

Information about the Bank and Investment Services provided by the Bank

Applicable from 3 JANUARY 2018

for Danske Bank A/S Estonia branch, Danske Bank A/S Latvia branch and Danske Bank A/S Lithuania branch

I ABOUT THE BANK

1. Danske Bank A/S is a Nordic universal bank
Registration No. 61126228 and
Registered office at Holmens Kanal 2-12, DK-1092
København K, Denmark,
e-mail: danskebank@danskebank.dk,
tel.: +45 33 44 00 00,
website: www.danskebank.dk

The Danish Financial Supervisory Authority has registered Danske Bank A/S's licence under FSA No. 3000.

2. Bank means each of Danske Bank A/S's branches separately:

Danske Bank A/S Estonia branch

Registration No. 11488826
Registered office at Narva mnt 11, 15015 Tallinn,
Estonia,
e-mail: info@danskebank.ee,
tel.: +372 6800800,
website: www.danskebank.ee

Danske Bank A/S Latvia branch

Registration No. 40103163202
Registered office at Cēsu str 31, k-8, Riga LV-1012,
Latvia,
e-mail: info@danskebank.lv,
tel.: +371 67 959 599,
website: www.danskebank.lv

Danske Bank A/S Lithuania branch

Registration No. 301694694 and
Registered office at Saltoniškių str. 2, LT-08500 Vilnius,
Lithuania,
e-mail: info@danskebank.lt,
tel.: +370 5 215 6666,
website: www.danskebank.lt

3. The languages in which the customer may communicate with the Bank and receive documents, terms and conditions of agreements and other information from the Bank before concluding an agreement with the Bank are official language of the place of service or English.

4. Information submission methods, which are used in communication between the Bank and the customer, and which, in case of need, cover the methods for sending and receiving orders are as follows:

- customer service centres;
- telephone;
- Danske e-Bank;
- e-mail.

II INFORMATION ON INVESTMENT SERVICES AND ANCILLARY SERVICES

5. The Bank provides the following investment services:

- Reception and transmission of orders;
- Execution of orders on behalf of the customer;
- Dealing on own account;
- Provision of investment advice;
- Underwriting of financial instruments or placing of financial instruments on a firm commitment basis (only in Estonia and Lithuania);
- Organising an offer or issue of financial instruments.

6. The Bank provides the following ancillary services:

- Safekeeping and administration of financial instruments for the customer and activities related thereto;
- Granting of a credit or loan to an investor to perform a financial instrument transaction;
- Provision of advice to undertakings on capital structure, industrial strategy and related services and advice and services relating to mergers of undertakings and participation therein;
- Provision of foreign exchange services if these are connected with the provision of investment services;
- Preparation or provision of recommendations on investment and financial analysis or other general recommendations in connection with transactions of financial instruments;
- Services related to underwriting;
- Provision of other investment and ancillary services in connection with derivative instruments.

7. Detailed information relevant to the customers is provided also in following documents available on the Bank's website:

- Bank's General Conditions;
- Standard Terms and Conditions of the Agreement on Investment Services;
- Investment Advice Conditions;
- Order Execution Policy;
- Conflicts of Interest Policy;
- Description of the Nature of Financial Instruments and Inherent Risk;
- Cost and Charges Handbook;
- Customer Complaints Handling Handbook.

III INFORMATION TO BE SUBMITTED ON INVESTMENT SERVICES AND ANCILLARY SERVICES

8. The Bank will provide trade confirmation to the customer every time the transaction takes place according to terms and conditions of the relevant agreement.

9. In the absence of a separate agreement otherwise, reporting in respect of the custody account will be presented at least quarterly and at least once a year the Bank sends the report on all transactions with all cost and charges on it, provided no such overviews have been provided in any other regular statement.

10. The Bank will not be liable for the accuracy of information which the Bank obtains from an external information gatherer regarding any financial instruments.

IV PRINCIPLES FOR THE PROTECTION AND SAFEKEEPING OF CUSTOMER'S ASSETS

11. The present section describes the protection and safekeeping of the customer's assets (financial instruments and funds) that are associated with the investment services and the ancillary services provided by the Bank and as referred to in section II above.

12. Safekeeping and administration of financial instruments for the customer and activities related thereto is in itself a separate ancillary investment service that the Bank provides to its customers.

13. The Bank keeps records of the customer's financial instruments on custody accounts that have been opened in the customer's name in the relevant internal banking system of the Bank.

