

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

Reasons why you should read this entire document carefully.

This document:

1. Explains who we are and the range of investment services we can offer. 1.
2. Sets out the terms and conditions governing the provision of these investment services; 2.
3. Gives you the information you need to fully understand your relationship with us and your role in that relationship, 3. including your rights and responsibilities as well as ours.

These Terms of Business, together with our *General Conditions of Business*, will constitute a contract that is legally binding and enforceable in relation to any investment services we provide you. By acknowledging that you have read, understood and accepted these Terms of Business you agree to be bound by them. If you have any queries about any aspect of it, please contact us for clarification, or, if you think it appropriate to do so, obtain independent advice about its content. These Terms of Business are governed and shall be construed in accordance with Gibraltar Law and the parties shall submit to the exclusive jurisdiction of the Gibraltar Courts.

Who is Jyske Bank (Gibraltar) Limited?

We are a wholly-owned subsidiary of the Danish banking group, Jyske Bank A/S. Our registered office is situated at 76, Main Street, Gibraltar. We are authorised to carry on financial services business by the Financial Services Commission under licence number FSC00100B. To verify this you can visit the website of the Financial Services Commission at www.fsc.gi/fsc/home.htm. An outline of the private banking services we offer, and the languages in which you may communicate with us, is contained in our introductory brochure.

What investment services do we offer?

(a) Portfolio Management: Ideal for those who do not wish to (or do not have the time to) take an active interest in the financial markets. Within parameters agreed with you in advance, decision-making is delegated to us under a management agreement enabling us to manage your portfolio in line with your individual needs and personal circumstances.

(b) Active Advisory: Designed to meet the needs of our experienced investors who wish to be actively involved in the management of their portfolios. This service is geared to the individual customization of your portfolio. As an active, informed investor you will have direct contact with our investment advisors, who will help you to define your risk profile and investment objectives and give you active advice on markets

and individual investments, whilst you retain full decision-making control over your portfolio. The range of investments covered by this service includes shares, bonds, mutual funds and any other investment instrument or product agreed between us.

(c) Advisory: A service that aims to provide investors with smaller portfolios with highly targeted investment products tied to their specific risk profile, return requirements and market expectations. We will discuss your investment strategies and options with you and help you to structure your portfolio accordingly.

(d) Non-advisory: For clients of ours who require an execution-only service that allows them to tap into professionally managed financial products but without receiving individual recommendations or advice from us. From time to time we may provide you with information on complex and non-complex investment products that may be of interest to you.

In this document, the above descriptions are referred to as our "Service Descriptions".

What Packaged Products do we offer?

Mutual funds

- We primarily sell funds of the Danish mutual fund group, Jyske Invest International, an independent entity closely allied with the Jyske Bank Group.

Insurance products

- We also act as an insurance intermediary in arranging personal portfolio bond products. Although we may deal exclusively with a single insurer or panel of insurers, we are under no contractual obligation so to do. Moreover, we do not have a holding, direct or indirect, representing more than 10% of the voting rights (or the capital) in any insurance company and conversely no insurance company has a holding, direct or indirect, representing more than 10% of the voting rights or the capital of the Bank. Details of the insurance companies with whom we conduct business are available on request.

Important: Since we offer only a select range of mutual funds, personal portfolio bonds and structured products, we are unable to give advice on these products based on a *fair analysis*. This means that when giving advice on these products we will not take into account whether a more advantageous result could be achieved by investing in other such products available in the market.

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

What is a non-complex instrument or product?

The following criteria will be used to determine whether or not a financial instrument is considered “non-complex”:

- the instrument is highly liquid,-
- the instrument does not involve an actual or potential liability that exceeds the cost of acquiring the instrument, - and
- adequate information on the instrument is publicly available and easily comprehensible.-

A financial instrument will therefore be deemed a “complex instrument” if it does not meet all the above criteria.

