

# *Special Terms and Conditions Large Corporates & Institutions*

*Markets Booklet*

Effective Date 1st July 2024

Danske Bank

Irish Branch

## Part 1 – Special Terms and Conditions applying to Investment Services

### Part 1A

This Part 1 of the Markets Booklet applies to each Investment Service. Where you enter into any written agreement with us in respect of an Investment Service, the terms of which are not consistent with these Special Terms and Conditions, the terms of the written agreement will prevail to the extent of the inconsistency in relation to the relevant Investment Service.

#### Definitions

Defined terms used in these Special Terms and Conditions shall have the meanings given to them in the General Terms and Conditions, unless otherwise defined herein. In these Special Terms and Conditions:

“**Affiliate**” means any company controlled directly or indirectly by Danske Bank A/S;

“**Client Asset Regulations**” means the Central Bank (Supervision and Enforcement) Act 2013 [Section 48(1)] Client Asset Regulations 2015;

“**CBI**” means the Central Bank of Ireland and any successor regulator(s);

“**EEA**” means European Economic Area;

“**Eligible Counterparty**” has the meaning ascribed to such term in the MiFID II Regulations;

“**EMIR**” means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC (as defined below) derivatives, central counterparties and trade repositories and any delegated instruments thereunder (as the same has been or may from time to time be amended replaced and consolidated and, together with any legislative provision, order, regulation or technical standard from time to time implementing it or made thereunder;

“**Investment Service**” means the provision of a service by the Bank in relation to the investment of your money including, but not limited to, the trading of currency or derivatives under Part 2 of this Markets Booklet, the trading of securities under Part 3 of this Markets Booklet or any mandatory trade reporting obligation under EMIR that arises on foot of your activities;

“**Money Laundering Rules**” means the Criminal Justice (Money Laundering & Terrorist Financing) Act 2010 as amended or replaced from time to time, together with related regulations or guidelines issued from time to time;

“**MiFID II Regulations**” means the European Union (Markets in Financial Instruments) Regulations 2017, as amended from time to time;

“**MiFID Product**” has the meaning ascribed to such term in the MiFID II Regulations;

“**MTF**” means multi-lateral trading facility;

“**Non-MiFID Product**” means any financial instrument not being a financial instrument listed in Schedule 1, Part 3 of the MiFID II Regulations;

“**Order Execution Policy**” means the Bank’s policy on the execution of orders in accordance with the MiFID II Regulations as found at <https://danskebank.com/bestexecution>;

“**Professional Client**” has the meaning ascribed to such term in the MiFID II Regulations; and

“**Retail Client**” has the meaning ascribed to such term in the MiFID II Regulations.

## 1. Categorisation

**1.1.** Before we provide you with an Investment Service (other than an Investment Service relating to a Non-MiFID Product) we have a duty to categorise you in one of the following categories under the MiFID II Regulations:

- Eligible Counterparties (for example other banks, pension companies, insurance companies, and others within the definition);
- Professional Clients (generally large corporate clients); and
- Retail Clients (all other clients).

**1.2.** The grouping into the three categories (the “**MiFID II Categories**”) is based on objective criteria, and is of significance to the level of protection to which you as an investor are entitled to receive from us when you enter into transactions as a counterparty. In other words, it determines which Investment Services you are entitled to receive from us. Retail Clients have the highest level of protection, Professional

Clients are afforded less protection and Eligible Counterparties are afforded the lowest level of protection.

**1.3.** It is possible in some cases, if you meet the necessary criteria, to change the assigned MiFID II Category although in doing so you may lose some legal protections as set out in the Client Categorisation Letter that has been sent to you by us separately. If you wish to do so, please contact your Account Manager. We will review all requests for re-categorisation and seek to accommodate these where appropriate, subject to you meeting applicable criteria.

**1.4.** If we determine you are a Retail Client, we will not transact MiFID Products with you save for specific exempted “non-complex” MiFID Products in accordance with the requirements of the MiFID II Regulations.

**1.5.** You agree and acknowledge that you are responsible for keeping us informed of any changes to your circumstances that could affect your categorisation under the MiFID II Regulations.

## 2. Your status

**2.1** You are advised that, unless we expressly agree in writing to the contrary, if you are dealing as agent, we shall treat you alone as our

customer and will not accept any responsibility towards any person on whose behalf you may be dealing, even if the identity of such person has been disclosed to us.

**2.2** Certain Investment Services we provide to you are not regulated activities subject to CBI supervision in Ireland. In those cases, you will not have the benefit of Irish regulatory protections.

## 3. Investment Services

**3.1** We will provide you with such Investment Services as may be agreed between ourselves from time to time. Investment Services may include executing transactions and receiving and transmitting orders. All Investment Services provided by the Bank are provided on an execution-only basis and no investment advice will be provided by the Bank to you.

**3.2** We may communicate with you in relation to Investment Services in writing, by email, via our website, via our Online Banking Channel or other mailbox systems, by phone and in person. All communications between you and us and any documents or other information we provide to you will be in English.

**3.3** Where you place an order with us we may either execute that order or receive and transmit the order to an Affiliate.

#### **4. Your warranties, representations and undertakings as to authorities, powers etc.**

**4.1** You represent, warrant and undertake that:

- (a)** you have obtained and will maintain all necessary authorisations and approvals of any governmental or regulatory body necessary for you to use, and to perform your obligations arising from, the Investment Services we may provide to you;
- (b)** you have and will have full power and capacity under your constitution, and have taken and will have taken all necessary corporate and/or other action to authorise you to use, and to perform your obligations arising from, the Investment Services we may provide to you;
- (c)** by entering into and availing of the Investment Services you will not violate any law, regulation, charter, bylaw or rule applicable to you;
- (d)** any of your employees, agents or representatives who negotiate and enter into transactions with us on your behalf are properly authorised by you to do so, and

have sufficient knowledge and experience to commit you to such transactions;

**(e)** if you are acting as agent in any transaction under these Special Terms and Conditions:

- (i)** you are authorised and empowered to enter into the transaction on behalf of your principal;
- (ii)** the obligations under the transaction and these Special Terms and Conditions will constitute valid and binding obligations of your principal;
- (iii)** you will hold or control sufficient money and/or securities to complete the transaction and have good grounds for believing your principal will not fail to meet its obligations under the transaction;
- (iv)** you will be liable jointly and severally with your principal to us under the transaction and these Special Terms and Conditions;
- (v)** you will inform us of the identity of your principal;
- (vi)** you will, prior to entering into any transaction on behalf of your principal,

carry out customer due diligence checks in respect of your principal as required by the Money Laundering Rules and you agree that we may rely on your customer due diligence checks; and

**(vii)** you will promptly on request provide us with copies of the customer due diligence documentation which you have collected and completed in respect of your principal.

**(f)** you authorise us to conduct any foreign exchange transactions or currency conversions we deem necessary or reasonably incidental to carry out your instructions or protect our rights under these Special Terms and Conditions, and you agree to assume all risks associated with such foreign exchange transactions and currency conversions;

**(g)** you will provide us upon request with evidence reasonably satisfactory to us of your constitution, business, financial condition, identity of your and, where applicable, your owners' directors, officers, employees and agents and such other matters as we may require to enable us to comply with applicable law including (but not limited to) the Money Laundering Rules, and promptly notify us of any changes thereto; and

(h) you hereby authorise us to provide or obtain information about you, your accounts and transactions to or from our branches, Affiliates, agents or third parties around the world, for purposes reasonably incidental to the Investment Services we or our Affiliates provide to you. This shall be in addition to instances where disclosure is required by law. Disclosure may also be made to government and regulatory agencies and authorities and to credit reference agencies.

## 5. Our charges, fees, etc.

**5.1** Our commissions, charges and fees for Investment Services shall be in amounts as agreed between us from time to time. In addition, we may make and retain mark-ups and mark-downs on our transactions with you. We may share dealing charges with Affiliates or other third parties, or receive remuneration from them, in addition to fees due to us, in respect of transactions carried out on your behalf. Details of any such remuneration or sharing arrangements may not be set out in the relevant contract note or confirmation note but can be made available to you on request.

**5.2** In addition to the charges mentioned above, you will also pay applicable market, clearing house or clearing firm fees or charges and any tax imposed by any competent authority in connection with any Investment Services provided to you.

**5.3** The basic fees and charges applicable to Investment Services are available on our website at: <https://danskeci.com/ci/mifid-ii/costs-and-charges/ireland>.

**5.4** We may reduce fees without giving notice, we may introduce a fee or increase the fees that you currently pay by giving you not less than two months' notice in writing.

**5.5** If you are a Corporate Customer then Clause 5.4 will apply save that where the period of notice would otherwise be not less than two months, it can be less than two months.

**5.6** You will pay us any amount which you owe us upon demand in freely transferable, cleared and available funds, in the currency and to the accounts which we specify and without making any set-off, counterclaim, deduction or withholding for any present and future tax, levy, impost, stamp duty, deduction, charge or withholding unless you are required to do so by law. If such a deduction or withholding is required by law, the amount of the payment you owe shall be increased to an amount that, after making any deduction or withholding, leaves an amount equal to the payment that would have been due if no deduction or withholding had been required. We shall be entitled to withdraw money from your Accounts to pay any such amounts due and payable to us.

## 6. Orders and instructions

**6.1** Unless we accept your specific written instructions to the contrary, we shall be entitled to rely on any instruction, however given, which appears on its face to be from you or from a person authorised to act on your behalf, and you agree to indemnify us and hold us harmless from and against any loss or expense incurred by us in reliance thereon.

**6.2** We are legally required to record telephone conversations and to save electronic messages regarding financial instruments trading. We will keep the recordings and messages for seven years, and they may be submitted to relevant authorities. As a customer, you can also request access to the recordings.

**6.3** We shall be entitled, but not bound, to act upon your instruction to carry out a transaction but we may in our absolute discretion at any time decline to accept an order for a transaction or to accept a deposit of money or securities or to quote or enter into any transaction. If we decline to accept your instruction, we shall promptly notify you accordingly but shall have no liability for any expense, loss or damage incurred by you resulting therefrom.

**6.4** Except where we are grossly negligent or wilfully commit a default in acting on your instructions, we shall not be responsible for any

expense, loss or damage arising as a result of any delay, inaccuracy or omission in executing your transaction or in transmitting your transaction to any third party for execution.

**6.5** You acknowledge that the use of oral, e-mail, internet and facsimile instructions entails a considerable element of risk (e.g. lack of control, lack of due authority, mutilation, falsification of message, misdirected messages due to switching errors, monitoring of messages by third parties, ambiguity etc.) and we shall not be responsible for any such consequences resulting from use by you of such media.