14. As transactions with financial instruments are usually related to paying or receiving money a custody account is always linked to customer's payment account.

15. In the following cases the Bank keeps customer's financial instruments in a nominee account opened in the Bank's name or in a custody account opened in the Bank's own name:

- financial instruments are registered in a foreign country, e.g. equity, bonds registered in another EU country or in the US;
- financial instruments are registered in the local (Estonia, Latvia, Lithuania) Central Register of Securities (CSD), but the customer wants or the local law requires to keep the instruments in the Bank's name (e.g. nominee account);
- financial instruments are not registered in the local CSD, but at some other registrar, e.g. financial institution that keeps register of investment fund units.

16. It must be stated that the Bank does not keep the financial instruments that are registered in the local CSD in a custody account opened directly in the customer's own name. In this case the Bank is an account operator (manager) who is intermediating customer data and orders to the CSD and *vice versa* intermediating data and services of CSD to the customer.

17. The safekeeping of customer's financial instruments in the Bank is carried out as follows:

- the Bank preserves data, incl. data about customer's assets, keeps such internal registers and records that enables the Bank at any time, without delay to distinguish assets held for one customer from assets held for any other customer, and from the Bank's own assets. For this purpose the Bank has an internal system of custody accounts opened in the customer's name, which reflect the financial instruments belonging to the customer and transactions carried out with these financial instruments;
- the Bank's internal system of custody accounts is maintained in a way that it ensures the accuracy of the data and it corresponds to the financial instruments and funds held for customers by the Bank in reality;
- the Bank conducts on a regular basis controls to check if the data reflected in the Bank's internal custody account system corresponds with the data in the registers of any third parties (custodians) by whom those assets are held;
- the Bank takes adequate organisational measures to manage the risk of losing or reducing customer's assets or rights in connection with those assets, as result of misuse of the assets, fraud, poor administration, inadequate record-keeping of negligence. For this purpose the Bank has established relevant internal procedures and effective internal audit system and has educated staff and choosing with due diligence the custodians and other relevant service providers as well as conducting regular internal and external audits.

18. Customers' financial instruments kept by the Bank, including customer's financial instruments kept in the name of the Bank (e.g. nominee account) as well as assets acquired on account of the aforementioned customers' financial instruments belong to the respective customers and will not be included in the bankruptcy estate of the Bank in case of insolvency of the Bank, nor will the claims of the creditors of the Bank be satisfied on account of such assets.

19. Customer's financial Instruments

For the purpose of keeping financial instruments in a foreign country the Bank uses custodians, where the Bank opens a nominee account in its name or in some cases an ordinary custody account.

20. A nominee account is a special type of custody account that is opened in the name of the Bank at the aforementioned third person (custodian), but is used for keeping customer's financial instruments. Assets kept on the nominee account are deemed to belong to customers and are not part of the Bank's bankruptcy estate and therefore claims against the Bank cannot be satisfied on account of the financial instruments kept on the nominee account. Generally all customers' assets are kept in the same nominee account by the Bank.

21. To hold financial instruments in a nominee account, as well as to keep the financial instruments of different customers in one account opened in the name of the Bank with a custodian, the customer will give its consent to the Bank when entering the Agreement on Investment Services. Generally, the Bank cannot provide the service without the customer's consent

22. The custodian is usually foreign country's investment company, credit institution, financial market participants who are allowed by law to provide services of safekeeping and administration of financial instruments.

23. It must be stated that when the financial instruments are held on the custody account opened at a foreign custodian the local laws do not apply and the customer's rights related with these financial instruments may differ from those stated in local laws because foreign law applies to such custody account.

24. When the Bank is keeping customer's financial instruments on an account opened at a custodian, the Bank applies the following principles:

- The Bank exercise all due skill, prudence and diligence when choosing, appointing and periodically checking the custodian as well as the arrangement for keeping such financial instruments.
- The Bank takes also into account the expertise and reputation of the custodian as well as any legal requirements or market practices related to the holding of such financial instruments and that could adversely affect customers' rights.

25. The Bank is only allowed to deposit customer's financial instruments with a custodian in such a jurisdiction where keeping of financial instruments on someone else's account is subject to a specific regulation and supervision and that custodian is subject to this specific regulation and supervision.

