

Information on securities investments at Sydbank

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Sydbank offers you access to a number of services in connection with providing advice on securities, securities trading and safekeeping of securities. Read below to see which services are available and what investing entails for you.

You are welcome to contact your adviser to help you get started with investing. As a first step your adviser can help you open a securities custody account where your securities can be held.

1 Why invest in securities – what to consider before getting started

Securities investments are most commonly made in order to achieve a higher return than that usually offered by a regular bank account. However, besides the potential for a higher return, securities investments also involve a greater risk of loss compared with deposits in bank accounts.

Before making an investment you should consider how much you wish to invest in relation to your assets, how long you wish to invest, how much risk you are willing to take on, including

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the composition of your investments, how much you wish to diversify your investments and your wishes regarding selling your investments.

2 Risks when investing in securities

Investing in securities involves risks. There are several types of risk depending on the type of security invested in.

In principle when investing in ordinary securities you cannot lose more than the amount invested, for instance if a bond issuer is unable to repay the bond debt or if a limited company goes bankrupt.

In addition there is a risk that the price of the security will go up or down as a result of developments in financial markets. Price fluctuations will depend on the type of security, the security per se and several other circumstances.

If you are uncertain about the characteristics and risks of a specific security you should refrain from investing or seek advice.

3 Your involvement and preferences

You can invest in several different ways. You can leave the investment and its ongoing management to us based on your wishes. Alternatively you can opt to trade on your own via Sydbank's Mobilbank or Netbank. You can also split your investments leaving us to manage some of your money while investing the rest of the money yourself. Using different investment products will enable you to diversify your investments.

4 Advising on investments

As a general rule we recommend that you seek advice about your investments to ensure that they match your investment objectives and financial circumstances.

When we provide investment advice it is up to you whether you wish to follow our advice and consequently you assume the risk associated with the investments. Advice is no guarantee against loss.

You can get advice about investing before you invest – via your adviser.

We provide advice on securities issued by the Bank or companies with which the Bank has a cooperation agreement, ie our advice is non-independent advice. We also provide advice on a number of securities from issuers with which we do not have a cooperation agreement. In connection with the cooperation agreements the Bank typically receives agency commission corresponding to the services offered to you. We call these services quality enhancing services. Further information, including a description of our various service packages, is available on our website sydbank.dk/omsydbank/investering under "Quality enhancing services" (in Danish only).

We generally provide investment advice when requested. This means that we do not subsequently on our own initiative follow up on your investments unless otherwise agreed with you. Nor will we contact you if our view regarding the financial markets changes after we have provided advice.

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Investment advice entails that we give you a concrete recommendation to buy, sell or hold a specific security.

Publications or information published on our websites and similar about our take on the financial markets or on specific securities is to be considered general information. See section 16 "Publications, analyses and general recommendations".

a) Basis of Sydbank's advice – our internal investment process

Our advisory services are based on a variety of considerations and assessments that we use when we provide advice to you.

- General assessment of economic developments and the pricing of securities in different financial markets
- Assessment and analysis of overall allocation between shares, bonds, alternative investments and cash deposits
- Assessment and analysis of allocation of:
 - shares at industry, sector and/or regional level
 - bonds in terms of types of bonds, issuers and currency of issuance
- Selection of specific securities suitable to be included in customers' holdings of securities

Our personal recommendation is arrived at by combining your investment profile including any other preferences with the Bank's view of financial markets and choice of securities.

b) Investment advice based on a variety of elements

If we are of the opinion that investing is suitable for you, the starting point for providing specific advice will be that we need to have sufficient knowledge regarding:

- **Your knowledge of the types of securities** that we recommend you invest in. It is important that you know about characteristics and risks associated with investing in the securities you wish to invest in and/or we would recommend that you invest in. It is important that you understand the potential consequences of investing in the security in question.

We are required by law to assess whether it is appropriate for you to trade in a specific security. This assessment is carried out by an adviser but you can also take the test in Mobilbank as regards selected securities which we call trading categories. It is important that you yourself answer the questions so that the assessment of your knowledge is correct. Once we have assessed that your knowledge of the type of security is sufficient, you will receive an updated list of the types of securities you can trade in as well as a description of the characteristics and risks of the type of security in question.

