

# Investor notification

1 March 2022

## 1. General information about Danske Bank

### 1.1 Purpose of the notification

The purpose of this notification is to provide customers with advance information about Danske Bank A/S, Finland branch and about the investment and ancillary services offered by Danske Bank and companies belonging to the same group as Danske Bank, the financial instruments underlying the services, related risks, custody of customer assets, and the expenses, fees and taxes related to the financial instrument and services.

Danske Invest Fund Management Ltd, a subsidiary fully owned by Danske Bank A/S, administers mutual funds registered in Finland. The mutual fund-related advance information required by the legislation is available in the fund regulations, the general part of the prospectus and the key investor information document of each mutual fund and in the price lists.

Additional information on companies that belong to the same Group as Danske Bank is available at the address [www.danskebank.fi](http://www.danskebank.fi).

#### Information on the Bank

Danske Bank A/S, Finland Branch,  
Business ID 1078693-2.  
Televisiokatu 1, Helsinki, 00075 DANSKE BANK  
Customer service +358 (0) 200 2580 (local/mobile call charge), Mon - Fri 8 am - 8 pm.  
[www.danskebank.fi](http://www.danskebank.fi)

#### Information on the Bank's headquarters

Danske Bank A/S, Danish limited liability company  
Holmens Kanal 2-12,  
DK-1092 Copenhagen K, Denmark  
Domicile: Copenhagen  
Company register number: 61126228  
Registration authority: Danish Business Authority (Erhvervsstyrelsen), Denmark

All advance information, agreement terms and conditions and customer services are available in Finnish. Other texts than the Finnish text are merely translations of the original Finnish text.

In the event of discrepancy between language versions, the Finnish text shall prevail. The advance information is notified in accordance with Finnish law.

### 1.2 Information about the Bank and its supervisor

The authority supervising the Bank is the European Central Bank (ECB), Kaiserstrasse 29, D-60314, Frankfurt am Main, Germany.

Within the limits of its powers, Danske Bank A/S, Finland branch is also supervised by the Danish FSA (Finanstilsynet), Århusgade 110, DK-2100 Copenhagen Ø, Denmark  
Telephone: +45 33 55 82 82, [www.finanstilsynet.dk](http://www.finanstilsynet.dk) and by Financial Supervisory Authority, Snellmaninkatu 6, P.O. Box 103, FI-00101 Helsinki, Finland. Telephone: +358 9 183 51, [www.finanssivalvonta.fi](http://www.finanssivalvonta.fi)

Within the limits of their powers, the operations of Danske Bank A/S, Finland branch are also supervised by the Finnish Consumer Ombudsman and other Finnish authorities.

### 1.3 Methods used in communications and the processing of customer data

#### 1.3.1 Methods used in communications

The customer may be in contact with the Bank and place investment orders in a Bank branch or electronically through the Bank's online or telephone services using identifiers approved by the Bank. The Terms and Conditions on Electronic Communication related to the banking identifiers describe the operability and availability of the online and telephone services in more detail.

The Bank primarily sends material, information and notifications to the customer in electronic format.

Information to non-professional customers may, on request, be sent on paper.

If the customer has given his or her email address to the Bank, the Bank is entitled to send the customer information and notifications via email if the Bank has deemed email to be a suitable delivery method for the information or notification in question.

#### 1.3.2 Processing of customer data

The Bank has a statutory obligation to know its customers and verify their identity. The Bank obtains information related to the customers' banking services from the customers themselves and from the registers of the authorities into which the information in question has been recorded for public use.

The customer information is used for customer service and taking care of the customer relationship, marketing, advisory services and risk management, for example when granting and monitoring credit. Customer information is also used for planning and developing new services that the Bank or other companies in the Danske Bank Group offer to their customers.

Additional information on the processing of customer information is available at the address [www.danskebank.fi](http://www.danskebank.fi)

### 1.3.3 LEI (Legal Entity Identifier)

LEI (Legal Entity Identifier) is an international corporate identifier that is intended for identifying companies (companies, foundations and other companies) that place orders regarding financial instruments.

The requirement, which is required by EU regulations, is related to the official reporting with which the authorities that supervise the securities markets identify the parties of transactions.

