

Part 2 – VP Rule Book

General Terms and Conditions

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Version ~~043-01~~



1. Scope

- 1.1. These General Terms and Conditions being part 2 of the VP Rule Book apply to the services and functions of the Participant as set out in the Participation Agreement.
- 1.2. Terms defined in Part 1 of the VP Rule Book, (Definitions) have the same meaning when used in these General Terms and Conditions, unless the context indicates otherwise.
- 1.3. These General Terms and Conditions and Part 4 of the VP Rule Book (Book-entry rules) contain the rules on Book-entry as required in the Executive Order on Book-entry.

2. Access rules

2.1. General terms

- 2.1.1. The Capital Markets Act contains restrictions on which entities that may access the VP services, and the extent to which such entities may have access to the full services. VP will comply with such restrictions, and only provide access in accordance therewith.
- 2.1.2. Further, any legal person intending to become a Participant must comply with the Participation Agreement and the VP Rule Book.
- 2.1.3. VP may deny access to the VP services to a Participant meeting the criteria in the Participation Agreement and the VP Rule Book only upon serving a written justified refusal based on a comprehensive risk assessment according to CSDR art. 33 (3).
- 2.1.4. A Participant must provide VP with its legal entity identifier (LEI) in accordance with Article 55(2) of the Delegated Regulation (EU) 2017/392. Furthermore, a Participant must provide VP with a legal entity identifier (LEI) of all issuers for whom the Participant is acting as an Issuing Agent.

2.2 Specific terms for CSDs

- 2.2.1 A CSD may become a participant in the VP Clearing & Settlement system by signing a Participation Agreement, including if relevant a simple service level agreement (being a standard link as defined in CSDR), or by signing a Participation Agreement supplemented by a separate agreement containing additional special services compared to the services normally provided by VP (being a customised link as defined in CSDR).
- 2.2.2 Where a CSD requests VP to establish a customised link (as defined in CSDR), VP may charge a fee for making the customised link available.
- 2.2.3 Before a link between VP and another CSD who has signed a Participation Agreement becomes operational:

- (i) the CSD and VP shall conduct such end-to-end tests as required by VP; and
- (ii) the CSD shall deliver to VP an emergency plan identifying the situations where the securities settlement systems of the two CSDs may malfunction or break down, and provide for the remedial actions planned if those situations occur. Such emergency plan shall be satisfactory for VP.

- 2.2.4 The link between VP and another CSD must be reviewed and risk assessed on an annual basis taking into account all relevant developments. The CSD and VP must both provide the other party with such information reasonable required in order for the party to comply with CSDR in this respect. If VP assesses that the link threaten the smooth and orderly functioning of the financial markets or cause systemic risk to the VP Clearing and Settlement system, the CSD must implement all the actions that VP may reasonably require to remove the risk.

2.3 Approval of persons

- 2.3.1 A Securities Account Controller must ensure that persons with access to the VP system have the necessary know-how to the system and have received such introduction to the system that VP may require from time to time. The introduction requirements are described in the User Guidelines.
- 2.3.2 The Securities Account Controller shall keep a list of the names of those who have been given access to the VP system. The list must contain information on the duties the person may perform in the system. A person may only be assigned such duties in the VP system, which the Securities Account Controller finds the person has the necessary know-how to perform. A person must not be given access to the VP systems until his/her name and duties appear on the list.

3. Book-entry and Issuance services

This clause 3 sets out terms and conditions for the Book-entry and Issuance services and applies to a Participant's participation as Securities Account Controller or Issuing Agent.

3.1. Terms for Securities Account Controllers

3.1.1. General terms

- 3.1.1.1. A Securities Account Controller must act in accordance with applicable laws for VP and the VP Clearing and Settlement System, including but not limited to, the Capital Markets Act and CSDR. A Securities Account Controller is directly obliged to observe articles 29, 36 and 37(3) in CSDR, cf. section 192(2) of the Capital Markets Act.
- 3.1.1.2. As a Securities Account Controller, the Participant is entitled and obliged to undertake Book-entry reporting in



