

# GENERAL TERMS AND CONDITIONS OF SECURITIES CUSTODY

## DEFINITIONS

### Client

A party to this Agreement who has approved these terms and conditions and acts in his/her own name and on his/her own behalf in relationship to Evli Bank and whom Evli Bank has approved as its client.

### Client Account

The Client's bank account with Evli Bank, in which money transactions primarily related to Evli Bank's services are entered.

### Separate Client Funds Account

The Client's account with Evli Bank, used in connection with money transactions related to Evli Bank's services selected by the Client. Assets in this separate Client Funds Account are not deposits and they are therefore not protected by the deposit guarantee fund but by the investor compensation fund.

### Financial Instrument

A security, as referred to in the Securities Markets Act, included in the Investment Service, as well as a standardized derivatives contract referred to in the Act on Trading in Standardized Options and Futures, a derivatives contract comparable to a standardized derivatives contract, or other derivatives contract. In these Terms and Conditions, a Financial Instrument also refers to other transferable right or commitment.

## 1. Application of terms

These terms and conditions establish the general terms and conditions of the securities custody arrangements between the Client and Evli Bank. Evli Bank agrees to hold in custody and manage the Client's Financial Instruments and other assets left with its securities custody in accordance with the terms and conditions set forth herein. In addition to the terms and conditions herein, the Client Relationship Agreement signed by the Client and Evli Bank, together with its General Terms and Conditions, shall be applied in the contractual relationship.

## 2. Custody services

### 2.1. Finnish and Swedish securities and book-entries

The Client's physical Finnish and Swedish securities shall be held in custody safely and separately from Evli Bank's own securities.

All of the Client's book-entry securities that are incorporated in to the Finnish book-entry system shall be held under the name of the Client in a book-entry account which Evli Bank maintains as an account operator in the book-entry system of the Finnish Central Securities Depository Ltd. The Client's book-entry securities that are incorporated in to the Swedish book-entry system shall be held on behalf of the clients in joint accounts which Evli Bank maintains as an account operator in the book-entry system of the Swedish Central Securities Depository (VPC Ab).

### 2.2. Foreign securities and book-entries

The Client's foreign physical securities and book entries may be deposited with a Finnish or foreign custodian (subcustodian) designated by Evli Bank. A record of the Client's holdings shall be kept in Evli Bank's custodial accounting system and the holdings shall be separated as the Client's property in Evli Bank's accounting.

Foreign securities cannot generally be registered outside Finland in the name of the Client. The Client shall accept that foreign securities are registered under the name of Evli Bank or a subcustodian and that the securities are registered in an asset management account which can include the securities of other clients. A record of the Client's holdings shall be kept in Evli Bank's custodial accounting system and the holdings shall

be separated as the Client's property in Evli Bank's accounting. Due to international practice, Evli Bank cannot provide set-off protection for the Client's assets with respect to the Client's foreign cash accounts and custodial deposits.

The Client shall accept that Evli Bank has the right to surrender information about the Client to a subcustodian, if local legislation, market regulations or other regulations require it.

The currency-denominated returns of foreign securities and principal repayments shall be paid into the Client's Client Account in euros, unless otherwise is separately agreed with the Client. Evli Bank shall collect tax on the returns, if tax legislation requires it. Tax withheld in advance and tax refunds will be arranged between Finland and the country in question on the basis of agreed tax treaties and legislation, in accordance with the practice of the country in question. If any costs are incurred to Evli Bank due to this, the Client will be required to reimburse Evli Bank. If the handling costs collected by the country in question or other costs possibly payable on tax refunds exceed the sum payable as a tax refund, Evli Bank will not apply for the tax refund.

Evli Bank shall submit to the Client any information it receives from its subcustodian concerning a corporate action requiring action from the Client. If the Client does not, within the time frame specified in the notification, issue Evli Bank with the required operating instructions, Evli Bank shall have the right to accept the actions proposed by the subcustodian.

