The General Business Terms apply to Danske Bank's investment services and ancillary services, investment activities and ancillary services in so far as they are appropriate, as well as to services relating to transactions involving instruments that are related to financial instruments.

2.2. The General Business Terms also apply to separate agreements entered into between Danske Bank and the Customer. In the case of any conflict between such agreements as mentioned in the previous paragraph and the General Business Terms, the agreements are to take precedence.

2.3. A separate agreement or supplementary agreement may be entered into for the following:

- the trading and clearing of standardised (listed) derivative contracts,
- trading in and/or clearing of non-standardised (OTC) derivative contracts,
- discretionary portfolio management,
- leveraged trading, services in connection with the underwriting of share issues or other public offerings, including the placement of share issues or offers and services in connection with corporate mergers and acquisitions,
- the borrowing and lending of financial instruments, the safekeeping and management of financial instrument, the conclusion of interest-rate and foreign exchange contracts,
- the conclusion of contracts regarding charges and the provision of collateral,
- trading in commodity derivatives,
- trading and settlement, including clearing in foreign markets,
- online trading (web based trading), including direct relay of orders to the Oslo Stock Exchange or other regulated market and algorithmic trading.

2.4. Trading and clearing may also be regulated by special trading rules/standard terms and conditions at the individual execution venue and clearing houses where trading and settlement/clearing take place. In case of any conflict between these General Business Terms and/or agreements/contracts mentioned in the previous paragraph and such trading rules/standard terms and conditions, the trading rules/standard terms and conditions at the execution venue or clearing house shall apply.

2.5. In addition, Danske Bank is obliged to comply with the code of business conduct determined for the individual markets, including ethical standards stipulated by the Norwegian Securities Dealers Association. The ethical standards and procedural rules for complaints regarding these are to be found at www.vpff.no.

3. Conflict of interest

3.1. Danske Bank is obliged to take suitable precautions in order to prevent conflicts of interest from arising between Danske Bank and Customers, and from arising between Customers.

3.2. Danske Bank has guidelines for handling and preventing conflicts of interest. A summary of the guidelines is available on www.danskebank.no

3.3. The objective of the guidelines is to ensure that Danske Bank's business areas operate independently of each other so that the Customer's interests are safeguarded in a satisfactory manner. Danske Bank will especially place emphasis on there being satisfactory information barriers between departments that provide advisory or corporate finance services and other departments, and between active/discretionary portfolio management and Danske Bank's ordinary brokering activities.

3.4. The way in which Danske Bank is organised and the special duty of confidentiality provisions that apply may mean that Danske Bank’s employees who are in contact with the Customer are not aware of, or may be prevented from using, information which exists in Danske Bank even if the information may be relevant to the Customer’s investment decisions. In some cases, the Customer’s contact person(s) in Danske Bank will not be permitted to provide advice on specific investments. In such cases, Danske Bank may not provide any reason for being unable to provide advice or carry out a specific order.

3.5. Danske Bank and its employees may have financial or other interests of their own in relation to the transactions the Customer wishes to make. This may be a consequence of, for instance:

- advisory or corporate finance services for the investment object in question,
- the provision of guarantees or participation in underwriting syndicates,
- market-making, systematic internalising and other forms of trading for own account,
- advisory services and the execution of orders for other clients.

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For further information about what the advice is based on, see www.danskebank.no.

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An execution venue includes all the trading venues used by Danske Bank, including Systematic Internalisers.
4. Voice recording and other documentation

4.1. Danske Bank makes mandatory recordings of telephone conversations in connection with the provision of investment advice and investment activities, or of telephone conversations that are meant to lead to investment services being provided or investment activities being carried out.

4.2. Danske Bank will record all orders to buy, sell or subscribe for financial instruments that are placed by telephone. Danske Bank is not allowed to carry out orders that are placed by calling telephones that are not linked to voice-recording equipment, including mobile phones. Danske Bank will store voice recordings and other documentation.

4.3. Voice recordings will be stored by Danske Bank for the retention period stipulated by prevailing legislation, calculated from the recording date, and will normally be deleted following the expiry of the mandatory storage period. Recordings of conversations with the individual Customer may be traced by searching, among other things, for the time of the call, the incoming and outgoing telephone numbers and Danske Bank employee who took part in the call.

4.4. Danske Bank may be ordered to hand voice recordings over to public authorities and others that may so demand pursuant to the law. In addition, voice recordings may be handed over to the Ethics Council of the Norwegian Securities Dealers Association, among other things in connection with the handling of complaints by Customers. Tied agents and other undertakings that cooperate with Danske Bank in providing relevant investment services have a corresponding duty to record their conversations with Customers to the extent that such investment services are provided by phone.

4.5. Documentation of communication through communication channels other than the telephone when investment services are provided will be stored by Danske Bank for the retention period stipulated by prevailing law.

4.6. If so requested by the Customer, Danske Bank will make voice recordings and other documentation available to the Customer. The Customer can obtain further information on the procedure for doing so by contacting Danske Bank.

5. Customer classification

5.1. According to the legislation, Danske Bank has a duty to classify its Customers in the following client categories: retail clients, professional clients and eligible counterparties. The legislation contains provisions governing how this categorisation is to take place. Danske Bank will inform all Customers of the category in which they have been placed.

5.2. The classification is important for the extent of the protection afforded to the Customer. The information and reports given to Customers classified as retail clients are subject to more demanding standards than those given to Customers classified as professional. In addition, according to the legislation, Danske Bank has a duty to obtain information on the Customer in order to assess whether the service or financial instrument/product in question is suitable or appropriate for the Customer; designated the suitability test and appropriateness test. The classification is important for the scope of these tests and for the assessment of what will be the “best execution” when carrying out trading for the Customer.

5.3. Customers classified as professional are regarded as being particularly qualified to assess the individual markets, investment alternatives and transactions as well as the advice provided by Danske Bank. Professional clients cannot invoke rules and conditions that have been stipulated to protect retail clients.

5.4. A Customer may request Danske Bank to change its client classification.

5.5. Should a professional client wish to be treated as a retail client, Danske Bank must consent to this and the parties must enter into an agreement on this. Retail clients that want to be classified as professional clients must meet the conditions stipulated in the legislation. Further information on the re-classification procedure and conditions and on the consequences of re-classification may be obtained from Danske Bank.

6. The Customer’s Responsibility for Information Given to Danske Bank, Authorisations etc.

6.1. Information related to AML, FATCA and the Securities Trading regulations

6.1.1. In order to meet the requirements of “know your customers” stipulated in the Norwegian Money Laundering regulations and Securities Trading Act’s provisions regarding suitability and appropriateness tests, Danske Bank is obliged to obtain and update some information about the Customer. Customer information is also obtained to meet the information requirements for reporting transactions and for FATCA\(^3\) and CRS\(^2\) reporting in accordance with international agreements by which Norway is bound.

6.1.2. When establishing a business relationship, the Customer must inform Danske Bank of his/her national ID number/its organisation number/LEI\(^4\), address, tax country, telephone number, any electronic addresses, owners or beneficial owners of legal persons, and persons with the authority to place orders. Natural persons must state their citizenship(s).

\(^{2}\) Foreign Account Tax Compliance Act, applies to US citizens
\(^{3}\) Common Reporting Standard, applies within the OECD
\(^{4}\) Legal Entity Identifier
6.1.3. The Customer must provide information about bank accounts and securities accounts in the Norwegian Central Securities Depository (VPS) or another corresponding register.

6.1.4. Danske Bank must be notified of any changes to the information immediately and in writing.

6.2. Information regarding the Customer’s situation

6.2.1. The Customer is also obliged to give Danske Bank satisfactory, correct information on the Customer’s own financial position, investment experience and investment goals that is relevant to the desired services and financial instruments. Such information is necessary for Danske Bank to be able to act in the Customer’s best interests and advise on the financial instruments that it is suitable for the Customer to buy, sell or continue owning. When providing investment advice, Danske Bank must also send the Customer a suitability declaration. The suitability declaration is to be sent to the Customer after an order has been placed if the investment advice has been provided via remote communication.

6.2.2. The Customer also undertakes to inform Danske Bank if there are any changes to information that has previously been provided.

6.2.3. The Customer understands that Danske Bank is entitled to conduct its own investigations to make sure that the information which has been obtained is reliable. Danske Bank is entitled to base its assessment of whether the service or financial instrument is suitable or appropriate for the Customer on the information provided by the Customer.

6.2.4. The Customer also understands that, if Danske Bank is not given sufficient information, Danske Bank will be unable to determine whether or not the service or financial instrument is appropriate or suitable for the Customer. In the case of investment advice or portfolio management, the Customer will in such case be informed that the service in question cannot be provided.

6.2.5. In relation to the other investment services, the Customer will in such case be informed that the information provided to Danske Bank is insufficient and that the service or financial instrument is thus to be regarded as inappropriate. Information that is lacking or incomplete may thus reduce the investor protection to which the Customer is otherwise entitled. If, despite such a warning, the Customer still wants the service or financial instrument, the assignment may nonetheless be carried out.

6.3. Compliance with relevant legislation and authorisations

6.3.1. The Customer undertakes to comply with the prevailing legislation, rules, terms and conditions that apply to the individual execution venue used for transactions. The same applies to settlement and clearing through the individual settlement or clearing houses.

6.3.2. Customers warrant that their own trading and settlements take place in accordance with and within the scope of any permits and authorisations that apply to their trading in financial instruments. If requested by Danske Bank, the Customer shall document such permits and authorisations. Should the Customer be a foreign undertaking, Danske Bank reserves the right to demand that the Customer presents, at the Customer’s expense, a reasoned legal opinion on the Customer’s permits and authorisations to enter into the trade in question.

6.3.3. Danske Bank may request an overview of the person(s) that may place orders or enter into other agreements relating to financial instruments or that are authorised to accept trades on behalf of the Customer. A trade or acceptance from these is binding on the Customer unless Danske Bank did not act in good faith in relation to the individual’s authorisations. The Customer is responsible for keeping Danske Bank at all times up to date as regards who may place orders or accept a trade on behalf of the Customer. Danske Bank will not accept authorisations that stipulate limits for the individual Customer’s transactions unless this has been agreed on in writing in advance.

6.3.4. The Customer undertakes to ensure that the assets and financial instruments included in the individual assignment are free from liens, charges and encumbrances of any kind, such as a charge, security interest (possessory lien), attachment, etc. The same applies when the Customer acts as a proxy for a third party.

6.4. Market abuse (inside information and market manipulation)

6.4.1. The Customer is not permitted to buy, sell or invite others to buy and sell financial instruments if the Customer has inside information that may be of importance to the trade.

6.4.2. Nor is the Customer allowed to participate in market manipulation. For example, this may be acting in a way that gives or is likely to give false or misleading signals about the supply of, demand for, or the price of financial instruments or securities, or is likely to secure the price of a financial instrument at an unusual or artificial level.

6.4.3. Violation of the prohibitions against misuse of inside information and market manipulation is sanctioned by fine or imprisonment.

6.5. Short selling

6.5.1. When Danske Bank reports Customers’ sales of equities and government bonds, Danske Bank must disclose whether it constitutes what is known as ‘short selling’, which...
is when a customer does not own all or part of the sold financial instruments at the time of the sale.

6.5.2. The Customer must inform Danske Bank if the Customer undertakes short selling. If the Customer does not disclose anything with respect to a transaction, Danske Bank assumes that it is not short selling.

6.6. Share Savings Account (ASK)

6.6.1. If, when placing an order, the Customer has stated that the assets is to be registered to a Central Securities Depository (VPS) account that is linked to a share savings account (ASK), the Customer is bound by this trade even if the financial instruments in question are not covered by the share savings account scheme and thus cannot be registered to the stated share savings account.

7. Risk

7.1. The Customer understands that investing and trading financial instruments and other related instruments entail a risk of loss. The invested capital may increase or decrease in value. The value of the financial instruments depends, among other things, on fluctuations in the financial markets and may increase or decrease. Historical price developments and returns cannot be used as reliable indicators of future developments in and returns on financial instruments.

7.2. The liquidity of financial instruments and other related instruments may vary. It is likely that the most liquid financial instruments can be traded without the price being affected to any great extent, but the opposite may be true for less liquid financial instruments. It may be difficult to sell some instruments. More detailed information on the qualities linked to the various financial instruments and on the risks linked to trading of various financial instruments, are to be found on www.danskebank.no. If necessary, this material will be sent to the Customer prior to Danske Bank’s provision of services to the Customer. The Customer is responsible for evaluating the risks related to the instruments and markets in question.

7.3. The Customer should refrain from investing and trading financial instruments and other related instruments if the Customer does not understand the risks associated with the investment or trade. The Customer is urged to seek the advice of Danske Bank and other relevant advisers and, if required, to search for additional information in the market before making a decision.

7.4. All trading carried out by the Customer after advice has been obtained from Danske Bank, is the responsibility of the Customer and takes place according the Customer’s own discretion and decision. Danske Bank does under no circumstances accepts any liability if the Customer completely or partially disregards the advice provided by Danske Bank. Danske Bank does not guarantee any specific outcome of a Customer’s trading.

8. Orders and assignments – contracts formation

8.1. Placing and acceptance of orders and formation of contracts

8.1.1. Orders from Customers may be placed orally, in writing or electronically. Restrictions may apply to orders placed via electronic communication channels such email, SMS, MSN, AOL, Bloomberg, Reuters and other communication systems etc. For further information, the Customer is advised to contact Danske Bank. The order is binding on the Customer when it has been received by Danske Bank unless otherwise separately agreed.

8.1.2. The Customer may use Danske Bank’s digital solutions if the Customer has entered into a separate agreement related to online/digital trading with Danske Bank. Trading though Danske Bank’s digital solutions ensure speedy identification of the Customer and proper execution of the Customer’s order. However, the Customers should be aware that not all financial instruments Danske Bank offer for trading can be traded through digital solutions.

8.1.3. Regarding trading in non-standardised derivatives (OTC) and in currency and interest-rate instruments, including foreign exchange, a trading contract will be regarded as having been entered into with binding effect once the terms and conditions for the contract in question have been accepted by the Customer.

8.1.4. Danske Bank will not be obliged to carry out orders or enter into contracts that Danske Bank assumes may lead to a breach of public legislation or rules stipulated for the regulated market(s) in question.

8.1.5. The Customer may not engage in programme trading (using algorithms) against or via Danske Bank unless this has been specifically agreed on.

8.1.6. Orders from a Customer that normally trades for the account of a third party, i.e. for his/her employer or another natural or legal person, will be rejected if, when placing an order, the Customer does not clearly state the party for whose account the order is being placed. If the Customer simultaneously places orders for his/her own account and for the account of his/her employer or another natural or legal person, Danske Bank will prioritise the party represented by the Customer.
8.2. Assignment Period for Orders

8.2.1. Regarding orders linked to trading in financial instruments, the order applies to the assignment date or until the regulated market where the order has been placed closes, and if thereafter lapses unless otherwise is agreed on or is apparent for the order type or order specification in question. For other assignments, the duration of the assignment is to be agreed upon separately.

8.2.2. The assignment date is the date when Danske Bank has received the Customer’s order to Danske Bank to buy or sell financial instruments through or from/to another undertaking. When Danske Bank initiates a trade, the assignment date is to be regarded as the date when Danske Bank contacts the Customer and obtains acceptance of the assignment to purchase or sell the financial instruments in question.

8.2.3. The order may be cancelled to the extent that Danske Bank has not carried it out. If, as part of carrying out the order, Danske Bank has placed all or part of the order with other parties, the order may only be cancelled to the extent that Danske Bank can recall cancelled the order it has placed with other parties.

8.3. Guidelines for executing orders

8.3.1. Danske Bank is obliged to implement all measures necessary to secure the Customer the best possible terms when carrying out received orders during the assignment period. Danske Bank has prepared order execution guidelines that, among other things, state the trading systems in which transactions in various financial instruments may be carried out. Trading will be carried out in accordance with these guidelines, unless the Customer has given specific instructions on how the trade is to be carried out. The order will in such cases be carried out in accordance with the Customer’s instructions.

8.3.2. Danske Bank reserves the right to aggregate Customer orders with orders from other Customers, persons or undertakings that are or are not linked to Danske Bank as described in the order execution policy. Orders may be aggregated if it is unlikely that aggregation in general will be disadvantageous to the Customers. However, the Customer understands that the aggregation of orders may in individual cases cause drawbacks.

8.3.3. Danske Bank also reserves the right to aggregate the Customer’s orders with transactions carried out for Danske Bank’s own account. If the total order is only partially carried out, the Customer’s order will be given priority over Danske Bank’s order. However, an exception to this applies if Danske Bank could not have carried out the trade on correspondingly favourable terms without the aggregation.

8.3.4. The prevailing order execution guidelines will be regarded as having been approved by the Customer when the Customer Agreement is entered into. In this agreement, the Customer has expressly agreed that Danske Bank may trade in financial instruments for the Customer outside a market-place.

8.4. Further details of special trading rules

8.4.1. When trading in financial instruments on execution venues, the trading rules at the execution venue also apply to the relationship between the Customer and Danske Bank in so far as they are appropriate. These rules normally deal with the registration of orders and trades in the trading system at the execution venue, including the order conditions that can generally be applied and the more detailed rules governing prioritisation and validity.

8.5. Cancellation of orders and sales

8.5.1. In accordance with the trading rules at the execution venue, the individual execution venue may, under certain circumstances, cancel orders and transactions. Such a cancellation will be binding on the Customer.

8.5.2. Trades generated by mistake or accident can be cancelled according to the rules of the market in question or other regulations.

9. Order types, Systematic Internalisers etc.

9.1. Order types

Danske Bank offer the following order types:

i. Market orders
   a. Market orders with limit (limit order)
   b. Market orders without limit (market order)
   c. Immediate trade

ii. Average price orders

9.2. Market orders with and without limit

9.2.1. Danske Bank chooses the trading venue and the order execution method, in accordance with Danske Bank’s Order Execution Policy.

9.2.2. When Danske Bank executes the Customer’s orders at a trading venue or through another broker, the transaction is concluded or agreed in Danske Bank’s name, but for the Customer’s account. Thus, trades are executed on a commission basis.

9.2.3. Limit orders and market order

The Customer has the option of placing the order as a “market order with limit” or as a “market order without limit”.

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9.2.4. If the Customer wants to buy or sell at a specific price, the Customer chooses a “market order with limit”, and the Customer must set a limit price. The Customer should be aware that there may be restrictions on individual financial instruments as to how much a limit may deviate from the prevailing market price.

9.2.5. When the Customer sets a limit on an order, Danske Bank considers it as an instruction that the Customer’s limit order should not be published if it cannot be executed immediately on the applicable market terms.

9.2.6. Danske Bank, or the broker selected by Danske Bank, seeks to execute the order when the price corresponds to the price set by the Customer.

9.2.7. If the Customer chooses a “market order without limit”, Danske Bank will set the limit price at which Danske Bank will seek to execute the order based on the applicable market terms. If Danske Bank decides for the order to be executed through another broker, that broker may set the limit.

9.2.8. If the Customer does not limit the order, there is a risk that the Customer will end up buying or selling at different prices during the trading day.