What you may expect from us:

✓ In General:

- In offering our clients a range of investment services, we appreciate that it is essential for the proper and efficient working of our relationship that you fully understand the basis on which we are dealing with you at any given time. In the cover letter to these Terms of Business we expressly acknowledge the type of investment service you can expect from us. Unless we expressly agree with you otherwise, we will proceed on this basis until such time as we deem it no longer viable or appropriate for us to provide you with this particular service and we notify you accordingly. We will also tell you whether we have categorised you as a retail, eligible counterparty or professional client, pursuant to the Markets in Financial Instruments Directive as transposed into Gibraltar law. This categorisation will determine the level of investor protection we owe you. We will explain what this means to you and how you can request a different categorisation.
- For any investment service we provide we may set down the minimum amount of investment assets we require you to hold with us on a continuous basis in order for you to receive that service. Should your holdings with us fall below the minimum amount set, we may adjust our service offering and notify you accordingly.
- From time to time we may amend our Service Descriptions. If we choose to do so, we will notify you at least thirty business days before the changes take effect.
- In the case of corporate customers, we will normally regard the ultimate beneficial owner of the body corporate, or other connected person with whom we deal with on a regular basis, as the ‘relevant person’

for the purposes of providing individual recommendations and determining suitability or appropriateness, unless we agree otherwise with the company’s principal officers acting within their actual or ostensible authority. In any event, this arrangement will not affect the signing arrangements on the account(s) held by the body corporate with us, as these will be governed by the bank mandate in force under the normal banker-customer relationship.

- We can execute (or receive and transmit) orders for investment instruments, provided they are within the range of instruments we typically advise on and the instructions are in accordance with the bank mandate in force at the time.
- We will provide you with a valuation based on the market value of your portfolio in order to allow you to monitor the performance of your investments. Valuations will be sent to you on an annual basis or as agreed with us. The valuation will contain a report outlining the description, quantity and value of each investment instrument and cash held in the portfolio.
- ✓ In respect of any investment service we offer you, except non-advisory:
 - We will determine your investment objectives, risk tolerance and investment horizon on the basis of information you provide us. This will enable us to construct your **Risk Profile**. We will do this at the start of the relationship and may do so from time to time during the course of the relationship in the light of your changing personal circumstances as you disclose them.
 - If we categorise you as a “Retail Client” pursuant to the Markets in Financial Instruments Directive, we will request information from you regarding your financial situation and assess your level of knowledge and experience in the types of financial instruments we typically advise on. We will do this at the start of the relationship and may do so from time to time as the relationship evolves or as matters arise in connection with specific investment products, instruments or services. The amount of information we may require will vary depending on a number of factors, including the size of your portfolio with us compared with your overall net financial assets, and the complexity of the products and instruments you deal in or seek our advice on, bearing in mind that the nature of our investment services is limited inasmuch as we do

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

not provide financial planning or wealth management.

- Where we believe you have not given us sufficient information to enable us to construct your risk profile or to assess your financial situation, or where we are unable to determine whether you have the necessary knowledge and experience to understand the risks involved, we cannot make investment recommendations or manage your portfolio.
- We will provide you investment advice as either **general recommendations** or as **individual recommendations**. A *general recommendation* is advice that is directed at or prepared for either (i) all our clients with whom we deal on an advisory basis or (ii) a selected group from among those clients, on whatever basis or criteria that group is selected by us. An *individual recommendation* is specific advice that we prepare for and give to you individually in the light of your *Risk Profile* and any relevant personal circumstances as you disclose them.
- A *general recommendation* will be based on assumptions that we make and which we consider to be reasonable for the purposes of advising a hypothetical regular investor in relation to the investment to which the advice refers. We do not take account of your *Risk Profile*, financial situation, your personal circumstances, the composition of your portfolio (for example, your existing exposure to the investment or sector on which we are giving the advice) or whether you have the necessary knowledge and experience in order to understand the risks involved, when we formulate a *general recommendation*.
- In accepting responsibility for the merits or suitability of any *individual recommendation* we give you, we do so on the basis that we will exercise reasonable skill, care and diligence in light of circumstances which are (or should have been) reasonably known to us at the time. An *individual recommendation* from us will not be self-serving, but will be considered in the light of your *Risk Profile* and personal circumstances from time to time as you disclose them. However, merely receiving advice or a recommendation from us, whether it is personally addressed to you in written form or otherwise, should not in itself give rise to the presumption that it has been prepared for you in the form of an *individual recommendation*.
- We will usually make *individual recommendations* on a select range of packaged products and structured products, as well as on bonds and shares traded on