The ownership, exchange and custody of foreign securities may involve political, economic, legal, taxational and other risks which cannot be foreseen, which differ from those associated with investment in Finnish securities and for which the liability will be borne solely by the Client. Evli Bank will be liable only for the careful selection of the custodians it uses.

## 3. Management of Financial Instruments

Services included in the management of securities and book-entries left in custody:

- Payment of dividends and profit shares related to Financial Instruments, the redemption of interests and principal repayments and other payment of yields.
- The sending of corporate event inquiries concerning shares in the book-entry account and securities custody to the Client, if a transaction requires the Client's approval. Actions related to corporate events are handled as instructed by the Client. The Client is responsible for familiarizing him/herself with information related to the corporate event, such as listing prospectuses and public tender offers. Evli Bank shall not send corporate event inquiries with respect to securities left in a book-entry account or securities custody after the record date for the corporate event.
- Conversion or subscription of convertible bonds or option loans as ordered and instructed by the Client.
- Registration of shares at the request of the Client for a separate fee.

The above-mentioned transactions shall be performed only on condition that they have been notified in sufficient time to Evli Bank either by the Finnish Central Securities Depository Ltd or otherwise in writing.

Evli Bank has no obligation to inform the Client of any class action/lawsuit concerning a Financial Instrument that has been or is in custody, even if Evli Bank becomes aware of such class action.

## 4. Acceptance of Financial Instruments into securities custody

Evli Bank shall provide a receipt for all securities taken into custody and shall reserve up to five (5) banking days for their inspection. During this period, Evli Bank shall not commit to undertaking any actions called for by this Agreement. Evli Bank

shall not be liable for any damages possibly arising from e.g. deadlines which may pass during this time.

If the Client subsequently wishes to refer to the cost of the securities, the Client shall be obliged to provide proof of cost, in the form of receipts, when transferring the securities into Evli Bank's custody. The Client shall be responsible for the accuracy of the stated cost.

Evli Bank shall not be obliged to return to the Client the exact securities that the Client has deposited but only the same number of securities of the same designation.

#### **5. Client Account**

All of the Client's custodial deposits shall be connected to a Client Account, unless otherwise agreed in a separate agreement with the Client.

Any monetary funds received by Evli Bank on the Client's behalf shall be entered in the Client Account, unless otherwise agreed. If this Client Account, the existence of which is a prerequisite for these custody services, is closed during the custody period, Evli Bank shall have the right to open a new separate Client Funds Account for the execution of all measures referred to in these General Terms and Conditions of Securities Custody.

Evli Bank shall be entitled, without separate notification, to charge all its matured receivables owed by the Client from the Client Account or the Separate Client Funds Account. The Client shall be responsible for ensuring that the Client Account or Separate Client Funds Account have sufficient funds to pay for actions executed pursuant to the agreement terms and conditions and for the collection of Evli Bank's charges and fees. If an account is overdrawn, Evli Bank shall be entitled to collect the statutory interest on arrears and other charges and fees on the price list related to the overdrawing of an account. Unless the necessary sum of money is in the Client Account or Separate Client Funds Account on the payment date, Evli Bank will not be liable to execute the order.

#### **6. Scope of agency**

Evli Bank shall have the right to take any measures necessary to preserve and protect assets. As a securities custodian, Evli Bank shall have the right to make assignment notations on securities, to turn over securities, and to receive and acknowledge receipt of payments on behalf of the Client on the basis of the Client's order.

In order to protect its own or the Client's assets Evli Bank shall have the right to take all legal or operational measures required by any marketplace, including transferring securities and reregistering them in its own name.

#### **7. Evli Bank's liability**

Evli Bank shall be liable for Financial Instruments left in its custody during the period when they are under Evli Bank's control. If Financial Instruments delivered to Evli Bank under an agreement are lost or destroyed, Evli Bank shall notify the Client and replace them with corresponding Financial Instruments. If it is impossible or unreasonably expensive to acquire corresponding assets, Evli Bank shall compensate the Financial Instruments at their market value on the date when the damage was discovered. If Evli Bank has compensated the Client for lost assets, and if the assets are found, they will be transferred to Evli Bank's ownership. Evli Bank shall have the right to amortize lost or destroyed Financial Instruments.