9.3. Trading Venues / Execution Venues

9.3.1. Danske Bank selects different trading venues considered capable of providing the best possible order execution.

9.3.3. Danske Bank may act as a counterparty (buyer or seller) to a trade executed on a market (contracting in Danske Bank’s name). This can also happen if the transaction is concluded directly with Danske Bank, but according to the rules of the relevant market. In both cases, the contract note will set out that the trade was made on the relevant market with the bank as the counterparty.

9.3.4. Danske Bank can also execute the Customer's order outside a market place. This is referred to as “over-the-counter” trading (OTC). This is either a direct transaction with Danske Bank or another broker selected by us as counterparty. The contract note will state that the trade was OTC.

9.3.5. If Danske Bank enters the transaction with another broker, the selected broker may conduct the transaction directly with himself as a counterpart or choose to execute the trade on or through an execution venue.

9.3.6. For certain financial instruments, the Customer’s order will not be executed as a purchase/sale, but as a subscription/re redemption with a provider. This is the case when a relevant financial instrument is offered for the first time [issue]. In addition, units in collective investment schemes can be subscribed for or redeemed on an ongoing basis with the provider of the relevant collective investment units instead of being traded on a market. Subscription and redemption is effected according to the rules of the relevant prospectus.

9.4. Execution of Customers orders

9.4.1. Danske Bank will seek to process the Customer’s market order as quickly as possible. If an order is placed outside the space of time when Danske Bank processes orders in the relevant financial instrument, Danske Bank will not seek to execute the order until the bank again open trading on the relevant market.

9.4.2. When Danske Bank or a selected broker executes a market order, the rules governing trading of the relevant execution venues or broker will apply.

9.4.3. Each trading venue or execution venue offers different options for trading market orders. Danske Bank or the selected broker determines on the Customer’s behalf how to use these options.

9.4.4. When Danske Bank seeks to execute a trading order, it may be that:

• the order may only be traded to the extent that it can be matched in whole or in part with bids or offers,
• the order may be divided or aggregated and traded at different prices during the trading day.

9.4.5. There may be different reasons why an order is not executed in whole or in part. The most common reason is that price developments do not allow for trading at the limit price indicated or due to a lack of liquidity in the relevant financial instrument. If the Customer’s order is placed late in the trading day, there is limited time in which to trade. Thus, even financial instruments that are normally liquid may not have the required liquidity.

* Regulated market, MTF and OTF
* Trading venue, systematic internaliser, market maker or liquidity provider
9.5. Immediate trade

9.5.1. Danske Bank offers real-time trading in a range of Norwegian and international financial instruments. The bank determines on an ongoing basis the financial instruments offered and the maximum amounts available for trading.

9.5.2. In an immediate trade, the Customer trades with Danske Bank as the buyer or seller (counterparty) at a price determined by the bank, and the Customer therefore know the price before the trade. If the Customer accepts the price, the trade is concluded. Danske Bank can choose to complete the transaction according to the rules of an execution venue, but it will not affect the price the Customer accepted.

9.5.3. Danske Bank reserves the right to restrict the execution of orders by immediate trade if the bank receive a large number of orders for the same stock at the same time from one or more Customers.

9.5.4. The Customer is not permitted to influence the price by placing conflicting orders in the market in which the Customer wishes to buy or sell financial instruments. Such behaviour constitutes market manipulation, which is punishable by fine or imprisonment.

9.6. Determination of prices of immediate trade

9.6.1. When determining prices of immediate trades, Danske Bank offer the same price or better than the one obtainable by the bank on the relevant market – taking into account time, quantity and trading terms.

9.6.2. For financial instruments traded on NASDAQ Copenhagen, Stockholm and Helsinki as well as Oslo Børs, the bank will determine a price within the best bid/offer spread on these markets.

9.6.3. If the Customer trades after closing of these markets, Danske Bank determines the immediate trade price based on the closing price. However, the price will be changed if events affecting the price have occurred after the market has closed.

9.6.4. For other financial instruments and in the event that no current bids/offers are available in the markets referred to, Danske Bank determines the price of the immediate trade taking into account current market conditions, including:

- supply and demand the price level of the most recent trade,
- events affecting the price – domestic as well as international,
- available information about the issuer and the issuer’s line of business,
- the price developments of similar financial instruments – (bonds only)
- price information from issuers (only applicable to units of collective investment schemes, e.g. units of investment funds).

9.6.5. Danske Bank updates the bid/ask prices for the financial instruments for which the bank offers immediate trading on an ongoing basis. In unusual market conditions, Danske Bank may withdraw the bid/ask prices. In relation to certain immediate trades, supplementary rules on systematic internalisation apply. See the section below.

9.7. Specific information about systematic internalisation

9.7.1. Danske Bank is a systematic internaliser in a financial instrument if the bank, on an organised, frequent systematic and substantial basis, deal in this instrument on its own account when executing Customer orders outside a trading venue.

9.7.2. As systematic internaliser, Danske Bank has certain obligations to publish firm quotes to the bank’s Customers in the relevant financial instruments.

9.7.3. The Customer’s contract note will state if the immediate trade was executed according to the rules governing systematic internalisation.

9.7.4. The list of relevant financial instruments and the current prices is available on the bank’s website, together with any restrictions/caps on the Customers’ access to trading these financial instruments.

9.7.5. Danske Bank’s Order Execution Policy describes how the bank determines prices for the financial instruments for which Danske Bank is a systematic internaliser.

9.8. Average price orders

9.8.1. Average price orders is an option offered for trading in certain financial instruments. It implies settlement at an average price. The Customer trades with the bank as the counterparty and trading venue.

9.8.2. The Customer can trade at average prices in selected shares and units in collective investment schemes admitted to trading on NASDAQ Copenhagen.

9.8.3. Danske Bank acts as the buyer or seller in average price trades. The order is executed on or before the first business day after receipt by the bank of the Customer’s order.

9.8.4. Danske Bank settles the trade at the weighted average price calculated by NASDAQ Copenhagen at the closing of the trading day, plus/minus the bank’s usual premium/discount. The bank’s premiums/discounts are available on the bank’s website.
9.8.5. Where the relevant financial instrument is not traded regularly, Danske Bank can determine a price. The same applies if no bid/ask prices have been provided in NASDAQ Copenhagen’s trading systems at the time of trading on the relevant trading day.

9.8.6. The price is determined taking into account:
- supply and demand
- the price level of the most recent trade
- events affecting the price – domestic as well as international
- available information about the issuer and the issuer’s line of business
- price information from issuers (only applicable to units of collective investment schemes, e.g. units of investment funds).

9.8.7. If the trading volume on the execution venue of NASDAQ Copenhagen on the trading day is less than the size of the order; the bank is under no obligation to settle the order.

9.8.8. Nor does Danske Bank have any obligation to settle the Customer’s order if the bank only can procure the financial instruments at a price exceeding the calculated, weighted average price at closing on the trading day.

10. Delivery and Payment (Settlement) of Financial Instruments in Norway

10.1. Transferable Securities, mutual/securities fund units, standardised financial forwards/futures contracts and options, as well as interest-bearing securities

10.1.1. For trading in Norway involving transferable securities in a regulated market, mutual/securities fund units, standardised financial forward/futures contracts and options to buy or sell financial instruments registered in the Central Securities Depository (VPS), as well as interest-bearing securities, the ordinary period allowed for settlement is three stock exchange days (T+2) unless otherwise agreed. By stock exchange day is meant any day on which the Norwegian stock exchange is open. The period allowed for settlement is calculated as from and including the trading date and up to and including the settlement date.

10.1.2. Settlement is conditional on the Customer making the necessary funds and financial instruments available to Danske Bank on or before the settlement date. Unless otherwise agreed on separately, Danske Bank has the Customer’s permission and authority to, in accordance with the individual trade or transaction, debit the Customer’s money or bank account or submit a request for such debiting of the Customer’s money or bank account, unless the bank in question requires a separate written debit authorisation to have been provided by the Customer.

10.1.3. The Customer is regarded as having paid the purchase price to Danske Bank once this has been credited to Danske Bank’s bank account with value-dating on the settlement date at the latest.

10.1.4. The Customer is to be regarded as having delivered financial instruments registered in the Central Securities Depository (VPS) to Danske Bank when the financial instruments have been received in one of Danske Bank’s securities accounts in the Central Securities Depository or in another securities account in the Central Securities Depository stipulated by the bank.

10.1.5. The Customer undertakes to deliver the sold financial instruments to Danske Bank or release the sold financial instruments in the Customer’s securities account in the Central Securities Depository or another corresponding register by the settlement deadline. Unless otherwise agreed on in writing, the placing of an order to sell financial instruments or acceptance of a sales offer means that Danske Bank is authorised to request the Customer’s account operator to release the financial instruments in question.

10.1.6. For financial instruments that have been admitted for clearance in a CCP7 or are registered in a CSD8 or listed in a marketplace, a cover purchase will automatically be initiated if the financial instrument has not been delivered at the latest a certain number of days after the settlement deadline. This will normally be four days after the settlement deadline. This deadline may be extended to seven days for instruments that are traded in less liquid marketplaces, and to 15 days for financial instruments listed on an SME stock exchange.

10.1.7. The individual CCP, CSD or marketplace has its own publicly approved cover-purchase rules that are determined in accordance with the legislation relating to central securities depositories and settlement activities.

10.1.8. Cover purchases are to be initiated by the CCP if the instrument is cleared by the CCP. If the instrument is traded in a marketplace and is not cleared by a CCP, the cover purchase is to be initiated by the CCP. Where the instrument is neither cleared by a CCP nor traded in a marketplace, the cover purchase is to be initiated by a CSD. If this cover purchase fails, the buyer has an opportunity to choose between delayed delivery and cash compensation.

10.1.9. In case of delayed delivery, a statutory sanction system applies. The CCP, CSD or marketplace will impose a fee/fine on the seller as a result of the breach of contract, irrespective of whether or not a cover purchase is carried out. The size of the fee/fine is standardised and irrespective of the seller’s blame (strict liability). The size of the fee/fine is standardised in accordance with prevailing legal rules.

7 A CCP [Central Counterparty] is a player in the securities market that becomes a key counterparty to a securities trade and carries out the settlement of securities and money between the two original parties (the buyer and seller).
8 A CSD [Central Securities Depository] is equivalent to the Verdis pensentralen [VPS] in Norway.

General Business Terms and Conditions for trading financial instruments etc. in Danske Bank

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10.2. Foreign exchange (spot)

Regarding foreign exchange trading (spot), the ordinary period allowed for settlement is three banking days (T+3) (including the trading day), unless otherwise agreed. By banking day is meant days on which banks in the market in question are open. The settlement period is calculated as from and including the trading date and up to and including the settlement date.

10.3. Other financial instruments

Special settlement deadlines and settlement rules apply to other financial instruments. These settlement rules and settlement deadlines will be stated in the separate contracts. For trading in non-standardised derivatives (OTC) and in other financial instruments, including currency exchange, the settlement deadlines and settlement rules may be agreed on when the contract is entered into. In such cases, the settlement deadlines and settlement rules will be stated on the confirmation sent to the Customer once the contract has been entered into.

11. Reporting of services carried out – confirmation of contracts and completed assignments.

11.1. By means of a contract note/confirmation or in some other way, Danske Bank will immediately report to the Customer the services it has carried out or the contracts that have been entered into. To the extent that this is relevant, the contract note/confirmation will include information on costs related to the trade carried out for the Customer in accordance with the legal rules that apply to this. Apart from this, the contract note/confirmation will contain information in accordance with the prevailing law.

11.2. Confirmations that are to be signed by the Customer must be signed as soon as they are received and then returned to Danske Bank as stated in the confirmation or as agreed with the Customer.

11.3. Danske Bank reserves the right to correct obvious errors in the contract note or other confirmation. Such corrections shall be made as soon as the error is discovered.

11.4. A change notice from the Central Securities Depository may confirm the delivery of financial instruments registered in the Central Securities Depository to the extent that the Customer has agreed with the account operator that the Customer is to receive such confirmations.

12. Right to cancel

12.1. There is no right to cancel during a cooling-off period for services and financial instrument trading covered by the General Business Terms and Conditions.

13. Complaints arising between Danske Bank and the Customer

13.1. If the Customer has agreed to receive contract notes or other confirmation by e-mail or other electronic media, and the Customer has not received such a contract note or confirmation by the end of the of the first stock exchange day/banking day after the contract has been entered into or the assignment period has expired, the Customer must notify Danske Bank of this as quickly as possible and at the latest by the end of the second stock exchange day/banking day after the contract has been entered into or the assignment period has expired.

13.2. If the Customer has agreed to receive a contract note or other confirmation by ordinary post and has not received a contract note or other confirmation within three stock exchange days, or within seven stock exchange days for Customers with a foreign address, after the contract has been entered into or the assignment period has expired, the Customer must notify Danske Bank of this as quickly as possible and at the latest by the end of the fourth stock exchange day or eighth stock exchange day respectively after the contract has been entered into or the assignment period has expired.

13.3. The Customer must check the contract note or other confirmation immediately following receipt and must notify the relevant entity in Danske Bank as quickly as possible after receipt or, if no complaint could be made by the end of normal office hours on the date of receipt, at the latest by the end of the next stock exchange day/banking day if the Customer wishes to allege that anything stated on the contract note/confirmation conflicts with the order, assignment or trade agreed to. Should the Customer fail to complain as stated above, the Customer may be bound by such a contract note/confirmation even if this does not agree with the contract entered into for the trade.

13.4. If the delivery to the Customer of financial instruments registered in the Central Securities Depository has not taken place by the settlement date and the Customer has made the necessary funds available to Danske Bank, the Customer must immediately contact Danske Bank and possibly give notice to the bank that the contract is terminated if the Customer wishes to invoke the delay as grounds for terminating the contract. However, the notice of termination will not have any effect if the Customer receives delivery within the deadlines set for cover purchases by the relevant CCP, CSD or Central Securities Depository. During this period, the Customer is not entitled to enter into a cover contract for Danske Bank’s account and risk.

13.5. “Immediately” in the previous paragraph is understood to mean the same day or – if a complaint or objection could not be submitted by the end of normal office hours – at the latest by the end of the next stock exchange day. The deadline is counted from the earliest of:
- the point in time when the Customer became aware or ought to have become aware that delivery had not taken place by checking the Central Securities Depository.
account, using an electronic confirmation system, being informed by a fund manager or in some other way; or,

• the point in time when notice of a change from the Central Securities Depository arrived at or, according to the period taken for normal postal deliveries, ought to have arrived at the address stated by the Customer.

13.6. If payment to the Customer has not taken place by the time stipulated in the contract and the Customer has delivered the financial instruments in question or made these available to Danske Bank, the Customer must contact the bank soon as the Customer has ascertained or ought to have ascertained that no settlement has been received. The Customer may only invoke the delay as grounds for claiming interest on the overdue payment.

13.7. Regarding trading in financial instruments through Danske Bank, the normal rules governing the invalidity of contracts apply correspondingly to the relationship between the buyer and seller. A Customer wishing to assert that a contract is not binding due to invalidity must submit an objection regarding this as soon as the Customer becomes aware or ought to have become aware of the circumstances that are pleaded as grounds for the invalidity. In all cases, the objection must be put forward within six months of the contract being entered into. Such an objection will have the effect on Danske Bank that follows from the normal rules governing the invalidity of contracts.

13.8. Verbal complaints or objections must be confirmed in writing immediately.

13.9. A partial delivery to the Customer does not entitle the Customer to terminate the contract unless the Customer has expressly stated a requirement of full delivery.

13.10. For contracts concerning trading in foreign currency (currency spot contracts), the complaints deadlines are to be calculated on the basis of banking days and not stock exchange days.

13.11. If the Customer has not complained during the period stated above, the right to complain is to be regarded as having lapsed.

13.12. If Danske Bank is the registrar for the Customer in the Central Securities Depository, the Customer shall immediately notify the bank of any errors in the registration in the Central Securities Depository account. If no such notification is received by Danske Bank by the end of the next stock exchange day after the Customer received a change notice from the Central Securities Depository, the Customer is to be regarded as having accepted Danske Bank’s registration.

14. Breach of contract

14.1. The Customer is considered to have breached his/her obligations under these General Business Terms when, among other things:

1. The delivery of financial instruments or money does not take place within the agreed settlement deadline or the Customer fails to meet any other significant obligation under the General Business Terms.

2. The Customer enters into a separate agreement with his/her creditors regarding a deferment of payments, becomes insolvent, enters into debt negotiations in any form, suspends payments, has bankruptcy proceedings initiated against him/her or is placed under public administration.

3. The Customer terminates his/her activities or substantial parts of these.

14.2. In the case of a breach of contract, Danske Bank is entitled but not obliged to:

1. Declare that all unsettled trades have been breached and that assignments which have not been carried out are cancelled and terminated.

2. Exercise its right to retain security. Danske Bank is entitled to retain the financial instruments that the bank has purchased for the Customer. If the Customer has not paid the purchase price within three – 3 – days after the settlement deadline, Danske Bank may, unless otherwise agreed in writing, without further notice sell the financial instruments for the Customer’s account and risk to cover the bank’s claim. Such a sale shall normally take place at the stock exchange price or a price that is reasonable with regard to the market’s position. If the financial instruments in question have been transferred to the Customer’s securities account with the Central Securities Depository or another corresponding register for financial instruments, the Customer is regarded as having released the financial instruments or as having authorised such a release in order for the cover sale to be carried out.

3. Realise assets other than those covered by item 2 above, and the Customer is regarded as having consented to such an enforced sale through an independent broker.

4. Close all the positions that are subject to the provision of collateral and/or the calculation of a margin.

5. Offset all Danske Bank’s receivables from the Customer arising from other financial instruments and/or services, including claims for brokerage, outlays for taxes and duties, claims for interest, etc, and expenses or losses caused by the Customer’s breach of one or more obligations to Danske Bank, against any amounts owed to the Customer by the bank on the date of the breach, irrespective of whether the claims are in the same or different currencies.
Claims in foreign currencies are to be converted into Norwegian krone (NOK) at the market rate applicable on the date of the breach of contract.

6. For the Customer’s account and risk, take the steps Danske Bank deems necessary to cover or reduce the loss or liability arising from agreements entered into for or on behalf of the Customer, including reversing transactions.

7. Should the Customer fail to deliver the agreed performance or amount, including failing to deliver the financial instruments to Danske Bank at the agreed time, Danske Bank may immediately purchase or borrow financial instruments for the Customer’s account and risk in order to satisfy its obligation to deliver to its counterparty. If no cover purchase is carried out by Danske Bank, a cover order to satisfy its obligation to deliver to its counterparty. Correspondingly, Danske Bank may carry out the actions it believes necessary to reduce the loss or liability arising from the Customer’s breach of a contract with Danske Bank, including actions to reduce the risk of loss linked to changes in exchange rates, interest rates and other rates or prices to which the Customer’s trade is linked. The Customer undertakes to cover any loss made by Danske Bank with the addition of interest on arrears and any charges.

8. Demand payment of all costs and losses that Danske Bank has incurred as a result of the Customer’s breach of contract, including, but not limited to, fees or fines imposed on Danske Bank by the relevant CCP, CSD or marketplace, costs incurred in connection with cover purchases or the borrowing of financial instruments, price losses in connection with cover trades and reversal transactions, losses due to changes in exchange rates, interest rates and other charges for delays.

14.3. In case of transactions that follow from the Customer’s breach of contract or anticipatory breach of contract, the Customer bears the risk of changes to prices or in the market until the date when the transaction has been carried out.