- VP with respect to each Securities Account maintained by the Securities Account Controller.
- 3.1.1.3. Before a Securities Account is opened the Participant must inform the relevant Securities Account Holder of the applicable terms of the Securities Account. Further, the Participant shall provide the Securities Account Holder information in relation to any subsequent changes to those terms. The terms of the Securities Account shall address the matters specified in Part 3 of the VP Rule Book (Book-entry Rules) and the User Guidelines.
- 3.1.1.4. [blank]
- 3.1.1.5. The rules and procedures applicable to processing, among other things, ad-hoc and periodic functions, payments and Book-entry of securities by the Securities Account Controller are set out in Part 3 of the VP Rule Book (Book-entry Rules) and the User Guidelines.
- 3.1.1.6. Investor Notifications is issued in accordance with Part 3 of the VP Rule Book (Book-entry Rules) and the User Guidelines. The Participant may upon agreement with VP elect to be responsible for issuing Investor Notifications.
- 3.1.2. Cash payments**
- 3.1.2.1. With respect to interest payments, redemption proceeds, dividends, and all other cash payments from an issuer to a Securities Account Holder, VP will instruct the relevant Payment System to debit the relevant issuer cash account and credit the relevant Securities Account Holder cash accounts as instructed by the issuer or its Issuing Agent.
- 3.1.2.2. The Participant must ensure that each cash account specified by a Securities Account Holder to which cash payments from an issuer are to be credited, is operated by a VP Participant acting as Cash Account Controller.
- 3.1.2.3. Payment of subscription amounts and other payments from Securities Account Holders to issuers of securities will be processed by VP. VP will instruct the relevant Payment System to debit the relevant cash account of the relevant Securities Account Controller and credit the relevant issuer cash account.
- 3.2. Terms for Issuing Agents**
- 3.2.1. General terms**
- 3.2.1.1. Participation as an Issuing Agent is conditional upon the Participant also participating as a Securities Account Controller.
- 3.2.1.2. As an Issuing Agent, the Participant:
- (i) has the sole right, via VP, to increase or reduce the issued amount of Dematerialized Securities (nominal ledger) against corresponding Book-entry (credit or debit) to the Securities Accounts for issued Dematerialized Securities
- for which the Participant acts as the Issuing Agent; and
- (ii) may issue and undertake Book-entry of Dematerialized Securities on its own behalf and on behalf of each issuer that has concluded an Issuer Agreement with the Participant and VP. The Issuer Agreement must authorise the Participant, as Issuing Agent, to handle issuances via VP on behalf of the issuer.
- 3.2.1.3. The Participant shall ensure and shall be liable for an Issuer Agreement is signed by the issuer with binding effect and in accordance with the issuer's authorised signatory rules.
- 3.2.1.4. The more detailed terms for the issue of securities and the obligations of the Issuing Agent and the issuer are set out in the Issuer Agreement with relevant annexes, Part 3 of the VP Rule Book (Book-entry Rules) and the User Guidelines.
- 3.2.2. Payments**
- 3.2.2.1. The Participant may only process payments from the issuer of securities to the relevant Securities Account Holders from bank accounts operated by a Participant acting as a Cash Settlement Agent.
- 4. Clearing and Settlement services**
- This clause 4 sets out terms and conditions for participation in VP's Clearing and Settlement services and applies to Participants' participation as Settlement Participant, Cash Settlement Agent, or Cash Account Controller.
- 4.1. Terms for Settlement Participants**
- 4.1.1. General terms**
- 4.1.1.1. As a Settlement Participant and Securities Account Controller, the Participant may submit Transfer Orders on its own behalf and on behalf of third parties, for settlement in the VP Clearing and Settlement system.
- 4.1.1.2. If the Participant does not participate as a Cash Settlement Agent in addition to participating as a Settlement Participant, the Participant must open a cash account with a Cash Settlement Agent for the Cash Settlement of securities transactions. The specific terms governing such cash account are set out in Part 4 of the VP Rule Book (Settlement Rules).
- 4.2. Terms for Cash Settlement Agents and Cash Account Controllers**
- 4.2.1. General terms**
- 4.2.1.1. As a Cash Settlement Agent or a Cash Account Controller, the Participant can
- (i) instruct cash for settlement of securities transactions with the VP Clearing and Settlement system; and



- (ii) instruct the payment of cash from issuers of securities to the Securities Account Holders. The detailed terms governing these different functions are set out in the Participation Agreement including Part 4 of the VP Rule Book (Settlement Rules).

4.2.2. Cash Settlement Agent

4.2.2.1. As a Cash Settlement Agent, the Participant provides cash accounts for distribution of cash between Settlement Participants and Cash Account Controllers, and arranges the payment of cash from issuers of securities to the Securities Account Holders. The terms for the transfer of payments on its own and on behalf of any third party are set out in Part 4 of the VP Rule Book (Settlement Rules).

4.2.3. Cash Account Controller

- 4.2.3.1. The Participant must participate in the VP Clearing and Settlement System as a Securities Account Controller in order to participate as a Cash Account Controller.
- 4.2.3.2. As a Cash Account Controller, the Participant can (i) report payment undertakings for Participants who are not Settlement Participants; (ii) receive payment of cash from issuers of securities on behalf of the Securities Account Holders; and (iii) credit the payments referred to in (ii) above to the relevant cash accounts designated by the Securities Account Holders. The detailed terms governing these different functions are set out in the Participation Agreement, including Part 4 of the VP Rule Book (Settlement Rules).
- 4.2.3.3. If the Participant participates as Cash Account Controller but does not participate as Cash Settlement Agent, the Participant must set up a cash account with a Cash Settlement Agent that can be used for Cash Settlement. The terms governing such cash account are set out in Part 4 of the VP Rule Book (Settlement Rules).

