

## Terms and conditions for custody accounts in Nordea

These terms and conditions are effective from 3 January 2018 and can be changed by the Bank with one month's notice.

The terms and conditions are also available on [Nordea.dk/mifid](http://Nordea.dk/mifid)

### I. General rules

#### 1. General rules for securities in custody accounts

These terms and conditions apply to custody accounts with Nordea Danmark, filial af Nordea Bank AB (publ), Sverige (the "Bank"). In addition, the following terms and conditions also apply:

- General terms and conditions for personal customers and General terms and conditions for corporate customers,
- Securities trading in Nordea –non-professional customers, professional customers and eligible counterparties, respectively,
- Execution Policy, and
- Conflicts of Interest Policy.

#### 2. Opening of a custody account

Custody accountholders must inform the Bank of the name and address for the custody account and from any other person(s) authorised to operate the custody account.

For custody accountholders living/domiciled abroad, national legislation may place restrictions on the transactions that can be executed in relation to the custody account.

The Bank makes reservations as to payment of return on the securities until it is certain that it will receive the amount.

Special rules apply to collateral accounts and trust accounts, including the administration of trust funds and assets belonging to people without full legal capacity and custody accounts attached to pension schemes and other custody accounts.

Every quarter the Bank will send a statement of the items registered in the custody account at the end of that quarter. Additional statements of current holdings can be obtained on request against a fee.

Custody fees are payable in June and December.

Custody accountholders can in some cases choose whether or not to receive notifications from VP Securities A/S (VP) as required.

### II. Danish securities – registered with VP

#### 1. Registration

VP registers the issuance and turnover of bonds, shares and other securities approved for registration. Furthermore, any rights attaching to the securities are registered.

Registration is made on the custody accountholder's account with VP (a VP account).

#### 2. Bonus shares

If an issue of bonus shares is announced in the Danish Official Gazette, the Bank will notify custody accountholders. Custody accountholders will be requested to state within a specified time limit whether they wish to

- subscribe for new bonus shares
- sell the bonus rights
- buy or sell supplementary/excess bonus rights.

If the Bank has not received instructions and the funds required for acquisition of the bonus rights by the date specified, the Bank will acquire the largest possible amount of bonus shares and will be entitled, but not obliged, to sell any excess bonus rights at the best price obtainable. However, the Bank does not guarantee that such a sale can be effected.

Unexercised bonus rights registered with VP will be cancelled by VP without prior notice to custody accountholders.

#### 3. Convertible bonds

If the time limit for conversion allows for notification, the Bank will notify custody accountholders of conversions announced in the Danish Official Gazette. Custody accountholders will be requested to state within a specified time limit whether the convertible bonds should be:

- converted into shares; or
- redeemed at maturity.

If the Bank has not received instructions by the date specified, the Bank will be entitled, but not obliged, to choose the option which in the Bank's opinion is most

profitable.

#### 4. Voluntary or mandatory offers for securities in safe custody

If the time limit allows for notification, the Bank will notify custody accountholders of any voluntary or mandatory offers received from potential buyers. The Bank cannot be liable if custody accountholders do not accept an offer within the time limit specified.

#### 5. New issues

If the time limit for subscription allows for notification, the Bank will notify custody accountholders of any new share/bond issue with a prior right for existing holders announced in the Danish Official Gazette. Custody accountholders will be requested to state within a specified time limit whether they wish to

- subscribe for new issues
- sell the subscription rights
- buy or sell supplementary/excess subscription rights.

If the Bank has not received instructions and the funds required for acquisition/subscription, the Bank will be entitled, but not obliged, to sell the subscription rights at the best price obtainable. The Bank does not guarantee that such a sale can be effected.

Unexercised subscription rights registered with VP will be cancelled by VP after the closing of the subscription period without prior notice to custody accountholders.

#### 6. Interest

Interest on Danish bonds will be credited to the settlement account on the due date.

#### 7. Drawing of bonds for redemption

If Danish bonds are drawn for redemption, notification will be sent to custody accountholders and any other holders of rights. Custody accountholders can choose not to receive this notification. The amount drawn will be credited to the settlement account on the due date.

#### 8. Dividends

Any dividends on Danish shares and units in investment funds less withholding tax, if any, will generally be credited to the settlement account on the third business day after the general meeting.

If custody accountholders are liable to tax in a country that has entered into a double taxation treaty with Denmark, they can in respect of certain countries agree with the Bank that a lower withholding tax rate should apply.

#### 9. Registration in the holder's name

Danish issuers of shares could until 1 July 2015 in its articles of association decide whether shares should be issued in bearer form or registered in the name of the

holder. From 1 July 2015 this is no longer possible and new shares must be registered in the name of the holder.

Existing bearer shares will only be registered in the custody accountholder's name at the request of the holder.

Due to the Danish Companies Act, a shareholder may not exercise any shareholder rights, until the ownership of bearer shares been registered with the issuer and/or the Danish Financial Supervisory Authority's register for ownership of shares in bearer form in accordance with the Danish Companies Act. It is the responsibility of the shareholder to register any holdings below 5 % of the issuer's total voting- or share capital. The registration requirement above does not apply for listed shares.

A bearer share that changes status to a share that must be registered in the name of the holder as well as shares that must be registered in the name of the holder will be registered in the holder's name unless otherwise agreed. Shares which are sold will be deregistered.