14.4. Danske Bank reserves the right to terminate the Agreement with written notice due to the Customer’s breach of contract as described above. The provisions of the Norwegian Sale of Goods Act relating to anticipatory breach, including cancellation in the case of such a breach, otherwise apply.

15. Interest in case of breach of contract

15.1. In the event of Danske Bank’s or the Customer’s breach, accrued interest is to be paid corresponding to the prevailing interest rate on the overdue payment, see Act relating to Interest on Overdue Payments (Forsinkelsesrenteloven), unless otherwise agreed.

16. Trading abroad including the safekeeping of the Customer’s assets

16.1. For trading in and the settlement of foreign financial instruments, reference is made to the trading rules and settlement or delivery conditions stipulated in the country or by the regulated market where the financial instruments were bought or sold. Reference is also made to the separate contract that may be entered into for this type of trade.

16.2. Should financial instruments or Customer assets be stored in another jurisdiction in connection with the provision of investment services or associated services, Danske Bank will inform the Customer of this. The Customer understands that his/her rights in connection with such assets may deviate from those which apply in Norway.

The Customer also understands that settlement and the provision of security in foreign markets may mean that the Customer’s assets that have been provided as settlement or security are not kept separate from the assets of the foreign investment firm and/or settlement representatives used by Danske Bank.

16.3. The Customer understands that he/she bears the risk relating to his/her own assets that are transferred to foreign banks, investment firms, clearing agents, clearing houses, etc., in the form of settlement or security, and that Danske Bank’s liability to the Customer for such assets is limited in accordance with the laws and regulations in the country or market in question.

16.4. In no case does Danske Bank accept liability in excess of that which will follow from Norwegian law, cf item 21 unless this has been agreed upon in writing with the Customer.

17. Remuneration

17.1. Danske Bank’s remuneration in the form of brokerage fee, price differences, etc, possibly with the addition of charges related to trading and clearing, etc, will be subject to individual agreement.

17.2. Brokerage fee is a commission (remuneration) that is added to or deducted from the value of the financial instruments bought or sold by the Customer. Brokerage fee is normally stated as a percentage. Up to a stated investment amount, the Customer pays a specific minimum brokerage fee. Alternatively, the remuneration may be calculated as a difference in price, i.e., a mark-up on the buying price or a deduction from the sales price. For derivatives and complex financial instruments, the Customer’s cost elements will normally be different to those stated above.
17.3. Prior to a service being provided, the Customer will receive more detailed information on payment conditions and the total expenses the Customer is to pay for the individual financial instrument, investment service or associated service. This shall include information on commissions, fees and all the taxes and charges payable via Danske Bank. Should it be impossible to state the expenses precisely, the basis for the calculation shall be stated. In addition, it shall be stated whether there may be other charges and/or expenses that are not payable or imposed via Danske Bank.

17.4. For further information on Danske Bank’s remuneration, refer to www.danskebank.no.

17.5. Danske Bank reserves the right to deduct expenses mentioned in the first paragraph, as well as any taxes, sales taxes, etc, from the Customer’s credit balance.

17.6. In the event that a trade is not executed Danske Bank will not demand any remuneration unless otherwise specifically agreed.

18. Administration - Account operation in the Norwegian Central Securities Depositary (VPS), other Central Securities Depositary (CSD) and depositories

18.1. Danske Bank will not act as an account operator in VPS or other CSDs on behalf of the Customer unless otherwise agreed upon on between Danske Bank and the Customer.

18.2. Unless otherwise agreed between Danske Bank and the Customer, the following sections bellows applies regarding the bank’s account operation in VPS and other CSDs and custody management in depositories.

18.3. If Danske Bank is to act as the Customer’s Account Operator in VPS and/or other CSDs, Danske Bank is authorised to make the registrations in the VPS-/CSD-account that are covered by the Customer’s instructions, including transferring from the VPS-/CSD-account transferable securities that are covered by sales orders submitted to Danske Bank. The Customer understands that bought or subscribed for transferable securities will be registered to the VPS-/CDS-account in question unless another account is specified in the order. Danske Bank is entitled to know the contents of the Customer’s VPS-/CSD-account. The Customer is also aware that Danske Bank’s registrations in the VPS take place in accordance with the provisions stated in the Business Terms and Conditions for the VPS, available on the VPS’s website, https://www.vps.no/pub/about-us/rules-and-regulations/?lang=en/, and in accordance with prevailing laws and regulations. The Customer is also aware that registrations in other CSDs will be in accordance with the relevant CSDs’ terms and conditions.

18.4. Danske Bank may enter into an agreement with another depository regarding management or safekeeping for the Customer. The choice of such a depository will be made to the best of Danske Bank’s ability, and the Customer is assumed to have accepted the choice of depository unless otherwise stated in a separate management or depository agreement with Danske Bank. Danske Bank accepts no responsibility for any breach of contract by such a depository when dealing with or managing the Customer’s assets.

19. Authorised representatives (intermediaries), managers and settlement agents

19.1. If the Customer places orders or assignments as an authorised representative, manager, settlement agent or the like for a third party, the Customer and the party on whose behalf or for whom the Customer is acting must comply with the General Business Terms. The Customer is jointly and severally liable to Danske Bank for this third party’s obligations to the extent that the obligations are a consequence of the Customer’s order or assignment.

19.2. Should the Customer make use of a manager, settlement bank or other intermediary, this should be regulated in a separate agreement. The use of such intermediaries does not release the Customer from the Customer’s responsibilities under the General Business Terms.

20. Safekeeping of Customers’ Assets – Customer Accounts

20.1. Danske Bank will ensure that the Customer’s assets are held separately from Danske Bank’s own assets and, as far as possible, protected from Danske Bank’s other creditors. The Customer will be credited with interest accrued on his/her assets in accordance with Danske Bank’s general terms.

20.2. Assets which are being held in safekeeping for the Customer by Danske Bank will be deposited in Danske Bank’s Customer account with a credit institution or approved money-market fund pursuant to the written consent of the Customer. This account may be a combined Customer account (omnibus account) for assets being held in safekeeping for several Customers by Danske Bank. Should Danske Bank or the relevant credit institution be wound up, the account will be covered by the rules governing the Norwegian Banks’ Guarantee Fund. For deposits in credit institutions that are members of the Norwegian Guarantee Fund Scheme, an omnibus account will be covered up to a maximum of NOK 2,000,000. The Customer’s right to claim compensation will in such cases be reduced correspondingly.

20.3. Should assets be deposited in a credit institution that is not a member of the Norwegian Guarantee Fund Scheme, the cover will be stipulated in the rules governing the guarantee scheme in the country where the credit institution is a member. In such a case, too, the right to compensation may be reduced.
20.4. If the Customer’s financial instruments are registered in the VPS or other similar CDS, they will be transferred to the Customer’s account with this register. If the financial instrument is not registered, it will be held in safekeeping by a bank or other depository. Should a register, bank or other depository become insolvent, the Customer’s financial instruments will normally be protected by being kept separate from the bankruptcy estate.

20.5. Danske Bank accepts no liability to the Customer for the assets that have been transferred to customer accounts with a third party [including omnibus accounts] provided such a third party has been chosen in accordance with prevailing law and Danske Bank has otherwise complied with normal requirements of due care. This will also apply if a third party becomes insolvent or goes bankrupt.

20.6. If information is not given in any other way, Danske Bank will send the Customer an overview of the assets it is holding in safekeeping for the Customer at least once a year.

20.7. Unless otherwise expressly agreed, Danske Bank may not use financial instruments that it is holding for safekeeping on behalf of the Customer.

21. Liability and exemption from liability

21.1. Danske Bank is liable to the Customer for the fulfilment of purchases or sales it has entered into on behalf of or with the Customer. However, this does not apply if the Customer has approved the other party as the counterparty to the deal in advance.

21.2. Danske Bank accepts no liability for settlement if the Customer does not make available to it the agreed funds and/or financial instruments on or before the settlement date. Nor is Danske Bank liable if an unsuitable or inappropriate service is provided as a result of the Customer giving Danske Bank incomplete or incorrect information, cf item 6.

21.3. Danske Bank accepts no liability for indirect harm or loss that the Customer incurs as a result of the Customer’s contract[s] with third parties lapsing in whole or in part or not being correctly performed.

21.4. Furthermore, Danske Bank and its employees are not liable for the Customer’s losses as long as Danske Bank or its employees have complied with normal requirements of due care when providing advice or carrying out orders or assignments. In the event that Danske Bank has used credit institutions, investment firms, clearing houses, managers or other similar Norwegian or foreign assistants, Danske Bank or the bank’s employees will only be liable for these assistants’ acts or omissions if Danske Bank has not complied with reasonable standards of due care when selecting its assistants. If assistants as mentioned in the previous sentence have been used on the orders or demands of the Customer, Danske Bank accepts no liability for errors or breaches by them.

21.5. Danske Bank is under no circumstances liable for harm or loss that is due to impediments or other circumstances outside Danske Bank’s control, including power cuts, errors in or interruptions to electronic data processing systems or telecommunications networks, etc. fires, water damage, strikes, legislative amendments, orders of the authorities or similar circumstances.

21.6. If a transaction is be carried out in a Norwegian or foreign execution venue on the orders or demands of the Customer; Danske Bank will not be liable for errors or breaches committed by this execution venue or any associated clearing house. The Customer is hereby assumed to understand that the individual execution venue or individual clearing house may have stipulated separate rules governing its liability to members of the execution venue or clearing house. Customers, etc. including greater or lesser disclaimers of liability.

21.7. Danske Bank is not liable in those cases where a delay or omission is due to the settlement of money or securities being suspended or terminated as a result of circumstances outside Danske Bank’s control.

21.8. Limitations on Danske Bank’s liability in addition to those stated above may follow from a separate agreement with the Customer.

21.9. If rules or public authorities order the Customer to be registered with a Legal Entity Identifier [LEI], it is the Customer’s responsibility to obtain and maintain this. The Customer is to indemnify Danske Bank for any loss, claim and costs that Danske Bank incurs as a result of the duty to obtain and maintain an LEI not being complied with.

22. Withholding of taxes etc

22.1. When trading abroad, Danske Bank may be obliged, pursuant to laws, regulations or a tax treaty, to withhold amounts corresponding to various forms of taxes and duties. The same may apply when trading in Norway on behalf of foreign Customers.

22.2. In the event that such withholding is to take place, Danske Bank may provisionally calculate the amount in question and withhold this amount. When a final calculation is available from a competent authority, any excess amount withheld as tax shall be paid to the Customer as quickly as possible. The Customer is responsible for producing the necessary documentation for this and for the documentation being correct.

23. Termination of business relationship

23.1. Trades or transactions that are in the process of being settled when the business relationship is terminated shall be carried out and completed as quickly as possible. On termination of the business relationship, Danske Bank
shall carry out a final settlement in which Danske Bank is entitled to offset Danske Bank’s receivables, including brokerage, taxes, duties, interest, etc, against the Customer’s credit balance.

24. Provision of security

24.1. Danske Bank A/S is a member of the Danish “Guarantee Fund for Depositors and Investors” (Garantifonden for indskydere og investorer [the Fund]).

24.2. The Fund covers losses that an investor may have suffered as a result of Danske Bank’s inability to return the financial instruments held, administered or managed by Danske Bank to the investor. The Fund covers Customer funds to the extent of 20,000 Euros per Customer.

24.3. The Customer’s claims for reimbursement are settled after the deduction of any liabilities the Customer owes Danske Bank. The Fund does not cover claims arising from transactions related to money laundering for which judgement has been handed down. The Fund does not cover claims from securities funds, fund management companies, securities firms et al., cf. Danish regulation on the Guarantee Fund for Depositors and Investors (Garantifond for indskydere og investorer) of 10 December 2003.

25. Anti money laundering measures

25.1. On establishing a business relationship, Customers shall, by providing proof of identity, etc, document their identity, document their owners or beneficial owners if they are a legal person, and specify and document any powers of attorney or authority to represent others so that Danske Bank can at all times meet its obligations pursuant to the prevailing Norwegian Money Laundering Regulations.

25.2. The Customer is obliged to provide the documentation as deemed necessary by Danske Bank in order to fulfil the mandatory on-going customer due diligence requirements under the Norwegian Money Laundering Regulations as amended from time to time. Failure on the Customer’s side to present the necessary documentation within due time, may have has a consequence that Danske Bank cannot carry out the Customer’s instructions related to trades in financial instruments or any other services or obligations covered by the General Business Terms. Failure to present the necessary documentation as described above, may also entitle Danske Bank to terminate the Agreement with the Customer.

25.3. The Customer is aware that Danske Bank is or may be obliged to provide public authorities with all relevant information related to its relationship with the Customer or individual transactions. This may be done without the Customer being informed that such information has been provided.

26. Duty to provide information to the authorities, complaints body, etc.

26.1. Notwithstanding the statutory duty of confidentiality, Danske Bank will furnish information on the Customer, the Customer’s transactions, the balance of the Customer’s account, etc, to any public bodies that demand such information pursuant to prevailing law.

26.2. The Customer is regarded as having agreed that information which is subject to a duty of confidentiality may also be given to those that request such information pursuant to laws, regulations or other rules laid down for these bodies. Similarly, the Customer is assumed to have agreed to such information being furnished to the Ethics Council of the Norwegian Securities Dealers Association or the Norwegian Financial Services Complaints Board (Finansklagenemnda) if this is necessary for dealing with complaints.

27. Amendments

27.1. Danske Bank reserves the right to amend the General Business Terms. Significant amendments take effect as from the date when they are notified in writing to the Customer. The Customer is regarded as having agreed to receive notification of amendments by e-mail if he/she has informed the Investment Firm of his/her e-mail address. Other amendments come into force from the date when they are published on Danske Bank’s website. Amendments will not affect orders, trades, transactions, etc, that are entered into or completed prior to the date when the amendments are notified.

28. Interpretation

28.1. In case of any conflict with legislation that may be waived by agreement, the General Business Terms are to take precedence.

28.2. Should there be a reference to legislation, other regulations or these terms and conditions, this shall be understood to be a reference to the prevailing legislation, regulations and terms and conditions.

29. Complaints by Customers

29.1. Customers may submit a complaint to Danske Bank. The complaint should clearly state that it is a complaint. Danske Bank’s guidelines for dealing with Customers’ complaints are published on www.danskebank.no.

29.2. If the Customer is dissatisfied with the way that Danske Bank has dealt with the complaint, the Customer may submit the complaint to the Ethics Council of the Norwegian Securities Dealers Association in accordance with the ethical norms and procedural rules for cases relating to ethical norms.
The complaint may also be submitted to the Norwegian Financial Services Complaints Board (Finansklagenemnda). Danske Bank can provide further information on the procedures on how complaints regarding the individual products are handled.

29.3. Foreign Customers, including Norwegians domiciled abroad, that can invoke legislation or regulations that provide protection against prosecution by Danske Bank in relation to their obligations to Danske Bank waive this right as far as this does not directly contravene the laws or regulations in question.

30. Processing of personal data

30.1. Danske Bank, represented by its general manager, is the data controller in relation to personal data. Personal data will be processed and kept in accordance with prevailing laws and regulations. The purposes of processing personal data are to execute the agreements entered into between Danske Bank and the Customer, administration, invoicing/settlement and the marketing of investment products and services.

30.2. Personal data may be handed over to public authorities due to a statutory duty to disclose such information.

30.3. The Customer may request information about the processing of personal data carried out by Danske Bank and ask what data is registered. The Customer may demand that incorrect or defective information is rectified, and that information is to be deleted when the purpose of the processing has been completed and the information cannot be used/archived for other purposes.

31. Legal venue, choice of law and dispute resolution

31.1. Disputes arising in the relationship between the Customer and Danske Bank, including disputes relating to the General Business Terms, are to be resolved pursuant to Norwegian law. Oslo District Court shall be the legal venue, unless Norwegian legislation has listed another mandatory legal venue. Customers with a foreign legal venue unless Norwegian legislation has listed another mandatory legal venue. Waive any right they have to oppose a lawsuit related to these terms and conditions being heard by Oslo District Court. Irrespective of the above, Customers with a foreign legal venue may be sued by Danske Bank in such a legal venue should Danske Bank wish to do so.
This policy sets out the principles that we follow when executing orders for our retail and professional clients in financial instruments to ensure that our clients obtain best execution.

The financial instruments in scope are listed at the end of this policy.

1. Best execution – summary for retail clients

Under the rules governing best execution (the so-called MiFID II rules), we are required to provide our retail clients (see section 2 below) with a summary of this policy:

Danske Bank A/S is required to take all sufficient steps to obtain the best possible result for its clients when executing their orders in financial instruments.

This is also known as our obligation to deliver best execution.

This policy explains the different criteria that we will take into account when providing you with best execution.

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

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

Specific instructions from you regarding an order may affect our obligation and possibility of delivering best execution and may prevent us from taking the steps that we would otherwise take to comply with this policy.

When executing your order, we may act as principal by dealing on own account. You will then trade the financial instrument in question directly with us. We may also choose to fill your order via an execution venue or by transmitting your order to one of our brokers who will then execute it. When we choose between different ways of executing orders, our focus will be on ensuring the best total consideration for you.

In order to make sure that we can provide best execution on an ongoing basis, we will continuously monitor our own performance and the performance of the execution venues and brokers that we use for executing your orders. If we find that the performance is not satisfactory we will resolve this.

We will publish periodic reports demonstrating how we have complied with our obligation to provide best execution.

At www.danskebank.com/bestexecution, you will find our most recent execution quality data on the financial instruments where we act as systematic internaliser, market maker or liquidity provider. The website also provides a link to the most recent execution quality data published by the major execution venues that we use (see section 5.2.3)

At your request, we will demonstrate to you that we have executed your order in accordance with this policy. We may not have obtained the best possible result for you on a single specific occasion, but we will demonstrate that we have complied with the policy in the order execution process.

Please read the following for more details about how we deliver best execution. 

2. Scope – retail and professional clients

We are required to divide our clients into three categories:

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

This policy applies to you if you are a retail client or a professional client.

The policy does not apply to you if you are classified as an eligible counterparty. However, we will act honestly, fairly and professionally when executing orders from clients classified as eligible counterparties.

The policy does not apply to you if you are classified as an eligible counterparty. However, we will act honestly, fairly and professionally when executing orders from clients classified as eligible counterparties.

3. Best execution at Danske Bank

Danske Bank provides investment services to its clients in two business areas where we are subject to best execution obligations.

The two business areas are:

(a) Execution of orders on behalf of clients and reception and transmission of our clients’ orders. Here, we...
execute orders that you place with us. This service begins when you have decided to buy or sell a financial instrument.  

(b) Portfolio management. Here, you have given us a mandate to buy or sell financial instruments on your behalf under a portfolio management agreement. We are obliged both to make decisions to deal, which serve your best interests, and to execute these decisions to deal in accordance with the best execution requirements.

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

Although our aim in both business areas is to provide the client with the best result when we execute orders, differences between the two areas exist.

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

Please note that portfolio management is not provided by all branches of Danske Bank.

Likewise, we do not offer trading in the same financial instruments in all parts of Danske Bank. In addition, there may be local differences in the way our branches execute orders.