**6.6** If you instruct us to execute or receive and transmit a programme trade with or for you, we or an Affiliate may be acting as principal or agent and you do not require us to notify you of this fact on a transaction by transaction basis. We or our Affiliates may execute own account transactions in investments included in a programme trade.

**6.7** Where we accept instructions from an individual authorised by way of a Mandate to act on your behalf (whether the Bank's standard form of Mandate or a bespoke form of Mandate) such instructions will be processed for your account and at your risk and in accordance with these Terms and Conditions. You are also liable for any transactions made using the passwords or access rights allocated to such mandate holders.

## **7 Capacity in which we may act**

**7.1** We may act upon orders either as an agent or as a principal. Unless we accept your specific instructions to the contrary, we may, in our discretion, act upon your orders either exclusively as a principal or exclusively as an agent, or partly as a principal and partly as an agent. We may in our absolute discretion and without prior disclosure to you pass your order on to, or arrange for it to be executed by, another investment firm, including an Affiliate.

**7.2** Each transaction will be subject to the customs, rules and regulations of the market where it is executed and also subject to the terms and conditions of any intermediate broker.

## **8. Order execution**

When executing or receiving and transmitting an order in relation to any Investment Service on your behalf, we are required by the MiFID II Regulations to take all sufficient steps to obtain the best possible result for customers taking into account all relevant considerations. Relevant considerations may include factors such as price, costs, speed, likelihood of execution and settlement, size or nature of the order (or any combination of them). The MiFID II Regulations also require us to obtain your consent to our Order Execution Policy prior to the execution or reception and transmission of orders on your behalf.

Unless given or deemed to have been given previously such consent will be deemed to have been given upon the placing of an order by you on or after the receipt by you of these Special Terms and Conditions.

## **9. Order Handling**

**9.1** We believe that our order execution arrangements are at their most effective when all sources of liquidity are accessible to us. The MiFID II Regulations allow for orders to be executed away from EU regulated markets or MTFs subject to your express consent. By agreeing to these Special Terms and Conditions, you will be deemed to have expressly consented to such an arrangement.

**9.2** The MiFID II Regulations also require us to obtain your express consent to the exercise of our discretion as to when and how unexecuted limit orders of a certain size, which are not executable at prevailing market prices, are published to the market. In the absence of such consent, publication would become effective immediately. By agreeing to these Special Terms and Conditions you will be deemed to have expressly consented to such exercise of our discretion.

## **10. Transaction Reporting**

Where you enter into a transaction involving a security specified as reportable under the provisions of the MiFID II Regulations

(including equity instruments, debt instruments, commodity derivatives, interest rate derivatives and foreign exchange derivative contracts admitted to trading on a regulated market) the transaction will be reported to the appropriate competent authority.

### **11. Aggregation**

**11.1** Your orders may be aggregated with our own orders, the orders of other customers, and the orders of persons connected with us including Affiliates and employees. Although orders will only be aggregated where we believe on reasonable grounds that this is in our customers' best interests, aggregation may on occasion result in you obtaining a less favourable price than if your order had been executed separately.

**11.2** We may allocate transactions executed on an aggregated basis within up to five Business Days.

### **12. Contract notes and confirmations**

**12.1** As soon as practicable after we have executed or received and transmitted any order, details will be confirmed to you in accordance with the requirements of the MiFID II Regulations. At your request, a series of transactions may be executed over a period up to and including five Business Days. As a result of such transactions, a single contract note or confirmation

note with a uniform price calculated as the weighted average of the various prices of the transactions in the series may be issued to you. We will provide a contract note or confirmation note to you following each transaction or series of transactions. You undertake to incorporate such contract notes into your internal control procedure.

**12.2** Such contract notes and confirmation notes shall be conclusive and deemed to be accepted by you if not objected to within 24 hours of delivery.

**12.3** If we do not receive complete details of any allocations that you wish us to make in respect of a transaction, any unallocated trades will be booked to your account. Securities will not be "warehoused" for you pending a future settlement date unless expressly agreed in writing.

### **13. Material interests and conflicts**

**13.1** You understand and agree that neither our relationship, any Investment Service we provide, nor any other matter shall give rise to any fiduciary or equitable duties on the part of ourselves or any Affiliate. Neither us nor any Affiliate is prevented or hindered from providing any other Investment Service, or in doing any other business with or for you, any Affiliate or any other customer.

**13.2** When you deal with the Bank, its Affiliates or staff, some other person connected to the Bank or other clients may have interests or relationships that are material in relation to the financial instrument, transaction or Investment Service concerned. Such material interests, relationships or arrangements may conflict with your interests. The Bank has adopted a conflicts of interest policy according to which it shall maintain and operate organisational and administrative arrangements with a view to preventing conflicts of interest from adversely affecting the interests of its clients. Organisational and administrative arrangements may include information barriers, supervision of employees and disclosure. You should be aware that in some circumstances the appropriate management of any conflict of interest arising and the fair treatment of the parties under such circumstances may only be achieved by our declining to enter into transactions with you. In such cases we shall not be obliged to inform you of the reason why or give you any other information in relation thereto.

**13.3** The circumstances in which our interest, or the interest of any Affiliate, may conflict with or be material to the transaction concerned include, but are not limited to, the following:

**(a)** we or an Affiliate may be the counter-party to a transaction with you; may take

proprietary positions or make a market in investments identical or economically related to investment business transacted with or for you, or may undertake proprietary activities, including hedging transactions, related to transactions with or for you that may adversely affect the market price, rate, index, value or other market factors relating to the transaction we have entered into with or for you; or

- (b) we or an Affiliate may be the financial adviser or lending banker to the issuer whose investments you are buying or selling, or acting for that issuer in a take-over bid by or for it, or sponsoring or underwriting a new issue you are buying or selling; or
- (c) we or an Affiliate may receive payments or other benefits for giving business to a third party with whom your order is placed; or
- (d) we or an Affiliate may be the issuer of the investment you are buying or selling; or
- (e) to the extent permitted by the rules, we or an Affiliate may have prepared and acted upon any research, analysis, or written recommendation before it is published to customers.

**13.4** We need not disclose to you any information:

- (a) if such disclosure would or might be a breach of duty or confidence to any other person; or
- (b) which comes to the notice of any officer, employee or agent of ourselves or any Affiliate but which does not come to the actual notice of any individual dealing with or for you.

**13.5** A copy of our Conflicts of Interest Policy can be obtained from our website at <https://danskebank.com/-/media/danske-bank-com/file-cloud/2016/1/conflict-of-interest-policy>

#### **14. Client money**

**14.1** We are an incoming EEA firm passporting activities into Ireland. If we do hold money belonging to you we do so as a credit institution rather than as trustee in respect of any money we hold on your behalf in an Account. The money held will be treated as a deposit. As a result we will not hold your money pursuant to the Client Asset Regulations. In particular, we shall not be liable to account to you for any profits made by our use of such funds as banker. As an incoming EEA firm we are not required to comply with the Client Asset Regulations but

instead will comply with any Danish requirements relating to client money from time to time in force.

#### **15. Rights issues, take-overs and other corporate actions**

**15.1** Unless we accept your specific written instructions to the contrary, we shall not be responsible for taking up any rights, exercising any conversion or subscription rights, dealing with take-over or other offers or capital re-organisations or exercising any voting rights with respect to any investments which we may hold or arrange to be held in safe custody on your behalf, and we will not accept responsibility for any loss, liability or cost which you may suffer as a result. You will be responsible for any costs we may incur in complying with your instructions if we do accept them.

**15.2** Any dividend, bonus or other right which has been declared, which has not been paid, allotted or otherwise become effective in respect of such investments, will not pass to you.

#### **16. Our responsibilities at settlement**

**16.1** Our obligation to settle any transaction effected with or for you is conditional upon our receipt (or satisfactory confirmation of receipt by our settlement agents) of all necessary documents or funds due to be delivered by you



or on your behalf on or before the due date for settlement.

**16.2** If we have effected a transaction as your agent, our obligation to deliver documents or funds to you shall be conditional upon our receipt (or satisfactory confirmation of receipt by our settlement agents) of all necessary documents or funds from the other party or parties to the transaction, whose performance shall be entirely at your risk.

**16.3** If we credit an account of yours with the receipt of investments, cash or other assets before their actual receipt, we may reverse such credit at any time before actual receipt and charge you such amounts by way of interest or otherwise to put us in the position we would have been in had the credit not been made. We may debit an account of yours with investments, cash or other assets on or before the date they are due to be transferred to a third party even though actual settlement has not yet occurred. We may reverse such debit at any time before actual settlement.

**16.4** We shall be entitled to delegate the performance of any of our Investment Services to any Affiliate or to such other person or persons as we think fit. Apart from taking reasonable care in the selection of such person or persons, we do

not accept responsibility for any act or omission of such person or persons.

**16.5** We may employ agents we select on terms we think appropriate and we may sign and perform (in any capacity) any agreement we think fit with an agent.

### **17. Your responsibilities at settlement**

**17.1** You will be responsible for the due performance of every transaction which we enter into with or for you, and accordingly, if securities or funds are not delivered to us as and when due under any such transaction, you will fully indemnify us from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses and disbursements of any kind or nature whatsoever (including costs of enforcement) which may be suffered by, imposed on, incurred by or asserted against us (or any person connected with us) as a direct or indirect result of such failure.

**17.2** You agree to pay all amounts payable by you in respect of any transactions effected for your account or otherwise payable by you under these Special Terms and Conditions as they become due regardless of any right of equity, set-off or counterclaim which you may have against us.

### **18. Default**

**18.1** On the occurrence of any of the events specified below, any amount owed and any property due by you to us will become immediately due and payable and we may, without prejudice to any of our rights at common law and without prior notice to you:

- (a) treat any outstanding transaction as terminated;
- (b) sell or realise any investment which we are holding (or entitled to receive) on your behalf;
- (c) cancel, close out or reverse any of your transactions or open positions;
- (d) buy-in or borrow at your expense any investment that has not been delivered to us by you;
- (e) set off any of our obligations to you against any of your obligations to us;
- (f) apply any such property or retain the net proceeds of any sale, realisation or disposal, after deducting all expenses, against the discharge of your liabilities to us in such order and manner as we think fit; and

(g) convert funds in one currency into another currency in such circumstances and at such rates as we reasonably consider appropriate for the purposes of or in connection with the exercise of any of the powers conferred by paragraphs (a) to (f) above.