- **Your investment profile**

Your investment profile is a key element of our advice as it is based on your investment objectives, your time horizon as well as your risk tolerance and risk capacity. When you have gone over a number of questions about your preferences with your adviser, an investment profile will be determined that we will use going forward when we advise you on your investments. You may have one or more investment profiles if you have several investment objectives where your time horizon and/or risk tolerance varies.

Regarding investment objectives: The objectives of your investments should be identified before you invest. For instance you may need semi-annual or annual payouts or you may be saving up and are investing in order to withdraw the money for a specific purpose in eg five years. You may be looking for a very stable development in assets or a more aggressive investment strategy associated with greater risk and greater return potential.

Regarding time horizon

We recommend that your investment horizon is three years or more if you are considering investing in securities.

The return on a holding of securities may show relatively large fluctuations in the short term. Seen over eg a five-year period the average annual fluctuations in return will decline as a general rule. Consequently it is unfortunate if your investment time horizon is long term and you unexpectedly need to sell your securities. In this case you may risk selling at a loss.

Your investments will be based among other factors on your time horizon. As time passes and the end of your time horizon grows closer it may be necessary to adjust your investments since over time your time horizon will be shorter. Therefore it would be a good idea to consider on a regular basis whether your investment allocation is correct. You are welcome to contact the Bank for advice in this connection.

Regarding investment risk and risk tolerance

It is extremely important that you consider the risk you are willing to take in relation to your securities investments. We will help you with this when we determine your investment profile.

As an investor you will typically welcome a high return. However the question is whether you want to assume the greater risk of your investment yielding a poor – or perhaps even negative – return.

When your risk has been determined we will help you find the composition of securities expected to offer you the best return based on the risk you are willing to take. Spreading your investments across shares and bonds helps to lower your risk. Spreading investments across several different shares in different countries and industries has the same effect. For instance if you invest in one or a few shares your investments will be very sensitive to negative price movements in an individual share.

If your risk tolerance is very low, investing in securities may not be suitable for you.

- **Your financial circumstances** We are required to know about your financial situation to ensure that our investment advice is also adjusted to and is in keeping with your overall finances.

Let us know if your situation changes

It is important to keep us informed of any changes in the above elements as they may have an impact on the composition of your investments. This could be a change in your investment objectives, a new time horizon for the investment, a change in your risk attitude or a change in financial or family related circumstances. It is important that our advice is provided on an updated basis so that our recommendations match your wishes and preferences as well as your finances.

Reassessment of your investment profile and your investments

As mentioned above we do not follow up on our advice unless specifically agreed. Therefore we recommend that you update your investment profile and have your investments reassessed at suitable intervals to ensure that they match your investment objectives. You are welcome to contact your adviser about this.

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5 Managing your investments

Sydbank offers a range of different solutions where your money is managed in accordance with your investment profile:

- We offer investment funds investing broadly in different types of securities where investments are tailored to various investment profiles
- We also offer individual management agreements regarding significant asset holdings where separate management agreements can be concluded

6 Trading in securities without advice

You can trade without advice by contacting the Bank via your branch or by telephone or by using our trading options in Netbank and Mobilbank. If you trade without advice, we do not assess whether the transaction is appropriate for you.

We offer securities trading in a wide range of types of securities selected on the basis of the demand of our customers as well as what is considered appropriate by us as a distributor to offer our customers in a long-term perspective.

Your trading options vary depending on whether you wish to trade without advice using the self-service options via Netbank/Mobilbank or to trade via an adviser. As mentioned above, regardless of the types of securities in which the Bank offers trading and regardless of whether you trade via Netbank, Mobilbank or an adviser, trading requires that you as a customer have trading access to the type of security and the security.

As a distributor of securities we are under an obligation to ensure that the products/securities we offer trading in are appropriate for the individual customer. Consequently there may be securities that you cannot trade in even though you have trading access to the type of security.