3.1 Exceptions - four-fold cumulative test

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

If you as a professional client trade based on a quote provided by us, the initial assumption will be that you do not legitimately rely on us to provide best execution. This assumption will be checked against the so-called four-fold cumulative test, published by the European Commission to establish whether you may rely on us to provide best execution. The four-fold cumulative test encompasses the following criteria:

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

For retail clients, the result of the four-fold cumulative test will normally be that you are entitled to best execution when you trade based on a quote provided by us.

4. Factors affecting best execution

4.1 Factors

When we choose how to ensure best execution, we take into account the following factors regarding the order:

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

In general, we prioritise the factors on the basis of the following:

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

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

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

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

It is not always possible to execute your order at the best price, but we will always strive to execute your order in accordance with our policy.

We strive to execute purchase orders at the lowest sales price offered and to execute sales orders at the highest purchase price offered.

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

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

**Speed** is the rate at which we progress your order. If you provide no instructions regarding the speed at which your order should be carried out, we will progress it at a rate that we believe represents a balance between creating market impact and executing your order in a timely fashion so as to reduce execution risk.

We will seek to achieve prompt execution of the entire order if we do not believe that prompt execution of the entire order will have a negative impact on execution quality.

If we believe, for example, that the size or nature of your order may affect the price level, we may postpone the execution of the entire order or parts of it. On the other hand, depending on the circumstances, we may also prioritise quick execution if we are of the opinion that this will be most favourable for you.

**Likelihood of execution** is the likelihood that we will be able to fill your order in full or at least a substantial part of it. This factor will be of particular relevance if, for instance, the financial instrument in question is illiquid or if you limit the price of the order at a price that does not correspond to the prevailing market price.

Market conditions for the relevant financial instrument may cause us to prioritise the likelihood of execution. We may therefore decide to execute your order at the execution venue[s] that have the necessary liquidity and depth of trading interests to ensure timely execution and the smallest possible effect on the price level.

**Likelihood of settlement:** Generally, we expect orders that we execute on your behalf to be settled in a timely fashion. If we become aware that a particular execution strategy may compromise the likelihood of settlement, we may not pursue that strategy even if it would result in a better price.

**Other relevant factors:** While we consider the abovementioned factors to be the predominant ones there may be situations where additional factors may influence our strategy to obtain best execution.

4. 2. Client instructions

If you provide us with instructions regarding an order or any aspect of an order, we will execute the order in accordance with such instructions to the extent reasonably possible.

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

If your instructions only cover certain parts or aspects of the order, we will endeavour to ensure best execution in respect of any other part or aspect of your order.

If you do not provide any instructions, we will exercise our own discretion regarding the order in accordance with this policy.

5. Order execution

5.1 Own account, execution venues and brokers

When executing your order, we choose the place of execution that, in our opinion, will provide you with the best result.

We execute orders at execution venues as well as outside execution venues.

When we execute orders outside execution venues we may act as principal by dealing on own account. You will then trade the financial instrument in question directly with us. This may be in our capacity as systematic internaliser (see section 6).

At your request, we can provide you with additional information about the consequences of trading outside trading venues.

We may execute orders by combining clients’ trading interests (clients’ buy and sell orders). We may do this outside a trading venue or by concluding the transaction under the rules of a trading venue.

We execute orders promptly, fairly and expeditiously and in the sequence in which they are received.
5.2.1 Execution venues
Execution venues are regulated markets, multilateral trading facilities [MTF], organised trading facilities [OTF], systematic internalisers, market makers and liquidity providers.

If we choose to execute your order via an execution venue, we will choose an execution venue that, in our opinion, offers the best possibilities of ensuring best execution. For all classes of financial instruments, the main criterion when choosing between execution venues is efficient pricing, such as the size of bid-ask spreads and access to price information. In this assessment, we include liquidity and the costs of executing orders on the relevant execution venues.

To make sure that our clients’ total consideration is not negatively affected by our choice of execution venue, we also consider any external costs when choosing between venues. These could be costs related to for instance clearing.

5.2.2 Brokers
In this context, a broker is another investment firm that receives the order from us and decides how to execute it. If we choose to execute your order via a broker, we will choose a broker that, in our opinion, offers the best possibilities of ensuring best execution. We only transmit client orders to brokers who we believe can deliver a result that will live up to the best execution requirements.

5.2.3 List of execution venues and brokers
Our most recent list of major execution venues and brokers is available at www.danskebank.com/bestexecution. Here, you can also see which execution venues we use for each class of financial instruments, for retail client orders and professional client orders.

As described in more detail in section 9 below, we will continuously monitor the execution quality that we deliver to our clients.

This includes monitoring the performance of the execution venues and brokers that we use.

6. Systematic internaliser [SI]
We are a systematic internaliser in financial instruments which we trade on an organised, frequent, systematic and substantial basis when executing client orders outside trading venues.

As a systematic internaliser, we have certain obligations to make firm quotes available to our clients.

When we provide firm quotes to our clients in our capacity as a systematic internaliser, these quotes must meet our best execution requirements.

In addition, we must ensure that the prices we quote as a systematic internaliser reflect prevailing market conditions. In terms of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments, this means that our quoted prices must be close in price to the prices on the most relevant European trading venue in terms of liquidity.

In terms of bonds, structured finance products, emission allowances and derivatives, it means that our prices must reflect the prevailing market conditions in relation to prices at which transactions are concluded for the same or similar financial instruments on a trading venue.

The specific requirements for the pricing of instruments where we are systematic internalisers apply only up to certain order sizes.

On our website, you can see the list of instruments for which we are systematic internalisers.

7. Aggregation of orders
We may aggregate orders and execute them in one or more tranches if, due to demand, we believe that these orders will then be executed at an average price that we consider generally favourable. Consequently, aggregation may be to the disadvantage of an individual order.

We execute at a weighted average price when we aggregate orders and execute them in more than one tranche. When executed, aggregated orders are, to the extent possible, allocated to clients on the trading day at the calculated average trade price. If aggregated orders can be executed only in part, we allocate the executed part to the participating clients either proportionately according to the size of the orders or by allocating the same portion to all participating clients [one-for-one basis]. When choosing between the two methods, we consider the relevant factors, including the relative size of the orders, in which order we receive the orders and the present liquidity situation in the market of the financial product in question.

If client orders have been aggregated with transactions in our own name, we participate in the allocation only if all participating clients are satisfied in full. If a client order could not have been executed on the same favourable terms without aggregation, we may distribute the transaction proportionately.

8. Classes of financial instruments
8.1 Annexes
Annexes 1-8 to this policy explain how we ensure best execution in relation to specific classes of financial instruments with focus on the most relevant execution factor[s]. The purpose of the annexes is to provide an overview of different trading scenarios at Danske Bank and not to provide a full description of all trading scenarios and all steps when Danske Bank executes orders.
The annexes are an addition to the general description of factors affecting best execution under section 4.1. Where relevant, all the different factors will be included in our trading scenarios even where they are not explained or mentioned in the annexes.

Each annex should be read in conjunction with the other parts of this policy. For instance, the rules described above under section 6 apply if Danske Bank is a systematic internaliser in a financial instrument covered by one of the annexes.

Annex 1: Equities and equity-like instruments
Annex 2: Exchange-traded derivatives
Annex 3: Bonds
Annex 4: Structured notes
Annex 5: Interest rate derivatives
Annex 6: Foreign exchange derivatives
Annex 7: OTC commodity derivatives
Annex 8: Securities financing transactions

9. Monitoring, evaluation and changes

We monitor and evaluate the effectiveness of this policy and the measures taken to comply with it.

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

In addition, Danske Bank has established a Best Execution Committee for the purpose of ensuring that information about execution quality in Danske Bank’s business units and areas is gathered and considered centrally.

If we find that we do not fulfil our best execution obligations, we will change our policy and relevant measures promptly and effectively.

We also assess, on an ongoing basis, whether the execution venues and brokers that we have chosen to ensure best execution continue to meet our standards. If not, we will make the necessary changes.

10. Reporting

10.1 Danske Bank as execution venue

Danske Bank is an execution venue if we act as a systematic internaliser (see section 6). We will also be an execution venue if we act as a market maker or liquidity provider.

Four times a year and not later than three months after the end of each quarter of the calendar year, we will, at www.danskebank.com/bestexecution, publish information about our quality of execution in financial instruments where we act as an execution venue.

This will include information about prices, costs and likelihood of execution.

10.2. Top five venues and brokers

Once a year, at www.danskebank.com/bestexecution, we will publish information for each class of financial instruments about the top five execution venues in terms of trading volumes for all executed client orders for retail clients and professional clients, respectively, and information about the top five execution venues for all executed client orders in securities financing transactions.

As part of this report, we will, for each class of financial instruments, publish a summary of the analysis and conclusions we have drawn from our detailed monitoring of the quality of execution that we have obtained on the execution venues where we executed all our client orders in the previous year.

We will publish a similar report for our top five brokers.

11. Changes to the policy

Any changes to our order execution policy will be published on our website.

All clients with whom we have an ongoing client relationship will be informed of any material changes to our order execution arrangements or this order execution policy.

12. More information

For more information about the execution of your order, please contact your branch.
Financial instruments covered by this policy, as defined by the MiFID II rules:

(1) Transferable securities;

(2) Money-market instruments;

(3) Units in collective investment undertakings;

(4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

(5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;

(6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;

(7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;

(8) Derivative instruments for the transfer of credit risk;

(9) Financial contracts for differences;

(10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, an OTF, or an MTF;

(11) Emission allowances
Financial instruments in scope
This annex explains our best execution processes for the following equity and equity-like financial instruments:

- Shares
- Depositary receipts
- Securitised derivatives (warrants and certificate derivatives)
- Exchange traded funds and exchange traded notes
- Units in exchange traded collective investment funds

How to place an order/trade
You can place an order with us in the following ways:

- Electronically: You send the order electronically and directly to Danske Bank for execution via one of our online banking solutions.
- Manual intervention: You place the order in direct contact with Danske Bank, for instance at a meeting, over the phone or via a chat function.
- Quote: You can trade with us on the basis of a quote provided to you by us. When you trade equities and equity-like instruments with us on the basis of a quote, we act in a principal capacity.

How we handle your order
The financial instruments covered by this annex are all admitted to trading on trading venues and they are all fundamentally handled by Danske Bank in the same way using one of the four following processes:

- Routed orders: Orders that can be sent immediately to one or more venues for execution.
- Care orders: Orders that cannot be sent immediately to one or more venues for execution, or which are received with specific execution instructions.
- Immediate orders: In some instruments, Danske Bank offers clients immediate orders up to a predefined size.
- Quotes: If you have received a quote from us the trade is concluded when you accept the quote.

In addition, Danske Bank provides certain e-trading solutions to our professional clients and eligible counterparties, which allow these clients to trade directly on trading venues via direct market/strategy access. Such solutions are subject to a special on-boarding process and are not described further in this annex.

Routed orders
An order is processed as a routed order when it meets certain pre-set requirements in Danske Bank’s systems. When setting up these requirements for routing, we aim to secure best execution.

Depending on the specific financial instrument in question and the order size, Danske Bank’s internal systems decide whether the order is to be sent directly to one or more trading venues for execution or directly to one of the external brokers, which Danske Bank uses for execution.

If an order does not meet the pre-set parameters for routing, it is automatically stopped and directed to a trader to be treated as a care order. For example, the financial instrument in question may not be sufficiently liquid to be routed directly to a trading venue.

Danske Bank’s automated routing system and the parameters used are monitored on an ongoing basis by Danske Bank to make sure that the system is always able to provide best execution.

Care orders
If an order does not meet the pre-set parameters in Danske Bank’s system for auto-routing, the order is handled as a care order.

All orders received from our Baltic clients are handled as care orders, including orders sent via online banking.

Best execution criteria
The main factors for ensuring best execution are the price of the financial instrument and the costs, including commissions and fees, related to execution.

This usually leads to Danske Bank promptly either

- placing the order at one or more execution venues with which Danske Bank is directly connected, subject to the rules of the individual venue
- placing the order with, or soliciting a quote from, one of our external brokers [investment firms], or
- executing the order with Danske Bank as counterparty or cross the order with that of another client

However, market conditions or specific characteristics regarding the financial instrument in question may mean that we do not believe that you will get the best price if we try to promptly execute the order. For instance, it may be our assessment that placing your entire order could adversely impact prices and that it would be in your best interest to divide the order into smaller orders (child orders) or, for other reasons, to postpone all or part of your order.

Please see section 4.1 of the Order Execution Policy, which describes how we prioritise the various execution factors, including factors other than price and costs. These factors apply to our execution of instruments covered by this annex when you place a market order with us.
Annex 2 – Order Execution Policy

Financial instruments in scope
This annex explains our best execution processes for derivatives traded on a trading venue such as the following options and futures:

• Equity options and futures
• Interest rate options and futures
• Commodity options and futures

This annex also covers derivatives traded over-the-counter (OTC) with Danske Bank as your counterparty where the OTC trades have features identical to those of derivatives traded directly on a trading venue. Such OTC derivatives are commonly referred to as look-alike derivatives.

Whether you trade the derivatives on a trading venue or as look-alike derivatives depends on the agreement between you and Danske Bank regarding the derivative product in question.

How to place an order/trade
You trade the derivatives covered by this annex by placing a market order or on the basis of a quote provided to you by us. When you place a market order, we choose the execution method in accordance with the Order Execution Policy. You may choose a “market order with limit”. This means that you specify the limit for the price at which we may execute the order.

Market orders (with or without a limit) are assessed individually by our trading desk. The trading desk decides whether routing the order to a trading venue or executing it with Danske Bank trading as principal will provide the best result for you.

When you trade on the basis of a quote, we always execute the order as principal. This means that we deal on own account and that you trade directly with us.

The financial instruments covered by this annex are all admitted to trading on trading venues, or traded similarly to such instruments.

Best execution criteria
In most cases, the price of the financial instrument and the costs, including commissions and fees, related to execution are the main factors for ensuring best execution.

In the case of a market order, this usually leads to Danske Bank promptly either:

• placing the order at one or more execution venues with which Danske Bank is directly connected subject to the rules of the individual venue;
• placing the order with, or soliciting a quote from, one of our external brokers (investment firms), or
• executing the order with Danske Bank as counterparty or cross the order with that of another client

In the case of look-alike derivatives, the trade we enter into with you reflects current conditions on the relevant trading venue(s).

However, market conditions or specific characteristics regarding the financial instrument in question may mean that we do not believe that you will get the best price if we try to promptly execute the order. For instance, it may be our assessment that placing your entire order could adversely impact prices and that it would be in your best interest to divide the order into smaller orders [child orders] or, for other reasons, to postpone all or part of your order.

Please see section 4.1 of the Order Execution Policy, which describes how we prioritise the various execution factors, including factors other than price and costs. These factors apply to our execution of instruments covered by this annex when you place a market order with us.
Financial instruments in scope
This annex explains our best execution processes for bonds such as

- Government bonds
- Mortgage bonds
- Credit bonds

How to place an order/trade
You trade bonds on the basis of a quote provided to you by us or by placing a market order. When you place a market order, we choose the execution method in accordance with the Order Execution Policy. You may choose a “market order with limit”. This means that you specify the limit for the price at which we may execute the order.

When you trade bonds on the basis of a quote, we always execute the order as principal. This means that we deal on our own account and that you trade directly with us.

Market orders (with or without a limit) are assessed individually by our trading desk. The trading desk decides whether routing the order to a trading venue or executing it with Danske Bank trading as principal will provide the best result for you.

For some of the above instruments and certain trade sizes, we offer immediate trading via one of our online banking solutions.

Best execution criteria
The main factor for ensuring best execution in relation to bonds is the price.

The markets for bonds are characterised by varying levels of liquidity, as some bonds have a high level of liquidity and some a lower level of liquidity.

The key factors when pricing bonds are

- observable prices on trading venues for identical or similar instruments (if any)
- yield curves, volatility, yield and price spreads, co-variation
- market liquidity
- size and nature of the order
- regulatory issues affecting pricing

The price of bonds thus depends in particular on the uncertainty about the future development in interest rate levels and market liquidity.

For liquid bonds, we base our quotes in particular on observable market prices (bid and offer) on trading venues.

The less liquid the bonds are, the more we generally rely on the other factors described above and our internal models for pricing. Our models are based on market feeds that we consider relevant and are, when necessary, calibrated with our own input to ensure what we see as a fair market price. The level of calibration depends on the level of volatility and liquidity in the relevant market.

Please see section 4.1 of the Order Execution Policy, which describes how we prioritise the various execution factors, including factors other than price. These factors apply to our execution of instruments covered by this annex when you place a market order with us.
Financial instruments in scope
This annex explains our best execution processes for

• Structured notes

How to place an order/trade
Danske Bank issues a variety of structured notes that can be traded in the primary or the secondary market.

The first time a structured note is traded, it is traded in the primary market. The transaction takes place during the subscription period directly between you and Danske Bank.

Once the initial sale (in the primary market) is complete, trading takes place in the secondary market, if there is a secondary market for the structured note in question.

Subscription – primary market
When you trade in the primary market, you subscribe for structured notes during the subscription period. The subscription is based on indicative terms and conditions, which explain the characteristics of the structured note in question.

Trading – secondary market
When you trade in the secondary market, you trade on the basis of a quote provided to you by us or by placing a market order. When you place a market order, we choose the execution method in accordance with the Order Execution Policy. You may choose a “market order with limit”. This means that you specify a limit for the price at which you want us to execute the order.

When you trade on the basis of a quote, we always execute the order as principal. This means that we deal on our own account and that you trade directly with us.

For some of the above instruments and certain trade sizes, we offer immediate trading via one of our online banking solutions.

Best execution criteria
The main factor for ensuring best execution in relation to structured notes is the price.

The price of a structured note is based on an underlying reference item, which can be, for instance, a specific financial instrument or an index, which tracks the performance of financial instruments.

The key factors when pricing structured notes, on primary and secondary markets, are

• observable prices on trading venues for identical or similar instruments (if any)
• spot values of underlying financial instruments and currencies
• yield and credit curves, volatility, yield and price spreads, co-variation
• market liquidity
• size and nature of the order
• regulatory issues affecting pricing

Danske Bank typically acts as market maker on trading venues for structured notes that Danske Bank has issued. This means that Danske Bank bases its quotes in particular on the trading venue in question and on the above criteria.

The price is the same when Danske Bank trades these instruments OTC, that is, outside a trading venue.

Please see section 4.1 of the Order Execution Policy, which describes how we prioritise the various execution factors, including factors other than price. These factors apply to our execution of instruments covered by this annex when you place a market order with us.
Financial instruments in scope
This annex explains our best execution processes for interest rate derivatives such as

• Interest rate swaps
• Interests rate forwards
• Interest rate options
• Cross currency swaps
• Inflation swaps
• Forward rate agreements

How to place an order/trade
You trade an interest rate derivative by accepting a quote provided to you by us or by placing an order with us without having received a quote. Our trading desk assesses all orders individually.

When you trade an interest rate derivative with us, we always execute as principal. This means that we deal on own account and that you trade directly with us.

Best execution criteria
The main factor for ensuring best execution in relation to interest rate derivatives is the price.

The market for interest rate derivatives is characterised by varying levels of liquidity, as some derivatives have a high level of liquidity and some a low level of liquidity.

The key factors when pricing interest rate derivatives are

• observable prices (bid and offers) on trading venues for identical or similar instruments (if any)
• yield curves, volatility, yield and price spreads, co-variation
• market liquidity
• size and nature of the order
• regulatory issues affecting pricing

The price of an interest rate instrument thus depends in particular on the uncertainty about the future development in interest rate levels and market liquidity.