**18.2** The powers conferred by Clause 18.1 shall be exercisable if:

- (a) we reasonably suspect that you have made a transaction that is illegal or for an illegal purpose or would result in a breach of Sanctions;
- (b) you are in breach of any obligation under the General Terms and Conditions or these Special Terms and Conditions and you have failed to remedy the breach within a reasonable time of us requesting you to do so;
- (c) we have determined that your relationship with us has broken down or you have shown threatening or abusive behaviour towards any member of our staff;
- (d) you fail to pay any amount or deliver any security or other property or perform any obligation when required;
- (e) an event happens which makes it probable that you will breach any material provision of these Special Terms and Conditions;

(f) an Insolvency Event occurs in relation to you;

(g) you act, or are suspected of acting, fraudulently or, in the supply of or failure to provide information to us, with negligence;

(h) a material adverse change in your financial condition or business occurs,

(i) we suspect that there is a threat to the security of our systems;

(j) you fail when requested to provide a self-certification or such other information as the Bank may, in its absolute discretion, deem necessary to enable the Bank to fulfil its obligation to report information to the tax authorities of the country in which the Account is maintained, pursuant to legislation or regulations governing the automatic exchange of financial account information; or

(k) for any reason (whether or not similar to the foregoing) we consider that the exercise of any of the powers conferred by Clause 18.1 is desirable for our protection.

**18.3** The balance of any amount raised by a sale of investments, after settlement of your outstanding obligation, will be paid directly to you.

**18.4** You hereby authorise us to take any or all of these steps without notice of any kind to you and you agree that you shall remain liable for any deficiency. You hereby agree to indemnify and hold us harmless in relation to all costs and expenses (including reasonable legal fees) which we may incur in taking such steps or in recovering any deficit.

## **19 Force majeure**

Neither we nor any Affiliate shall have any responsibility of any kind for any loss or damage incurred or suffered by you for our failure to perform any obligation or discharge any duty owed to you in providing an Investment Service if the failure results from events or circumstances outside our control, including but not limited to acts or regulations of any governmental or supranational authorities, any breakdown or failure of transmission or communication or breakdown of computer facilities, postal strikes or similar industrial action, or the failure of any bank, exchange, clearing house or broker for any reason to perform its obligations.

## **20 General**

**20.1** We may terminate your Investment Service pursuant to Clause 19 of Part 2 of the General Terms and Conditions or otherwise by giving you at least two months' notice.

**20.2** We can terminate your Investment Service immediately in the circumstances set out in Clause 18.2 of these Special Terms and Conditions. Any such termination will not affect clauses in these Special Terms and Conditions intended to survive the termination.

**20.3** If you are a Corporate Customer then Clause 20.1 will apply save that where the period of notice would otherwise be not less than two months, it can be less than two months.

**20.4** Termination will be without prejudice to the completion of transactions already initiated.

## **21 LEI and bases outside EU/EEA**

**21.1** The LEI is an international standard for identifying legal persons (companies, businesses etc.).

**21.2** Legal persons are required by law to have a LEI in order for us to trade on their behalf when we trade in financial instruments which are admitted to trading on a European trading venue on their behalf.

**21.3** If you reside in, move to or stay in a country that is not an EU or EEA member state, you may be subject to significant restrictions on your possibilities of buying, selling and owning financial instruments, and in some cases, it may

be necessary to terminate your agreement on trading in financial instruments.

## **22 Market Abuse (inside information and market manipulation)**

**22.1** You may not buy, sell or invite others to buy and sell financial instruments if you have inside information that may be of significance to the trade.

**22.2** You may not participate or attempt to participate in market manipulation. This may include acting in a way that sends or is likely to send false or misleading signals about the supply of, the demand for, or the price of financial instruments or which seeks to set the price of a financial instrument at an unusual or artificial level.

**22.3** Violation of the prohibitions against misuse of inside information and market manipulation is punishable by fine or imprisonment. If we suspect market abuse, we may not execute an order.

## **23 Essential information and trade confirmation**

**23.1** After carrying out an order, we will provide you with essential information concerning the execution of the order. Further, we will send you a trade confirmation stating the settlement price, trading venue, order type and other information for each trade.

We will send you the trade confirmation no later than the first weekday after the trade has been executed.

## **24 Allocation and confirmation of Trades**

**24.1** This clause 24 does not apply to Investment Services constituting currency and derivatives trading.

**24.2** The CSDR and the Settlement Discipline RTS require us to include certain provisions in these Special Terms and Conditions in respect of the allocation and confirmation of trades entered into between us. These provisions are set out in Annex 1 to this Part 1A to these Special Terms and Conditions.

**24.3** The provisions in Annex 1 to this Part 1A of these Special Terms and Conditions do not apply to the following trades entered into between us:

- (i) trades under which you have agreed to sell or otherwise deliver financial instruments to us which you hold on a custody account with Danske Bank;
- (ii) trades where you have agreed to buy or otherwise receive financial instruments from us against payment of a purchase price that you hold on a cash deposit account with us.

## **Annex 1: Allocation and confirmation**

This Annex applies (subject to clause 24.3 above) to trades in respect of financial instruments that fall within the scope of Article 5 (1) of the CSDR and which settle at a Central Securities Depository located in the European Economic Area.

### **Retail Clients**

If you are categorised as a Retail Client under clause 1.1, following our delivery of the essential information to you pursuant to clause 23, you agree to provide us with all relevant settlement information for the trade that we request in accordance with Article 3 of the Settlement Discipline RTS. You agree that you will deliver all settlement information that we request in accordance with Article 3 of the Settlement Discipline RTS by 12.00 Central European Time ("CET") on the business day after you have received the request for settlement information from us.

### **Eligible Counterparties and Professional Clients**

If you are categorised as an Eligible Counterparty or a Professional Client under clause 1.1, following our delivery of the essential information to you pursuant to clause 23, you agree to provide a written confirmation to us of your acceptance of the terms of the trade and a written allocation with all the information referred to in Article 2 of the Settlement Discipline RTS.

You agree that you will deliver the written allocation in respect of a trade:

- (a)** by the close of business on the Business Day on which the relevant trade took place if both you and we are within the same time zone;
- (b)** by 12.00 CET on the Business Day following the date on which the relevant trade took place if:
  - (i)** there is a difference of more than two hours between the CET and your time zone; or
  - (ii)** the trade has been executed after 16.00 CET.

You also agree that a written allocation sent to us, also constitutes written confirmation of your acceptance of the terms of the relevant trade. You may provide the written allocation and written confirmation by any communication procedure agreed between you and us.

We must confirm receipt of the written allocation and written confirmation within the timeframe required under Article 2 of the Settlement Discipline RTS.

You are not required to provide the written confirmation and the written allocation upon execution of a trade if you have granted us access to, or otherwise make available to us, on an ongoing basis, the information referred to in Article 2 of the Settlement Discipline RTS.

## Part 1B – Risk Warning Notices

### Introduction

The risk warnings set out in this Part 1B cannot disclose all of the risks and significant aspects of warrants and derivative products such as futures, options and contracts for differences. You should not deal in these products unless you understand the nature of the transaction you are entering into and the extent of your exposure to potential loss. You should also be satisfied that the transaction is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a “spread” position or a “straddle”, may be as risky as a simple “long” or “short” position.

Whilst warrants and derivative instruments can be utilised for the management of investment risk, some investments are unsuitable for many investors. Different instruments involve different levels of exposure to risk, and in deciding whether to trade in such instruments you should be aware of the following points.

### A. Warrants and Derivatives Risk Warning Notice

#### 1. Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small

movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a ‘covered warrant’).

#### 2. Off-exchange warrant transactions

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in the instruments and

consequently it may be difficult to establish what is a fair price.

#### 3. Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The ‘gearing’ or ‘leverage’ often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 8 below.

#### 4. Options

There are many different types of options with different characteristics subject to the following conditions.

Buying options: Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse.

The maximum loss is limited to the premium, plus any commission or other transaction charges.

However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under 'futures' and 'contingent liability investment transactions'.

**Writing options:** If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. Unless you already own the underlying asset which you have contracted to sell (known as 'covered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

**Traditional options:** Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'.

These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk. Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

## 5. Contracts for differences

Futures and options contracts can also be referred to as a contract for differences. These can be options and futures on the ISEQ index, the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 3 and 4 above respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of

the implications of this as set out in paragraph 8 below.

## 6. Off-exchange transactions in derivatives

It may not always be apparent whether or not a particular derivative is arranged on exchange or in an off-exchange derivative transaction. While some off-exchange markets are highly liquid, transactions in off-exchange or 'non transferable' derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

## 7. Foreign markets

Foreign markets will involve different risks from the Irish markets. In some cases the risks will be greater. On request, you will be provided with an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which we will accept liability for any default of a foreign firm through whom we deal.

The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

## **8. Contingent liability investment transactions**

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures contracts for differences or sell options, you may sustain a total loss of the margin you deposit to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered into the contract. Contingent liability investment transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

## **9. Dual currency deposits**

If you enter into a dual currency deposit transaction with us the currency of the money deposited and the currency of the money withdrawn at maturity may differ. The deposit may be withdrawn after having been converted into an alternative currency using an exchange rate applicable on or about the maturity date.

If your deposit is repaid in the alternative currency on the maturity date and you convert the repaid amount into the currency of the money originally deposited the amount may be lower than the amount originally deposited. The maximum amount of such loss cannot be estimated.

## **10. Limited liability transactions**

Before entering into a limited liability transaction, you may request a written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you prior to entering into the transaction. The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

## **11. Collateral**

If you deposit collateral as security, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain in advance how your collateral will be dealt with.

## **12. Commissions**

Before you begin to trade, you should request details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you can request a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

### 13. Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

### 14. Clearing house protections

On many exchanges, the performance of a transaction is 'guaranteed' by the exchange or clearing house. However, this guarantee may not protect you if the party dealing on your behalf defaults in its obligations to you. On request, we can explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

### 15. Insolvency

Insolvency or default of the party dealing on your behalf may lead to your positions being liquidated or closed out without your consent.

In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, we will provide an explanation of the extent to which we will accept liability for any insolvency of, or default by, other firms involved with your transactions.

### B. Generic Risks Associated with OTC derivative transactions

This statement of generic risks associated with over-the-counter derivative transactions identifies in general terms certain of the principal risks associated with individually negotiated over-the-counter ("OTC") derivative transactions. This statement does not purport to identify the nature of the specific market or other risks associated with a particular transaction.