If you are about to place an order for a product that is not intended for you, this will be brought to your attention.

a) Netbank/Mobilbank

In Netbank you can trade in several different types of securities. The types available may be extended or reduced on an ongoing basis. You will always be able to see in the systems whether you can trade in a specific type of security and a specific security in Netbank/Mobilbank. At present you can trade in for instance Danish and foreign shares, Danish units and selected ETFs.

In Netbank you can see price lists of shares from the foreign markets we offer trading in as well as price lists regarding units and bonds. You can retrieve other shares, units and bonds than those shown in the price lists. As regards the various countries we select the most important marketplaces/exchanges in which trading is possible. There may be a few shares in these markets where trading is not possible.

The supply of securities is typically very stable but now and then an instrument that could be traded may later – for different reasons – not be able to be traded in Netbank/Mobilbank. You may have bought a security at lower commission rates in Netbank/Mobilbank than the rates you can subsequently sell the security at via your adviser.

When trading via Netbank/Mobilbank you are obliged to monitor your orders, including to familiarise yourself with the business hours of the different markets.

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Please note that trading via Netbank/Mobilbank is for your own account and risk and without advice on trading. Nor do we advise against trading in connection with the placing of orders.

b) Trading via a branch – without advice

When you trade via an adviser at the Bank, the securities offerings are greater both as regards type of security, market and security. Complex and particularly risky instruments may only be traded via your adviser so that we can ensure you have considered the potential consequences and risks of making the specific investment.

c) Trading not offered

Our product range varies depending on customer segment and level of knowledge.

We are required to identify target groups for the types of securities/types of instruments that we offer trading in.

We are also obliged to define which types of securities/types of instruments that we do not offer trading in. If we do not offer trading in a specific security, you will be warned about it before trading or in certain cases we will have blocked trading.

Furthermore there are types of securities that we do not offer trading in. These are:

- cryptocurrencies and digital currencies
- derivatives in commodity instruments (however not ETFs and certificates).

7 Obtaining and updating information

When a custody account is opened with Sydbank you are required to provide documentation for your citizenship, including any double citizenship, as well as your tax residency, which may be in several countries. Please notify us if there are any changes in the information you have provided previously.

When you would like advice on investing, we will create an investment profile summarising your attitude to risk, both as regards risk tolerance and risk capacity. We will also ask you to provide updated financial information. If there are any changes in your risk attitude, your risk capacity or your financial circumstances that may have an impact on your investments, please notify us of these changes.

8 Good to know before trading

a) Business partners and commission

When we provide advice on investing in securities where we collaborate with the product issuer, we are obliged to inform you of these cooperation agreements and related commission income. We will inform you of this before any transaction in such a security is made. You can see a list of our business partners in the area of securities trading in the document: "[List of Sydbank's Business Partners – Securities Trading](#)" (in Danish "Oversigt over Sydbanks samarbejdspartnere på værdipapirområdet"). Both versions are available on our website sydbank.dk/omsydbank/investering under "Priser og vilkår". The cooperation agreements and agency commission help to ensure that advisers have a thorough knowledge of the products and that the Bank can offer a wide range of products.

b) Quality enhancing services

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Sydbank is an advisory bank and provides investment advice. When investing in products/investment funds regarding which Sydbank has entered into cooperation agreements and receives agency commission, you will have access to a range of additional investment-related services. You pay for the extra services via the costs paid for the products/investment funds. You also pay even if you do not use the additional services offered.

On our website sydbank.dk/kvalitetsforbedrendeservice (in Danish only) you can read more about our quality enhancing service offerings. They are divided into different service packages depending on how much Sydbank receives in commission in connection with the investment funds in which you have invested.