the leading bourses and on the major currencies. From time to time we may also make *individual recommendations* on other financial assets. However, the decision as to when to make *individual recommendations*, and the choice of financial assets in relation to which we make those *individual recommendations*, is at our absolute discretion.

- In giving advice we may rely on either fundamental analysis, technical analysis or a combination of the two, based on information and data of various kinds derived from one or more of a number of available sources. In formulating the advice we give you it is entirely up to us which method of analysis we use on any given occasion (provided the method actually used is reasonable or generally recognised as valid by a reasonable body of professional opinion). There are a number of different methods of analysis available, and these different methods could lead to differing or conflicting conclusions, even where the information or data on which the different methods of analysis are based is the same. We will not accept responsibility or hold ourselves liable for any loss you may sustain as a result of acting on advice we give you based on one particular method of analysis, merely on the grounds that you would not have suffered that loss (or your loss would be smaller) if we had based our advice on a different method. Similarly, it is not possible or practicable for us to take into account all available information from all sources when formulating our advice. In particular, we may disregard certain matters that might otherwise be relevant to your investment decision on a particular occasion (including matters relating to your individual circumstances), to the extent that those matters fall outside the scope of what is normally taken into account in analysis of the particular kind used by us on that occasion. Moreover, advice based on a certain set of information could differ from advice based on a different set of information. We will not accept responsibility or hold ourselves liable for any loss you may sustain as a result of acting on advice we give you based on one particular set or kind of information, merely on the grounds that you would not have suffered that loss (or your loss would be smaller) if we had based our advice on a different set or kind of information.
- We will not provide you specific tax advice. Any tax related information provided by us is merely of a general nature. For tax advice concerning your specific situation, you should consult your accountant or tax adviser prior to making any decisions or intended action regarding the tax related information provided by

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

- us. Irrespective of the information you have received from us, you are not relieved from your duty to declare your taxes to the relevant authorities in your country of taxation. The declaration of your taxes will always be your own responsibility. You agree to hold us harmless from any consequences, including financial loss, resulting from any adverse tax implications of an investment or transaction you enter into on a recommendation from us.
- We may issue recommendations in writing (by email or by letter), orally by telephone or in the course of a meeting with you, or via such other media as we may inform you of. Written recommendations may be sent to your current contact email address, postal address or fax number as notified to us by you from time to time.
 - Unless you instruct us otherwise, we will assume that you wish us to telephone you to discuss investment opportunities, offer you *individual recommendations*, or to arrange a meeting to do so, without having been invited by you to make such a call. Conversely, you may telephone us during office hours to ask for advice. When you telephone us for advice, you may ask us for our opinion on any financial matter on which we normally offer advice, without limitation, shares, bonds, or stock indices, foreign exchange and interest rates. However, such advice as we may give you in response to your telephone call should be regarded as a *general recommendation*, unless it is clear that we are making an *individual recommendation* prepared for you on the basis of your Risk Profile and personal circumstances. We may record telephone conversations which we have with you and use these recordings in evidence in the event of a dispute.
 - If you wish to make an investment that we have not recommended to you by way of an *individual recommendation*, we may agree to deal with you on an *execution-only* basis in relation to that investment, but we take no responsibility for the consequences of your entering into the investment. In executing or receiving and transmitting your order relating to a non-complex instrument, we will not assess the instrument for suitability or appropriateness. This means that we will not consider whether:
 - the instrument meets your investment objectives,-
 - you would be able financially to bear the risk of any loss that the instrument may cause,
 - you have the necessary knowledge and experience to understand the risks involved.
- However, where a complex instrument is involved, we will assess whether you have the necessary knowledge and experience to understand the risks, unless we regard you as a “Professional Client” or “Eligible Counterparty” pursuant to the Markets in Financial Instruments Directive. If we believe you do not understand the risks involved, or we are unable to determine whether you have the necessary knowledge and experience to understand the risks involved, we will warn you that the instrument is or may be inappropriate for you before we agree to execute, or receive and transmit, your order.
 - Unless we are providing you a Discretionary Portfolio Management (DPM) service, we will not enter into any kind of transaction or arrangement for your account without prior reference to you, and only once we have received your authority will we enter into the transaction or arrangement for your account.
 - We will mail trade confirmations to you as soon as the transaction is posted to your account and in any event within thirty one days following the day the order is executed.
 - If you invest in a *packaged product* recommended by us, we will make product information available to you. However, we will not follow up our *individual recommendations* in relation to packaged products with a suitability letter.
- ✓ In respect of our *Portfolio Management* service:
- We can provide you *Discretionary Portfolio Management (DPM)* once we have received your signed copy of our *Discretionary Portfolio Management Agreement*.
 - We will monitor the composition of your portfolio on an ongoing basis and make adjustments in response to changing views of the market or as and when we see the need to re-balance your investments.
 - At least once in every calendar year we will review your portfolio with you and, where appropriate, recommend adjustments to take account of changes in your personal circumstances as you disclose them.