5. Additional services

This clause 5 sets out terms and conditions applicable ~~(i)~~ to Participants that offer services on single-price mutual funds (vp.FUND HUB®) as Distributor, Transfer Agent or as Securities Account Controller for the Distributor, ~~(ii) to Participants that offer services as Securities Account Controller in respect of Securities Accounts relating to units in the SKAGEN Funds and (iii) to Participants that offer services on Investor Notification.~~

5.1. Single Price Mutual Funds (vp.FUND HUB®)

5.1.1. Scope

5.1.1.1. This clause 5.1 sets out terms and conditions for participation in VP's additional services and applies to a Participant to the extent that it participates in vp.FUND HUB® as Distributor, or Transfer Agent, or Custodian of units in Single Price Mutual Funds.

5.1.1.2. Participation in vp.FUND HUB® shall be in accordance with applicable law and the Participation Agreement, including Part 4 of the VP Rule Book (Settlement Rules).

5.1.2. Distributor

5.1.2.1. As Distributor the Participant has access to make Instructions on the Participant's own behalf and in case the Distributor has the necessary regulatory licences also on behalf of its clients for settlement in vp.FUND HUB®.

5.1.2.2. The Distributor, is required:

1. to have all necessary licences in place, if the Distributor's trades on behalf of its clients,
2. to have access from one or more Transfer Agents to order and settle via vp.FUND HUB® in respect of one or more Single Price Mutual Funds that has appointed the Transfer Agent as Issuing Agent,
3. to open and maintain one or more Securities Accounts in the name of the Distributor or on behalf of the Distributor's clients (as the case may be) through a Participant that participates as a Securities Account Controller for the Distributor, which enables such Securities Account Controller to make Instructions in respect of holdings in the relevant Single Price Mutual Funds,
4. to ensure that VP is authorised to book-enter vp.FUND.HUB® clearing and settlement results on the relevant Securities Accounts mentioned above,
5. to provide information on the cash account where VP shall deposit any Cash Settlement amounts from the relevant cash account for Cash Settlement, and
6. to maintain a register of the Distributor's clients' holdings in above mentioned Securities Accounts if the Distributor trades on behalf of its clients.

5.1.3. Transfer Agent

5.1.3.1. A Participant that participates as a Securities Account Controller for the Distributor may in the capacity as Transfer Agent issue Instructions on the Participant's own behalf and on behalf of third parties.

5.1.3.2. Participation as a Transfer Agent is conditional upon the Participant also participating as a Securities Account Controller and Issuing Agent.

5.1.3.3. The Transfer Agent is required:

- a) to have entered into an issuance agreement with the issuer in question and VP for issuance of every Single Price Mutual Fund units,
- b) to maintain and disclose to VP information concerning each issuance of Single Price Mutual Fund units. This includes information on VP opening days, on which the respective Single Price Mutual Fund units are

eligible for Settlement in vp.FUND HUB®, which settlement convention (T+x) is applied and which legal effect times are applied for the settlement cycles. Furthermore, the cut-off time for receipt of buy and sell orders on a trade date in vp.FUND HUB® must be defined and disclosed to VP,

- c) to maintain and disclose to VP details of the issuing entities' cash account numbers per ISIN in a bank, where the respective entity deposits/receives settlement amounts,
- d) in respect of each cash account mentioned in c) above, to obtain and deliver to VP an authorisation that provides VP (i) access to information regarding the balance of the account etc. and (ii) a right to deliver settlement amount instructions (i.e. withdrawals and deposits instructions),
- e) to authorise one or more Distributors to order and settle via the vp.FUND HUB® in respect of the Single Price Mutual Funds, which the Transfer Agent as Issuing Agent is responsible for, and to inform VP of changes in who the Transfer Agent accepts as Distributor,
- f) to ensure that the Distributor is compliant with applicable anti-money laundering rules and regulation in force. The Transfer Agent is obliged to issue a statement annually to VP declaring its compliance with the above-mentioned anti-money laundering rules, and
- g) to maintain and disclose to VP a cash clearing account for Cash Settlement in a bank participating as Cash Settlement Agent for each Single Price Mutual Fund, where the Distributors before an issuance deposit the settlement amount. After the issuance the Transfer Agent sends the settlement amount to the cash account mentioned in c) above.

5.1.3.4. By signing up for participation in vp.FUND HUB® as a Transfer Agent, the Participant grants a power of attorney to VP authorising VP to:

- a) book-enter the vp.FUND.HUB® clearing and settlement result on the relevant Distributors' Securities Accounts. The power of attorney shall cover all the Securities Accounts mentioned under 5.1.2.2 (3), and
- b) do book-keeping for the Transfer Agent on its general ledgers of the vp.FUND.HUB® clearing and settlement result.

5.1.3.5. The Transfer Agent shall ensure that all Distributors which the Transfer Agent has granted access to trade the Single Price Mutual Funds via vp.FUND HUB® have the necessary regulatory licences if the respective Distributors make

Instructions on behalf of third parties.