All companies and organisations that have a business ID must obtain a LEI in order to be able to trade with financial instruments listed as being traded on a trading venue. Transactions cannot be executed without a LEI. Additional information on the LEI is available on the website of the Financial Supervisory Authority.

### 1.4 Reporting

Reporting related to financial instruments or investment products or services delivered to the customer by the Bank is agreed in the product- and service-specific agreement terms.

### 1.5 Expenses and fees related to financial instruments and investment and ancillary services

The regular expenses and fees related to financial instruments and investment and ancillary services, as well as any expenses and fees paid to third parties or their representatives or those received from them, are stated in product-specific price lists, agreement terms and conditions or other materials or, with regard to mutual funds administered by the Fund Management Company, the key investor information document of each mutual fund.

### 1.6 The Investors' Compensation Fund and Deposit Guarantee Fund

#### 1.6.1 Investors' Compensation Fund

All EU Member States must have at least a EUR 20,000 compensation fund. The investor protection of a branch of a foreign bank operating in Finland is covered by the protection system of the bank's country of domicile.

At Danske Bank, investors are protected in compliance with Danish law. The Danish compensation fund is administered by the Danish financial stability authority (Finansiel Stabilitet).

The Danish investor protection system covers all investors except banks and other institutions whose membership in the compensation fund is compulsory, financial institutions, insurance companies, undertakings for collective investment, pension companies and pension foundations, and public authorities.

If a service provider fails to return the investor's securities in its custody, the compensation fund will compensate for the loss incurred by the investor.

When a service provider has been declared bankrupt or subjected to corporate restructuring proceedings, the Danish compensation fund will pay each eligible investor a maximum amount equivalent to EUR 20,000. The matured and unpaid debts and other payments payable by the investor to the service provider will be deducted from the amount.

Further information on the Danish investor protection scheme is available in Danish and English at: <http://www.gii.dk>.

#### 1.6.2 Deposit Guarantee Fund

All EU Member States have consistent deposit guarantee regulations. The size of the deposit guarantee is EUR 100,000 under law. The deposits of a branch of a foreign bank operating in Finland are covered by the deposit protection system of the bank's country of domicile.

At Danske Bank, deposits are protected in compliance with Danish law. The Danish compensation fund is administered by the Danish financial stability authority (Finansiel Stabilitet).

The Danish deposit guarantee scheme covers all depositors except banks and other institutions whose membership in the guarantee fund is compulsory, financial institutions, insurance companies, undertakings for collective investment, pension companies and pension foundations, and public authorities.

If the Bank is declared bankrupt or subjected to corporate restructuring (rekonstruktionsbehandling), the Danish financial stability authority will pay each depositor a maximum compensation equivalent to EUR 100,000 less any matured but unpaid debts and other payments due to the Bank. Assets in a Finnish long-term savings account (PS account) are also deposits qualifying for compensation.

In deviation from the above, compensation may exceed the amount equivalent to EUR 100,000 in the following situation: Deposits based on assets obtained from the sale of a residence are protected up to an amount equivalent to EUR 10 million for 12 months from making the deposit. The special protection of assets obtained from the sale of a residence provided by the Danish deposit guarantee scheme is not limited to assets obtained from the sale of a residence in the owner's personal use; instead, it also applies e.g. to deposits related to the purchase or financing of a real estate property, provided that the property has been used or will be used mainly for non-commercial purposes.

In addition, the Danish deposit guarantee scheme provides a higher guarantee, equivalent to EUR 150,000, for six months to a deposit related to the depositor's life situation, when the deposit is based on a payment made in compliance with Danish legislation and relates e.g. to marriage, divorce or inheritance, employment, pay security, accident at work, handicap or death, nuclear accident, a post-traumatic reaction which a soldier is diagnosed with having served abroad, or compensation for criminal damage.

However, the Danish deposit guarantee scheme does not provide the higher guarantee to similar payments paid based on Finnish legislation.

In the Danish deposit guarantee scheme, compensation is paid in the currency of the account, i.e. compensation will be paid in euros if the account is a euro-denominated account. As a rule, compensation will be paid within seven working days from the beginning of the bankruptcy or corporate restructuring procedure. However, the time may be extended by up to three months in case of any uncertainty regarding the identity of the depositor. Payment of the compensation may also take more than seven working days if it is paid to depositors of Danske Bank A/S, Finland branch via the Finnish Financial Stability Authority.