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

- ✓ In respect of our *Active Advisory* service:
 - We accept responsibility on a continuing basis for advising you on the suitability of investments you hold with us, provided always that they are within the range of instruments we typically advise on and we are able to give you *individual recommendations* in relation to them.
 - At least once in every calendar year we will review your portfolio with you and, where appropriate, recommend adjustments to take account of developments on the financial markets or changes in your personal circumstances as you disclose them.
 - ✓ In respect of our *Advisory* service:
 - We accept responsibility on a continuing basis for advising you on the suitability of investment products you buy on *individual recommendations* received from us.
 - At least once every three years we will review your portfolio with you and, where appropriate, recommend adjustments to take account of changes in your personal circumstances as you disclose them.
 - ✓ In respect of our *Non-advisory* service:
 - We will act strictly in accordance with the terms of any order or instruction you give us, on the understanding that we are under no obligation to advise you on the merits of the investment or transaction concerned, or to assess whether it is suitable for you.
 - We will not act as your investment manager, which means that we will not accept responsibility for advising you on the composition or suitability of your portfolio or the accounts you hold with us.
 - Although we will not give you investment advice, we may from time to time provide you with information on complex and non-complex investment products that we believe may be of interest to you. Before entering into any investment or transaction with us you should satisfy yourself that it is suitable for you in light of your experience, objectives, financial resources and other relevant circumstances. You accept that we will have no responsibility for the consequences of your entering into any investment or transaction on the basis of this information.
- It is important that you carefully read the agreements and disclosures that we may provide to you from time to time with respect to the investment service or product offering under consideration. Although we strive to ensure that the nature of our investment services is clear in the materials we publish, if at any time you are unclear as to the nature of the investment service you are receiving from us, you will contact your Investment Adviser or Account Manager for clarification.
 - You accept that we reserve the right to vary or amend these Terms of Business at any time by telling you by circular or by any other means that we may deem appropriate to bring the change to your attention.
 - Whenever we send you a communication asking for a response, you will respond as requested within a reasonable timeframe.
 - If you want action to be taken on your account when you are not at your usual location and you have not given us prior written instructions, you will either contact us or provide us information to enable us to contact you. In any event, you accept that it is your responsibility to ensure that we have your current contact details.
 - When issuing instructions to us you will ensure that these are clear and accurate in every respect. You acknowledge and agree that you cannot change any dealing instructions once we have accepted them. If you request us to change any transaction which we have executed in accordance with your previous instructions, you agree to indemnify us for any costs or losses incurred by you to reverse or correct the previous transaction.
 - You accept that in order to guard against the risk of impersonation, forgery, interception or alteration we may require further verification of your unsigned written instructions and instructions received by telephone, fax, email or other electronic media before acting upon them. You therefore agree not to hold us liable for any loss resulting from the delay or failure in obtaining verification.
 - You accept that the value of investments may fall as well as rise and that there is a possibility that you will lose the original sum invested. Moreover, if you deal in investments priced in currencies other than your base currency,