Before entering into an OTC derivative transaction, you should ensure that you fully understand the terms of the transaction, relevant risk factors, the nature and extent of your risk of loss and the nature of the contractual relationship into which you are entering. You should also carefully evaluate whether the transaction is appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances and whether you have the operational resources in place to monitor

the associated risks and contractual obligations over the term of the transaction. If you are acting as a financial adviser or agent, you should evaluate these considerations in light of the circumstances applicable to your principal and the scope of your authority.

If you believe you need assistance in evaluating and understanding the terms or risks of a particular OTC derivative transaction, you should consult appropriate advisers before entering into the transaction.

Unless we have expressly agreed in writing to act as your adviser with respect to a particular OTC derivative transaction pursuant to terms and conditions specifying the nature and scope of our advisory relationship, we are acting in the capacity of an arm's length contractual counterparty to you in connection with the transaction and not as your financial adviser or fiduciary. You should not regard any written or oral communications from us as recommendations or advice or as expressing our view as to whether a particular transaction is appropriate for you or meets your financial objectives. We will not provide any advice to you under these Special Terms and Conditions.

We and/or our Affiliates may from time to time take proprietary positions and/or make a market



in instruments identical or economically related to OTC derivative transactions entered into with you, or may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, financial instruments, or other interests underlying OTC derivative transactions entered into with you. We and/or our Affiliates may also undertake proprietary activities, including hedging transactions related to the initiation or termination of an OTC derivative transaction with you, that may adversely affect the market price, rate, index or other market factors(s) underlying an OTC derivative transaction entered into with you and consequently the value of the transaction.

OTC derivative transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular OTC derivative transaction necessarily depend upon the terms of the transaction and your circumstances. In general, however, all OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk, as described below.

**Market risk:** Market risk is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, rates or indices or other market

factors or by illiquidity in the market for the relevant transaction or in a related market.

**Credit risk:** Credit risk is the risk that a counterparty will fail to perform its obligations to you when due.

**Funding risk:** Funding risk is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to your counterparties OTC derivative transactions or related hedging, trading, collateral or other transactions, you or your counterparty will not have adequate cash available to fund current obligations.

**Operational risk:** Operational risk is the risk of loss to you arising from inadequacies in or failures of your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivative transactions, for recording and valuing OTC derivative and related transactions or for detecting human error, systems failure or management failure.

There may be other significant risks which you should consider based on the terms of a specific transaction. Highly customised OTC derivative transactions in particular may increase liquidity risk and introduce other significant risk factors of a complex character.

Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor.

Because the price or other terms on which you may enter into or terminate an OTC derivative transaction are individually negotiated, these may not represent the best price or terms available to you from other sources. In evaluating the risks and contractual obligations associated with a particular OTC derivative transaction, you should also consider that an OTC derivative transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Accordingly, it may not be possible for you to modify, terminate or offset your obligations or your exposure to the risks associated with a transaction prior to its scheduled termination date.

Similarly, while market makers and dealers generally quote prices or terms for entering into or terminating OTC derivative transactions and provide indicative or mid-market quotations with respect to outstanding OTC derivative transactions, they are generally not contractually obligated to do so. In addition, it may not be possible to obtain indicative or mid-market quotations for an OTC derivative transaction from a market maker or dealer that is not a counterparty to the

transaction. Consequently, it may also be difficult for you to establish an independent value for an outstanding OTC derivative transaction. You should not regard your counterparty's provision of a valuation or indicative price at your request as an offer to enter into or terminate the relevant transaction at that value or price, unless the value or price is identified by the counterparty as firm or binding.

**This brief statement does not purport to disclose all of the risks and other material considerations associated with OTC derivative transactions. You should not construe this generic disclosure statement as business, legal, tax or accounting advice or as modifying applicable law. You should consult your own business, legal, tax and accounting advisers with respect to proposed OTC derivative transactions and you should refrain from entering into any OTC derivative transaction unless you have fully understood the terms and risks of the transaction, including the extent of your potential risk of loss.**

### **C. Generic Risks Associated with Equities Transactions**

Investments in equities are speculative and will fluctuate in value. It should not be assumed that the value of investments will always rise.

Past performance will not necessarily be repeated and is no guarantee of future success. Changes in currency exchange rates may affect the value of your investments where applicable. Some markets may tend to be more volatile than others and the value of your investments could in some circumstances move sharply either up or down. In some circumstances the underlying investments may become illiquid which may limit your ability to realise some or all of the investment. The registration and settlement arrangements in some markets may be less developed than in others, leading to greater operational risks. Political risks are greater in some regions than in others.

## *Part 2 - Special Terms and Conditions applying to Currency and Derivatives Trading*

This Part 2 of the Markets Booklet applies to Investment Services provided to you as counterparty pursuant to a Master Agreement between us in respect of Transactions relating to currency and derivatives trading, including:

- forward, option and swap transactions and forward rate agreements involving securities, currencies, currency exchange rates, interest rates, financial indices, financial measurements, credit risk, commodities, climatic variables, freight rates, emission allowances, inflation rates or other official economic statistics;
- contracts for difference;
- spot transactions involving currencies or currency exchange rate transactions (these Special Terms and Conditions will apply to all spot transactions involving currencies or currency exchange rate even where not transacted pursuant to a Master Agreement);
- similar transactions or any combination thereof.

For the avoidance of doubt, these Special Terms and Conditions do not apply to cash purchases or sales of currency settled otherwise than by bank transfers, to international transfers or to exchange transactions in connection with settlement of a securities or derivative transaction.

### **Definitions**

Defined terms used in these Special Terms and Conditions shall have the meanings given to them in the General Terms and Conditions, unless otherwise defined herein. In these Special Terms and Conditions:

**“Base Currency”** means the first currency appearing in a currency pair quotation, followed by the second part of the quotation, being the quote currency or the counter currency;

**“Clearing Obligation”** means a clearing obligation in accordance with EMIR;

**“Clearing Thresholds”** means the thresholds specified under EMIR that create Clearing Obligations, as more particularly described in Clause 1.4.1;

**“Confirmation”** means a written or electronic confirmation notice of Transactions entered into sent in accordance with Clause 2 (Trading);

**“EMIR”** means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC (as defined below) derivatives, central counterparties and trade repositories and any delegated instruments thereunder (as the same has been or may from time to time be amended replaced and consolidated and, together with any legislative provision, order, regulation or technical standard from time to time implementing it or made thereunder);

**“ESMA”** means the European Securities and Markets Authority;

**“LEI”** means Legal Entity Identifier;

**“Master Agreement”** means the Bank’s short form master agreement for currency and derivatives trading;

**“MiFID II Regulations”** are the European Union (Markets in Financial Instruments) Regulations 2017, as may be amended from time to time;

“**MiFID Product**” has the meaning ascribed to such term in the MiFID II Regulations;

“**Non-MiFID Product**” means any financial instrument not being a financial instrument listed in Schedule 1, Part 3 of the MiFID II Regulations;

“**Order Execution Policy**” means the Bank’s policy on the execution of orders in accordance with the MiFID II Regulations as found at <https://danskebank.com/bestexecution>;

“**OTC Derivatives**” means derivatives traded over-the-counter;

“**Transaction**” means a transaction relating to trading in currency and / or derivatives that you conduct with us; and

“**we**” are the Bank, and “**you**” are the counterparty. The counterparty may consist of one person, or two or more persons acting together.

## **1. Before you start trading**

**1.1.** Before you start trading, you will need to enter into a Master Agreement with the Bank. These Special Terms and Conditions form a part of the Master Agreement. The Master Agreement does not imply a right or an obligation to trade for you or for us.

We may ask you to provide collateral, either when you sign the Master Agreement or when you enter into a Transaction or at such other time as may be required by these Special Terms and Conditions. Such collateral shall be provided to us in such form, and subject to such documentation, as we may require.

Unless expressly provided otherwise, the Master Agreement and these Special Terms and Conditions apply to all Transactions that you enter into with us, including those concluded before the Master Agreement was signed, even if we do not refer to the Master Agreement in connection with any such Transaction.

The Master Agreement and all Transactions under the Master Agreement constitute one and the same contract and must comply with applicable laws and regulations including any rules, notices or guidance issued by Central Bank of Ireland.

If you are a legal entity or structure, including a company, charity or trust, you will need to obtain an LEI if you want to enter into Transactions. However, it is noted that this requirement does not apply for spot Transactions and, unless you are a financial counterparty, for foreign exchange forward Transactions (FX forward) that are physically settled, if they are entered into in order to facilitate payment for identifiable

goods, services or direct investments and are not traded on a trading venue.

## **1.2. MiFID II Regulations – customer categories, experience and knowledge**

**1.2.1** Before we provide you with an Investment Service (other than an Investment Service relating to a Non-MiFID Product) we have a duty to categorise you in one of the following categories under the MiFID II Regulations:

- eligible counterparties (for example other banks, pension companies, insurance companies, and others institutions within the definition);
- professional clients (generally large corporate clients); and
- retail clients (all other clients).

For further information on your categorisation under MiFID II Regulations please see Clause 1 (Categorisation) of Part 1A of this Markets Booklet.

**1.2.2** If you are categorised as a retail client, we will not transact MiFID Products with you save for specific exempted “non-complex” MiFID Products.

**1.2.3** By accepting these Special Terms and Conditions and entering into the Master Agreement, you acknowledge and agree that we have not provided you with any investment advice in relation to your trading range – instead, we have decided what products are within your trading range on the basis of the information that you have provided to us. If you enter into Transactions that are outside of your trading range, you do so at your own risk and should note that we are of the view, on the basis of the information that you have provided to us, that such Transactions are not appropriate to you.

### **1.3. EMIR – customer categories, clearing thresholds and clearing obligations**

**1.3.1** EMIR imposes obligations on most counterparties to derivative contracts, the nature of which will, in part, depend on their respective categorisation for the purpose of EMIR.

Under EMIR, counterparties to derivatives trades are required to categorise themselves under one of three categories:

- a “financial counterparty”; including certain authorised financial service providers, authorised collective investment undertakings and pension institutions.

We are a “financial counterparty” and you may assume that this remains the case until we notify you to the contrary;

- a “non-financial counterparty”; being customers who do not fall within the definition of financial counterparty, are not central clearing counterparties and are not excluded from the scope of EMIR;
- excluded entities; being certain public sector, sovereign and multinational entities and natural persons acting in a personal (not commercial) capacity.