5.1.4. Custodian of units in Single Price Mutual Funds in vp.FUND HUB®

5.1.4.1. This clause 5.1.4 sets out terms and conditions for participation in VP's vp.FUND HUB® services and applies to Participants' participation in VP as Custodian of units in Single Price Mutual Funds which have been issued and book-entered as Dematerialized Securities with VP with up to six (6) decimals.

5.1.4.2. In order to open and maintain Securities Accounts with holdings of units in Single Price Mutual Funds, the Participant is required to:

- a) open and manage Securities Accounts where the units may be credited or debited by Book-entry and settled with six (6) decimals in accordance with the User Guidelines,
- b) only open such Securities Accounts for - and in the name of - Securities Account Holders who participate as Distributors in the vp.FUND HUB®,
- c) ensure that the Distributor has the necessary regulatory licences if the respective Distributor make Instructions on behalf of third parties, and
- d) only transfer Single Price Mutual Funds to Securities Accounts held by Securities Account Controllers who have also signed up for participation as Custodian of units in Single Price Mutual Funds and only with the consent of such Securities Account Controller.

~~5.2. Custody of foreign securitiesCustody of units in SKAGEN Funds~~

~~5.2.1. Scope~~

~~5.2.1.1. This clause 5.2 sets out terms and conditions for participation in VP's additional services and applies to a participant to the extent that it participates in the VP system in respect of custody of units in the SKAGEN Funds as Securities Account Controller.~~

~~5.2.2. Conditions~~

~~5.2.2.1. VP's licence from the Financial Supervisory Authority of Norway as a securities manager to arrange the issuance of units in the SKAGEN Funds as Dematerialized Securities in VP is subject to the condition that such securities in VP are not to be owned by investors liable to pay tax in Norway. Prohibitions in this respect apply as further set out in Part 3 of the VP Rule Book (Book entry Rules) and the User Guidelines.~~

~~5.2.2.2. The Participant must confirm that a Securities Account Holder in respect of the SKAGEN Funds is not liable to pay tax in Norway. This confirmation is made on the basis of VP's weekly database search of Securities Account Holders with a Norwegian element—country code Norway—combined with an instance of units in the~~

~~SKAGEN Funds. VP will inform the Participant if any such combination occurs. Based on this information, the Participant must obtain information from the relevant Securities Account Holder on whether the Securities Account Holder or investor is liable to pay tax in Norway. If this is the case, the Participant must contribute actively to ensure compliance with this Participation Agreement, including but not limited to, these General Terms and Conditions.~~

~~5.2.2.3. In relation with a Securities Account Holder's acquisition of units in the SKAGEN Funds, the Participant must ensure that it receives the Securities Account Holder's confirmation that neither the Security Account Holder nor the final investor is liable to pay tax in Norway and ensure that the Securities Account Holder will notify the Participant if the Securities Account Holder or the final investor becomes liable to pay tax in Norway.~~

~~5.2.2.4. The Participant must ensure compliance with the applicable anti-money laundering rules and regulation in force from time to time and must register and maintain supplementary information concerning the Securities Account Holder's nationality and gender if units in the SKAGEN Funds are registered to a Securities Accounts in respect of which the Securities Account Holder does not hold a Danish civil registration number (CPR no.). Such supplementary information must be maintained in accordance with the above mentioned anti-money laundering rules.~~

~~5.2.2.5. VP ensures that all holdings of units in the SKAGEN Funds are registered by name.~~

5.2.3. Consents

~~5.2.3.1. The Participant must obtain a written consent in accordance with the Financial Business Act, Section 117(1), cf. Section 123(1) for the disclosure to VP of the supplementary information described above in 5.2.2.4 and information registered in accordance with the applicable anti-money laundering rules and regulation in force from time to time.~~

~~5.2.3.2. The Participant must ensure that written consent is obtained in accordance with the Financial Business Act, Section 117(1), cf. Section 123 for VP to disclose information to any party that is authorised to receive information concerning the Securities Account Holder or final investor in accordance with Norwegian law.~~

~~5.2.3.3. VP may on behalf of the Norwegian authorities request that the Participant provides the information set out in this clause 5.2 in respect of the Securities Account Holder and the final investor.~~

6. General terms

This clause 6 sets out the general terms and conditions applicable to all Participants, services and functions with

VP.

6.1. Administrative procedures

6.1.1. In order to participate in the VP system, the Participant must create a set of internal, written administrative procedures to protect against errors and the misuse of the VP system as further set out in the User Guidelines. The level of protection provided by these procedures must be appropriate for the services to be undertaken by the Participant with due regard to the nature of the VP system and the obligations imposed by applicable law and in the Participation Agreement.

6.1.2. The governance arrangement and the management processes within a Participant may not affect the smooth provision of VP's services.

6.2. Data Centre

6.2.1. This clause 6.2 applies to each Participant that has engaged Data Centre for its IT services and technical connection to the Participant towards VP.

6.2.2. In relation to the services undertaken by the Data Centre, the Participant shall ensure that the Data Centre is subject to the same obligations as the Participant as defined in the applicable laws and the Participation Agreement.