26. To protect customers' financial instruments the Bank does not deposit financial instruments with a custodian in a third country that does not regulate the holding of financial instruments on someone else's account [e.g. nominee account is not in existence], unless one of the following conditions is met:

- the nature of the financial instruments or of the investment services connected with those instruments require them to be deposited with a custody in that third country, or;
- where the financial instruments are held on behalf of a professional customer and that customer requests the Bank in writing to deposit the instruments with a custody located in such a third country.

The regulation in points 25 and 26 above will also apply when such a custodian has delegated any of its functions concerning the holding and safekeeping of financial instruments to another custodian.

27. At any point of time the Bank ensures that financial instruments belonging to a customer and held on a nominee account at a custodian can be distinguished from the instruments belonging to the Bank and the custodian.

28. For that purpose the financial instruments belonging to the Bank and those belonging to customers are held on separate accounts at the custodian.

29. Each customer's financial instruments are recorded separately on internal custody account opened directly in the customer's name in the Bank's internal custody accounts system.

30. In a jurisdiction where holding financial instruments for the account of another person is not regulated, meaning that nominee account cannot be opened, but the nature of the instruments or associated investment services require depositing those instruments with a custodian in such country, the Bank has the right to hold such instruments:

- on an (securities) account opened in the name of the Bank with the instruments belonging to the Bank and other Bank's customers or

- on an account opened in the Bank's name separately from financial instruments belonging to the Bank and/or its customers.
- on an account opened in the customer's name and the Bank has the right to manage and dispose such account on behalf of the customer.

31. It must be stated that in cases described in point 30 it may be impossible to distinguish customer's instruments from instruments belonging to the custodian or the Bank in accounts opened with the custodian. However, in the Bank's internal custody account system and record-keeping the distinguishing between customers' instruments and instruments belonging to the Bank is secured.

32. In case of bankruptcy of the custodian in such a jurisdiction in point 30 it may be impossible to separate financial instruments from the custodian's bankruptcy estate and demand the instruments delivery in bankruptcy proceedings.

33. The Bank does not provide any securities, detentions or set-off rights to third parties (custodian) in relation to customer's money and financial instruments held by the Bank with a custodian on which account the custodian can satisfy its claims not related to provision of investment services to the customer.

Except, the aforementioned may be the case where it is required by the law applicable in a third country in which the customer's funds or financial instruments are held and the Bank is not in a position to refrain from holding financial instruments with such a custodian located in that country. If it is the case the Bank informs the customer of it and about the risks associated with such an arrangement and the custodian.

34. Safekeeping the financial instruments of different customers in the same account opened in the name of the Bank in countries lacking regulation for holding assets in another person's account there is a risk that:

- a) the customer may have no opportunity to be able to participate independently in the general meetings of issuers;
- b) the financial instruments that are not subject to the relevant disposal transaction may be disposed by mistake;
- c) one of the customers fails to fulfil the lawful obligations of shareholders (e.g. notification of necessary authorities of changes in substantial shareholdings). Such a breach may result in the custody account being seized or blocked and none of the customers may be able to dispose or use their instruments, and the customer may be deprived of the right to vote on the basis of the said instruments;
- d) in order to obtain certain rights of shareholders or to take part in corporate actions, the Bank may be required to submit documents and/or confirmation that the Bank is unable to issue. As a result, the customer may be deprived of or lose certain rights of shareholders.

35. The Bank is not allowed to use or dispose financial instruments held by it on behalf of customers (incl. in the nominee account) for the Bank's own account or for the account of any other person (incl. other customers of the Bank), unless the customer has given its prior written consent to the use or disposal of the instruments on terms specified in the consent.

36. The Bank may pledge financial instruments of a customer in its own name only with the express written agreement with the customer.

The aforementioned written consents or agreements may be included in the Agreement on Investment Services or taken by the Bank at the submission of an order by the customer.

37. The bank may not conclude title transfer financial collateral arrangements with retail customers for the purpose of securing or covering present or future, actual or contingent or prospective obligations of the customers. Under certain conditions such arrangements are allowed with professional customers and eligible counterparties.

38. Customer's Money

In terms of keeping money of the customers the Bank, as a credit institution, is a subject to different requirements compared to investment firms.

39. Due to the fact above in point 38 the Bank is not obliged to transfer money related with a customer's financial instruments transactions immediately to the central bank or other credit institution or invest it into the share of money market funds.

40. The Bank is not obliged to keep customer's funds separately from its own funds, (e.g. on the account in correspondent bank), the funds are in the Bank's name.