Your service offerings are updated annually and are adjusted relative to the investments you have in the products/investment funds. If you increase your investments the volume of services offered will increase immediately.

c) Conflicts of interest

When investment advice is provided, different types of conflicts of interest may arise which we are obliged to set out in writing in accordance with the Danish Financial Business Act and Delegated Regulation 2017/565. In "[Conflicts of Interest Policy](#)" (in Danish "Politik for håndtering af interessekonflikter") you can read about how we identify, prevent and manage conflicts of interest. Both versions are available on our website sydbank.dk/omsydbank/investering under "Priser og vilkår". The purpose of the legislation and our policy and way of conducting business is to ensure that we as a bank always act honestly, fairly and professionally and safeguard your interests in the best possible manner.

d) LEI codes for businesses

EU legislation requires that businesses have a LEI code to enable unique identification of the business. The LEI code must be used when transactions are reported to the EU.

e) Information about investment funds etc

When trading in an investment product that we offer trading in, you have access to mandatory material about the product, eg key investor information in connection with investments in units (UCITS approved) and PRIIPs investor information when trading in other collective investment schemes. This information can be seen when you enter an order in Netbank.

9 What does the Bank do with your buy or sell order?

a) Reception of orders

You can trade securities in several ways: you can place an order with an adviser at the Bank or via Netbank/Mobilbank. You can also place orders by telephone or by physical letter. If you place an order in a different manner, for instance via an ordinary email, it will not be considered valid until we have received your consent.

Orders can be placed with an adviser during business hours. In Netbank/Mobilbank orders can be placed during the systems' business hours.

b) Types of orders

When placing an order, you must decide how you wish to trade. You can choose between different types of orders. Your choice will affect whether and possibly how fast and how your order is executed:

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- An immediate order is a type of order where your adviser (or Netbank) quotes a price that you can trade at on the spot. Therefore you immediately know your bid price/offer price and your costs.
- A limit order is an order where you specify a maximum bid price or minimum offer price together with a time limit for how long the order is valid. The order will only be executed if the terms for executing the order have been met.
- A market order without limit is an order where you wish to buy or sell at the current market price.

You can read more about the different types of orders in [“Sydbank’s Terms and Conditions of Securities Trading”](#) (in Danish “Sydbanks regler for handel med værdipapirer”). Both versions are available on our website sydbank.dk/omsydbank/investering under “Priser og vilkår”.

c) Order execution/best execution

When you have placed your order with the Bank, we will attempt to execute the order as soon as possible in the best possible way for you. In this regard we take into account the type of order chosen as well as a number of factors where price and costs are the most important.

Securities orders are placed in the markets during the trading hours of the stock exchange. If an order has been placed outside trading hours, we will attempt to execute the order when the stock exchange opens.

A more detailed description of how we execute orders, who we trade with and which stock exchanges we trade on is available in the document [“Sydbank’s Execution Policy”](#) (in Danish “Sydbanks politik for ordreudførelse”). Both versions are available on our website sydbank.dk/omsydbank/investering, under “Priser og vilkår”.

10 After trading

When your order has been executed in full or in part, you will receive a securities statement at the end of the day specifying the amount traded and the price. It is important that you check the order as soon as you receive the securities statement so that losses can be avoided if there has been an error or a misunderstanding.

You can see the order status of your orders in Netbank/Mobilbank, ie whether your order is open or has been executed. When trading in securities, the value date of most securities is two business days. For instance if a trade takes place on a Monday, it will be paid into your account with value on the following Wednesday. Your holding will be updated in Netbank/Mobilbank as soon as the order has been executed. For instance if your order is executed on Monday at 12:05 your holding will be updated immediately afterwards. The entry in your account will occur on Wednesday.

11 Safekeeping and administration of your securities

Generally you need to have a securities custody account with the Bank to trade securities because when you invest in securities, they are held in your custody account. There are various types of custody accounts depending on the purpose of the custody account (eg annuity pension funds, retirement savings plan, aktiesparekonto (investment savings account), ordinary open custody account). We offer a range of services in this connection.

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The safekeeping of Danish securities typically occurs via registration of your investments with the central securities depository Euronext Securities Copenhagen.

If you invest in foreign securities they will be held by us on your behalf in an omnibus account with our foreign business partners. When the account is opened you consent to the holding of your securities in an omnibus account with our foreign business partner. At the same time you are subject to the rules of law and customs applicable in the home country of the securities issuer. As a result we may be obliged to disclose your name, address etc to the foreign custodian bank. Further information on omnibus accounts is available in "Sydbank's Terms and Conditions of Custody Accounts".