6.2.3. The Participant authorises the Data Centre on behalf of the Participant to identify and agree the communication and technical connection requirements set out in clause 6.3 below with VP. The Participant is responsible for the Data Centre's actions and/or omissions.

6.2.4. By signing the Participation Agreement, the Data Centre agrees that the provisions including the provisions on technical connection and communication, in relation to the VP system are accepted by it.

6.2.5. The Participant and the Data Centre agree that for the purposes of receiving data from and delivering data to VP the Data Centre shall in every respect be deemed to be acting on behalf of the Participant.

6.2.6. The Participant has authorised the Data Centre to send and receive data to VP on behalf of the Participant and agrees that VP's obligation to provide or make data available to the Participant is fulfilled by supplying or making such data available to the Data Centre.

6.2.7. In connection with any data transmission by the Data Centre on behalf of a Participant, the Data Centre is obliged to ensure that all such data originates from or is authorised by the Participant.

6.2.8. The Data Centre acknowledges that the Participant's participation functions with VP may change from time to time through separate agreement between the Participant and VP and the Data Centre approves in advance of all potential function changes. The Participant must notify



- the Data Centre if the Participant decides to increase or reduce its services or functions with VP as defined in the Participant Agreement.
- 6.3. Communication and technical connection**
- 6.3.1.** The day-to-day communication between the Participant and the Data Centre on the one hand and VP on the other hand will be in accordance with Participation Agreement, incl. the User Guidelines.
- 6.3.2.** The choice of media for output and input data, data content and destination for day-to-day reporting and acknowledgement material as well as the division of functions vis-à-vis VP will be made in accordance with the Participation Agreement, incl. the VP Rule Book and the User Guidelines.
- 6.3.3.** With respect to data transmission, VP will be responsible for any input data sent by the Participant as soon as VP has acknowledged receipt of that data. VP will supply output data as soon as possible and will, depending on the type of output data and method of transmission, be responsible for output data until such time the output data is made available to the Participant by VP.
- 6.3.4.** With respect to other forms of communication than under clause 6.3.3 above, VP will be responsible for any input data sent by the Participant as soon as it has been received by VP and for any output data until it has been sent to the Participant.
- 6.3.5.** If the Participant gains access to output data material intended for another recipient the Participant must immediately report this to VP and follow VP's instructions regarding the treatment of such material. The Participant (including its employees) may only use the material to the extent necessary to carry out VP's instructions.
- 6.3.6.** Up to and including two business days after instructions have been received, VP may demand re-transmission if, as a result of operational failures, VP postpones any Batches or arranges for new Batches to be executed. The sequence of instructions in the Participant's re-transmission must be in the same order as the original transmission. During a corresponding period of time the Participant may demand renewed output data from VP.
- 6.3.7.** A relevant service provider shall monitor the line connection from router to router. In the event of any errors, etc. the Participant must ensure that (i) the rectification is made from the Participant's own network to the router; and (ii) it notifies VP that an error has occurred and it is rectifying it.
- 6.3.8.** The Participant must ensure that all reports to and feedback reports from VP originate from the correct sender and are delivered to the correct recipient, respectively.
- 6.3.9.** The Participant must ensure that, where it participates in VP via a Data Centre that the Data Centre ensures that reports (including feedback reports) are only sent to and from the Participant. In the event of operational disruptions, etc., that prevent communication in the agreed manner, relevant back-up procedures will be initiated. The Participant must ensure that reliable alternative communication methods are available at all times. In the event of operational disruptions, VP may be required to restrict or suspend existing account access.
- 6.3.10.** On a case-by-case basis, back-up procedures outside the VP Clearing and Settlement system may be agreed upon between VP and the Participant. In relation to such back-up procedures, VP may prescribe input and output data media and also restrict and/or disconnect the established online access as well as require participation in business continuity tests.
- 6.3.11.** Where there is a risk of system breakdown or a similar event because the conditions specified in VP Rule Book and User Guidelines have not been strictly observed by the Participant, or where VP has other security concerns in relation to the Participant, VP may and shall if obliged to do so take any measures it deems appropriate including discontinuing the communication with the Participant.
- 6.3.12.** The Participant will to the extent possible be notified before the intended measures referred to in clause 6.3.11 are implemented.
- 6.3.13.** Both VP and the Participant are mutually required to rectify any errors, etc. in the communication system, Book-entry, Clearing and Settlement system, etc. or in the recorded data. The Participant must comply without undue delay with all instructions from VP in relation to rectification.
- 6.3.14.** VP, the Participant and its Data Center are subject to a mutual obligation to participate in testing of, among other things, communication lines and VP's systems, both prior to the establishment of the participation relationship and throughout the lifetime of the Participation Agreement. Any subsequent change, including any rectification of errors in relation to, among other things, communication lines, Book-entry, Clearing and Settlement system, will not be put into effect until it has been tested and the results of those tests are deemed satisfactory by VP.
- 6.3.15.** VP will not be liable for any expenses incurred by the Participant or its Data Centre in connection with the Participation Agreement.
- 6.3.16.** VP will not be liable for any expenses incurred by the Participant or its Data Centre in connection with (i) the rectification of errors or defects that are not caused by VP;