Further information on the Danish deposit guarantee scheme is available in Danish and English at <http://www.gii.dk>.

### 1.7 Principles on handling conflicts of interest

The Danske Bank Group offers a wide range of financial services and may therefore encounter potential and actual conflicts of interest.

Danske Bank has adopted operational principles as methods to be applied in identifying, preventing and managing conflicts of interest. The operational principles describe the methods the Bank follows and maintains to prevent conflicts of interest from damaging the interests of its customers. These

methods concerning the Bank's organisation and administrative arrangements include arrangements related to the separation of functions, supervision of employees and restricting the exchange of information.

If the methods based on the operational principles for handling conflicts of interest are not sufficient to handle a specific conflict of interest concerning a customer, the Bank may, in some circumstances, decline to engage in transactions with the customer.

This summary explains the main features of the operational principles for handling conflicts of interest. The operational principles for handling conflicts of interest have been published in their entirety at [www.danskebank.fi](http://www.danskebank.fi). You can order a paper copy of the principles by telephone from the bank's customer service, tel. 0200 2580 (local/mobile call charge).

### 1.8 Charges, fees and non-monetary benefits of third parties (incentives)

In certain situations, in conjunction with providing an investment or auxiliary service the Bank may pay a charge, fee or non-monetary benefit to a third party or receive a payment, fee or non-monetary benefit from a third party. The basis for such charges or fees is generally the third party's participation in the provision, marketing or sale of a service by the Bank to a customer, or the Bank's participation in the provision, marketing or sale of a service by the third party to a customer. The fees can relate to the sale of funds, for example. If such charges or fees apply, their purpose is to improve the quality of the service provided to customers in accordance with their best interest.

Additional information on charges and fees is available in the product- and service-specific documents and price lists.

## 2 General description of financial instruments, investment services and their financial risks

### 2.1 General

The acquisition of financial instruments always involves a financial risk. The targeted return may not be achieved, or the investor may even lose the invested capital in part or in full. The customer should familiarize himself with the investment market, different investment options and different investment services before starting to make investments. Because customers are always responsible for the financial and tax consequences of their investment decisions, the selected investment services, their actions and orders related to financial instruments, the customers must study the investment services as well as the features, risks and taxation of the financial instrument before making a decision. Before using the services, customers should study the terms and conditions

of the investment services and financial instruments in order to identify their responsibilities and liabilities and those of the Bank. When making decisions, customers must always base their decisions on their own assessment of the investment services, investment object and the risks related to the investment decision.

The investment-related risk can be reduced by dividing investments because the value fluctuations of different property types even each other out as the market situation changes. The division of investments is called diversification or asset allocation.

The Bank requests information from the customer for example regarding his or her investment experience and knowledge or financial situation to evaluate whether the product or service is suitable for the customer. For this reason, it is important that the customer provides the Bank with the information it has requested.

Even if the Bank has assessed the appropriateness or suitability of the financial instrument or investment service for a customer, the customer is solely responsible for the financial and tax consequences of his/her investment decisions, operations and orders concerning financial instruments, and is not entitled to receive compensation for any resulting damage or losses from the Bank. The customer is also responsible for whether or not he/she uses the services and financial instruments that are recommended or assessed as being appropriate or suitable.

The most common financial instruments, investment services provided by the Bank and related financial risks are described below. The description is not exhaustive on any part. The general description presents the character of each financial instrument type or investment service and the most typical risks. More detailed descriptions can be found in the terms and conditions of financial instruments and investment services as well as in product-specific brochures relating thereto.

## 2.2 General description of financial instruments

### 2.2.1 Shares

In a limited company the assets invested by the owners in the company form the share capital, which is divided into portions of equal value – shares. Shareholders are the company's owners having the power of decision in general meetings and the right to possible dividends and subscription of new shares in a share issue. The return on shares consists of the dividend and a possible increase in value. Companies

generally pay dividends in the spring. The increase or decrease in the value of shares is realised once an investor sells his/her shares.