For liquid interest rate instruments, we base our quotes in particular on observable market prices (bid and offer) on trading venues.

The less liquid the interest rate instrument is, the more we generally rely on the other factors described above and our internal models for pricing. Our models are based on market feeds that we consider relevant and are, when necessary, calibrated with our own input to ensure what we see as a fair market price. The level of calibration depends on the level of volatility and liquidity in the relevant market.
**Annex 6 – Order Execution Policy**

**Financial instruments in scope**
This annex explains our best execution processes for foreign exchange derivatives such as:

- FX forwards
- FX swaps
- FX non deliverable forwards (NDF)
- FX options

**How to place an order/trade**
You trade an FX instrument by accepting a quote provided to you by us.

When you trade an FX instrument with us, we always execute as principal. This means that we deal on own account and that you trade directly with us.

For some of the above instruments and for certain trade sizes, we offer immediate trading via one of our online banking solutions.

**Best execution criteria**
The main factor for ensuring best execution in relation to FX instruments is the **price**.

The price of an FX instrument thus depends in particular on the uncertainty about the future development in the relevant currencies, interest rate levels and market liquidity.

For liquid FX instruments, we base our quotes in particular on observable market prices (bid and offer) on trading venues.

The less liquid the FX instrument is, the more we generally rely on the other factors described above and our internal models for pricing. Our models are based on market feeds that we consider relevant and are, when necessary, calibrated with our own input to ensure what we see as a fair market price. The level of calibration depends on the level of volatility and liquidity in the relevant market.

The key factors when pricing FX instruments are:

- the spot rate(s) of the relevant currency or currencies
- observable prices on trading venues for identical or similar instruments (if any)
- yield curves, volatility, yield and price spreads, co-variation
- market liquidity
- size and nature of the order
- regulatory issues affecting the pricing
Financial instruments in scope
This annex explains our best execution processes for commodity derivatives such as

• Commodity forwards
• Commodity swaps
• Commodity options

How to place an order/trade
You trade a commodity derivative by accepting a quote provided to you by us, or by placing an order with us without having received a quote. Our trading desk assesses all orders individually.

When you trade a commodity derivative with us, we always execute as principal. This means that we deal on own account and that you trade directly with us.

Best execution criteria
The main factor for ensuring best execution in relation to commodity derivatives is the price.

The key factors when pricing commodity derivatives are

• the value of the commodity or commodities on which the contract is based
• observable prices on trading venues for identical or similar instruments (if any)
• yield curves, volatility, yield and price spreads, co-variation
• market liquidity
• size and nature of the order
• regulatory issues affecting pricing

The price of a commodity derivative thus depends in particular on the uncertainty about the future development in the relevant commodities, interest rate levels and market liquidity.

We trade commodity derivatives, including emission allowances (CO2), in a wide range of commodities such as energy products, industrial metals and soft commodities.

There is significant variation in the liquidity of specific commodities and this affects the pricing of a given commodity derivative.

For liquid commodity derivatives, we base our quotes in particular on observable market prices (bid and offer) on trading venues.

The less liquid the commodity derivative is, the more we generally rely on the other factors described above and our internal models for pricing. Our models are based on market feeds that we consider relevant and are, when necessary, calibrated with our own input to ensure what we see as a fair market price. The level of calibration depends on the level of volatility and liquidity in the relevant market.

We may provide quotes to our clients in commodity derivatives based on quotes solicited in the market. Normally, we try to get at least two or three quotes from our business partners before providing a quote to you. We assess the quotes and the number of quotes we believe we should solicit on the basis of the above criteria.
Financial instruments in scope
This annex explains our best execution processes for securities financing transactions (SFT) such as

- REPOs
- Securities lending

How to place an order/trade
You enter into an SFT by accepting a quote provided to you by us.

When you enter into an SFT with us, we always execute as principal. This means that we deal on own account and that you trade the financial instrument in question directly with us.

Best execution criteria
The main factor for ensuring best execution in relation to SFTs is the price.

The key factors when pricing SFTs are

- the spot rate of the relevant underlying asset
- yield and credit curves, volatility, yield and price spreads, co-variation
- market liquidity
- size and nature of the order
- regulatory issues affecting the pricing
1. Purpose of this addendum
This addendum sets out the principles that Danske Bank A/S applies when executing decisions to deal on the best possible terms in connection with providing portfolio management services to you.

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

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

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

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

References in this addendum are made to the Order Execution Policy of Danske Bank A/S [hereinafter referred to as “OEP”] where applicable to the portfolio management services.

2. Best execution obligation
“Best execution” means that we must take all sufficient steps to obtain the best possible results for you on a continuous basis when we execute decisions to deal. We are required to take into account the execution factors described in sections 4 and 5 and to determine their relative importance on the basis of the characteristics of your portfolio mandate.

It should be noted that the best execution requirement does not mean that we must obtain the best result for you on every single occasion. Rather, we monitor on an ongoing basis that the processes for providing you with best execution in accordance with this addendum work well when executing decisions to deal on your behalf.

3. Scope of customers
We provide best execution to all our portfolio management customers.

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

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

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

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

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

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

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

We choose our financial intermediaries on the basis of an assessment of their capability to best carry out any given transaction in your best interest. This may lead to us selecting..
another unit of Danske Bank A/S to execute a transaction. Any dealing or relationship between units is conducted in accordance with Danske Bank A/S’s Conflict of Interest policy.

A list of applicable financial intermediaries per class of financial instrument can be found here: www.danskebank.com/bestexecution

Monitoring of selected financial intermediaries

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

5. Executing decisions to deal

Aggregations and allocations

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

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

Placing orders on the market

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

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

2. We may also execute transactions outside trading venues (Over The Counter (“OTC”)). The counterparty then acts as principal by dealing on own account. This includes situations where the counterparty, including a unit of Danske Bank A/S providing brokerage services, acts in its capacity as Systematic Internaliser (“SI”) (see section 6 of the OEP).

3. We may take decisions to deal that result in buying a financial instrument on behalf of one customer portfolio mandate and selling the same financial instrument under another customer portfolio mandate. We normally execute such deals on a trading venue or via a broker, including a unit of Danske Bank A/S providing brokerage services. We execute such simultaneous crossing deals only when we believe it is in your best interest.

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

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

When we carry out a transaction under your ISDA Master Agreement or any other relevant agreement, for example a Global Master Repurchase Agreement, we are in some cases, particularly in relation to executing decisions to deal in financial derivatives instruments or securities financing transactions, constrained in the number of counterparties with whom we can enter into a transaction on your behalf. In these situations, our ability to deliver best execution is restricted, depending on the number of counterparties you have entered into agreements with and their suitability for the types of transactions we execute decisions to deal in. Such transactions are covered by the order execution policy of the counterparty.

Execution factors

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

The execution factors are the price at which we can execute the decision to deal, the cost and the speed of execution, the likelihood of execution and settlement, the size and nature of the order to be placed on the market and any other consideration relevant to execution, such as the market impact. Obtaining the best price for the size of the aggregated order we place on the market while minimising the market impact are the key factors for all of our decisions to deal.
The likelihood of execution often depends on liquidity in the market or whether a specific broker can or will provide the necessary liquidity to fill an order.

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

Criteria may include, but are not limited to

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

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

6. Monitoring and reporting

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

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

7. Changes to the addendum
Any changes to this addendum will be published on Danske Bank A/S’s website.

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

8. More information
For more information, please contact your account manager.
## Portfolio Management - Overview of generally applied execution criteria

<table>
<thead>
<tr>
<th>Class of financial instrument</th>
<th>Applicable venues</th>
<th>Description</th>
<th>Key execution factors</th>
</tr>
</thead>
</table>
| Equities, exchange-traded funds, depositary receipts | Regulated market, MTF, SI | Executed through a broker on a regulated market or as SI or directly at a MTF. Market impact on the basis, for example, of illiquidity or the size of the order may mean that orders are executed more slowly than would normally be the case, or that orders are directed to a particular financial intermediary. | 1. Price and cost  
2. Likelihood of execution (liquidity)  
3. Speed |
| Bonds | OTC, MTF, OTF, SI | Request for quote (“RFQ”) from several counterparties either bilaterally or through a MTF or an OTF. If, on the basis, for example, of illiquidity or the size of the order, obtaining multiple quotes may have an impact on the market price or an adverse impact on the obtainable price, the number of requested quotes can be limited to one. | 1. Price and cost  
2. Likelihood of execution (liquidity) |
| Money market instruments | OTC, MTF, OTF, SI | Request for quote (“RFQ”) from several counterparties either bilaterally or through a MTF or an OTF. If, on the basis, for example, of illiquidity or the size of the order, obtaining multiple quotes may have an impact on the market price or an adverse impact on the obtainable price, the number of requested quotes can be limited to one. | 1. Price and cost  
2. Likelihood of execution (liquidity) |
| Units in collective investment schemes | Transfer agent or other appointed distributor | Normally executed via the transfer agent appointed by the fund management company in accordance with the prospectus or similar documentation. A transfer agent or another appointed distributor is normally the single execution venue to which the orders are directed for subscriptions or redemptions. | Timeliness of the placement of the order according to the rules set by the fund management company |
| Exchange traded derivatives | Regulated market, MTF, SI | Executed through a broker on a regulated market or as SI or directly at a MTF. Market impact on the basis, for example, of illiquidity or the size of the order may mean that orders are executed more slowly than would normally be the case, or that orders are directed to a particular financial intermediary. | 1. Price and cost  
2. Likelihood of execution (liquidity)  
3. Speed |
| OTC derivatives | OTC, MTF, OTF, SI | Request for quote (“RFQ”) from several counterparties either bilaterally or through a MTF or an OTF. The number of counterparties we can ask for RFQ is restricted to the agreements made available for us to trade on behalf of. If, on the basis, for example, of illiquidity or the size of the order, obtaining multiple quotes may have an impact on the market price or an adverse impact on the obtainable price, the number of requested quotes can be limited to one. | 1. Price and cost  
2. Likelihood of execution (liquidity) |
Terms and conditions for custody accounts at Danske Bank

Applicable as of 1 January 2018

Business Terms are issued in Norwegian and English versions. In case of conflicts, the Norwegian version is to take precedence.

These terms and conditions (the Terms and Conditions) apply to custody accounts (Custody Accounts) and securities accounts in the Norwegian Central Securities Depository (VPS Accounts) (together referred to as Custody Accounts) opened by a customer (the Customer) with Danske Bank in accordance with a custody-account agreement (the Agreement). The Agreement and the Terms and Conditions are together referred to as the Custody Account Agreement. Danske Bank provides the services described in these Terms and Conditions (the Services) to the Customer.

1. General

1.1. Dematerialised and other financial instruments

1.1.1. The Services are provided with regard to dematerialised financial instruments registered with a central securities depository (a CSD), and other financial instruments accepted by Danske Bank for safekeeping.

1.1.2. The Services are provided with regard to financial instruments issued in Norway and financial instruments issued abroad (Foreign Financial Instruments) that Danske Bank is able to hold via either a CSD or a Sub-Custodian.

1.1.3. Certain types of custody account, such as custody accounts used for collateral, pledged custody accounts, active-management custody accounts, pension and employee share custody accounts (Special Custody Accounts), are governed by separate provisions. Special Custody Accounts are subject to additional terms and conditions not specified in these Terms and Conditions. The Customer will be provided with information on such special terms and conditions at the time a Special Custody Account as defined in this section is opened.

1.2. Opening of Custody Accounts – disclosure duty and authorised signatories

1.2.1. When opening a Custody Account, the Customer must provide Danske Bank with the Customer’s name, address and civil or corporate registration number. This information must be documented by means of valid identity documents. Legal persons must document their registration number by means of a certificate of registration or a printout from the Central Coordinating Register for Legal Entities.

1.2.2. Legal persons shall also specify the countries in which they are liable to pay tax, so that Danske Bank can meet its statutory obligations under FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standard).

1.2.3. If persons other than the Customer have access to the Custody Account, necessary authorisations must be submitted. The person(s) who are to be authorised to access the Custody Account must submit valid identity documents as specified in section 1.2.1 above. Further, Danske Bank must be provided with a sample signature for the Customer and any other person(s) authorised to access the account. If the Customer has a special ownership structure, for example because it is an association, foundation or similar entity, additional documentation must be submitted in the form of articles of association and other documentation requested by Danske Bank.

1.2.4. Danske Bank may request further information from the Customer at any time, including documentation and information the bank is required to obtain pursuant to anti-money laundering regulations or other relevant regulations, or which Danske Bank requires to provide the Services.

1.2.5. The Customer is responsible for ensuring the accuracy and completeness, at all times, of information and documentation provided pursuant to the Custody Account Agreement. The Customer is also responsible for ensuring that Danske Bank receives requested information and documentation by specified deadlines.
The customer relationship is conditional upon Danske Bank’s receipt of requested information and documentation and the accuracy and completeness of that information and documentation.

1.2.6 The Customer shall notify Danske Bank in writing of any changes in information and documentation provided to Danske Bank, and submit documentation evidencing such changes.

1.3 Cash account linked to Custody Account

1.3.1 The Customer shall open one or more bank accounts with Danske Bank that are linked to a Custody Account [Cash Account]. A Cash Account is linked to a Custody Account in accordance with the Customer’s instructions, and is governed by separate account terms.

1.3.2 The Customer and Danske Bank may agree that the Cash Account shall be a bank account with another bank authorised to operate in Norway.

1.3.3 The Cash Account will be credited with interest and dividends, and be used for settlement of purchases/sales of financial instruments held in the Custody Account. Further, the Cash Account will be debited with Custody Account fees and other fees linked to the Services.

2. Registration and safekeeping

2.1. Ownership and registration

2.1.1. Danske Bank simply registers ownership of financial instruments in accordance with the Customer’s instructions. Danske Bank does not check ownership or disposal rights linked to financial instruments at the time of registration or transfer for safekeeping. This also applies to Foreign Financial Instruments.

2.1.2. Financial instruments issued and registered with a Norwegian CSD with which Danske Bank has an account-operator agreement are held in a Custody Account linked to the relevant CSD. Danske Bank has an account-operator agreement with the CSD Verdipapircentralen ASA [VPS], and will open a Custody Account in the form of a VPS Account with VPS in the Customer’s name, unless otherwise provided in the agreement with the Customer.

2.1.3. Further provisions applicable to financial instruments registered with a CSD are found in the Security Register Act of 5 July 2002 No. 64 as worded at any given time. Further information on the applicable provisions and VPS can be found on VPS’s website.

2.2. Safekeeping of customer funds

2.2.1. Danske Bank has an obligation to keep financial instruments and funds belonging to the Customer separate from Danske Bank’s own funds. Accordingly, if Danske Bank suspends payments, is placed under public administration, etc., the Customer is in principle entitled to delivery of the financial instruments registered in the Customer’s Custody Account.

2.2.2. This applies both when a financial instrument is held in an individual Custody Account in the Customer’s name and when it is held in an Omnibus Account. In the latter case, delivery of the financial instrument is conditional on there being no disagreement as to the Customer’s ownership of the financial instrument.

2.2.3. Danske Bank shall ensure that financial instruments owned by the Customer but held by Danske Bank via a third party can be kept separate from financial instruments belonging to Danske Bank or the said third party. This will be done by The third party that holds the financial instruments uses different designations for the Custody Accounts in its systems in order to segregate the Client’s financial instruments from Danske Bank’s or the said third party’s own assets.

2.2.4. If the CSD or Sub-Custodian that holds the Customer’s financial instruments is declared bankrupt, placed under public administration, etc., Danske Bank will on behalf of the Customer withdraw financial instruments registered as belonging to the Customer in Danske Bank’s register, as permitted by local law.

2.3. Use of Omnibus Accounts

2.3.1. By signing the Custody Account Agreement, the Customer authorises Danske Bank to hold the Customer’s financial instruments in an Omnibus Account together with other financial instruments belonging to one or more of Danske Bank’s other customers. This right applies to all financial instruments, irrespective of whether they are held via a CSD or via a Sub-Custodian.

2.3.2. Financial instruments which are held in an Omnibus Account are held in the name of Danske Bank or a Sub-Custodian. Danske Bank or the Sub-Custodian will register whether the financial instruments belong to customers of Danske Bank or of the Sub-Custodian.

2.3.3. Financial instruments held in an Omnibus Account are not registered in the Customer’s name, and the Customer may not exercise any individual rights linked to the financial instruments, such as the right to attend or vote at general meetings, unless a separate agreement is entered into with Danske Bank.

2.3.4. Further, the Customer is not entitled to individual compensation as discussed in section 16 if Danske Bank suspends payments, is placed under public administration, etc., since such compensation will be paid into the Omnibus Account. Accordingly, compensation for customers linked to financial instruments held in an Omnibus Account is allocated...
proportionately by reference to the total value of the Omnibus Account.

2.3.5. Danske Bank’s register will always identify the beneficial owner(s) of financial instruments held in an Omnibus Account.

3. Danske Bank’s right of disposal

3.1. Danske Bank may dispose of a financial instrument in the Customer’s Custody Account in accordance with the Customer’s instructions and/or in accordance with the Custody Account Agreement. This also applies when Danske Bank holds the financial instrument via an Omnibus Account or an individual Custody Account with a third party.

3.2. If necessary, Danske Bank may transfer the right to dispose of a financial instrument in the Customer’s Custody Account in accordance with the Customer’s instructions and/or in accordance with the Custody Account Agreement to a CSD or Sub-Custodian.

3.3. Danske Bank has a corresponding right to transfer, if necessary, authority to dispose of financial instruments in an Omnibus Account to a Sub-Custodian or another partner selected by Danske Bank.

3.4. Danske Bank also has the right to take actions and measures on behalf of the Customer that are necessary to comply with applicable laws and regulations in a given jurisdiction, or so that Danske Bank can provide the Services specified in the Custody Account Agreement.

4. Provisos concerning transfers to Cash Accounts

4.1. When Danske Bank notifies the Customer of amounts transferred to a Cash Account linked to financial instruments held by the bank, this shall be subject to the proviso that Danske Bank in fact receives the amount.

4.2. If Danske Bank does not receive the amount and the bank has already transferred the amount to the Customer’s Cash Account, the Customer shall immediately repay the amount to Danske Bank.

4.3. If the Customer fails to make the repayment and the Customer is a legal person, Danske Bank reserves the right to reverse the payment. This reserved right applies even if it is not mentioned specifically on a bank statement or in other documentation sent as confirmation that the amount has been deposited.

5. Conversion of currency

5.1. Amounts received by Danske Bank on behalf of the Customer in a currency other than the currency of the Customer’s Cash Account are converted into Norwegian kroner and deposited into a Cash Account denominated in Norwegian kroner. At the Customer’s request, Danske Bank may accept conversion of the amount into another currency for which the Customer has a Cash Account.

5.2. Danske Bank may convert the amount up to two business days before the amount is deposited into the Customer’s Cash Account.

5.3. Danske Bank sets the exchange rate based on the bank’s quotation on the day of conversion. Danske Bank’s quotations are published daily on the bank’s website.

5.4. Danske Bank deducts a margin from the applied exchange rate and transfers the converted amount to the relevant Cash Account. Correspondingly, Danske Bank adds a margin to the exchange rate used when converting the amount to be debited to the Customer’s Cash Account.