- and (ii) among other things, testing and back-up procedures in accordance with the Participation Agreement. If such activities are due to circumstances of the Participant or its Data Centre or an event for which the Participant is responsible the Participant is required to reimburse VP's expenses on request from VP without delay.
- 6.3.17.** Any restrictions on or extensions of the functions as Participant as chosen by the Participant, cf. the Participation Agreement, is subject to agreement with VP.
- 6.4. Misuse of systems and technical problems**
- 6.4.1.** If the Participant suspects misuse or attempted misuse of VP's systems by any staff or individual connected with the Participant or the Data Centre, the Participant must immediately inform VP. The Participant must also take the necessary steps to ensure that such misuse or attempts of misuse cease.
- 6.4.2.** In case a Participant (or its data centre) experiences a technical problem that might exceed a full settlement day or result in non-timely settlement of transactions in VP, VP must be informed without undue delay. Furthermore, the Participant is obliged to keep VP frequently updated of the status of the problem until it is solved. Based on the information provided from the Participant, VP has a right to decide on how to handle any Transfer Orders instructed by the Participant, restrict the access to relevant Securities Accounts, and to introduce other measures, which VP in its sole discretion deems necessary in order to maintain an adequate operation of the VP Clearing and Settlement system. The User Guidelines set out a more detailed description of how a technical problem of a longer duration is handled.
- 6.5. No security rights of VP**
- 6.5.1.** VP may not create or maintain any lien, right of retention, pledge or any other security right on assets deposited or registered with VP belonging to clients of a Participant.
- 6.6. Liability and indemnity**
- 6.6.1.** Where a Book-entry or service from VP is delayed or contains errors or defects, and it is demonstrated that VP is responsible for the delay, error or defect, VP may and shall if obliged to do so effect delivery or rectify the error or defect as soon as possible to the extent that VP is able to. The Participant agrees that it cannot make any claim for compensation from VP and VP shall not indemnify the Participant for any direct or indirect losses including loss of interest, costs resulting from the delay, error or defect, or compensation for any other amounts that the Participant may have been required to pay to third parties arising from the delay, error or defect, except and only to the extent that the Participant's loss was a result of VP's wilful act or gross negligence.
- 6.6.2.** [blank]
- 6.6.3.** VP will determine in its sole discretion how a delay, defect or error referred to in clause 6.6.1 is to be rectified, including the extent to which the Participant must assist in such rectification. VP may in such discretion consider factors including but not limited to the nature of the defect, system security, and the time and costs involved. When VP has delivered its rectification instructions to the Participant, the Participant (or the Data Centre acting for the Participant) shall without undue delay comply with the instructions. The Participant may require VP to reimburse the direct costs incurred by the Participant in connection with such rectification.
- 6.6.4.** The Participant agrees to indemnify VP for all losses resulting, either directly or indirectly, from the Participant's own errors in connection with instructions for Book-entry, including errors, either intentional or unintentional, in relation to the receipt of instructions; the validation of instructions; and the change/nullification of rights concerning accounts at VP, or payments from such accounts. The same applies to errors resulting from the Participant's corrections/cancellations or VP's cancellations due to lack of securities corresponding to an instruction, cf. 3.1.2.3 and 3.1.2.4 above.
- 6.6.5.** Notwithstanding 6.6.4 above, if a correct transfer of the payment information to the relevant Payment System has taken place, the Participant will be liable to VP for all losses resulting, either directly or indirectly, from any error or omission related to the further processing of the information or payments.
- 6.6.6.** The Participant agrees to indemnify VP for all losses resulting, either directly or indirectly, from its own errors, either intentional or unintentional, in connection with the reporting of information and other duties related to the ISINs for which the Participant has been recorded as Issuing Agent.
- 6.6.7.** Notwithstanding the above VP shall not incur any liability where any failure on VPs part is due to abnormal or unforeseeable circumstances beyond the control of VP, the consequences of which would have been unavoidable despite all VPs efforts to the contrary. However, VP will to the extent possible notify any influenced Participants hereof.
- 6.7. Breach**
- 6.7.1.** The Participant may only perform the agreed functions and benefit from the services provided by VP if it fulfils the relevant terms and conditions required by law and in the Participation Agreement
- 6.7.2.** If a Participant is in material or repeated breach of the Participation Agreement, VP will report this to the supervisory authorities.



6.7.3. VP may terminate the Participation Agreement or in its sole discretion suspend the provisions of any services under the Participation Agreement if a Participant participating in one or more services and functions in the VP system materially or repeatedly are in breach of, violates or disregards the Participation Agreement.

6.8. Termination

6.8.1. Termination for cause by VP

6.8.1.1. VP will (i) where required by the supervisory authorities; and (ii) if the Participant is subject to Insolvency Proceedings, terminate the Participation Agreement immediately without notice, subject however to the rules contained in Part 4 of the VP Rule Book (Settlement Rules) on Settlement in the event of Insolvency Proceedings.