What we may expect from you

- ✓ In General:

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

you accept that this involves the risk that a change in the rates of exchange between currencies may cause your investment, or the income from it, to go down or up beyond that of expected market fluctuations. In any event you will indemnify us and hold us harmless for any loss (including, without limitation, economic loss, loss of business, loss of profits, failure to avoid a loss, loss of goodwill or reputation) that you incur as a result of relying on our advice, unless it was suffered as a direct result of our wilful default, fraud or gross negligence.

✓ In respect of any investment service we offer you, except non-advisory:

- You will answer certain questions to enable us to construct your *Risk Profile*, understand your financial situation and assess your level of knowledge and experience in the types of financial instruments we typically advise on. You agree to do so at the start of the relationship and from time to time as the relationship evolves or as matters arise in connection with specific investment products, instruments or services. You will provide this information with reasonable accuracy and understand that our ability to help you reach your investment goals also depends on the completeness of the information you provide us. You therefore accept that, in the performance of our duties and obligations under these Terms of Business, we are entitled to rely upon the accuracy and completeness of information furnished by you or on your behalf, without further investigation or enquiry.
 - You will update us promptly about any material change in your financial needs and situation, investment goals and relevant personal circumstances.
 - You will let us know if you are unsure about whether an investment made previously on our advice remains suitable in the light of your changing individual circumstances so that we can give you an *Individual recommendation* on it.
 - Before you make an investment, you will let us know if you do not fully understand it so that we can answer your questions or let you know if a less complicated investment is available that meets your needs.
 - You will understand that *general recommendations* are prepared without taking account of your personal investment objectives, financial situation or needs. Therefore, before acting on any *general recommendation*, you will consider the suitability and appropriateness of the advice, having regard to your own experience, objectives, financial situation and needs.
- You will let us know if you are unsure about whether a particular investment is suitable in the light of your financial objectives, personal circumstances and needs so that we can give you an *individual recommendation* on it.
 - If you wish to know what information and methods of analysis have or have not been used by us in each individual instance, you accept that it is up to you to ask us to provide this information in order to enable you to assess the inherent limitations of the scope of the advice and to decide how much reliance you wish to place on it.
 - If you make an investment for your account that we have not recommended to you by way of an *individual recommendation*, you accept that it is your sole responsibility to become fully aware of the nature of the investment and the risks it carries. You also accept that it is your sole responsibility to decide when it should be sold.
 - If you instruct us to enter into any kind of transaction or arrangement for your account which we warn you is or may be unsuitable or inappropriate for you, this transaction will be at your own risk and you will indemnify us against any loss, liability or expense incurred by you that arises from the transaction or arrangement.
- ✓ In respect of our Non-advisory service:
- You understand and accept that we are not required to assess the suitability of any investment instrument, product or service you enter into for your account. Moreover, where we act for you in relation to non-complex instruments, at your initiative, you understand and accept that we are not required to assess it for appropriateness.
 - If you instruct us to enter into any kind of transaction or arrangement for your account which we warn you is or may be inappropriate for you, this transaction will be at your own risk and you agree to hold us harmless against any loss, liability or expense incurred by you that arises from the transaction or arrangement.

What to do if you have a problem with the advice you receive

- If you have a problem with any investment advice you receive from us, you should speak to your Investment Adviser or Account Manager or his/her Manager in the first instance.