Financial and non-financial counterparties are further divided into those who are subject to Clearing Obligations and those who are exempted from this requirement. Currently, the Clearing Thresholds (notional amounts) are set at EUR 1 billion for credit derivatives, EUR 1 billion for equity derivatives, EUR 3 billion for interest rate derivatives, EUR 3 billion for FX derivatives, EUR 4 billion for commodity derivatives and EUR 4 billion for other derivatives. Calculation of the aggregate month-end average notional amount of OTC derivatives must be performed every 12 months for the previous 12 months.

Financial counterparties and non-financial counterparties that exceed one or more of the Clearing Thresholds, or that choose not to perform the required calculations, are subject to a Clearing Obligation.

**1.3.2** If you are a non-financial counterparty, trading related to the hedging of your commercial activities or treasury financing is not included in the above calculation. If you exceed one of the Clearing Thresholds (calculated every 12 months for the preceding 12 months) you will become subject to a Clearing Obligation for the asset class or asset classes that exceed a Clearing Threshold. A non-financial counterparty that does not calculate its positions becomes subject to the Clearing Obligation for all asset classes that are subject to the Clearing Obligation.

**1.3.3** If you are a financial counterparty, you will become subject to the Clearing Obligation for all asset classes if you exceed any of the Clearing Thresholds or if you do not perform the required calculations.

**1.3.4** If you as a financial counterparty or non-financial counterparty exceed (or cease to exceed) a Clearing Threshold under EMIR or if you do not perform the required calculations to determine whether or not you meet

the Clearing Threshold, you must notify this to the competent authorities and to ESMA in accordance with EMIR.

**1.3.5** It is your own responsibility at any time to assess if you are a financial counterparty or non-financial counterparty under EMIR and to inform us of such categorisation. You must also notify us immediately if you become subject (or cease to be subject) to a Clearing Obligation pursuant to EMIR. If you are a non-financial counterparty or financial counterparty, you represent to us on each date on which a Transaction is entered into that you are not subject to any Clearing Obligations pursuant to EMIR, until such time when we receive a notification from you stating the contrary.

**1.3.6** You will be deemed to have represented to us on each date on which a Transaction is entered into that the information you have provided to us is correct.

**1.3.7** If your representation about being exempted from a Clearing Obligation under EMIR was incorrect or misleading, you must negotiate with us in good faith and without undue delay, and in any event within any applicable time periods specified in EMIR, 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. These amendments may include, inter alia, additional margin requirements and a re-pricing of the Transactions affected by the incorrect or misleading representation.

**1.3.8** Failure to agree these amendments will amount to a breach of the Transactions affected by the incorrect or misleading representation. As a consequence of this, we will close out the Transactions affected and calculate a final settlement amount for these Transactions in accordance with Clause 11 (Termination Payments) as at a date designated by us by giving you notice of this. For the avoidance of doubt, the termination of the Transactions affected shall not constitute an event of default under Clause 9 (Events of Default) and neither of us may effect early termination of the Master Agreement or any other outstanding Transactions as a result of this.

## 2. Trading

**2.1** You may enter into Transactions with us during our ordinary opening hours or at such other times as we may agree. You may request us to enter into Transactions either in writing, orally, including by telephone, or via the Online Banking Channel.

**2.2** Unless we have agreed otherwise, we will send you a Confirmation. You must notify us in writing immediately if such Confirmation contains incorrect data. You agree to use all reasonable efforts acting in good faith and a commercially reasonable manner to make any such notification promptly (and consult with us in good faith in an attempt to resolve any inaccuracy or omission identified by you in a timely manner), so as to enable the terms of the relevant confirmation to be settled before the expiry of any applicable minimum period prescribed from time to time pursuant to EMIR for the confirmation of trades in the nature of the Transaction the subject thereof. If you fail to make such a notification as soon as possible (but no later than 24 hours) after receipt of such Confirmation, the Confirmation will be deemed to be correct and complete.

**2.3** If it becomes necessary, we may at any time ask you to sign and return to us a copy of a Confirmation or to reconfirm Transactions in other ways.

**2.4** When a Transaction has been agreed, orally or otherwise, it will be binding.

**2.5** In the event of inconsistencies between a Confirmation, the Master Agreement and these Special Terms and Conditions, the Confirmation will prevail. In the event of inconsistencies between Master Agreement and these Special Terms and Conditions, the Master Agreement will prevail.

**2.6** If you wish to authorise one or more individuals to act on your behalf, you will be required to fill in the authorisation form provided by us.

**2.7** We are not liable to you in respect of:

- (a) the loss, delay in transit, destruction or mutilation of any form of oral, written or electronic message; or
- (b) any oral, written or electronic instruction purporting to be sent by a person you authorise; or
- (c) any errors or omissions in any instruction.

**2.8** If in relation to an outstanding Transaction we are prevented for reasons beyond our control from making or receiving a payment in the place or manner agreed, we may terminate the affected Transaction immediately.

If we terminate one or more outstanding Transactions under this Clause 2 with effect from any Business Day, you shall be required to make a termination payment to us, or we shall be required to make a termination payment to you, calculated in accordance with Clause 11 (Termination Payments) as if the terminated Transaction(s) comprised all outstanding Transactions under a Master Agreement as at that Business Day and that Business Day shall be the “**early termination date**”.

For the purposes of this clause, the expression “**reasons beyond our control**” includes disruption in a market in which we normally deal, disruption in the means by which we usually communicate, and / or a change in any law affecting this agreement or a Transaction under it.

### **2.9 Risk factors**

Entering into Transactions may involve substantial risk; for example, the value of a Transaction can be affected by factors including (but not limited to) currency and interest rate fluctuations in the financial markets. You may read more about risk factors relating to a Transaction in Part 1B (Risk Warning Notice) of this Markets Booklet and in any fact sheet we may issue from time to time.

### **2.10 Your duties**

You are responsible for choosing the type of Transaction and for deciding whether to enter into a Transaction. You are also responsible for any losses you may incur.

We will not keep you informed about matters relating to the market, currencies or exchanges. If you are categorised as a retail client for the purposes of the MiFID II Regulations and hold an account that includes positions in leveraged financial instruments or contingent liability Transactions, we will inform you where the initial value of each Transaction depreciates by 10 per cent and thereafter at multiples of 10 per cent.

### **2.11 Price**

You must pay all economic costs incurred by us in enforcing or taking any action in connection with our rights if we become entitled to take action under these Special Terms and Conditions. You must also pay us on demand any costs, fees, charges and expenses incurred by us in connection with any Transaction.

Economic costs means any costs, charges, expenses and other outgoings incurred by us in connection with a loss or reduction of return or other costs associated with changes in agreements or arrangements entered into by us (either generally or in the course of our business

or specifically in connection with this agreement or any Transaction) to fix or limit our exposure as a consequence of us acceding to any request made by you or as a result of termination of Transaction(s) whether pursuant to these Special Terms and Conditions or otherwise.

You agree to indemnify us against any loss or damage we suffer as a result of us acting in accordance with the Master Agreement. However, if one party breaches its obligations under the Master Agreement, the other party cannot, save as provided for in Clause 11 (Termination Payments), recover lost profits or indirect or consequential losses.

### 2.12 Transaction costs

The price of a Transaction takes into account Transaction and counterparty specific factors. How the price of a Transaction is calculated is described in our Order Execution Policy.

### 2.13 Negative interest rate

If on any interest payment date the amount of interest due from a party (the “**Originally Intended Payer**”) for that particular payment (on account of either a floating rate or a margin deducted from a rate) is negative (the “**Negative Interest**”), the Originally Intended Payer is not required to pay interest for such interest period. Instead, the other party (the “**Originally Intended**

**Receiver**”) in relation to the payment pays the Originally Intended Payer the absolute value of the Negative Interest in addition to any other amount that the Originally Intended Receiver is required to pay on that interest payment date.

## 3. Payment and delivery

**3.1** Transactions are settled by payment against delivery or cash settlement, depending on what has been agreed for the relevant Transaction. You will pay us any amount which you owe us when the sum falls due (the “**Due Date**”), in freely transferable, cleared and available funds, in the currency and to the account to which we specify. The value date for cash payments must be the Due Date. Securities must be delivered on the Due Date.

**3.2** Subject to Clause 3.7 below, if a payment of any cash amount or delivery of securities is subject to any deduction or withholding in respect of taxes, the party paying or delivering as the case may be must pay to the other party the net amount agreed of such payment or delivery after the relevant deduction or withholding.

**3.3** You may pay through your settlement account with the Bank. We shall, if you have sufficient funds in such account, be entitled to and will arrange for payment to be made on the Due Date in the relevant currency.

You must ensure that there are sufficient funds on the account. If the account does not have sufficient funds and you have a balance on another account with the Bank, we shall be allowed to transfer the amount remaining to be paid from such other account to the settlement account. Amounts will to the extent necessary be converted at the rate of exchange (which will include a client margin) at which we are then selling the currency of your relevant obligation for the currency of the settlement account or other account, as the case may be.

**3.4** Our obligation to settle any Transaction effected with or for you is conditional upon our receipt (or satisfactory confirmation of receipt by our settlement agents) of all necessary documents, securities or other assets or funds due to be delivered by you or on your behalf on or before the Due Date for settlement.

**3.5** If, on any settlement date for one or more Transactions, a payment obligation (in relation to one or more Transactions) arises both on our part and on your part, in the same currency, or delivery obligation (in relation to one or more Transactions) arises both on our part and your part, in respect of the same securities or other assets, then the affected payment obligations or delivery obligations may, in our sole discretion, be settled on a net basis.



**3.6** Subject to the above, if there are obligations both on our part and on your part to be fulfilled on the same day, we may require payment and/or delivery on your part to be effected on the Due Date into a restricted account or custody account with us or a clearing system designated by us. If the Transaction has a term of more than five Business Days, we must give you notice of any such requirement not less than five Business Days in advance. If the Transaction has a shorter term, we must inform you of the requirement when you enter into the Transaction. Payment and delivery are made in our own name or (as the case may be) your own name and will be released when both parties have fulfilled their obligations. If either party fails to comply with the deadline, the other party may request that its payment or delivery be reversed immediately.

**3.7** All payments on your part shall, subject as set out above, be made without set-off or counterclaim (howsoever arising and including, without limitation, by operation of law, in equity or in contract) and free and clear of and without deduction for any present or future taxes, duties or other charges or withholdings (taxes). Nevertheless, if you are compelled by law to deduct or withhold any such taxes, you will promptly pay to us such additional amount as is necessary to ensure that the net amount received by us is equal to the amount payable by you had there been no deduction or withholding.