6.8.1.2. Termination under clause 6.8.1.1 of a Participation Agreement where the Participant acts as a Securities Account Controller will constitute termination for cause of the Participant participation in any other function pursuant to the Participation Agreement.

6.8.1.3. Further, in case of termination under clause 6.8.1.1, all Securities Accounts for which the Participant is registered as Securities Account Controller will be automatically transferred to VP for a period of no more than 4 months, within which the accounts must be transferred to another Securities Account Controller.

6.8.2. Termination for convenience by the - Securities Account Controller

6.8.2.1. The Participant may terminate its participation as Securities Account Controller by giving six months' prior written notice to VP, with the six-month notice period to take effect from the first day of the next calendar month.

6.8.2.2. Termination under clause 6.8.1.1 above will not take effect until at least 1 April after the end of the year in which all Securities Accounts for which the Participant is the Securities Account Controller have been settled, unless the Participant has agreed with one or more participating Securities Account Controllers to take over the full responsibility for the Participant's Securities Accounts.

6.8.2.3. In accordance with clause 3.2.1.1 and 5.1.3.2, respectively, VP will consider a notice of termination given under clause 6.8.1.1 above to also be a notice of termination as Issuing Agent and/or as Transfer Agent, regardless of whether notice specified under clause 6.8.3 and/or 6.8.5, respectively, is delivered.

6.8.2.4. Prior to termination, all Securities Accounts for which the Participant is registered as Securities Account Controller, must be transferred to one or more other Securities Account Controllers.

6.8.3. Termination for convenience by the Issuing Agent

6.8.3.1. The Participant may terminate its participation as Issuing Agent by giving at least six months' notice to VP, with the six-month notice period to take effect from the first day of the next calendar month.

6.8.3.2. The Participant must ensure that, before the notice period referred to in 6.8.3.1 above has expired, it has agreed with one or more participating Issuing Agents for them to take over the full issuance responsibility for securities for which the Participant has been recorded as the Issuing Agent. Each Issuing Agent that takes over responsibility must have concluded the necessary Issuer Agreements with VP and the relevant issuers of securities.

6.8.4. Termination for convenience by the Settlement Participant

6.8.4.1. The Participant may terminate its participation as a Settlement Participant under the Participation Agreement by giving three months' notice to VP, with the three-month notice period to take effect from the first day of the next calendar month, provided that all obligations pursuant to terminated elements of the Participation Agreement have been settled before the expiry of the notice period.

6.8.5. Termination for convenience by the Distributor and Transfer Agent

6.8.5.1. The Participant may terminate its participation as Distributor or Transfer Agent under the Participation Agreement by giving three months' notice to VP, with the three-month notice period to take effect from the first day of the next calendar month, provided that all obligations pursuant to terminated elements of the Participation Agreement have been settled before the expiry of the notice period.

6.8.6. Termination for convenience by the Custodian of Single Price Mutual Funds

6.8.6.1. The Participant may terminate its participation as Securities Account Controller for the Distributor with the six-month notice period to take effect from the first day of the next calendar month, provided that the Participant does not hold any Securities Accounts with units of Single Price Mutual Funds at the expiry of the notice period.

~~6.8.7. Termination for convenience by the Custodian of SKAGEN Funds~~

~~6.8.7.1. For as long as the Participant holds Securities Accounts with holdings of units in the SKAGEN Funds, participation as Securities Account Controller in respect of Securities Accounts relating to units in the SKAGEN Funds cannot be terminated by the Participant.~~