To the extent that the Client's Financial Instruments are kept by a Finnish or foreign credit institution or investment firm designated by Evli Bank and acting as Evli Bank's subcustodian, Evli Bank shall only be responsible for the careful selection and monitoring of such subcustodians. Evli Bank shall not be liable for any damages caused by the insolvency or bankruptcy of national securities depositories, marketplaces, clearing and settlement organizations, or subcustodians, or for any damages caused by malfunctions in their systems.

Evli Bank shall not be liable for indirect damages, such as uncollected yield.

#### **8. Client's liability**

The Client shall be responsible for making sufficient funds available to Evli Bank for the execution of the measures referred to in this Agreement. Evli Bank shall be relieved of its obligation to take actions concerning securities if the Client lacks sufficient funds and fails to provide Evli Bank with the necessary funds immediately upon request.

The Client shall be obliged to compensate Evli Bank for any damages caused by the Client's failure to fulfil the obligations pursuant to this Agreement.

#### **9. Reporting**

A yearly report on the management of the Client's securities and book entries in custody and on the Client Account shall be sent to the address provided by the Client, unless otherwise agreed.

#### **10. Claims**

Any action taken by Evli Bank pursuant to this Agreement shall be regarded as having been approved by the Client unless the Client objects to it without delay and in no event later than thirty (30) days of being notified of it. The action shall be deemed to have come to the knowledge of the Client within seven (7) banking days after the sending of the notice. The Client shall be entitled to seek a correction to any entry decision made by the book-entry registrar within fourteen (14) days.

#### **11. Fees**

The custody fee shall be determined according to valid price list, unless otherwise agreed. Separate agreement shall be required on specific actions pertaining to the management of securities.

In addition to fees paid to Evli Bank, the Client shall be responsible for any fees possibly collected from Evli Bank by Finnish and foreign securities depositories or other third parties as well as for other significant clearing and settlement expenses, book-entry account maintenance or management expenses, collateral management costs, and other related financing costs arising from the Client's order.

Changes in the price list and fees shall be notified to the Client in accordance with section 21.

#### **12. Evli Bank's right of pledge**

The assets left in the Client's securities custody and book-entry account and the funds in the Client Account and Separate Client Funds Account shall serve as collateral for all of Evli Bank's fee and cost receivables related to securities custody and book-entry accounts and to the securities and book-entries in said custody and book-entry accounts, as well as fee and cost receivables and their interest on arrears arising from trading, clearing, settlement and other transactions.

In order to secure its receivables, Evli Bank shall have the right to register a pledge in the Client's securities custody and book-entry account, as well as in the Client Account and Separate Client Funds Account, and to enter a transfer prohibition in the book-entry account.

This pledge shall also be given to secure the possible cost of collection and liquidation of pledged assets. The pledge shall also cover income from the pledged assets, principal payments and assets replacing the pledge.

If the Client's bonds, treasury bills, certificates of deposit, or any other similar instruments become due, Evli Bank or its designee shall have the right to withdraw such sums, with interest, and to deposit them in the Client Account on behalf of the Client.

#### **13. Liquidation of pledged assets**

If the Client fails to perform any obligations to Evli Bank, and there are assets in the Client's custody account or Client Account or Separate Client Funds Account, Evli Bank shall have the right, without consulting the Client or seeking a judgment or court order or without complying with any statutory formalities and without advertising the sale of the pledged assets, to sell the pledged assets, or arrange for them to be sold, or in some other way liquidate the pledged assets to cover its

receivables through public trading, public auction, or in some other appropriate manner that protects the interests of the parties within 30 days of delivering to the Client written notice stating that Evli Bank's receivable is due and payable. Evli Bank shall primarily collect its receivables from cash assets in the Client's Client Account.

Evli Bank's receivables from the Client shall be collected by setting them off against Evli Bank's obligations to the Client.