**3.8** If any payment on our part is subject to any deduction or withholding in respect of taxes, we shall account to you for the net amount of such payment after the making of the relevant deduction or withholding.

#### **4. Default interest**

**4.1** Without prejudice to Clause 3 (Payment and delivery), if either you or we fail to comply with payment or delivery dates:

- (a)** in the case of a payment default, interest will be payable on overdue amounts from the Due Date until they are paid. This may be the case if there are insufficient funds in the settlement account; and
- (b)** in the case of a delivery default, default interest will be payable on an amount equal to the fair market value (determined by us as of the originally scheduled date for delivery, in good faith and using commercially reasonable procedures) of that which was required to be delivered in the same currency as that amount as of the Due Date until delivery is made.

**4.2** Default interest is charged at the rate which we certify to be 2 percentage points above the Bank's cost of funds for the period beginning on the date that payment or delivery, as appropriate, is not made and ending on the

day on which payment or delivery, as appropriate, is made, where "cost of funds" means, in respect of a period comparable to that period, the relevant interbank rate i.e. in the case of euro, EURIBOR, and, in the case of euro or any other currency, such benchmark rate as we may in our discretion determine (acting in good faith) from time to time, for obtaining deposits in euro or that other currency, as applicable, in an amount comparable to the overdue amount or amount equal to the fair market value referred to in (a) and (b) of Clause 4.1 respectively, as applicable, for that period. If EURIBOR or any such benchmark rate is:

- (a)** less than zero it shall be deemed to be zero; and
- (b)** not available for that period, the Bank may (acting in good faith) select any method (acting in good faith) select any method for extrapolating the rate for that period from the rate(s) available for longer and/or shorter periods.

#### **5. Transaction registration and regular information**

**5.1** We register the Transactions you enter into and record them under your customer number with the Bank. In addition to any Confirmation issued pursuant to Clause 2 (Trading), you will also receive a monthly statement of Transactions made, but not yet settled, and their market value

as at a date specified in such monthly statement as calculated by us. We calculate market value using the principles set out in Clause 11 (Termination Payments) below, based on our middle price, being the middle rate between bid and ask (and not, for the avoidance of doubt, on any third party sources of market information).

**5.2** Any certificate issued by us in respect of any matter in connection with the Master Agreement or any amount payable thereunder will be conclusive and binding on you in the absence of manifest error.

**5.3** If you are a financial counterparty or a non-financial counterparty you must, to the extent required under EMIR, report within one Business Day the details of all your derivatives Transactions under this agreement to a trade repository. The reporting requirement applies each time a Transaction is concluded, modified or terminated. In addition, financial counterparties and non-financial counterparties who are subject to clearing obligations, must report market valuations of their outstanding Transactions on a daily basis.

**5.4** We will not report any Transactions between you and us to a trade repository on your behalf, unless we have separately agreed to perform such services for you.

We will report the Transactions to relevant authorities where we have a regulatory obligation under EMIR, 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 or any other applicable regulation.

## **6. Risk-mitigation techniques**

### **6.1 Portfolio Reconciliation**

If you are a financial counterparty or a non-financial counterparty you are required under EMIR to perform a reconciliation of your outstanding Transactions under this agreement with us.

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 between us and whether you exceed the clearing thresholds set out in EMIR.

Unless we have agreed otherwise in writing, we shall on the date of each portfolio reconciliation send you one or more lists of your outstanding Transactions containing information about the key terms (including our valuation) of each Transaction. You must notify us without undue delay, if you are not in agreement with the data contained in such list. We shall consult each other in good faith and attempt to resolve any

discrepancies in a timely manner. If you fail to notify us of any discrepancies within five Business Days of receipt of the data, it will be deemed to be correct, complete and confirmed by you.

Your 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.

### **6.2 Portfolio Compression**

If you are a financial counterparty, or a non-financial counterparty with at least 500 outstanding OTC Derivatives Transactions with us, you are required two times a year to analyse together with us and, if it is appropriate, carry out a portfolio compression exercise in order to reduce our counterparty credit risk.

### **6.3 Dispute Resolution**

If a dispute regarding this agreement or any Transactions executed under it arises (however excluding any disputes regarding the provision of financial collateral), the disputing party shall without undue delay give notice hereof to the other party. 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 timely manner.

However, the Transaction is considered to be concluded regardless of whether it is disputed.

If a dispute relates to our valuation of one or more Transactions under this agreement, you may request that we seek quotes from at least two and up to four reputable, independent market participants. If the quotes obtained deviate materially from our valuation, then the average value of such quotes shall replace our valuation and we shall bear the costs of obtaining the quotes. If the quotes obtained do not deviate materially from our valuation, then our valuation shall prevail and you shall bear the costs of obtaining the quotes. If no quotes are obtained our valuation shall prevail. We may disregard one or more quotes obtained if we believe that the inclusion of such quote(s) would not produce a commercially reasonable result.

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

## **7. Threshold for the total market value of your Transactions**

**7.1** If the Master Agreement sets out a threshold for the total market value of all your Transactions, and the total market value of all outstanding Transactions (as determined by

us) exceeds the threshold, we may, in writing but otherwise without notice (a) require you promptly to provide collateral of such a nature and subject to such documentation as is satisfactory to us, for the part of the total market value of all outstanding Transactions that exceeds the threshold, (b) in relation to each outstanding Transaction, require that you enter into an opposite Transaction with us and pay to us such sum as is then payable by you to us in respect of such opposite Transaction, (c) terminate the Master Agreement and all Transactions thereunder or (d) terminate some but not all Transactions under the Master Agreement as designated by us provided that, for the purposes of (d), termination shall be effected pursuant to Clause 11 (Termination Payments) as if references therein to all outstanding Transactions were to those designated by us pursuant to paragraph (d). If the Master Agreement is terminated under this Clause 7 (Threshold for the total market value of your Transactions), you shall be required to make a termination payment to us, or we shall be required to make a termination payment to you, in accordance with Clause 11 (Termination Payments) below.

**7.2** The early termination date is the Business Day on which the termination of the Master Agreement takes effect.

**7.3** For the purposes of the above, an “opposite Transaction” is a Transaction between you and us, subject to these Special Terms and Conditions, under which

- (i) you will be required to perform obligations corresponding to our obligations under the relevant outstanding Transaction, and we will be required to perform obligations corresponding to your obligations under the relevant outstanding Transaction, and
- (ii) you shall forthwith pay to us such sum as we certify to be necessary to compensate us for entering into the relevant opposite Transaction.

**7.4** For the purpose of determining whether the threshold has been exceeded and the level of collateral (if any) to be provided, we calculate market value using the principles set out in Clause 1.1 (Termination Payments) below, based on our middle price, being the middle rate between bid and ask (and not, for the avoidance of doubt, on any third party sources of market information).

## **8. Your disclosure obligations**

You must notify us immediately if an event of default, as listed in Clause 9 (Events of Default), occurs with respect to you. We may at any time ask you to send us information of an accounting,

budgeting or auditing nature, including long-form audit reports, which we believe would be necessary to evaluate your financial condition (or the financial condition of any other relevant person) or other matters, such as information about persons authorised to act on your behalf. This applies even if we did not request such information when the Master Agreement was entered into. You will send us any such information asked for as soon as reasonably practicable after a request.

### 9. Events of default

You may in writing terminate early the Master Agreement and all Transactions thereunder if any of the following events occur:

- we do not comply with the terms and conditions that apply to the individual Transactions and do not subsequently, and within three Business Days of having received a written notice to do so, perform our obligations to you; or
- we petition for our winding-up.

In addition to the termination provisions set out in Clause 21 of Part 1 of this Markets Booklet, we may in writing terminate early the Master Agreement and all Transactions thereunder without notice if any of the following events

occur (each being an event of default with respect to you):

- you do not comply with the terms and conditions of the Master Agreement, including these Special Terms and Conditions and/or those applicable to individual Transactions (including, without limitation, if you fail to provide required collateral) or any collateral document, or you are in breach of any warranty or undertaking made to us;
- collateral you have provided for obligations under the Master Agreement does not have a value which at least corresponds to that required, and you do not promptly provide additional collateral on request;
- without obtaining the Bank's consent, you deal (or purport to deal) with assets you have provided as collateral, for example by granting a charge or other security to a third party;
- your business terminates on a merger, demerger or other reorganisation;
- it is or will become unlawful for you to perform any obligation to make a payment or delivery or to receive a payment or delivery in respect of a Transaction or to comply with any other material provisions of the Master

Agreement relating to such Transaction, including these Special Terms and Conditions and/or those applicable to individual Transactions or any collateral document;

- (if you consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of your assets to, another entity)
  - (a) at the time of such action the resulting, surviving or transferee entity fails to assume all your obligations under the Master Agreement, including these Special Terms and Conditions and/or those applicable to individual Transactions and any collateral document you may have entered into with us, or
  - (b) (if all your obligations as specified in (a) above are so assumed) the creditworthiness of the resulting, surviving or transferee entity is materially weaker than yours immediately prior to such action;
- any person or group of persons acting in concert gains control of you. For such purposes, "control" means
  - (a) (where you are a company) the power of a person to secure

- (i) by means of the holding of shares or the possession of voting power in or in relation to you, or
- (ii) by virtue of any powers conferred by your constitution or other document regulating you, that your affairs are conducted in accordance with the wishes of that person, or
- (b) (where you are a partnership) the right to a share of more than one-half of the assets, or of more than one-half of the income, of the partnership, or
- (c) (in any case) the beneficial ownership of any ownership interest that enables the exercise of control over you;
- an Insolvency Event occurs in relation to you;
- we reasonably suspect that you have made a Transaction that is illegal or for an illegal purpose or would result in a breach of Sanctions;
- we determine that your relationship with us has broken down or you have shown threatening or abusive behaviour towards any member of our staff;
- you act, or are suspected of acting, fraudulently or, in the supply of or failure to provide information to us, with negligence;
- a material adverse change in your financial condition or business occurs;
- we suspect that there is a threat to the security of our systems;
- you fail when requested to provide a self-certification or such other information as the Bank may, in its absolute discretion, deem necessary to enable the Bank to fulfil its obligation to report information to the tax authorities of the country in which the Account is maintained, pursuant to legislation or regulations governing the automatic exchange of financial account information;
- any other event occurs which indicates or suggests that you may not perform your obligations under the Master Agreement or under any Transaction or any collateral document; or
- any of the above events happens in relation to
  - (i) any of your partners (where you are a partnership),
  - (ii) any of your subsidiaries (where you are a company);

- (iii) any of the persons comprising the counterparty (where you are a joint counterparty); or
- (iv) any person who or which provides a guarantee or security or other collateral in respect of your obligations to us (in which case, any reference to the Master Agreement and the Transactions shall be deemed to refer to any documentation pursuant to which such guarantee, security or collateral is provided by such person).