6.9. Authority to disclose information to the Guarantee Fund for Depositors and Investors



- 6.9.1.** The Participant authorises VP from the time the Participation Agreement is entered into and without any time limitation to disclose information relating to the Securities Accounts for which the Participant is the Securities Account Controller from time to time, to the Danish Guarantee Fund for Depositors and Investors.
- 6.10. Price, price-index adjustment and payment terms**
- 6.10.1.** Prices for products and services governed by the Participation Agreement are specified in the individual terms and conditions of such products and services or in VP's pricelist.
- 6.10.2.** All prices are stated exclusive of Danish VAT, fees and any other taxes.
- 6.10.3.** VP is entitled to change prices with 3 months' notice with the notice period to take effect at the expiry of a month. Price changes are notified via the VP Participant interface (VP-info) and VP's webpage.
- 6.10.4.** At the beginning of each month, VP will send the Participant an invoice stating the amount the Participant owes VP for participation and the services provided in the preceding month, as well as the corresponding basis for the calculations. The invoiced amount is due on the fourteenth day of that month or the following banking day and will be collected via NETS (B2B Direct Debit) from the financial institution account designated by the Participant unless otherwise agreed between VP and the Participant.
- 6.10.5.** If invoiced amounts under the Participation Agreement are not paid when due interest will accrue on the overdue amount in accordance with the Danish Interest Act from the due date until payment is effected.
- 6.11. Changes to the agreement documents**
- 6.11.1.** In addition to the Participation Agreement, including the VP Rule Book and these General Terms and Conditions, the Participant is bound by the User Guidelines and other regulations, as amended from time to time.
- 6.11.2.** VP is entitled to make changes and additions to the terms of the Participation Agreement including, the VP Rule Book (of which these General Terms and Conditions, the Definitions, the Book-entry Rules, and the Settlement Rules are parts), and the User Guidelines, and all other relevant documents.
- 6.11.3.** Each amendment is binding on the Participant from the effective date of that amendment. To the extent possible, VP will give the Participant one month's notice in relation to any amendment required by, among other things, legislative amendments, changes in VP's business areas or if the Participation Agreement is deemed by VP to be inappropriate or inadequate. If VP determines that an amendment is likely to affect the Participant significantly, VP will make an effort to give the Participant additional notice, such notice to be delivered in a timely manner to the extent possible.
- 6.11.4.** In case of change or addition to the Participation Agreement or the VP Rule Book and other documents referred to in clause 6.11.2, VP will give prior notice as referred to in clause 6.11.3 via e-mail to all customers that subscribe to news from VP and via information on its company webpage.
- 6.12. Complaints and exchange of information**
- 6.12.1. Complaints**
- 6.12.1.1.** Complaints related to the Participant's participation in the VP system shall be submitted to:
- Risk & Compliance
VP SECURITIES A/S
Weidekampsgade 14
2300 København S
- Email: RiskComplianceGroup@vp.dk.
- 6.12.1.2.** Information on how complaints are handled is available on VP's webpage.
- 6.12.1.3.** Only complaints from Participants will be handled.
- 6.12.2. Professional secrecy**
- 6.12.2.1.** VP and a Participant shall treat as confidential all business information, procedures, CSD data or other information received from the other party insofar as the same would be treated as confidential if it were its own information. Notwithstanding the above both VP and a Participant who is a CSD may disclose to the public that a link between the two CSDs has been established.
- 6.12.2.2.** The Participant must ensure that each person it instructs in relation to its participation in the VP system is aware of the duty of secrecy to which that person is subject with respect to the information made available to that person.
- 6.12.2.3.** In relation to the information that the Participant has access to through the VP system, the Participant must comply with all security requirements and regulations set out by or imposed on VP.
- 6.12.2.4.** A Participant who is a CSD shall ensure the confidentiality of information in connection to the operation of the link. The ability to ensure the confidentiality shall be evidenced by such information to be provided by the CSD as required by VP, including if VP requests so, by a duly signed legal opinion, meaning a reasoned, written opinion addressed to VP, in form and substance satisfactory to VP, of a nationally or internationally recognized law firm in the relevant jurisdiction or other kind of arrangement.



6.12.3. Obligation to provide information

6.12.3.1. A Participant shall promptly provide to VP all information that VP may require for assessing if the Participant fulfils the relevant terms and conditions required by law and the Participation Agreement or for submission to legal, regulatory or market authorities, as and when so required.

6.12.3.2. A Participant shall promptly notify VP if Insolvency Proceedings are opened against the Participant. Such notification shall be sent to the executive board of VP at the registered address.

6.12.3.3. VP and a Participant who is a CSD shall upon request disclose to each other the names of critical service providers on which they rely.

6.12.4. Personal data – General Data Protection Regulation

6.12.4.1. VP is the data controller in relation to any personal data that VP process in its core activities as a Central Securities Depository in accordance with the CSDR and the Capital Markets Act.

6.12.4.2. Participants must ensure that beneficial owners, as the data subjects, are informed of the transfer of personal data to VP and VP's processing hereof.

6.12.4.3. VP's guideline on handling of personal data is available on VP's website.

6.13. Governing law and dispute resolution

6.13.1. The Participation Agreement, including disputes regarding its existence or validity and disputes concerning this arbitration clause and the arbitration procedure, is governed by Danish law, irrespective of any conflict-of-laws rules which may refer the dispute to the laws of another jurisdiction.

6.13.2. The Parties shall seek to resolve any disagreement and dispute between the Parties arising in connection with participation, the Participation Agreement or its interpretation or fulfilment by negotiation in good faith.

6.13.3. In the event that negotiations have been conducted, and the dispute has not been settled, the dispute, including disputes regarding the Participation Agreement's existence or validity and disputes concerning this arbitration clause and the arbitration procedure, must be decided by arbitration before the Danish Institute of Arbitration. Each party shall appoint an arbitrator, and the Institute of Arbitration appoints the chairman of the arbitration tribunal, who shall be a Danish lawyer ("jurist").

6.13.4. If a Party has not appointed an arbitrator within 30 days of that Party having filed or received notice of the request for arbitration, the Institute of Arbitration will appoint such arbitrator.

6.13.5. The trial language shall be English. The place of arbitration shall be Copenhagen. Otherwise, the rules of procedure adopted by the Danish Institute of Arbitration and in force at the time when such proceedings are commenced will apply.