6. Registration by name and manager registration of financial instruments registered with VPS

6.1. Norwegian bonds are not registered by name, but rather in the Customer’s VPS Account. Foreign bonds registered with VPS can be registered by name.

6.2. Pursuant to the Limited Liability Companies Act and the Public Limited Liability Companies Act, Norwegian shares must be registered by name.

6.3. Foreign shareholders may in some cases be registered in the shareholder register via a manager authorised to act as a nominee. In such cases, the Customer may not exercise owners’ rights under company law, such as the right to attend, the right to vote at and the right to speak at general meetings.

7. Handling of interest, dividends, etc.

7.1. Danske Bank receives dividends and other distributions on shares held in the Customer’s Custody Account with VPS on behalf of the Customer for subsequent crediting to the Cash Account linked to the Custody Account. The same applies to foreign shares and safe-custody receipts for foreign shares listed on a Norwegian exchange and registered with VPS.

7.2. Dividends on shares registered with VPS, less any dividend tax, will at the earliest be deposited in the Cash Account linked to the Custody Account three weeks after the date of the general meeting.

7.3. Interest and extended related to bonds registered with VPS will be credited to the Cash Account linked to the Customer’s Custody Account on the due date.

7.4. Dividends on units registered with VPS will be credited to the Cash Account linked to the Customer’s Custody Account. If an amount is paid by VPS and the VPS Account is not linked to a Cash Account, VPS will transfer the amount to the Customer by means of a payment voucher.
7.5. Profit units related to interest funds registered with VPS are transferred to the Custody Account in which the units that give rise to the profit units are registered.

7.6. Dividends and interest linked to Foreign Financial Instruments held in an Omnibus Account will be converted after receipt by Danske Bank, if necessary, and be transferred to the Cash Account linked to the Customer’s Custody Account.

7.7. The Customer is asked to note that many countries levy withholding taxes on interest payments and share dividends in accordance with national law. Accordingly, the amount received by Danske Bank may be a net amount from which any withholding taxes have been deducted. Danske Bank is not responsible for applying for repayments of such taxes on dividends and interest, unless the Customer and Danske Bank have entered into a separate agreement in this regard.

8. Registration of rights and release

8.1. When financial instruments are registered with VPS, the Customer may authorise a broker other than Danske Bank to trade with or to get information on the portfolio registered on the Customer’s VPS Account. Such authorisations will be registered against the Customer’s VPS Account in return for payment of a fee.

8.2. Such authorisations as mentioned above, must be given in writing by the Customer. VPS will send registered rights holders and the Customer a change notice notifying such registration. A change notice will also be sent in connection with any amendment or deletion of previously registered rights.

8.3. If the Customer has traded financial instruments registered with VPS via a broker other than Danske Bank, the financial instruments in question will be released at the request of the said broker in return for payment of a fee.

8.4. If the Customer has sold Foreign Financial Instruments registered in a Custody Account with a broker other than Danske Bank, or if the Customer wishes to transfer Foreign Financial Instruments from the Custody Account to another custody account operator, the Customer may request that Danske Bank transfer the financial instruments from the Custody Account to the broker or the custody account operator in return for payment of a fee.

8.5. If a right applies to only one or some of the financial instruments registered in a Custody Account, the financial instrument(s) to which the right relates will be transferred to a new Custody Account, provided that this is permitted by the applicable legislation of the relevant jurisdiction. If so, the right will be registered against the newly-opened Custody Account.

9. New subscription, bonus shares, convertible bonds and purchase offers

9.1. New subscription, bonus shares and convertible bonds

9.1.1. In the event of new subscription for shares or convertible bonds with preference rights registered with VPS for existing shareholders, the Customer will be notified by the company itself or by the company’s partners, who will act as facilitator(s) account operator for the issuer in VPS.

9.1.2. If Danske Bank receives information concerning new subscription for shares and/or bonds, including convertible bonds, warrants and the issue of bonus shares, which have not been registered with VPS by their foreign business contact, and if the subscription deadline allows, Danske Bank will normally notify the Customer accordingly by letter sent by ordinary post.

9.1.3. Danske Bank notes that the notice described above will be given for information purposes only, and will not contain recommendations from Danske Bank as to what the Customer should do.

9.1.4. The Customer bears independent responsibility for exercising its rights by the deadline set by the company.

9.1.5. Danske Bank notes that completion of an issue, including booking of proceeds, will only be undertaken once the settlement amount has been made available to Danske Bank.

9.2. Purchase offers for shares in companies registered with VPS

9.2.1. If a purchase offer is made for all or part of a company registered with VPS, the Customer will be notified by the person making the offer, or by that person’s partners, who will act as facilitator(s) account operator for the issuer in VPS. The Customer bears independent responsibility for accepting the offer by the deadline set by the purchaser.

10. Special provisions on Foreign Financial Instruments not registered with VPS

10.1. Foreign legal rules

10.1.1. The Customer and Danske Bank are equally bound by the laws and common practice applicable to an issuer of Foreign Financial Instruments, a CSD or a Sub-Custodian.

10.1.2. The terms and conditions that govern protection against competing rights in respect of Foreign Financial Instruments not registered with VPS may vary from one jurisdiction to another.

10.1.3. Applicable foreign law and practices may set out specific rules and requirements that have to be complied with in order for a right related to a financial instrument to be valid, capable of compliance and/or protected against competing rights. The Customer is responsible for complying with such rules and requirements at all times.
10.2. Custody Account structure

10.2.1. Unless specifically agreed otherwise with the Customer, Danske Bank will wherever possible hold Foreign Financial Instruments not registered with VPS in an Omnibus Account with a CSD or a Sub-Custodian. The Custody Account will therefore contain financial instruments belonging to several customers, and will be registered in the name of Danske Bank or Danske Bank’s partner, with the designation “Customer Custody Account”.

10.2.2. In jurisdictions where no Omnibus Account can be opened, Danske Bank will hold Foreign Financial Instruments not registered with VPS in an individual Custody Account with a CSD or a Sub-Custodian. The Custody Account will be opened in Danske Bank’s name on behalf of the Customer.

10.3. Liability

10.3.1. When Danske Bank appoints a Sub-Custodian, Danske Bank assumes liability for the solvency of that Sub-Custodian. Danske Bank also assumes liability if the Sub-Custodian acknowledge an error or if an error is established by final judgment. Danske Bank is otherwise free of liability unless liability follows from applicable legislation.

10.4. Information about and exercise of ownership rights

10.4.1. Unless specifically agreed otherwise with the Customer, a Foreign Financial Instrument held in an Omnibus Account or an individual Custody Account in Danske Bank’s name may not be registered in the Customer’s name. Accordingly, unless specifically agreed with Danske Bank, the Customer may not exercise the individual rights linked to a financial instrument, such as the right to attend or vote at general meetings.

10.4.2. Danske Bank will not notify the Customer of ordinary or extraordinary general meetings, and will not send separate information about the issuer of a Foreign Financial Instrument, unless the Customer and Danske Bank have entered into a separate agreement in this regard.

10.5. Risk linked to safekeeping outside the EEA

10.5.1. In some markets outside the EEA, the Sub-custodian or other business partners of Danske Bank may achieve a security or mortgage interest or right of set-off in relation to the Customer’s financial instruments or funds. Accordingly, the Sub-Custodian or other business partners of Danske Bank may be able to exercise these rights in respect of the Customer’s financial instruments or funds.

11. The Customer’s consent to the exchange of information

11.1. The Customer and Danske Bank are equally bound by the legal rules and industry practice applicable in the home country of an issuer, Sub-Custodian or other partner. Further, both the Customer and Danske Bank are subject to the terms and conditions of chosen CSDs, Sub-Custodians and other partners. Danske Bank may therefore be obligated to provide confidential information about the Customer to the aforementioned parties and/or the authorities in their respective home countries.

11.2. The Customer therefore authorises Danske Bank to exchange information such as the Customer’s name, address, identity documents and other data relating to the Customer’s holdings and returns with a Sub-Custodian, CSD, issuer of financial instruments or any other relevant third party or public authority, etc., provided that the provision of such customer information is required pursuant to applicable laws, regulations or agreement terms and conditions in the relevant country, or in order for Danske Bank to deliver the Services specified in the Custody Account Agreement.

11.3. Customer information may only be exchanged if such provision is not contrary to applicable laws and regulations in each individual case.

12. Annual reports and accounts, reporting to tax authorities, fees, etc.

12.1. When financial instruments are registered with VPS, VPS sends an annual overview of the financial instruments registered in the VPS Account as at 31 December of the previous year to the Customer. Reports to the tax authorities are made directly by VPS.

12.2. When Foreign Financial Instruments are not registered with VPS, Danske Bank sends the Customer an overview of the financial instruments registered in the Custody Account as at 31 December of the previous year. The Customer bears independent responsibility for reporting necessary information to the tax authorities.

12.3. The Customer may order additional Custody Account overviews in return for payment of a fee.

13. Fees and costs

13.1. Danske Bank charges fees for holding and registering financial instruments in a Custody Account, and for provided services. The prices applicable at any given time are available on Danske Bank’s website, www.danskebank.no.

13.2. Custody Account fees and annual account administration fees linked to financial instruments registered with VPS are calculated based on market value as at 31 December. Fees are debited to the Cash Account linked to the Custody Account on 31 May of each year.

13.3. Custody Account fees linked to Foreign Financial Instruments and financial instruments not registered with
VPS are calculated on 31 May and 30 November, based on the peak market value each month and in accordance with the prices applicable at the relevant time. Fees are debited to the Cash Account linked to the Custody Account at the end of the following month.

13.4. A transaction fee is calculated for all transactions involving the Custody Account, in accordance with the applicable price list; see “Pricelist for custody accounts”. The transaction fees are calculated as at 31 May and 30 November each year, and debited to the Cash Account linked to the Custody Account at the end of the following month.

13.5. Danske Bank may re-invoice to the Customer, without notice, all costs and fees imposed on Danske Bank by any third party (for example a Sub-Custodian) in connection with Danske Bank’s provision of the Services to the Customer, if relevant with the addition of value added tax.

14. Complaints

14.1. Complaints against decisions made by Danske Bank as account operator, or by VPS, may be submitted to a complaints board.

14.2. Complaints against decisions made by Danske Bank as an account operator must be submitted to Danske Bank. Complaints against decisions made by VPS must be submitted to VPS. Complaints must be submitted within three weeks of the date on which the Customer gained or should have gained knowledge of the decision.

14.3. Danske Bank as an account operator, or VPS, may accept that the complaint is valid and/or offer the Customer a solution. If the complaint is not accepted as valid or the Customer does not accept the offered solution, the complaint may be submitted to the relevant complaints board.

15. Liability and compensation

15.1. Any losses the Customer may suffer as a result of a registration error or similar action, or due an omission by Danske Bank, a Sub-Custodian or the CSD through which a security has been issued, shall be compensated in accordance with the legislation applicable at the relevant time.

15.2. As described in section 10.3, Danske Bank is liable only for certain errors made by a Sub-Custodian, not for errors made by a CSD.

15.3. If the Customer has intentionally or negligently caused or contributed to an error, damages may lapse in full or in part.

15.4. Danske Bank is not liable for damage or loss incurred by the Customer as a result of changes in laws, regulations, official orders, etc., ongoing or threatened war, insurgency, civil unrest, terrorism, sabotage, natural disaster, strike, lock-out, boycott or blockade, regardless of whether Danske Bank is itself party to the conflict and including when the conflict affects only some of the bank’s functions.

16. Customer guarantee schemes

16.1. Danske Bank is as a branch of Danske Bank A/S, a member of the Danish Guarantee Fund for Depositors and Investors (the Fund).

16.2. The Fund compensates losses incurred by the Customer as a result of Danske Bank’s failure to return financial instruments it holds, administers or manages on behalf of the Customer. The Fund covers up to EUR 20,000 in customer funds per customer.

16.3. Any compensation claim by the Customer will be settled net of any liabilities the Customer has to Danske Bank.

The Fund does not cover claims related to transactions which a court judgment has established to have involved money laundering. Nor does the Fund cover claims by financial institutions, securities fund management companies, investment firms, etc.; see the Danish regulations of 10 December 2003 on the Guarantee Fund for Depositors and Investors.

16.4. If a foreign CSD or Sub-Custodian is declared bankrupt, placed under public administration, etc., the Customer may be compensated for incurred losses through a foreign guarantee scheme, provided that the Customer is entitled to such compensation pursuant to the applicable legislation in the relevant jurisdiction. Danske Bank will never be liable for the solvency of a CSD.

17. Conflicts of interest

17.1. In its provision of investment and/or other services, Danske Bank, its employees or other persons associated with the bank, or other customers, may have material interests or connections with the bank that may conflict with the Customer’s interests.

17.2. In accordance with its statutory obligations, Danske Bank has adopted guidelines on the handling of conflicts of interest. These provide that the bank shall implement and maintain organisational and administrative measures to prevent conflicts of interest from having a negative impact on the interests of the Customer. Such organisational and administrative measures include, for example, Chinese walls, checks of and rules for employees, and the provision of information to customers.

17.3. In some instances, Danske Bank may have to refrain from providing investment and/or other services to the Customer in order to ensure that conflicts of interest are
handled satisfactorily. In such a situation, the bank is not obliged to notify the Customer of the underlying reasons.

17.4. Further information on Danske Bank’s guidelines on the handling of conflicts of interest can be obtained by enquiry to Danske Bank or at www.danskebank.no/Investering.

18. Notifications and communication

18.1. Unless otherwise agreed, Danske Bank may communicate with the Customer by email or letter or, subject to agreement, by SWIFT or other electronic means.

18.2. A notification sent by Danske Bank by post is deemed to have been sent correctly if it has been sent to the address most recently notified in writing by the Customer, and is deemed to have reached the Customer at the end of the ordinary processing period applicable to postal communications in Norway or, in relevant cases, another country.

18.3. A notification sent by Danske Bank electronically is deemed to have reached the Customer if Danske Bank has sent it to the electronic address most recently notified in writing by the Customer.

18.4. By providing an email address to Danske Bank, the Customer is deemed to consent to the receipt of emails from the bank which are not encrypted or password-protected, provided that the information in such emails does require special protection pursuant to securities trading or the general data protection regulation.

18.5. If the Customer knows or should know which unit within Danske Bank is the correct recipient of a notification, the notification must be sent to that unit in order to be deemed received.

18.6. The Customer shall without undue delay notify Danske Bank, and if possible the relevant unit within Danske Bank, in writing of any change in the Cash Account or the Customer’s address, including electronic addresses, telephone and fax numbers, etc.

18.7. If the Customer issues instructions to Danske Bank via a third party specified as an authorised signatory pursuant to section 1.2 above, the Customer may not claim compensation from Danske Bank in respect of Danske Bank’s actions in accordance with such third-party instructions.

18.8. Communications with Danske Bank may occur in Norwegian, Swedish, Danish or English.

19. Anti-money laundering measures

19.1. When a customer relationship is established, the Customer shall by means of identity checks, etc. document its own identity and, if the Customer is a legal person, the identity of any owners or beneficial owners, and specify and document any authorisations or representation arrangements, so that Danske Bank can maintain compliance with its obligations under the Money Laundering Act as applicable at any given time.

19.2. The Customer shall also submit documentation requested by Danske Bank in connection with Danske Bank’s ongoing monitoring of the customer relationship in accordance with the regulations applicable at any given time. Failure to submit requested documentation may prevent Danske Bank from assisting with implementation of the Customer’s instructions linked to financial instruments in the Customer’s Custody Account, and result in termination of the Custody Account Agreement with the Customer.

19.3. The Customer is aware that Danske Bank is or may be obligated to provide public authorities with all relevant information linked to the customer relationship or individual transactions. This may be done without the Customer being notified that such information has been provided.

20. Amendments

20.1. Danske Bank reserves the right to amend these Terms and Conditions. Material amendments take effect as of the date on which they are notified to the Customer in writing. The Customer is deemed to have agreed to be notified of amendments by email if the Customer has provided Danske Bank with an email address. Other amendments take effect as of the date on which they are published on Danske Bank’s website. Amendments do not affect instructions or requests submitted or implemented prior to the date on which an amendment is notified.

21. Termination of Custody Accounts

21.1. The Customer may terminate the Custody Account Agreement without notice by giving Danske Bank written instructions to this effect. The Customer shall also specify the Sub-Custodian and custody account number to which Danske Bank is to transfer the Customer’s financial instruments.

21.2. Danske Bank may terminate the Custody Account Agreement with four – 4 – weeks’ written notice.

21.3. Notwithstanding section 21.2, and without separate notification of the Customer, Danske Bank may terminate any Custody Account that contains no financial instruments (a so-called “empty Custody Account”), provided that the Custody Account has been empty for a period of at least six months. The Customer will therefore have to enter into a new Custody Account Agreement with Danske Bank if the Customer still wishes to have a Custody Account with Danske Bank.
21.4. If the Custody Account Agreement is terminated, the Customer will be charged all costs incurred in connection with the transfer of financial instruments from the Customer's Custody Account with Danske Bank to the new Custody Account in which the financial instruments are to be held.

22. Interpretation

22.1. In the event of a conflict with legislation that may be varied by agreement, these Terms and Conditions shall take precedence. References in the Custody Account Agreement to legislation, other provisions or these terms and conditions shall be understood as references to such legislation, provisions or terms and conditions in the form in force at any given time.

23. Legal venue – choice of law – dispute resolution

23.1. Disputes between the Customer and Danske Bank, including disputes concerning these Terms and Conditions, shall be resolved in accordance with Norwegian law. Oslo District Court shall be the legal venue, unless Norwegian legislation has listed another mandatory legal venue. Any Customer with a foreign legal venue waive all rights to object to the institution of proceedings linked to these Terms and Conditions before Oslo District Court. Notwithstanding the above, Danske Bank may sue any customers with a foreign legal venue in such legal venue if Danske Bank so decides.
Special terms and conditions for entering into Derivatives Transactions

Valid from 1 January 2018

1. Objective and scope

1.1 These general terms and conditions (the “Special Terms and Conditions”) set out the requirements applicable for all trading with currency and financial instruments covered by the Section 2-2 (5) and Chapter 14 (“Derivatives Trading”) that the customer (the “Customer”) enters into with Danske Bank (the “Bank”) as a counterparty, also known as OTC-Trading.

1.2 These Special Terms and Conditions do not apply to cash purchases or sales of currency, to international transfers or to exchange transactions in connection with settlement of a securities or derivatives transaction.

1.3 Derivatives Transactions may be a look-alike contract (“Look-Alike Contracts”) based on a contract traded on a regulated market (“Reference Contracts”), where the value of the Look-Alike Contract shall correspond to the value of the Reference Contract. Unless otherwise provided in these Special Terms and Conditions or in the specific Derivatives Transaction confirmation, the Look-Alike Contract is subject to the terms and conditions applicable to the Reference Contract.

1.4 If there are made changes in the rules applicable the relevant regulated market where the Reference Contract is traded, the Bank may at its own discretion decide to amend the terms and conditions of the Look-Alike Contract to the extent necessary in order to align them with the terms and conditions of the Reference Contract.

1.5 If the regulated market where the Reference Contract is traded conduct any act in accordance with the market place’s rules, and such act affects the Reference Contract, the Bank may conduct a similar act in respect of the Look-Alike Contract in order to ensure that the development of the value of Reference Contract and the Look-Alike Contract will be corresponding. This will not apply if the act made by the regulated market is made in accordance with the market’s default rules, if the act is triggered by the Bank’s default.