Any breach of the Master Agreement is also a breach of all outstanding Transactions even if not specifically stated.

If the Master Agreement is terminated under this Clause 9 (Events of Default), you shall be required to make a termination payment to us, or we shall be required to make a termination payment to you, in accordance with Clause 11 (Termination Payments) below. The early termination date is the Business Day on which the termination of the Master Agreement takes effect

## 10. Changes in laws and regulations

**10.1** If due to any change in any applicable law or regulation (or in the interpretation thereof by courts or other authorities) occurring after

a Transaction is entered into, the Transaction becomes unlawful under any applicable law or regulation or one or both of us are prohibited from paying or delivering as agreed, or from performing or complying with any other obligation under the Master Agreement, the party affected by the change in law or regulation must promptly notify in writing the other party of the change in circumstances, and both parties will have the right to terminate, in writing and at any time, the Master Agreement and each Transaction forming part hereof.

**10.2** If any change in law or regulation concerning capital adequacy or liquidity requirements imposes on us increased costs or reduces our earnings when we perform, maintain or finance our obligations in respect of the Master Agreement, we will have the right to terminate, in writing and at any time, any affected Transaction (an “**affected Transaction**”) forming part hereof and, if all Transactions are affected, the Master Agreement. If we effect any such termination under this provision, we will close out all affected Transactions and calculate a final settlement amount as at the early termination date in accordance with Clause 11 (Termination Payments) provided that, where some but not all Transactions under the Master Agreement are affected Transactions, termination shall be effected pursuant to Clause 11 (Termination Payments)

as if references therein to all outstanding Transactions were to the affected Transactions. The early termination date is the Business Day on which such termination takes effect.

## **11. Termination Payments**

**11.1** For the purposes of determining any termination payment pursuant to these Special Terms and Conditions, we shall, as soon as reasonably practicable after the occurrence of the early termination date, calculate the net amount of

- (a) the market values of all outstanding Transactions under the Master Agreement as at, or as soon as reasonably practicable after, the early termination date;
- (b) any amounts that became due on Transactions under the Master Agreement on or before the early termination date and which remain unpaid as at that date; and
- (c) in respect of any obligation of a party under a Transaction under the Master Agreement which was required to be settled by delivery on or prior to the early termination date and which has not been settled as at the early termination date, an amount equal to the fair market value of that which was to have been delivered as of that date, as determined by us; and

- (d) any default interest payable up to and including the early termination date under Clause 4 (Default Interest). Subject as provided below, such net amount calculated by us shall be the amount of the termination payment required to be paid by you or by us pursuant to these Special Terms and Conditions. If such net amount is in our favour, such termination payment shall be made by you; if such net amount is in your favour, such termination payment shall be made by us.

**11.2** The market value of a Transaction (to us or to you) under the Master Agreement is the present value of the Transaction to us or (as the case may be) to you, as determined by us, acting in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result. Without duplication of amounts calculated as set out below, when calculating the market value of a Transaction, we may take into account the loss or cost in buying in or borrowing any investment that has not been delivered to us by you and any loss or cost incurred in connection with us or you (as the case may be) terminating, liquidating or re-establishing any hedge relating to the termination of the relevant Transactions (or any gain resulting from any of them).

**11.3** For the purposes of calculating present value, we may consider any relevant information including, without limitation or obligation, information obtained by us or on our behalf from recognised market players, regulated markets, information providers and other sources of market information, as determined by us.

**11.4** In the absence of written confirmation from a source of any information relied upon in determining the termination payment, our records will be conclusive evidence of the existence and accuracy of such information. Information may be obtained on the price of relevant Transactions, rates, market values, interest rates, yield curves, volatilities, yield and price spreads, co-variations or other relevant market information for the market in question.

**11.5** Present value may also be calculated (including, without limitation, if there is a special market situation and there is no access to other information) taking into account interest rate and price developments, knowledge of market supply and demand, the price of any similar financial instruments and any available market relevant information about the issuer of a security, the Transactions and the situation in general.

**11.6** Recognised market players include, without limitation, dealers in the relevant market(s),

end-users of the relevant product(s), information vendors and brokers in the relevant market(s).

**11.7** The termination payment, whether payable by you or us, is due for payment on the Business Day notice by us to you of the amount payable is effective or (if that day is not a Business Day) on the next Business Day. A notice is effective on the date it is delivered.

**11.8** Any termination payment shall be calculated and payable in the Base Currency. We shall if necessary effect any currency conversions, which may be required in this context, using for such purposes the relevant rate at which we are selling the Base Currency for the other currency concerned.

**11.9** If you and we have entered into any other Master Agreement (howsoever described) governing derivatives contracts between you and us (each such Master Agreement, as amended, restated and replaced from time to time, an alternative Master Agreement), then notwithstanding any provision of such alternative Master Agreement to the contrary, you and we agree that all outstanding Transactions under each alternative Master Agreement will be deemed to be Transactions entered into pursuant to this Master Agreement and deemed no longer to be entered into pursuant to or to form part of any such alternative Master Agreement.

## **12. Termination of Master Agreement**

**12.1** Either you or we may terminate the Master Agreement in writing giving not less than two months' notice. Notice of termination according to this provision does not apply to Transactions already entered into.

**12.2** If you are a Corporate Customer then Clause 12.1 will apply save that where the period of notice would otherwise be not less than two months, it can be less than two months.

**12.2** Transactions that have been entered into cannot be terminated before expiry, subject to Clause 7 (Threshold for the total market value of your Transactions) and Clause 9 (Events of Default) above and the terms and conditions of the specific Transaction.

## **13. Assignment**

**13.1** We may assign or transfer rights and/or obligations under the Master Agreement and Transactions under the Master Agreement to any person. Upon a transferee confirming to you that it will be bound by these Special Terms and Conditions and Master Agreement you shall be taken as agreeing to such transferee assuming our obligations hereunder.

**13.2** Any assignment or transfer by you of rights and/or obligations under the Master Agreement

and Transactions under the Master Agreement is subject to our prior consent (which shall be at our discretion).

#### **14. Set-off**

Any amount due and payable to one party to the Master Agreement (the **“Payee”**) by the other party to the Master Agreement (the **“Payer”**) (whether or not arising under the Master Agreement and irrespective of the currency, place of payment or place of booking of the obligation), will, at our option (and without prior notice to you), be reduced by its set-off against any other amounts (**“Other Amounts”**) payable by the Payee to the Payer (whether or not arising under the Master Agreement, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation). To the extent that any amounts are so set off, those amounts will be treated as discharged in all respects. We will give notice to you of any set-off effected under this Clause 14. For this purpose, any amount to be set-off may be converted by us into the currency in which the other amount to be set-off is denominated at the rate of exchange at which we are selling the first currency for the second currency. If an obligation is unascertained, we may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this Clause 14 will be effective to create a charge or other security interest. This Clause 14 will be without prejudice and in addition to any right of set-off, offset, combination of accounts, lien, right of retention or withholding or similar right or requirement to which we are at any time otherwise entitled or you are at any time otherwise subject (whether by operation of law, in contract, in equity or otherwise).

#### **15. Joint counterparties**

##### **15.1 Where you are a joint counterparty and accordingly consist of more than one person:**

- such persons shall be jointly and severally liable for the obligations of the counterparty under the Master Agreement and the Transactions and, for the avoidance of doubt, such persons shall share a single, identical interest in the Master Agreement and the Transactions and there shall be no differentiation in the rights and obligations of each of them in the Master Agreement and those Transactions;
- the accounts referred to in Clause 14 (Set-off) and Clause 3 (Payment and delivery) above (except for the “settlement account” referred to, which shall be a joint account of such persons) shall consist of all or any of the accounts of such persons with us, whether in the name of one or more of such persons.

#### **16. Representations, warranties and undertakings**

(Both parties)

**16.1** Each party represents and warrants to the other that as at the date of the Master Agreement and on each date on which a Transaction is entered into that:

- it has the power to enter into the Master Agreement and each Transaction;
- the Master Agreement and each Transaction, once entered into, will be binding on it;
- it enters the Master Agreement and each Transaction as a principal and not as a trustee or agent.

(Counterparty Representations)

**16.2** You represent and warrant to us that as at the date of the Master Agreement and on each date on which a Transaction is entered into:

- where you are other than a natural person, you are duly organised and validly existing under the laws of your jurisdiction of organisation or incorporation;
- you have the power to execute the Master Agreement and any other documentation relating to the Master Agreement and the



Transactions to which you are a party, to deliver the Master Agreement and any other documentation relating to the Master Agreement and the Transactions that you are required by the Master Agreement to deliver and to perform your obligations under the Master Agreement and any obligations you have under any other documentation relating to the Master Agreement and the Transactions to which you are a party and have taken all necessary action to authorise such execution, delivery and performance;

- unless you are a financial counterparty, you will be deemed to have represented to us on each date on which a transaction is entered into, that a foreign exchange forward that is physically settled and is not traded on a trading venue, that you are entering into such transaction in order to facilitate payment for identifiable goods, services or direct investments until such time when we receive a notification from you stating the contrary and such notification must be provided prior entering into any new transaction.
- such execution, delivery and performance do not violate or conflict with any law applicable to you, any provision of your constitutional documents (where you have constitutional documents), any order or

judgment of any court or other agency of government applicable to you or any of your assets or any contractual restriction binding on or affecting you or any of your assets;

- where you have constitutional documents, your entry into the Master Agreement and each Transaction is and will be authorised under those constitutional documents and is and will be in furtherance of your objects as set out in those constitutional documents or otherwise;
- all governmental and other consents that are required to be obtained by you with respect to the Master Agreement or any other documentation relating to the Master Agreement or any Transaction to which you are a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with;
- your obligations under the Master Agreement and any other documentation relating to the Master Agreement to which you are a party constitute your legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, examination, insolvency, moratorium or similar laws affecting creditors' rights generally and

subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law);

- where you are, or any person constituting you is, a natural person) you are or, as the case may be, any such person is:
- of full age and sound mind;
- not a ward of court; and
- not the subject of an enduring power of attorney.

**16.3** You will comply with any reasonable request that we make in order to obtain satisfactory evidence of your compliance with this Clause 16.