Evli Bank shall be obliged to notify the Client and the Financial Supervision Authority in advance of the liquidation of any collateral. This notice may be served by telephone, by fax, or in some other manner agreed with the Client. If the Client cannot be reached at the telephone number given to Evli Bank or by fax, Evli Bank may liquidate collateral immediately if this is necessary for the preservation of its value. In this case Evli Bank shall notify the Client of the liquidation of pledged assets by post. Evli Bank shall be obliged to deposit in the Client Account, without delay, any possible surplus remaining from the liquidation proceeds after the payment of the Client's outstanding obligations.

#### **14. Assignment of securities by the client**

If the Client assigns securities to a third party, the assignment shall not become binding on Evli Bank until Evli Bank has been notified of the assignment.

If the Client wants to have physical securities withdrawn from custody and assigned to a third party, Evli Bank shall deliver such securities to the address designated by the Client. Evli Bank shall charge the Client for the cost of transporting and insuring the securities. The Client shall also be responsible for any costs related to transfer of book-entry securities at the Client's request.

#### **15. Liability for entries**

Evli Bank shall make sure that receipts, rights and restrictions are entered in the Client's book-entry account as instructed by the Client in his/her order submitted to Evli Bank.

The account custodian and its agent shall be jointly liable for damages related to a book-entry account and for damages caused by the entries made. The liability for these damages shall not depend on the level of negligence. The account custodian and its agent shall not be liable for these damages, however, if they can show that the damage was caused by an unusual and unpredictable factor outside the book-entry system that they were unable to prevent and whose consequences they were unable to avoid with all due diligence (a force majeure).

The Client shall be responsible for providing accurate documentation for the determination of the legal basis of any entry request. The Client shall remedy any possible defects in such documentation.

The Client shall be liable for any costs and damages stemming from an erroneous or revised entry in the book-entry register caused by the Client or from the Client's refusal to consent to the correction of an erroneous entry. In order to be relieved of this liability, the Client must show the absence of intent or negligence.

#### **16. Entry fund**

If an account custodian is unable to cover its liability for damages, the injured party shall be entitled to compensation from an entry fund. The liability of the entry fund, which has been set up to cover damages stemming from the making of entries, is limited to EUR 25,000 per injured party from any one account custodian per occurrence.

#### **17. Book-entry system**

In addition to the terms and conditions specified in these General Terms and Conditions of Securities Custody, Evli Bank shall perform the said and similar duties with respect to those shares and securities that have been transferred into the book-entry system in accordance with applicable legislation and which have been registered in book-entry accounts.

#### **18. Nominee registration**

The nominee registration of a foreign Client's book-entry securities requires the separate and express consent of the Client. If a Client requests that a nominee-registered account be opened, the Client gives assurance that no book-entry securities owned by Finnish citizens shall be held in the account.

Only property rights may be used on the basis of nominee registration. Nominee-registered shares do not give their owners governance rights, such as the right to attend shareholders' meetings and the rights to be heard and vote at these meetings. If the owner of nominee-registered book-entry securities wants to exercise the governance rights to which the book-entry securities entitle him/her, the nominee registration can be cancelled at the request of the owner.

#### **19. Transfer of a book-entry account**

The transfer of a book-entry account to another account custodian shall be considered as termination of the custody agreement by the Client. Evli Bank shall have the right, but not the obligation, to execute open orders upon receipt of an advance notice concerning transfer of a book-entry account.

Transfer of a book-entry account is not possible if the account has been pledged or if a prohibition on transferring the account has been registered in it. Nor is a transfer of a book-entry account possible in the special situations mentioned in the regulations of the Finnish Central Securities Depository Ltd.

#### **20. Third-Party Right to Make Entries or Monitor the Client's Book-Entry Account**

Evli Bank shall make all entries in all of the Client's book-entry accounts covered by this Agreement. This Agreement does not entitle the Client to give another account custodian or its agent the right to make entries in the Client's book-entry account or to monitor the said account. A separate written agreement shall always be needed for granting these rights to third parties. A restriction on such third-party rights can be recorded in the Client's book-entry account.

