



# GENERAL CONDITIONS FOR CORRESPONDENT BANKS

DANSKE BANK GROUP

May 2018

## 1. Introduction

The General Conditions apply to all business relations between, on the one hand, the head offices, domestic and foreign branches or subsidiary banks of Danske Bank A/S (these head offices, branches and subsidiary banks being hereinafter referred to as "the Bank") and, on the other hand, the Bank's foreign correspondent banks and similar counterparties (hereinafter referred to as "the correspondent bank"). The General Conditions specify the rights and obligations of the correspondent banks and the Bank. For certain business areas, the Bank has more specific conditions which serve as a supplement to the General Conditions. This is the case, for example, for cash accounts, documentary credits, collections, securities transactions, custodian services and trustee services. These conditions are available on request.

The specific conditions will prevail over the General Conditions. If the correspondent bank has entered into an agreement with the Bank on conditions that differ from the General Conditions, the conditions of such agreement will prevail.

## 2. The General Conditions are subject to change

The Bank may change the General Conditions without notice at any time.

## 3. Signing powers, mandates and powers of attorney

The Bank must be notified in writing of signing powers, mandates and powers of attorney. If the correspondent bank wants to change or revoke mandates or powers of attorney, it must do so in writing by SWIFT or a duly signed letter.

Changes and revocations take effect when the Bank receives a written notice from the correspondent bank. The Bank must be notified of changes and revocations even when the changes and revocations are matters of public record.

## 4. Qualifications regarding cover, processing of payments and transfers from other banks and payment orders

### I. Qualifications regarding cover

All payments into an account of the correspondent bank are recorded. For non-cash payments (such as cheques), the recognition of the amount is subject to the Bank's actual receipt of the amount. In case of insufficient cover for a cheque, the Bank will withdraw the amount from the correspondent bank's account. The correspondent bank will be notified if the Bank reverses an amount. This right applies even if it is not stated on the receipt or any other notices of the payment.

### II. Payment orders

In the case of payment orders, the correspondent bank must specify the settlement bank it would like the Bank to use, even if the correspondent bank has already provided the Bank with a standard list of settlement banks.

## 5. Review of the statements of account

The correspondent bank must review its statements of account carefully and check that all entries are correct. If the statements contain entries that the correspondent bank did not authorise or incorrectly executed transactions, the correspondent bank must contact the Bank as soon as possible.

## 6. Interest, fees and commissions

### I. General information about interest, fees and commission rates

The rates may differ depending on the country in which the transaction originates. Information on the prevailing rates is available upon request. The fee schedules are not exhaustive. Information on other rates and on the rates applicable is available on request.

### II. Changes in interest, fees and commission rates

The Bank may change interest, fees and commission rates without notice at any time. New fees can be introduced without notice.

### III. Calculation and addition of interest, fees and commissions

The Bank determines the specific conditions that apply to the calculation and addition of interest and commissions as well as value dating. The Bank determines the various fees and how they are calculated. The Bank may change these conditions at any time without notice.

### IV. Interest on overdrafts and arrears

The Bank is entitled to charge interest on overdrafts and arrears if the correspondent bank overdraws its account or a payment is in arrears.

## 7. Refund to the Bank of costs incurred

The Bank is entitled to claim reimbursement for the following:

- Amounts paid by the Bank on behalf of the correspondent bank. Such amounts may include taxes, duties or costs of communication.
- Expenditures incurred by the Bank because the correspondent bank has failed to fulfil an obligation or agreement, for example, the payment of insurance premiums related to collateral pledged, court or legal fees or other fees.

## 8. Business abroad

If a correspondent bank wants the Bank to transact business in a location where the Bank is not represented, the Bank will choose a local correspondent bank or other institution. Apart from the safe custody of foreign securities, the Bank has no liability for any errors committed by the local correspondent bank or for its solvency. Both the Bank and the correspondent bank must observe the terms and conditions of the local correspondent banks and the local laws and practices governing the transaction.

## 9. Right of set-off

The Bank is entitled to set off, without prior notification, a claim for any amount that the correspondent bank owes the Bank against any of the correspondent bank's other account balances or any present or future claim the correspondent bank may have on the Bank.

## 10. Communication

The Bank is entitled to send the correspondent bank all information electronically, even though the Bank's documents, terms and conditions and other materials contain such words as "written", "letter" and "statement of account".

## 11. Recording telephone conversations

The Bank reserves the right to record and/or register telephone conversations and other communication in order to be able to document their content. Such recordings are normally used only for securities, derivatives and foreign exchange trading.