## **17. Communications and Business Days**

**17.1** For the purposes of delivery of securities or payment or determination of interest rates in relation to euro or a currency other than euro, in these Special Terms and Conditions, a Business Day also includes a day when banks are open for usual banking Transactions (including currency and securities trading) in the country of delivery of the relevant security or in the country of the relevant currency.

**17.2** You authorise us and each of our officers, agents and/or employees to disclose any information relating to you, this agreement or any Transaction to any of our affiliates or any other third party that we deem in good faith is an appropriate recipient of such information.

**17.3** We have brought to your attention in Clause 23 of Part 2 of our General Terms and Conditions, available at <https://danskeci.com/ie/find-it-fast/terms-and-conditions/terms-and-conditions---corporates-and-institutions>, which you have also received and by which you are also bound, the existence and location (<https://danskeci.com/ci/gdpr>) of the Bank's Privacy Notice, which sets out how we process personal information relating to employees, directors, beneficial owners and other individuals associated with our business and corporate customers, and the rights of such individuals in relation to the personal information we process. Clause 23 of Part 2 includes a customer warranty that you are entitled to disclose this personal information and have advised the relevant individuals in or associated with your organisation of the Bank's Data Privacy Notice.

## Part 3

### *Special Terms and Conditions applying to Securities Trades*

This Part 3 of the Markets Booklet applies to Investment Services where the customer trades Securities through the Bank's Securities trading service.

#### **Definitions**

Defined terms used in these Special Terms and Conditions shall have the meanings given to them in the General Terms and Conditions, unless otherwise defined herein. In these Special Terms and Conditions:

**“Current Account”** means an active account with the Bank in your name and that is associated with your Custody Account, into which deposits can be paid and from which withdrawals can be made;

**“Custody Account”** means an electronic nominee account where Securities are kept in a safe and secure way;

**“Funds”** means Danske Invest Funds as further described in Clause 10 (Danske Invest);

**“Loss(es)”** means any loss, claim, liability, cost or expense;

**“MiFID II Regulations”** are the European Union (Markets in Financial Instruments) Regulations 2017, as may be amended from time to time;

**“Order”** means an order placed with the Bank for the buying or selling of Securities;

**“Prospectus”** means the disclosure document describing the Funds;

**“Securities”** means non-cash assets held in a securities account in respect of which you use the Bank's Securities trading service;

**“Securities Systems”** means a Securities depository or Securities clearing book entry or other similar system;

**“Settlement”** means delivery and payment in connection with a Securities trade; and

**“Settlement Date”** means the date on which Settlement takes place.

#### **1. Communication**

We will communicate with you under these Special Terms and Conditions in writing, by email, via our website, via our Online Banking Channel or other mailbox, by phone and in person.

#### **2. Placing of Orders**

**2.1** You can place Orders through our Online Banking Channel or by contacting us by telephone.

**2.2** We recommend that you trade through our Online Banking Channel for the purpose of ensuring that you are quickly identified and that your Order is executed correctly. If you submit Orders by telephone, letter, email or fax, or even if you contact us in person, the risk of error or misplacement of your Order, or misunderstanding or delay will increase, and will under no circumstances be construed as negligence on our part and all Orders that are submitted other than through our Online Banking Channel are accepted entirely at your sole risk.

**2.3** We will take instructions only from such persons that you identify to us in writing as being authorised to give instructions on your behalf.

**2.5** Orders will normally be effected through a stockbroker or with a product company directly. If the stockbroker or product company cannot effect the transaction, we will notify you as soon as practicable.

**2.6** We will act in good faith and with due diligence in our choice and use of counterparties.

### **3. Trading Securities**

**3.1** In fulfilling its obligations under Clause 2 (Placing of Orders), and subject to your instructions, the Bank will trade on best execution terms and may act as principal or as agent, through a broker or market maker and may choose the currency in which the transaction is settled. The Bank will charge brokerage fees in addition to any dealing costs and expenses incurred, in accordance with Clause 7 (Trading Charges).

**3.2** Your Order will be executed in accordance with the rules and regulations of the relevant market or exchange and the relevant requirements of the MiFID II Regulations and all such steps may be taken as may be required or permitted by such rules and regulations and/or by appropriate market practice. For further information on how we categorise customers with regard to the MiFID II Regulations, please see Part 1a of this Markets Booklet.

**3.3** Your Order will be executed during the official opening hours of the relevant market with the limitation that for some markets we only operate between 8 a.m. and 4 p.m. (CET-1), so Orders received hereafter will be executed the following Business Day. If the market is closed when we receive the Order, we will not execute it until the market re-opens.

**3.4** Except as provided above, your Order will lapse if it cannot be executed on the day it is received in the relevant market. However, a limit Order may be maintained until an agreed period has expired (see Clauses 4 and 5 for further information on limit Orders).

**3.5** We may not be able to execute an Order on your behalf for some considerable time due to prevailing market conditions (e.g. high volatility/trading volumes or otherwise), the illiquid nature of certain stocks and bonds, delays in Order transmission and / or other circumstances beyond our control. There may be a significant difference between the indicative price quoted at the time of placing your Order and the price at which your Order is executed.

**3.6** A confirmation notice will be sent to you whenever a transaction is undertaken, which will confirm execution of the transaction and set out essential information about it.

We will also, upon request, provide you with information on the status of a particular transaction.

### **4. Limit Orders**

If you want to buy or sell Securities at a specific price, you may limit the Order for a predetermined period of up to thirty days. The Order will then be executed if the price reaches the price determined by you. By entering into these Special Terms and Conditions, you instruct us not to make the Order public in circumstances where we consider it appropriate not to do so.

### **5. Effect of Limit Orders**

If you have agreed that your Order is to be a limit Order, we will execute the transaction only if we can trade at the limit price. However, we may execute part of the Order. If your Order is partially executed on more than one trading day multiple Settlements may occur with different Settlement Dates. These partial Settlements will include commission charged on each portion settled on the different settlement dates.

### **6. Delivery and Payment (Settlement)**

**6.1** For most Securities the Settlement Date is the third Business Day after the date on which the trade is made.

**6.2** Settlement will take place in accordance with the provisions of the Part 4 of this Markets Booklet.

**6.3** In addition, in relation to any Securities that we acquire for you under these Special Terms and Conditions but for which insufficient funds are available upon Settlement, we reserve the right to sell those Securities and apply the proceeds towards settlement of your outstanding obligations. Any balance will be paid to you less any costs incurred.

## **7. Trading Charges**

**7.1** We charge brokerage fees for all types of trades at the prices in force from time to time. All brokerage fees and any applicable dealing costs and expenses from time to time, plus any applicable value added tax or other taxes, will be payable by you. Please see Clause 5 (Our charges, fees etc.) of Part 1 of this Markets Booklet for further information on fees and charges.

## **8. The Bank's Liability**

**8.1** We shall exercise due care and diligence in the performance of our duties under these Special Terms and Conditions and we will be liable to you only for any direct Loss suffered by you directly as a result of our gross negligence, breach of contract, fraud or willful default.

**8.2** We will accept no liability for Losses incurred as a result of market movement in the value of the Securities.

**8.3** 8.3 We accept responsibility for the acts and omissions of our own nominees to the same extent as for our own acts or omissions.

**8.4** Our liability to you, under the preceding paragraphs will be limited to any direct Loss that you may incur and we shall not be liable for any loss of profit or indirect, special or consequential Loss. In respect of any Loss relating to Securities, Loss will be assessed as the market value or, in the absence of a relevant market, the fair value of such Securities, in each case as reasonably determined by us, on the date when such Loss is notified, as the case may be, by you to us or by us to you. In addition, we shall pay you interest at the prevailing market rate as determined by us rate from the date at which your Loss is assessed until the Loss is repaid and credit you with any fees in respect of the relevant transaction.

**8.5** Securities may be held outside Ireland, where different settlement, legal and regulatory requirements and different practices relating to the separate identification and segregation of those Securities may apply and you accept any risks that may arise out of those differences.

**8.6** Except insofar as the same may result from any act or omission for which we are liable to you, you will be required to indemnify us and keep us indemnified and hold us harmless from and against all Losses that may be incurred by or claims against us either:

- (i) in consequence of any breach by you of these Special Terms and Conditions;
- (ii) arising from any reversal of any transfer of your Securities pursuant to any bad delivery in a Securities System; or
- (iii) as a result of any act or omission of yours which gives rise to a liability on us to any Securities System, its employees or agents.

**8.7** We shall not be liable for Losses arising from breakdown of or lack of access to IT systems or damage to data in these systems, regardless of whether or not we or a third-party supplier may be responsible for the operation of these systems, power failure or a breakdown of our telecommunications, legislative or administrative intervention, acts of God, war, pandemic, revolution, civil unrest, sabotage, terrorism or vandalism (including computer virus attacks or hacking), strikes, lockouts, boycotts or picketing, regardless of whether we or an Affiliate may be a party to or may have started such conflict

and regardless of its cause, or from any other circumstances beyond our control.

**8.8** Subject to the foregoing, we do not accept any responsibility for:

- (i) any error, lack of authenticity, lack of authorisation, insufficiency in any instruction or other communication or message received from you;
- (ii) the failure by any Securities System to make, receive, credit or debit any payment; or
- (iii) any other matter relating to the performance of duties or obligations or the exercise of rights under these Special Terms and Conditions by us and/or any delegate.

**8.9** In addition, we will not be liable for any loss or damage caused by the delay or failure, whether by reason of fraud, willful default, negligence or otherwise, of any broker or its agent to deliver to us or any sub-custodian, Securities purchased or to remit payments made in connection with the sale of Securities or dividends in respect of such Securities, nor shall we be liable for any delay or failure of any entity in charge of registering or transferring Securities in or from our name, the name of any sub-custodian or your

name or for any Loss which is due to disorder in any market, stock or security exchange, central depository or Securities System. You agree to indemnify the Bank and keep it indemnified and hold it harmless in respect of any Loss it incurs in trading Securities on your behalf unless such Loss was due directly to its negligence, fraud or willful default.

**8.10** It is your responsibility to comply with any notification requirements under the MiFID II Regulations or other governing law or regulation.

## **9. Currency Exposure**

**9.1** Securities purchased in non-euro denominated currencies will be converted to euro on Settlement Date with the rate being that at the time the trade is placed. A margin will also be charged on the conversion similar to you purchasing that currency from the Bank.

**9.2** For non-euro denominated funds the rate of currency conversion is that at the value date. For each trade the value date is 12pm (CET-1), two Business Days following the placing of the trade.

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