41. The Bank is allowed to use the funds of the customer on the payment account tied with investment and ancillary services as all other customers' funds in its own name for its main economic activities, e.g. giving loans to its customers.

V INVESTMENT GUARANTEE SCHEME

42. Irrespective of the strict measure to protect the assets of customers pursuant to which the Bank must keep the assets of a customer separate from its own assets and the assets of its other customers, and where the assets of customers do not belong to the bankruptcy estates of the Bank and the claims of creditors cannot be satisfied on account thereof, the insolvency is still not excluded.

43. In the event of the Bank's insolvency the Danish Guarantee Fund for Depositors and Investors covers losses suffered by a customer as a result of the Bank's failure to return financial instruments which belong to the customer, and which are held or managed by the Bank, up to the equivalent of EUR 20,000 per customer. However, an investor (customer) will only receive coverage up to an amount equal to the value of the financial instruments, which could not be returned by the Bank.

More Information on investment guarantee scheme is also available on the Bank's website.

44. Investor protection scheme does not cover investment risk, i.e. losses caused by decreases in the market value of financial instruments or bankruptcy of an issuer of instruments.

VI DEPOSIT GUARANTEE SCHEME

45. The Danish Guarantee Fund for Depositors and Investors covers deposits up to an amount equivalent to EUR 100,000 per depositor. More information on deposit

guarantee scheme is available on the Bank's website and on the Depositor Information Sheet.

VII ADDRESS OF THE DANISH GUARANTEE FUND

46. The Danish Guarantee Fund for Depositors and Investors

Address: Amaliegade 3-5, 5 floor 1256 Copenhagen K, Denmark
Tel. (+45) 3314 6245
Fax (+45) 3314 9437
e-mail: gii@gii.dk
webpage: www.gii.dk.

VIII CONFLICTS OF INTEREST

47. The Conflicts of Interest Policy approved by the Bank applies. The Conflicts of Interest Policy can be obtained at any Bank's place of service upon the request and/or on the Bank's website.

IX EXECUTION OF ORDERS

48. The Bank must execute orders in the best interest of the customer and in accordance with the conditions indicated in the order and Order Execution Policy, which can be found on the Bank's website.

49. More detailed information on custody account and execution of orders is included in the terms and conditions of the Agreement on Investment Services available on the Bank's website.

X COSTS, FEES AND TAXES

50. The customer pays fees and costs to the Bank set forth in the Bank's price list in relation to investment and ancillary services provided, unless it is agreed otherwise between the customer and the Bank. Information on fees and costs is also available on the Bank's website in Cost and Charges Handbook.

51. Costs and charges handbook includes examples about costs defined in the price list and provide additional information about the costs in association with investment and ancillary services, but the handbook is not anyhow binding for the Bank.

52. The customer shall be liable for payment of all taxes associated with the financial instruments and for filing all required tax returns and any other documents to the relevant officials. The Bank shall not be liable for the loss incurred by the customer due to non-payment or delayed payment of taxes or failure to submit the required documents.

XI COMPLAINTS AND PRE-JUDICIAL PROCEEDINGS

53. Information on settlement of complaints and dispute resolution is included in the Bank's General Conditions and Customer Complaints Handling Handbook available on the Bank's website.

XII REGULATORY AUTHORITY

54. The body exercising supervision of the Bank is
Finanstilsynet (The Danish Financial Supervisory Authority)
Address: Århusgade 110, DK-2100 København Ø
Tel. +45 33 55 82 82
Website: www.finanstilsynet.dk

55. In addition to the above and to the extent stipulated by
Estonian law, the body exercising supervision of Danske Bank
A/S Estonia branch is also:
Finantsinspektsioon (The Estonian Financial Supervisory
Authority)
Address: Sakala 4, 15030 Tallinn
Tel.: +372 6680 500
Website: www.fi.ee

56. To the extent stipulated by Latvian law, the body
exercising supervision of Danske Bank A/S Latvia branch is
also:
Financial and Capital Market Commission
Address: Kungu 1, Riga, LV-1050
Tel.: +371 6 777 4800
Website: www.fktk.lv

57. To the extent stipulated by Lithuanian law, the body
exercising supervision of Danske Bank A/S Lithuania branch
is also:
Bank of Lithuania (Lietuvos Bankas)
Address: Gedimino ave. 6, LT-01103 Vilnius
Tel.: +370 5 268 0029
E-mail: info@lb.lt
Website: www.lb.lt