## 12. Termination of the banking relationship

Both the correspondent bank and the Bank may terminate the banking relationship at any time without giving prior notice, unless otherwise agreed. If the correspondent banking relationship has been terminated, the Bank shall be entitled to terminate any guarantee or surety obligations undertaken and to discharge itself from any other liabilities incurred on behalf of the correspondent bank, including liabilities in foreign currency. At the same time, the correspondent bank must release the Bank from all obligations undertaken on behalf of the correspondent bank and provide collateral for such obligations if the Bank considers it necessary.

## 13. Compliance

The Bank is required to comply with applicable anti-money laundering and counter-terrorist financing laws and regulations, as well other relevant laws including the Foreign Account Tax Compliance Act (FATCA).

Accordingly the correspondent bank commits itself to conduct a customer identification program verifying the identity and business of its clients and must have a policy for identifying suspicious transactions and for reporting suspicious transactions to the relevant authorities.

The correspondent bank is obliged promptly on the Bank's request to provide information/documentation to the Bank enabling the Bank to adhere to any such regulation and to report to the Bank transactions on the correspondent bank's account with the Bank appearing to relate to illegal activities or to be subject to any applicable sanctions.

If in the reasonable opinion of the Bank, the correspondent bank directly or indirectly becomes or may become subject to or the target of any financial or economic sanctions (regardless of the reason or manner) imposed by the UN, the US, the EU or any competent authority, the Bank will be entitled to terminate all agreements between the Bank and the correspondent bank and to take any measures which the Bank in its sole discretion may deem necessary to ensure full compliance with any such sanctions, including but not limited to freeze any assets belonging to the correspondent bank.

Further, in the event that any third party to a transaction which relates to the correspondent bank, as a customer in the Bank, including but not limited to any incoming payments, becomes subject to sanctions, or otherwise directly or indirectly becomes engaged in transactions considered by the Bank to be in violation with sanctions, the Bank will be entitled to cease all such transactions and freeze any assets belonging to a sanctioned party.

## 14. Data Protection

Danske Bank, acting as a data controller, may process personal data about your employees, authorised signatories, owners, executives, customers or other third parties associated to the correspondent bank, which may constitute personal data under the General Data Protection Regulation (EU) 2016/679.

When the correspondent bank, or anyone on behalf of the correspondent bank, provides Danske Bank with personal data, the correspondent bank warrants that it is entitled to disclose such personal data and that the data subject has in due time received the requisite information about Danske Bank's processing of personal data as set out in Danske Bank's Privacy Notice. Danske Bank's Privacy Notice, as amended from time to time, may be found on Danske Bank's website.

## 15. The Bank's liability

The Bank is liable for the late or defective performance of its contractual obligations resulting from error or negligence.

Even in areas where stricter liability applies, the Bank is not liable for losses arising from:

- breakdown of or lack of access to IT systems or damage to data in these systems due to any of the factors listed below and regardless of whether the Bank or a third-party supplier is responsible for the operation of these systems:
- power failure or a breakdown of the Bank's telecommunications, legislative or administrative intervention, acts of God, war, revolution, civil unrest, sabotage, terrorism or vandalism (including computer virus attacks or hacking)
- strikes, lockouts, boycotts or picketing, regardless of whether the Bank or its organisation is itself a party to or has started such conflict and regardless of its cause (this also applies if the conflict affects only part of the Bank)
- other circumstances beyond the Bank's control

The Bank is not exempt from liability if

- the Bank ought to have foreseen the cause of the loss when the agreement was concluded or ought to have avoided or overcome the cause of the loss
- under Danish law, the Bank is liable for the cause of the loss under any circumstances.

Notwithstanding the above, the Bank shall not assume liability or responsibility in accordance with Article 89 of Directive (EU) 2015/2366 (Payment Service Directive 2), including not assume responsibility for any failure by other parties in the payment chain up to the account of the payee.

## 16. Regulatory Authority

Danske Bank A/S has been licensed by and operates under the supervision of the Danish Financial Supervisory Authority

Finanstilsynet  
 Århusgade 110  
 DK-2100 Copenhagen Ø  
 tel. +45 33 55 82 82  
 www.finanstilsynet.dk

If you need information about the Financial Supervisory Authority regarding our subsidiaries, please contact the Bank.

## **17. Law and jurisdiction**

Danish law exclusively governs agreements with the correspondent bank regardless of international regulations or stipulations in Danish law that refer to the application of other laws besides Danish law.

The venue of first instance is the City Court of Copenhagen.