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited

December 2009



JYSKE BANK
PRIVATE BANKING

- If you are not satisfied with the response, you should contact our Managing Director or our Compliance Officer.
- If you are still not satisfied, you can take your case to court or go to arbitration. If your complaint is in respect of an insurance product offered by us, you may send a written complaint to:

Department of Consumer Affairs
10 Governor's Lane
Gibraltar

- We have subscribed to the *Gibraltar Banking & Mortgage Code*, a voluntary code that sets standards of good practice for banks and building societies in Gibraltar to follow when dealing with personal customers. A copy of the Code is available from us on request.

Conflict of Interest

- We have in place policies for our employees in relation to conflicts of interest. These are designed to ensure that potential conflicts of interest between you and us or our employees are avoided.
- In giving investment advice, we may have (or an associated entity or some other person connected with us may have) an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned, which could lead to, or be perceived to give rise to, a conflict of interest. However, our employees are required to comply with rules that are designed to manage such conflicts of interest. These rules require us to fairly disclose to you that material interest or relationship, as the case may be, or otherwise to take reasonable steps to ensure that neither the material interest or relationship adversely affects your interests. For your part, you acknowledge that such conflicts of interest may exist, and agree to take the possibility of such conflicts into account before acting upon our advice.

Data Protection

- Information on you may be held, processed, disclosed and used by ourselves, professional advisers and any associated companies in servicing our relationship with you. It is understood that unless you notify us otherwise, you agree to the storage, use and disclosure of such information.
- You agree that for the purposes described above your data may be transferred to countries outside the European Economic Area.

- You agree that we may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone, fax or email to service and update you as well as informing you of new opportunities.

Anti-Money Laundering

- We are obliged to conform with anti-money laundering legislation which requires, *inter alia*, financial institutions to verify the identity and place of residence of each customer. We will also request that you inform us of how any monies were obtained or accumulated. This process may require sight of certain documentation.
- If you provide false or inaccurate information and we suspect fraud or money laundering we will record this and may report this to the relevant authorities. We take no responsibility for any delay on our part where money laundering verification is not received in a timely manner.

How will you be charged for the investment services we provide you?

- We will charge you in accordance with our published *Price List* in effect at the time the relevant charges are incurred. You agree that we may deduct these charges from your account with us.
- Details of the specific fees, charges and commissions relating to our Discretionary Portfolio Management (DPM) service are contained in the *Discretionary Portfolio Management Agreement*.
- We reserve the right to change the amount of, or the basis for determining or deducting, any fees, commissions or charges for the services we provide, and to institute new fees, commissions and charges from time to time. If we choose to do so, we will notify you at least thirty business days before the changes take effect.

Will you be compensated if we fail?

Deposit protection & Investor Compensation Schemes

- Jyske Bank (Gibraltar) Limited is authorised to conduct investment services business, and regulated, by the Gibraltar Financial Services Commission. Jyske Bank (Gibraltar) Limited is covered by the *Gibraltar Investor Compensation Scheme*, which meets EU requirements.
- In relation to investment business, the maximum level of compensation is the lesser value of 90% of

Terms of Business in relation to investment services

Jyske Bank (Gibraltar) Limited
December 2009



eligible investments or the sterling equivalent of 20,000 euros. This level is lower than that available under the United Kingdom Compensation Scheme, which exceeds EU requirements, and the details of which are available from the United Kingdom Financial Services Compensation Scheme. Further information about compensation arrangements is available from the Gibraltar Investor Compensation Scheme.

- We are also a participant of the *Gibraltar Deposit Guarantee Scheme*.
- However, whilst we are a fully-owned subsidiary of Jyske Bank A/S, no money, securities or other property held with us is covered under the Danish Guarantee Fund for Depositors and Investors.
- Explanatory information on both Gibraltar schemes is available from us on request.

Termination

- Either party may terminate these arrangements by written notice at any time and any such termination shall be without prejudice to all rights and obligations arising prior to such termination.

Signatures

I/we have read, understood and accept these Terms of Business.

Place:

Date:

Customer Name:

Authorised Signatures:

Name

.....

Signature

.....

Name

.....

Signature

.....

Name

.....

Signature

.....

Name

.....

Signature

.....