An account is linked to your custody account. We use this account to book any dividend payments from share investments and investments in units as well as interest payments from any bond investments.

When you own securities, you may find that there are changes in the securities issued. Limited companies may for instance publish company announcements (corporate actions) on a change in share capital, addition of new capital, tender offers etc that could affect the securities you have invested in. In such cases we will notify you.

You can read more about the safekeeping and ongoing administration of your securities in "Sydbank's Terms and Conditions of Custody Accounts", including the Bank's disclosure requirements to authorities etc.

Sydbank offers to reduce or reclaim any dividend tax and tax on coupons regarding your investment returns. This takes place in a number of foreign markets and is subject to a fee.

12 Costs

There are costs associated with buying and selling securities and there are costs associated with the safekeeping of your securities. Every time you buy a security we will inform you of the costs associated with the transaction and the costs associated with owning and holding the security in safe custody for one year. When you sell a security we will only inform you of the costs associated with the actual transaction, ie the savings on costs of no longer owning the security are not included.

Costs depend on the investment amount and can be generally divided into service costs and product costs:

- Service costs are costs paid primarily to the Bank. These can be divided into:
 - Transaction costs, ie brokerage fees, currency conversion costs, if any, stock exchange fees, all a result of the specific transaction. These costs are generally charged in connection with the settlement of the transaction. These will typically be part of the total settlement amount on the securities statement. Transaction fees in connection with changes in the holding of securities held with the central securities depository Euronext Securities Copenhagen, are charged annually.
 - Safekeeping costs are typically fees which are charged annually. Danish securities registered with Euronext Securities Copenhagen are subject to several fees which are also charged annually. A balance fee is charged for the safekeeping of foreign securities. The balance fee is calculated quarterly but is charged annually.

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- Product costs are costs calculated by the issuer of an investment product (eg an investment fund, ETF or similar) and deducted from the value of the security on an ongoing basis. These costs are therefore not withdrawn from your account.
- If you invest in a product and Sydbank has a cooperation agreement with the product issuer, we will inform you of the rate of commission we receive from the issuer and the amount received in annual commission income. This commission, if any, is included in the total product costs.

The costs stated will always be an expectation of the actual cost. For instance the price you trade at varies according to the basis of the calculation of costs. If the settlement amount changes, the calculated costs will change accordingly. At the time of trading safekeeping costs and product costs will also represent a snapshot based on expected cost rates.

It is important to consider whether the costs match the securities investment you wish to make. When we provide advice one of the factors that we take into account is that the expected return of your purchase is commensurate with the costs.

You can see the individual cost items in our comprehensive Tariff of Charges, which is available at sydbank.dk/prisbog. The relevant sections are:

- Trading in securities and other financial instruments
- Administration of securities
- Netbank and Mobilbank

At the beginning of each year we will send a summary of the costs you have incurred during the previous calendar year.

13 Reporting

In connection with securities trading you will receive a securities statement as described above.

In addition you will receive the following reports regarding your securities:

- Quarterly holding statement
- Annual custody account statement
- If you have entered an agreement on the management of funds held in safe custody, you will receive a quarterly report specifying your holdings and return for the period
- Loss reporting: if you have entered into a management agreement or invested in leveraged products, you will receive a report if the managed portfolio has recorded a loss of 10% or more or if the leveraged security has recorded a loss of more than 10%
- At the end of the calendar year we will send a general statement of investment costs incurred.

Netbank/Mobilbank enables you to see holdings, values and returns on an ongoing basis.

Returns are calculated and shown in various reports and on various pages in Netbank and Mobilbank. The calculated returns cannot necessarily be used to calculate your tax payments.

You will generally receive documents, statements, price information etc via electronic communication, ie via netboks in Netbank/Mobilbank and in some cases via e-Boks. This will

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appear from your custody account agreement. You can also choose to receive a paper copy of documents, statements etc.