### III. Foreign securities – registered with VP

#### 1. General rules

Any return on foreign securities registered with VP will be transferred to the Bank and credited to the custody accountholder's settlement account.

If custody accountholders are liable to tax in Denmark and a double taxation treaty has been entered into between Denmark and the country of origin of the foreign securities, the Bank can ensure that such custody accountholders are covered by the treaty.

Foreign bonds registered with VP cannot be registered in the name of the holder, even if they can be registered in the holder's name in the country of origin.

### IV. General rules for securities in VP

#### 1. Deregistration

When a security is no longer registered with VP, the custody accountholder and any holders of rights will receive a letter explaining the procedure for the surrender of documents in replacement of the registered securities.

#### 2. Complaints

Complaints must be sent to the Danish Financial Business Authority (*Finanstilsynet*), Århusgade

110,DK-2100 Copenhagen within four weeks of the date of registration or the Bank's rejection of a request for registration. A fee to the Danish Financial Business Authority may be payable in order to lodge a complaint.

### 3. Legislation

The specific rules applying to registration with VP appear from the Danish Capital Markets Act as well as from the executive orders issued under the Act.

### 4. Compensation

Securities registered with VP are comprised by a compensation arrangement in accordance with the Danish Capital Markets Act.

VP is liable in damages for any loss resulting from errors in connection with registration, alteration or cancellation of rights attaching to accounts with VP or for payments made by VP, even if such errors are fortuitous. However, if the error can be ascribed to the Bank, the liability in damages rests with the Bank.

The Bank is, in its capacity as account controller, liable in damages for any loss resulting from its own errors in connection with the effecting of registration, alteration or cancellation of rights attaching to accounts with VP or for payments made by VP, even if such errors are fortuitous.

If custody accountholders have contributed to the error themselves, with intent or through negligence, the damages from VP or the Bank may be reduced or the right to damages may be entirely lost.

## V. Foreign securities – *not* registered with VP

### 1. Safe-keeping

Unless otherwise agreed, foreign securities are generally held in a joint custody account with a foreign custodian bank designated by the Bank in the Bank's name, but separated from the Bank's other securities.

As the securities are not registered with VP, they are not comprised by the compensation scheme under the Danish Capital Markets Act.

Nordea will be liable for any losses due to the inadequate solvency of the foreign custodian bank and for any errors or mistakes made in respect of the securities deposited. Hence, the custody accountholder is protected against losses if the foreign custodian bank goes bankrupt.

Custody accountholders are to the same extent as the Bank subject to any rules of law and customs that apply

to the foreign custodian bank as well as to its business conditions.

The Bank is entitled to provide information on custody accountholders' identity and holdings of securities if required by the laws of the country in question.

Custody accountholders will not receive notices of general meetings and can expect to exercise voting rights only if specifically agreed. Otherwise, custody accountholders will receive notices from the companies only when relating to dividends or new issues.

### 2. New issues, bonus shares etc.

If the time limit for subscription allows for notification, the Bank will notify custody accountholders of any new share issue and/or invitation to subscribe for bonds, including convertible bonds and warrants, as well as any bonus share issue.

Settlement of an issue, including the crediting of proceeds etc, will not be effected until the correspondent bank has informed the Bank of the basis of settlement.

### 3. Interest payments etc.

Interest payments etc on bonds deposited in the Bank's name with a custodian bank chosen by the Bank will normally be credited to the custody accountholder's settlement account on the due date.

### 4. Dividends

Any share dividends received by the Bank will be credited to the custody accountholder's settlement account as soon as the Bank has been notified by the foreign custodian bank that dividend has been paid and the amount has been made available to the Bank. Unless otherwise agreed, the Bank is not responsible for the recovery of withholding tax paid abroad.

## VI. Other rules

### 1. Investor guarantee scheme

In the event that Nordea Bank AB (publ) is declared bankrupt, custody accountholders will be able to have securities registered with VP returned irrespective of the bankruptcy.

If the Bank is not able to return the securities, custody accountholders will be able to obtain cover in accordance with the Swedish investor compensation scheme for any loss suffered in this connection of up to SEK 250,000.

If several persons own securities jointly, each person is regarded as an independent investor provided that such persons are registered as the holders of the

custody account.

If custody accountholders want to obtain cover from the Swedish investor compensation scheme, they must notify their claims to Riksgälden in Sweden within a year after Nordea Bank AB's (publ) bankruptcy. Certain financial and institutional investors are not covered. Further information is available at [www.insattningsgaranti.se](http://www.insattningsgaranti.se).

Losses resulting from the failure of an issuer to fulfil its obligations pertaining to the securities (counterparty risk) and losses due to the depreciation of securities are not covered.

## **2. Notice of termination and changes to the agreement**

The Bank may terminate a custody agreement without notice. The custody accountholder must be informed of the reason for such termination.

The custody accountholder may terminate a custody agreement without notice. In case of termination custody accountholders must inform the Bank where they want any securities in the custody account to be transferred.

The Bank is entitled to change the custody terms and conditions by giving one month's notice. Changes will be published on [Nordea.dk/mifid](http://Nordea.dk/mifid) and Nordea Investor, where you also can find the terms and conditions in effect from time to time. The Bank may also publish changes by letter or announcement through the written press if it deems it appropriate.