1.6 In case of changes to a Look-Alike Contract as a consequence of changes in the relevant market place’s rules or as a consequence of acts carried out by the market place in accordance with its rules, the Bank shall inform the Customer as soon as practicable. In case of such changes, both the Customer and the Bank will have the right to terminate the Look-Alike Contract upon written notice to the other party.

1.7 When entering into a Look-Alike Contract with the Bank, the Customer is deemed to have represented that the Customer is not, and will not be as long as the Reference Contract is unsettled, a member of the relevant regulated market where the Reference Contract is traded.

1.8 When entering into a Look-Alike Contract, the Bank will have no obligation to trade the Reference Contract. Any Reference Contract traded by the Bank is traded on the Bank’s own behalf and for the Bank’s own account and risk, with the following exemptions: [i] if the central counterparty clearing the Reference Contract default its obligations towards the Bank, the Bank’s obligations towards the Customer shall be reduced with an amount equal to the amount not settled by the central counterparty.

1.9 Derivatives Transactions under the Framework Agreement [as defined below] must be in accordance with applicable legislation at all times, including the currency provisions set down by Norges Bank.

1.10 The Bank’s assessment of financial instruments includes financial instruments issued or provided by the Bank itself, and therefore no advice in respect of a potential or an actual Derivatives Transaction will be provided on an independent basis. For individual advice in respect of risks related with trading cf. section 6.2 below, the Customer must liaise with an independent adviser.

2. Before Derivatives Transactions are entered into

2.1 Prior to carrying out Derivatives Transactions, the Customer must have entered into a customer agreement on investment services with the Bank (“Customer Agreement”), a special derivatives agreement [such derivatives agreement, together with these Special Terms and Conditions as these reads from time to time, hereinafter referred to as the “Derivatives Agreement”) and any specific security document and/or pledge agreement required by the Bank (“Security Agreement”). The Customer Agreement and the Derivatives Agreement together constitute a framework agreement (the “Framework Agreement”).


The Framework Agreement applies to all Derivatives Transactions between the Bank and the Customer. Words with capital letters not defined herein shall have the meaning ascribed to such word in the Derivatives Agreement.

2.2 These Special Terms and Conditions apply to each Derivatives Transaction between the parties, even if a transaction is entered into before the Framework Agreement is signed. A single Derivatives Transaction covered by the Framework Agreement may be made up of multiple reciprocal conditional trades in respect of interest, exchange rate and currency (combination transactions).

2.3 The Framework Agreement does not prevent specific Derivatives Transactions or type of Derivatives Transaction from being regulated by another specific agreement between the parties ("Specific Agreement").

2.4 The Framework Agreement does not confer any right or obligation on the parties to enter into Derivatives Transactions. This applies even if the Bank has notified the customer of the opening of a line concerning the business scope of the Framework Agreement.

2.5 The Framework Agreement applies even if it is not expressly referred to in the individual Derivatives Transaction confirmations. Each Derivatives Transaction does together constitute one legal relationship.

2.6 Customers that are corporate bodies will need to obtain a Legal Entity Identifier ("LEI") in order to enter into Derivatives Transactions. It is noted that this requirement does not apply for transactions involving currency or currency exchange rates that is physically settled, if they are entered into in order to facilitate payment for identifiable goods, services or direct investments.

3. Representations and warranties

3.1 The Customer represent to the Bank that is has the power to enter into the Derivatives Agreement and to each Derivatives Transaction entered into, and that delivery and performance will not violate any other agreement, applicable law, any order or judgement of any court or other agency of government.

3.2 Each Customer that is a corporate body, also represent to the Bank that the Customer is a corporate body duly organised and validly existing under the laws of its jurisdiction of organisation or incorporation, that it has the power to deliver and to perform its obligations under each transaction entered into under the Derivatives Agreement, that no Derivatives Transaction violates any other agreement, constitutional documents or other documentation and that any consents required to be obtained by the corporate body with respect to the Derivatives Agreement to which the corporate body is a party have been obtained and are in full force and effect.

3.3 If a Customer enters into currency transactions that is physically settled, the Customer represents to the Bank that such transaction is entered into in order to facilitate payment for identifiable goods, services or direct investments, until such time when the Bank receives a notification from the Customer prior to entering into such new transaction, stating that the transaction is entered into for any other purpose than described above.

3.4 The representations set out in section 3.1 to 3.3 are deemed to be made by the Customer on each date on which the Customer enters into Derivatives Transactions.

3.5 The Customer represent to the Bank that it is the end user of any commodity derivative transaction entered into in accordance with this Agreement. This means that no Customer can enter into a corresponding contract with a third party based on the contract entered into between the Customer and the Bank. Moreover, the Customer represents to the Bank that when the Customer enters into a commodity derivatives transaction with the Bank the contract is objectively measurable as reducing risks directly relating to the Customer’s commercial activity.

4. EMIR customer categories, clearing thresholds and obligations and customer representations


4.2 The categories are:

   (a) “financial counterparty” [banks, pension companies, insurance companies, a.o.],

   (b) a “non-financial counterparty” [corporate customers not categorised as a "financial counterparty"] and

   (c) customers falling outside the two categories above (mainly natural persons).

4.3 Natural persons are not subject to specific obligations under EMIR, but the Bank will be required to report detailed information about such Customers’ OTC trading with the Bank to a registered trade repository, cf. section 13.6 below. Such information will also be available to the Norwegian Financial Supervisory Authority and other relevant authorities.

4.4 Non-financial counterparties are divided into those who are subject to clearing obligations under EMIR and those who are exempted from this requirement. Currently, the thresholds (notional amounts) are set at EUR 1 billion for credit and equity derivatives and at EUR 3 billion for interest rate, FX and commodity derivatives.
Trading related to hedging of commercial activities or treasury financing is not included. If a Customer exceeds one of these thresholds (over a 30-day period) the Customer will become subject to the clearing obligations. If a Customer exceed (or cease to exceed) a clearing threshold under EMIR, the Customer must notify this to the competent authorities in accordance with applicable rules.

4.5 It is the Customer’s own responsibility at any time to assess which EMIR category the Customer belongs to and to inform the Bank of such categorisation.

4.6 A Customer categorised as a financial counterparty will be regarded and treated by the Bank as a financial counterparty on a day-to-day basis, until the Customer has notified the Bank that it is not a financial counterparty any longer.

4.7 A Customer categorised as a non-financial counterparty is responsible for, on a day-to-day basis, assessing whether or not its Derivatives Transactions are subject to a clearing obligation pursuant to EMIR.

4.8 Customer’s categorised as a non-financial counterparty must notify the Bank immediately if the Customer becomes subject (or cease to be subject) to a clearing obligation pursuant to EMIR.

4.9 If it is revealed that a Customer’s representation about being exempted from a clearing obligation under EMIR was incorrect or misleading, the Customer is obliged to negotiate, without undue delay and in good faith with the Bank any necessary amendments to ensure that (i) transactions subject to a clearing obligation are cleared and (ii) that any additional risk mitigation techniques applicable to transactions not subject to a clearing obligation are complied with. Such necessary amendments may, inter alia, include additional margin requirements and a re-pricing of the transactions affected by the incorrect or misleading representation with respect to the Customer’s clearing obligation.

4.10 Failure to agree such necessary amendments referred to in section 4.9 above will amount to a breach of the transactions affected by the incorrect or misleading representation. As a consequence hereof, the Bank will close-out the transactions affected and calculate a final settlement amount for these transactions in accordance with section 15 below as at a date designated by the Bank by giving the Customer notice hereof. For the avoidance of doubt, the termination of the transactions affected shall not constitute an event of default under section 14 below and neither of the parties may terminate early the Derivatives Agreement or any other outstanding transactions as a result thereof.

5. Entry into and confirmation of Derivatives Transactions.

5.1 The Customer may trade Derivatives Transactions during the Bank’s ordinary opening hours. Look-Alike Contracts based on Reference Contracts can only be made when the relevant regulated market is open for trading. The Customer cannot enter into Look-Alike Contracts based on Reference Contracts if the Bank, due to a disruption of telephone or similar services, cannot communicate with the relevant regulated markets or brokers dealing in the Reference Contracts.

5.2 Agreements on the entry into Derivatives Transactions, or amendment, settlement or cancellation etc. in respect of Derivatives Transactions entered into, may be made in writing or orally, including by telephone, or via electronic messaging system.

5.3 The Bank makes mandatory recordings of telephone conversations in connection with the provision of investment advice and investment activities, and of telephone conversations that are meant to lead to investment services, being provided or investment activities being carried out, as further described in the general terms under the Customer Agreement. The Parties agree that recordings and printouts of any electronic log and electronic communication may be used as evidence in any dispute between the Parties.

5.4 Unless otherwise agreed, the Bank sends a written/ electronic confirmation ("Confirmation") of the Derivatives Transactions entered into. A Derivatives Transaction is entered into and binding for the parties once the actions described in section 5.2 have been completed. The Customer must notify the Bank in writing immediately if such Confirmation contains incorrect data. If the Customer fails to do so within one Banking Day of receipt of such Confirmation, it will be deemed to be correct, complete and confirmed by the Customer. If it becomes necessary, the Bank may at any time ask the Customer to sign and return a copy of the Confirmation or to reconfirm the agreement in other ways. The validity of a Derivatives Transaction is not conditional on a Confirmation being issued that is signed by the Customer and returned to the Bank.

5.5 A Derivatives Transaction is regulated by
(a) The Confirmation,
(b) The Derivative Agreement,
(c) The Special Terms and Conditions,
(d) Security Agreement (if any),
(e) The General business terms and conditions for trading in financial instruments, and
(f) The Customer Agreement for the provision of investment services,
together constituting an agreement (the "Agreement"). Where there is a conflict, the documents shall apply in the order of precedence specified above.

5.6 If the Customer wishes to be represented by power of attorney in dealing with the Bank, the Customer must notify the Bank in writing using a power of attorney sheet approved by the Bank, unless otherwise agreed.

6. Customer’s liabilities and risks

6.1 The Customer itself will decide whether to enter into Derivatives Transactions and is responsible for selecting the transaction type. Consequently, the Customer is obliged to
familiarise itself with the terms and conditions, as well as the objectives of the transaction types entered into, including the terms and conditions for any Reference Contract.

6.2 Entering into Derivatives Transactions may involve significant risk. The specific risks involved in respect of the various Derivatives Transactions are not described in these Special Terms and Conditions. If required, the Customer should seek independent advice in order to assess the risks involved in the transactions.

6.3 The Customer is liable for losses incurred as the result of engaging in Derivatives Transactions.

6.4 If a Customer enters into Look-Alike Contracts based on commodity Reference Contracts with physical delivery, the Customer must close out the transaction three Banking Days before the expiry date of the Reference Contract, at the latest. If the Customer does not, the Bank is entitled to close out the transaction on behalf of the Customer. A transaction is closed out by either the Bank determining the market value of the transaction with payment to the part that is in-the-money or by an off-setting transaction based on current market prices.

6.5 The Bank assumes no responsibility to notify the Customer of market or currency conditions, including whether there have been unrealised losses on Derivatives Transactions that have been entered into. The Customer is responsible for consecutively keep itself up to date with information about such transactions.

6.6 The Bank is not liable for any fiscal/tax implications for the Customer of Derivatives Transactions entered into. In this context, the Bank encourages the Customer to clarify such situations, possibly by seeking legal advice or other forms of assistance.

7. Price, transaction costs and systematic internalisation

7.1 The price of a transaction, including client margin and liquidity premium, takes into account transaction and customer specific factors.

7.2 Danske Bank will become a ‘systematic internaliser’ ("SI") in a derivative instrument if the Bank, on an organised, frequent systematic and substantial basis, deals in this instrument on its own account when executing customers’ orders outside a trading venue in accordance with EU Directive 2014/65 of 15 May 2014 on markets in financial instruments etc. ("MiFID II"). As SI for one or more financial instruments, the Bank will have certain obligations to publish firm quotes to its customers in the relevant financial instruments, and to publish trading information. A list of the relevant financial instruments, including any relevant derivative instruments, and the current prices will be available on the Bank’s website, together with information about any restrictions/caps on Customers’ access to trading these financial instruments. The Bank’s Order Execution Policy describes how the Bank determines prices for the financial instruments for which the Bank is a SI.

7.3 The Bank charges brokerage and fees on Look-Alike Contracts based on Reference Contracts. A list of transaction costs forms part of the Derivatives Agreement. Changes to brokerage and other fees are subject to the same rules applicable in respect of changes to the Bank’s fees and interest rates in general.

7.4 If on any interest payment date the amount of interest due and payable from one party (the “Floating Rate Payer”) to the other party (the “Floating Rate Receiver”) is negative [on account of either a negative floating rate or a margin deducted from a floating rate] [the “Negative Interest”], the Floating Rate Payer is not required to pay interest for such interest period. Instead, the Floating Rate Receiver pays to the Floating Rate Payer the Negative Interest in addition to any other amount that the Floating Rate Receiver is required to pay on that interest payment date.

8. Settlement of Derivatives Transactions

8.1 Profit or loss on due Derivatives Transactions will be settled using the agreed settlement account with currency on the due date, unless otherwise is agreed. The Bank has a debit authorization (belastningsfullmakt) on the agreed settlement account from the Customer: Where a physical delivery has been agreed, the purchase and sales considerations will be settled in the agreed settlement account on the due date.

8.2 The Customer is obliged to have sufficient funds on the settlement account to make payments on the due date resulting from Derivatives Transactions it has entered into.

8.3 If there are insufficient funds on the settlement account, the Customer must immediately deposit the required amount into the account. The Bank may set a time limit of as little as 1 hour for such a deposit to be made.

8.4 If the Customer fails to make a payment on its due date, the Customer shall be charged penalty interest at the applicable interest rate at the time in accordance with the terms of the Norwegian Overdue Payment Interest Act, charged on the unpaid amount from the due date until the payment date, with the addition of 2 % for Customers that are not natural persons.

8.5 Payment and delivery for Look-Alike Contracts based on Reference Contracts follow the rules applicable to the relevant Reference Contracts, unless otherwise has been agreed. Payment and delivery of Look-Alike Contracts shall occur on the due date of the Reference Contracts.
8.6 If the parties have obligations to each other that must be satisfied on the same day, the Bank may request that payment/delivery takes place on the due date when the parties make their deposit/delivery to an agreed account and/or securities department in the Bank or to clearing systems specified by the Bank. The request may include specific existing and/or future Derivatives Transactions. For Derivatives Transactions with a term to maturity of more than 5 Banking Days, the request shall be submitted with at least 5 Banking Days’ notice. For Derivatives Transactions with a shorter term to maturity, the request shall be submitted when the agreement is entered into.

8.7 Deposits are to be made in the name of the depositor. Once both parties’ contributions have been made, they will be immediately released. Where a party has not made a deposit on the due date, the other party may demand that their contribution shall be returned.

8.8 Where both parties have obligations to the other party that shall be satisfied on the same day in the same payment in connection with Derivatives Transactions entered into under the terms of the Framework Agreement, the Bank may demand settlement of the payments so that only net payments are exchanged.

9. Market value calculation

9.1 The Bank may consecutively calculate the market value of the total net amount the Customer owes the Bank. The Bank will undertake the market value calculation based on all existing Derivatives Transactions and closed, but not settled, Derivatives Transactions. The market value calculation will be undertaken by the Bank using the same principle set out in section 15, using mid-prices as the starting point (i.e. the rate between buy price and sell price, obtained as set out in section 15.7).

9.2 A threshold for the market value of the total net amount may be agreed, such threshold set out in the Derivatives Agreement. If the market value of the total net amount, calculated in the basis currency as defined in the Derivatives Agreement (the “Basis Currency”), exceeds the agreed threshold specified in the Derivatives Agreement, the Bank may in writing and without any notice close the number of Derivatives Transactions necessary in order to bring the total net amount below the agreed threshold, alternatively demanding that the Customer puts up (supplementary) security, cf. section 10.

9.3 If Specific Agreements contain other provisions in respect of the calculation of total net amount, these provisions shall take precedence over the provisions of the Framework Agreement in this respect, for the Derivatives Transactions covered by the scope of such Specific Agreement. The result of such calculation is included in the Framework Agreement calculations.

10. Collateral arrangements and offsetting

10.1 Any collateral arrangements, including margin deposits and agreed thresholds, will be shown in a Security Agreement and/or mortgage documents and the Derivatives Agreement.

10.2 Even if the Bank has not imposed collateral requirements when entering into single Derivative Transactions, the Bank will be entitled to demand collateral if the Customer’s relationship with the Bank, at the Bank’s own discretion, gives reason for doing so.

10.3 The Bank may, at any time, demand that additional collateral shall be provided in order to cover Derivatives Transactions covered by the Framework Agreement.

10.4 In the event of a breach committed by one party, the other party’s obligations as set out in the Framework Agreement, to the degree stipulated in the Norwegian Trading Securities Act chapter 14, for Customers being corporate bodies and categorised as a professional party the Norwegian Financial Collateral Act Section 6, if applicable, or by any corresponding regulations that supersede these, may be offset to market value without impediment of sections 7-3 and 8-1 of the Norwegian Creditors Security Act.

10.5 The Bank is entitled to offset each amount owed against each demand, whether due or not, that the Bank has against the Customer. Offsetting may be carried out on every amount on deposit in the Bank, in every account and in every currency, provided that no applicable law requires anything to the contrary.

11. Transaction registering/reporting and regular information

11.1 As a general rule, the Bank will register the Derivatives Transactions of a Customer under the Customers organisation number (national identification number [No. fødselsnummer] for natural persons).

11.2 Customers will receive a monthly statement of Derivatives Transactions made, but not yet settled, and their market value. The Bank calculate market value using the principles defined in section 15 (final settlement) below, based on the Bank’s middle price (meaning the middle rate between bid and ask). For Look-Alike Contracts based on Reference Contracts Customers will only receive an annual statement showing such transactions which the Customer has entered into during the year.

11.3 Customers being corporate bodies and categorised as a financial counterparty or a non-financial counterparty must, from the time EMIR enters into force in Norway report within
one Banking Day the details of all its Derivatives Transactions under this Derivatives Agreement to a trade repository.

11.4 The Bank will report the Derivatives Transactions to relevant authorities where the Bank has a regulatory obligation to do so under the rules implementing Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and any delegated acts thereunder (hereafter “MiFIR”).

11.5 The Bank will however not report any Derivatives Transactions to a trade repository on behalf of a Customer; and the Customer will be obliged to report its own Derivatives Transactions with the Bank, unless the Bank has separately agreed to perform such services for the Customer.

11.6 Customers being natural persons are not subject to any obligations under EMIR or MiFIR and will not be required to report any Derivatives Transactions. However, the Bank may be required to provide certain information about such transactions to a trade repository cf. section 4.3 above.

12. Risk-mitigation techniques (for customers that are corporate bodies)

12.1 Portfolio reconciliation
Customers being corporate bodies and categorised as a financial counterparty or a non-financial counterparty are required under EMIR or rules implementing EMIR to perform a reconciliation of its outstanding Derivatives Transactions with the Bank under the Framework Agreement.

Portfolio reconciliations shall be performed at daily, weekly, quarterly, yearly (or any other) intervals in accordance with EMIR. The frequency depends on the number of outstanding OTC Derivatives Transactions and whether the Customer exceeds the clearing thresholds set out in EMIR.