14 Tax

The advice we provide as regards investments is based on the general tax rules on investments in the different types of securities and on an overall level regarding pension investments and non-pension funds. We do not provide advice on specific individual circumstances. In this regard we recommend that you contact a tax consultant/accountant.

When securities are held in a custody account, redemption offers, exchange offers etc, also known as corporate actions, are sometimes made. In general we do not provide advice in connection with corporate actions, nor regarding any tax implications of these events.

15 Other consumer protection

We always strive to offer professional advice and guidance on your investment opportunities and concrete investments. In addition a number of legislative rules offer protection. Some of these concern the way we serve you and are therefore included in the various sections. Selected topics that are not described elsewhere in this document include:

a) **Client categorisation**

When you open your first custody account we will let you know which client category you belong to. The client categorisation determines the level of protection you are afforded as regards the Bank and your investments. Most customers are categorised as retail clients, which is the client categorisation providing the highest level of investor protection. You can read about the various client categories in the document "[Client Categorisation](#)" in Danish "Sydbanks kundekategorisering". Both versions as well as how to submit a request for re-categorisation are available on our website sydbank.dk/omsydbank/investering under "Priser og vilkår".

b) **Deposit guarantee for account deposits and investment guarantee for securities**

In the event of the Bank's failure, certain account deposits are covered up to EUR 100,000. The investment guarantee provides coverage up to an amount of EUR 20,000 if the Bank is unable to return securities. Read more about the rules at fs.dk/garantiformuen.

Please note that the rules and terms and condition applying to Sydbank are listed in section 17 and the general laws and rules regarding investment are specified in section 18.

16 Publications, analyses and general recommendations

Sydbank prepares a wide range of information material and general recommendations. The views expressed are general views that must be evaluated and adapted to your concrete circumstances.

In addition the Bank publishes macroeconomic publications and publications concerning equity markets, bond markets and currency markets as well as a range of analyses of selected companies.

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If you are a Sydbank Favorit customer and you have chosen the investment benefit or if you are a Private Banking client, you have access to the publications via “Investor+”, Sydbank’s online investment universe.

17 Other relevant information

The above provides general information on investing at Sydbank. If you would like more detailed information within specific areas the following rules and policies are available at [Sydbank.dk/omsydbank/investering](https://sydbank.dk/omsydbank/investering) under “Priser og vilkår”.

Rules/policies	Describe ...
Sydbank’s Terms and Conditions of Securities Trading	reception of orders, business hours, types of orders, determination of settlement prices, trading costs
Sydbank’s Execution Policy	execution of orders in different types of securities/financial instruments, execution venues, aggregation and allocation of orders
List of Sydbank’s Business Partners – Securities Trading	who we cooperate with in terms of which securities and what we receive in agency commission
Sydbank’s Terms and Conditions of Custody Accounts	how we hold your securities in safekeeping and manage changes in holdings on an ongoing basis
Conflicts of Interest Policy	how we manage conflicts of interest, including how we attempt to avoid conflicts of interest and how we manage them when they arise
Client Categorisation	what client categorisation means to the level of investor protection of individual customers. The client categories are specified in legislation
Tariff of Charges	what it costs to trade in securities and what it costs to hold and manage securities in safe custody.

18 Relevant legislation on investment

Securities trading is subject to comprehensive legislation, including rules in third countries regarding trading in foreign securities that are issued or traded there. Securities transactions that take place on a marketplace, eg Nasdaq Nordic or a foreign exchange, are subject to the rules applying to the marketplace in question.

A number of rules are derived from EU law, including directives and regulations.

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Danish acts, rules and executive orders

- The Danish executive order on investor protection in respect of securities trading
- The Danish executive order on third party payments etc
- The Danish executive order on competence requirements for employees providing investment advice and communicating information on certain investment products
- The Danish Act on a Depositor and Investor Guarantee Scheme
- The Danish Financial Business Act
- The Danish Capital Markets Act

Translation

The above is a translation of the Danish “Oplysning om investering i værdipapirer i Sydbank”. In case of doubt the Danish original applies.