#### **21. Amendment of the terms and conditions of the Agreement, the fees and the price list**

Evli Bank shall have the right unilaterally to amend the terms and conditions of the Agreement, other terms and conditions concerning the products and services, the fees and the price list. The amendment shall enter into force at the beginning of the calendar month which starts one (1) month from the date on which the Client has, in the manner referred to in these Agreement Terms and Conditions, received a written notification of the amendment. If the Client does not accept the amendment, the Client shall have the right to terminate the Agreement in accordance with the Agreement Terms and Conditions by informing Evli Bank thereof no later than two (2) weeks before the entry into force of the amendment. The termination shall enter into force on the day on which the amendment would have entered into force.

#### **22. Notice to terminate the Agreement**

The Client shall be entitled to terminate the client relationship five (5) days from the date on which Evli Bank has received notice of termination. Evli Bank shall be entitled to terminate the Agreement ten (10) days from the date on which the Client has received notice of termination. However, if the Client is not a business enterprise, Evli Bank's period of notice shall be thirty (30) days. Notice of termination shall be given in writing or by fax.

#### **22.1. Cancellation of the Agreement**

The parties to the Agreement shall have the right to cancel the Agreement with immediate effect if

- 1) a party has materially failed to meet the terms and conditions of this Agreement or the obligations in accordance with it, or is in breach of the terms and conditions of this Agreement in any other material manner.

- 2) a party is placed in corporate restructuring proceedings, liquidation or bankruptcy, or if there are otherwise justified reasons to suspect that a party has become insolvent.
- 3) the Client dies.

Orders that are open at the time of cancellation of the Agreement shall terminate, unless otherwise agreed between the parties. Orders whose execution has begun shall be completed.

Evli Bank shall surrender the Client's assets in its possession to the Client as soon as possible and no later than seven (7) days after the completion of an order, provided that the Client has made all payments to Evli Bank in accordance with the agreements between the Client and Evli Bank. If Evli Bank has not been given instructions as to where the assets are to be transferred, they shall be deposited with the State Provincial Office to the account of the Client. If the assets include book-entry securities whose new custodian account has not been notified to Evli Bank by the Client, the Client authorizes Evli Bank under this Agreement to open a book-entry securities account or other securities custody with the Finnish Central Securities Depository Ltd and to transfer the book-entry securities and/or other securities into this account on behalf of the Client.

After the cancellation and/or termination of the Agreement, Evli Bank shall only be required to take actions that mitigate and limit liability.

### **23. Settlement of disputes and applicable law**

Any disputes arising from these Terms and Conditions and agreements between the parties shall be settled in arbitration by one arbitrator in Helsinki if the amount in dispute exceeds ten thousand (10,000) euros and if the Client is not a non-professional client deemed to be a consumer in the meaning of the Consumer Protection Act. If the parties are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Finnish Central Chamber of Commerce.

Other disputes between the parties shall be settled by the Helsinki District Court unless a non-professional client deemed to be a consumer demands that the matter be handled in the court of first instance in the locality under whose jurisdiction he resides.

The Client shall submit any objections to these terms and conditions and to the agreements to Evli Bank in writing.

To the extent that these Terms and Conditions contain references to laws, the provisions valid at any given time shall be applied. The offering of custody services and these Agreement Terms and Conditions shall be governed by the laws of Finland excluding any international private-law provisions therein on the choice of law.

### **24. Conflict of regulations**

Should there be any conflicts between the General Terms and Conditions of the Client Relationship Agreement or the Terms and Conditions of Electronic Services or the General Terms and Conditions of Investment Service and these General Terms and Conditions of Securities Custody, the order of precedence shall be the Terms and Conditions of Electronic Services, followed by these General Terms and Conditions of Securities Custody.

### **25. Assignment of agreements**

The Agreement shall be binding on the parties and their statutory successors. The Client may not assign his/her contractual rights and obligations to a third party without the consent of Evli Bank. Evli Bank may, however, without the Client's consent, assign either all or some of its obligations under these terms and conditions and under this Agreement to a third party.