Unless the Bank and the Customer have agreed otherwise in writing, the Bank shall on the date of each portfolio reconciliation send to the Customer one or more lists of the Customer’s outstanding Derivatives Transactions containing information about the key terms (including the Bank’s valuation) of each transaction. The Customer must notify the Bank without undue delay, if the Customer is not in agreement with the data contained in such list. If the Customer fail to notify the Bank of any discrepancies within five Banking Days of receipt of the data, it will be deemed to be correct, complete and confirmed by the Customer.

A Customer’s failure to dispute data set out in a reconciliation list does not amount to a waiver of any right to dispute the accuracy of such data for any other purposes than complying with applicable rules on portfolio reconciliation.

12.2 Portfolio compression
Customers being corporate bodies and categorised as a financial counterparty or a non-financial counter-party with at least 500 outstanding OTC Derivatives Transactions with the Bank, are required two times a year to analyse together with the Bank and, if it is appropriate, carry out a portfolio compression exercise in order to reduce the counter-party credit risk.

12.3 Dispute resolution
If a dispute arise between a Customer being a corporate body and the Bank regarding the Framework Agreement or any Derivatives Transactions executed under it, the disputing party shall give notice hereof to the other party without undue delay. The disputing party shall specify its reasons for disputing the matter in writing. The parties shall hereafter consult each other and seek to resolve the dispute in a commercially reasonable and timely manner. However, a Derivatives Transactions shall be considered to be concluded regardless of whether it is disputed.

This section does not apply to disputes regarding collateral arrangements.

If a dispute relates to the Bank’s valuation of one or more Derivatives Transactions under the Framework Agreement, the Customer may request that the Bank seeks quotes from at least two and up to four reputable, independent market participants. If the quotes obtained deviate materially from the Bank’s valuation, then the average value of such quotes shall replace the Bank’s valuation and the Bank shall bear the costs of obtaining the quotes. If the quotes obtained do not deviate materially from the Bank’s valuation, then the Bank’s valuation shall prevail and the Customer shall bear the costs of obtaining the quotes. If no quotes are obtained the Bank’s valuation shall prevail. The Bank may disregard one or more quotes obtained if the Bank believes that the inclusion of such quote(s) would not produce a commercially reasonable result.

If a dispute has not been resolved within five Banking Days, each party shall refer the matter to senior members of its staff, who shall seek to resolve the dispute within 30 Banking Days.

The parties may at any time choose to refer a dispute to a competent court. The Bank is obliged to report any disputes concerning amounts exceeding EUR 1.5 millions which have not been resolved within 15 Banking Days to the Financial Supervisory Authority.

13. Customer’s obligation to disclose information

13.1 The Bank may at any time ask a Customer to send information of an accounting, budgeting or auditing nature, including long-form audit reports, which the Bank consider to be necessary in order to evaluate the Customer’s financial condition or other matters, such as information about persons authorised to act on the Customer’s behalf.
13.2 In addition, the Bank may at any time request the Customer to deliver such information/documentation as the Bank deems necessary to obtain in relation to an obligation of the Bank to provide information about a Customer’s affairs, as required in accordance with law, public authorities’ regulations or decisions and/or agreement with such authorities, agreed trading rules or contracts/terms relating to certain securities.

13.3 The Customer is obliged to disclose such information/documentation referred to above in section 13.1 and 13.2, as soon as possible upon the Bank's request.

13.4 The Customer must immediately notify the Bank when:
   (a) the Customer becomes aware of that its financial situation may be materially negatively impacted.
   (b) the Customer becomes aware of a possible breach (as defined in section 14) and which measures must be implemented to rectify the situation.
   (c) an outlay transaction or seizure has been undertaken with the Customer.
   (d) the Customer and/or a guarantor cancels its payments.
   (e) the Customer and/or a guarantor becomes insolvent.
   (f) the Customer and/or a guarantor applies for any sort of debt renegotiation
   (g) a winding up petition has been raised against the Customer and/or a guarantor
   (h) the Customer and/or a guarantor has been placed under bankruptcy proceedings.

13.5 The Bank is entitled to compensation in accordance with section 13.2 in the event of a delay in delivery of information/documentation required under section 13.

13.6 Each Customer accepts that the Bank and/or any of the Bank’s affiliates is entitled to, at any time, pass on any information about the Customer, the Customer’s Derivatives Transactions, etc., to the extent such disclosure is required by the rules of a regulated market, a clearing house, any systems or platforms used by a clearing house, providers or operators of electronic trading/matching facilities, trade repositories, or to any other persons, if required by a competent court, governmental authority or similar body or by applicable law.

14. Events of Default

14.1 Each of the following events will be regarded as serious breaches (No: vesentlig mislighold) when:
   a) A party does not make a contractual payment or delivery on a due date in relation to the Agreement.
   b) The Customer breaches another provision in the Agreement, including not providing the agreed security, the required security in accordance with section 8 cf. Security Agreement, information appears to be incorrect or inaccurate in a significant misleading way or failure to deliver information/documentation required under section 13.
   c) A party and/or a guarantor is insolvent, files a bankruptcy petition, cancelled its payments, initiates negotiations with creditors, initiates debt negotiations or equivalent measures.
   d) The Customer at the Bank’s discretion is regarded as being unable to pay its debts, as they fall due.
   e) The Customer changes its residence/business location to another country without entering into agreement with the Bank in respect of the changed conditions.
   f) The Customer, in relation to its affairs with the Bank or other companies within the group of the Bank, fails to meet its obligations.
   g) Other circumstances arise that, in relation to Norwegian law, may be regarded as constituting breaches of the Agreement or other Derivatives Transactions.

14.2 Upon the occurrence of an event of default (and as long as it is continuing), the non-defaulting party is entitled, by notifying the defaulting party ("Notification of Breach"): (I) to demand that all Derivatives Transactions are closed and (II) to cancel the Agreement with immediate effect.

14.3 In the event of cancellation as the result of an event of default as described in section 14.1, the Bank shall be held indemnified for any losses incurred by the cancellation of such Derivatives Transactions, including losses incurred as a result of changes in the exchange rate and market quotas in the time between the cancellation date and the date the Bank makes its calculation in accordance with section 15.

15. Final Settlement (Close-out netting)

15.1 If one or more Derivatives Transactions have been revoked as a result of an event of default or otherwise terminated in accordance with these Special Terms and Conditions, the Parties’ outstanding account shall be settled and a final settlement shall be produced as per the cancellation date as stipulated in section 15.2-15.9 ("Final Settlement"). The Bank may implement final settlement without the impediment of sections 7-3 and 8-1 of the Norwegian Creditors Security Act, cf. section 14-2 of the Norwegian Securities Trading Act, and for Customers being corporate bodies and categorised as a professional party cf. section 6 of the Norwegian Financial Collateral Arrangements Act.

15.2 The Bank conducts Final Settlement as a net settlement of all Derivatives Transactions covered by the Framework Agreement with the Customer. During Final Settlement, the Bank calculate the current value of each individual Derivatives Transaction on the basis of its market value on the
Special terms and conditions for entering into Derivatives Transactions

15.3 When calculating the current value, the Bank shall either add or deduct each unpaid amount. In this context, 'Unpaid Amount' refers to the total net amount (positive or negative) for the Bank made up of (I) each amount that was payable on the cancellation date, but has not been paid, (II) the market value of a physical delivery on the cancellation date that should have been received prior to the cancellation date but has not been delivered and (III) the value of securities on the cancellation date of each security the Customer has transferred to the Bank.

15.4 The total amount calculated by the Bank pursuant to this section shall, following receipt of a demand from the party that has a claim on the amount, be paid in the Basis Currency. Amounts outstanding in other currencies shall be converted to the Basis Currency at the rate applicable on the cancellation date. All Derivatives Transactions outstanding on the cancellation date and which become due thereafter shall be included in the Final Settlement. This shall not apply to Derivatives Transactions already concluded.

15.5 The Final Settlement Amount is the difference between each party's total payment obligations in accordance with the Framework Agreement, but has not been paid. It is calculated on the basis of prices retrieved from known to be market participants in relation to the transaction type in question.

15.7 Information about market prices/terms and conditions may be retrieved via the electronic information systems used by market participants or on the basis of prices retrieved from recognised exchanges, financial institutions or others who are known to be market participants in relation to the transaction type in question.

15.8 If the relevant markets are closed on the cancellation date, the current value of Derivatives Transactions will be calculated on the basis of prices retrieved on the following day, where prices are set on this market.

15.9 The Final Settlement Amount may be used for offsetting to this extent unless otherwise dictated by unalterable legislation, allowing the Bank to offset in each included amount or each obligation to cover each demand or obligation the Bank holds or may arise under this Agreement.

16. Amendments to the Special Terms and Conditions

16.1 The Bank reserves the right to make changes to these Special Terms and Conditions. Material amendments will take effect from the time the Bank has informed the Customer about the amendments in writing. The Customer has accepted to receive information about amendments by e-mail if the Customer has provided its e-mail address to the Bank. Other amendments will enter into effect as soon as they are published on the Bank’s webpage. Amendments will not have any effect for orders, Derivatives Transactions, etc. already placed or entered into before the amendment entered into effect.

16.2 The Bank may also in its sole discretion make amendment and/or deviate from these Specific Terms and Conditions with effect for one specific Customer. Such amendments will enter into effect by amendment to the Derivatives Agreement with the relevant Customer.

17. Termination

17.1 The parties may terminate the Framework Agreement in writing giving 14 days’ notice. Such notice of termination will not apply to Derivatives Transactions already concluded. Derivatives Transactions that have been entered into cannot be terminated before expiry, see however section 9, 14 and 18.

17.2 If a Reference Contract ceases to be traded on a regulated market, the Bank may terminate any Look-Alike Contracts based on such Reference Contract with a Customer. The Bank will close-out the transactions on the day when the reference contract is no longer traded and calculate the final settlement amount according to the principles in section 12 above.

18. Changes in laws and regulations

18.1 If due to changes in laws or regulations (or in the interpretation thereof by courts or other authorities) occurring after a Derivative Transaction is entered into, such Derivatives Transaction becomes unlawful under any applicable law, or one or both of the parties are prohibited from paying or delivering as agreed, or from performing or complying with any other obligations under the Framework Agreement, the party affected by the changes in laws or regulations must promptly notify the other party in writing. Both parties will have the right to terminate, in writing and at any time, the Framework Agreement and each transaction forming part hereof.
18.2 If changes in laws or regulations concerning capital adequacy or liquidity requirements applicable to the Bank impose increased costs or reduce the Bank’s earnings when the Bank perform, maintain or finance its obligations in respect of the Framework Agreement, the Bank will have the right to terminate, in writing and at any time, the Framework Agreement and each transaction forming part hereof.

18.3 If the Bank terminates the Framework Agreement under this section 18, the Bank will close out all transactions and calculate a final settlement amount as at the early termination date in accordance with section 15 above. The early termination date is the Banking Day on which the termination of the Framework Agreement takes effect.

19. Other conditions

19.1 Unless otherwise agreed, communications may be in Norwegian or in English, by email or letter and sent to the addresses indicated in the Derivatives Agreement.

19.2 If a Customer contacts the Bank via e-mail or otherwise provides its e-mail address to the Bank, the Customer will be deemed to have consented to the receipt of emails from the Bank which are not encrypted or password-protected. Customers using electronic and any type of digital solutions, are deemed to have consented to receiving information in a durable medium other than paper. The Customer must inform the Bank about changes by at least five Banking Days’ notice.

19.3 Communication received by the Bank outside normal opening hours is deemed to have been received on the following Banking Day.

19.4 A Banking Day is a day during which the banks in Norway are open for business (including for currency and securities trading), excluding Saturdays and Sundays ("Banking Day").

19.5 For the purpose of delivery of financial instruments or for payment or determination of interest rates in relation to a currency other than Norwegian kroner or euro, a Banking Day is a day when banks are open for usual banking transactions (including currency and securities trading) in the country of delivery of the relevant financial instrument or in the country of the relevant currency.

19.6 For purposes of paying or determining interest rates in relation to euro, a Banking Day is a day when the TARGET system (Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

20. Key information document (retail clients)

20.1 The Bank is obliged to ensure that Customers qualifying as non-professional [retain clients] are provided with a key information document for certain Derivatives Transactions. A key information document is a standardised document, which sets out certain key information in a particular as regards the nature and features of the transaction including the costs and risk profile of the transaction as well as relevant performance information and certain other specific information which may be necessary for understanding the features of the transaction.

20.2 Customers are deemed to have accepted that the key information document will be provided by means of reference to the Bank’s website, unless the Customer has notified the Bank otherwise. Customers can receive the key information documents on paper upon request.

20.3 Key information documents are available on and may be downloaded from the Bank’s webpage (www.danskebank.no).

21. Choice of law and legal domicile

21.1 This Agreement and the individual Derivatives Transactions are subject to Norwegian Law, with Oslo as legal venue.
Information about general risks associated with trading in foreign currency and derivatives

Applicable from 1 January 2018

Introduction

This information sheet is provided to customers of Danske Bank ("Customers") who enter into derivatives and foreign currency transactions. The purpose is to give you as a Customer a clear understanding of the risks associated with these types of products.

Derivatives are financial instruments that derive their value from underlying assets or other factors. The underlying assets/factors ("underliers") may be market assets/factors such as interest rates, foreign exchange rates, equities, commodities, or other financial or economic interest or property of any kind.

For the purpose of this information sheet, derivatives are traded with Danske Bank as counterparty (over-the-counter – OTC) and certain exchange-traded linked products, including swaps, options, forwards and futures on any type of underlier.

This information sheet does not describe all of the risks and other significant aspects of trading in OTC derivatives. In light of the risks, Customers should undertake such transactions only if the Customer understands the nature of the contracts into which the Customer is entering and the extent of relevant exposure to risk.

For more information relating to trading in various financial instruments, please see document named Information to customers regarding the characteristics of, and risk associated with, financial instruments, available on www.danskebank.no.

Please also refer to product-specific information sheets, which offer more information about swaps, options and forwards on various underliers. The information sheets are available on www.danskebank.no.

Before trading

Trading in derivatives may entail significant risks. The risks depend on the type of transaction and the nature of the underlier.

Each Customer should carefully consider whether trading is appropriate in light of the Customer’s experience, objectives, financial resources and other relevant circumstances. If a Customer believes that assistance is needed in this regard, the Customer should consult appropriate advisers.

As a Customer’s arm’s length contractual counterparty to derivatives transactions, Danske Bank’s interests are directly adverse to the Customer’s interests. Therefore, each Customer alone is responsible for assuming the risks associated with the derivatives transactions into which the relevant Customer enters.

Derivatives can be used for investment and for hedging financial risks, but whether a derivative is the right financial instrument for a Customer depends on several factors, including the investment/hedging purpose and the Customer’s investment profile. Different instruments involve different levels of exposure to risk, and in deciding whether to trade an instrument, the Customer should be aware of the following risks:

Market risk

Market risk is the risk of loss arising from adverse changes in the value of a derivative instrument due to changes in the underliers. Similarly, adverse changes in the volatility of or correlation or relationship between these factors may contribute to losses occurring.

The market risk of a derivatives transaction may increase if a derivatives transaction includes complex pay-out calculations or a leveraged element. Transactions with such features may be subject to significant changes in value because of relatively small changes in the prices or levels of an underlier or other market factor. Such features include, but are not limited to, leverage, multipliers and option-like pay-outs, transactions with knock-in or knock-out rights, etc.

Credit risk

Credit risk is the risk that a counterparty fails to meet its contractual payment obligations because of insolvency or default.

Because of the credit risk, Danske Bank and the Customer (and Customer’s guarantor’s, if any) creditworthiness is a material consideration when entering into or determining the terms of a derivatives transaction, and this has an impact on the pricing of the transaction.
Liquidity risk

Liquidity risk is the risk of losses attributable to a lack of liquidity (for example very few active market participants) in a particular market. This is usually indicated by wide bid/offerspreads and very few transactions being carried out in a particular product or market.

The risk is that changes in the underlying market price may be infrequent but very large, and that it is not possible to unwind or transfer a particular transaction in a timely manner, at near the price the Customer had expected, or at all.

In assessing this risk, the Customer should consider that derivatives transactions may be terminated, modified or transferred pursuant to the terms of the particular transaction or by mutual agreement of the parties only.

If Danske Bank's consent is required, Danske Bank may withhold it for a variety of reasons, which Danske Bank is not required to disclose to the Customer. Further, even though market-makers and dealers may quote indicative prices or mid-market valuations, there is no assurance that another dealer is willing to accept a transfer of the Customer's rights and obligations under a particular transaction between the Customer and Danske Bank.

Accordingly, it may not be possible for a Customer to modify, terminate or transfer its rights and obligations, or its exposure to the risks associated with a particular transaction, prior to its scheduled termination date.

Pricing risk

For complex derivatives transactions, pricing may be determined using various assumptions and mathematical models. Pricing risk is the risk that these models do not accurately reflect conditions in the market and that mispricing causes a loss.

Operational risk

In this context, operational risk covers a wide-ranging number of risks such as losses arising from inadequacies in or failures of procedures, systems or controls in connection with derivatives transactions.

Examples of operational risks include:
- recording, monitoring and quantifying risks and contractual rights and obligations
- making payments or deliveries
- exercising rights before they expire, including option rights, in a manner that complies with the terms of the relevant transactions
- meeting regulatory filing, reporting and other requirements
- detecting human errors or computer systems failures

Losses from operational risk can be substantial, including the entire value of a transaction, for example an unexercised and expired in-the-money option.

Legal risk

Legal and documentation risks include the risk that transactions and/or their related framework arrangements may not be legally enforceable or that the conduct of the parties violates applicable laws and regulations.

Framework agreements

The related framework agreements contain various events of default provisions entitling a non-defaulting party to terminate all or some of the transactions under such a master agreement. If a Customer is subject to events that may constitute a default under the framework agreement, Danske Bank has no obligation to consider the Customer’s interests in determining whether or when to terminate a transaction.

There are EU-based rules on recovery and resolution for distressed financial institutions such as banks (the BRRD) to be applied under certain conditions as an alternative to bankruptcy proceedings. The designated national resolution authority may take a variety of actions of a preventive, early intervention or resolution nature, which may lead to restrictions on a Customer’s ability to terminate and otherwise exercise its rights under a framework agreement.

Further, under certain conditions, the resolution authority has a number of resolution tools and powers [‘harmonised toolkit’], including the right to exercise certain so-called bail-in powers, involving the write-down of certain eligible liabilities of the distressed institution, delay performance and/or convert certain claims against the distressed institution, into other types of claims, such as shares.

A safeguard under the BRRD is that counterparties to a distressed institution cannot incur losses greater than what they would suffer if the institution were to go into bankruptcy.

BRRD is as of today not implemented into the EEA Agreement and into Norwegian law, but it is expected to be implemented in near future.

Taxation

Trading in foreign currency and derivatives is subject to specific tax rules. The tax rules that apply depend on:
- the type of instrument
- whether the Customer is a private individual or a legal person
- whether fulfilment occurs on delivery of the underlying assets

Due to the complex nature of the tax rules, we recommend Customers to consult an accountant, tax adviser or other professional adviser to clarify tax and accounting consequences before entering into a derivatives transaction.