In comparison to other asset types, strong value fluctuation is a characteristic of shares. Those investing in individual shares must have time and interest to follow the companies and the general economy. Shares are risky investment objects but the potential for return is also considerable. The significant factor in share investments is obtaining information about the investment object because the return development of an individual company's share in the long-term depends on the company's business results. In addition, the general development of the equity markets may have an influence on the value of an individual share. When investing in shares it is possible that the targeted return is not achieved and the invested capital can be lost. The equity market risk should be controlled by diversifying investments over several different shares. The equity market risk should be controlled by diversifying investments over several different shares. In addition, investors should also diversify their risks by making investments also in the debt instrument market.

The ownership of and trading in foreign shares may involve taxation-related, legal, financial, political and other unforeseen risks deviating from investments in Finnish securities that are completely the customers' responsibility. In addition, share investments made outside the euro area always include an exchange rate risk.

### 2.2.2 Mutual funds

In mutual funds customer assets are collected and invested in several different investment objects that form a fund. Mutual funds are managed by investment business professionals who are responsible for ensuring that funds are invested in investment objects defined by the rules of funds.

A mutual fund consists of fund units. A fund saver purchases units in a mutual fund, thus becoming a unit holder in the fund. Unit holders own the assets of the mutual fund. The value of fund units at the purchase moment determines the number of units that can be acquired with a certain amount of euros.

Fund saving, as any other investments, involves a risk. Of all investment markets, the money market includes the smallest targeted return and risks (money market funds) and the largest return and risks are in the equity market (equity funds). Even small amounts can be invested in mutual funds and the investment is always diversified over a number of different securities. The key investor information document of each mutual fund describes the features and risks related to the

mutual fund. Customers should study the mutual fund's rules, key investor information document and price list before engaging in mutual fund investments.

### 2.2.3 Bond loans

Bonds are debt instruments issued by the state, municipalities, banks and other financial companies as well as corporations and other entities through which the issuer borrows money from the public for a long term, usually for at least two years.

Traditional bonds are suitable for investors who appreciate security and regular payments of interest. The principal is repaid in full according to the terms of the bonds. The bond's interest can be fixed or linked to a floating reference rate, and it is paid at least annually. The interest on bonds with floating interest rates is generally paid at intervals of three or six months.

Traditional bonds do not generally contain any collateral. If the ranking of the bond is lower than that of the issuer's other commitments, the bonds are called debentures. Due to their greater risk, the return on a debenture is better than on the same issuer's senior bonds.

The determination of return on index loans is defined in the loan-specific terms of each individual bond. The return depends on the development of the underlying instrument, which may be a share or share basket, share index or index basket, mutual fund, interest, currency, currency basket or currency index, price of raw material or commodity, inflation, conduct on debt of a defined reference debtor (so called credit linked note), a combination of those stated above or any other instrument defined in detail in the loan-specific terms. The value of the underlying instrument may increase or decrease during the term of the bonds. The past performance of an underlying instrument is not a guarantee of future returns. Investors must also pay attention to other factors possibly affecting the return on the securities stated in the loan-specific terms, such as the interest calculation basis and participation factors. The amount of return can also be influenced by the issue price and any subscription fees to be collected. The risks related to an individual loan are stated in the loan-specific terms.

A principal-guaranteed index loan, in which the repayment of the principal depends only on the issuer's solvency, is a good form of investment for customers who appreciate a secured principal but are willing to take limited risks in order to achieve the possibility of a better return.

The risks related to bond investments, as well as to all debt instrument investments, include credit risk, interest or other

market risk and currency risk. Credit risk is realised if the debtor is unable to fulfil his/her payment obligation pertaining to the bond terms. Interest or other market risk stands for a risk related to the reduction of the investment's value when the general interest rate level increases, or the value of the index to which the return on the bonds is linked develops unfavourably compared to the expectations. If the currency of the bonds is other than the euro, a currency risk is present for Finnish investors.

### 2.2.4 Warrants

A warrant is a security the value of which is determined on the basis of its underlying instrument (e.g. share or index). The holder of the warrant attempts to utilise changes in the value of shares using a derivative security similar to an option without owning the shares that are the underlying instruments. Depending on the terms, a warrant provides its holder with the right to receive a cash payment to be paid on the basis of the value development of the warrant's target, or purchase or sell the underlying share relating to the warrant at a defined price. Warrants can be traded in a stock exchange throughout the validity of the warrant. Even though the nominal exercise period of warrants can be long, even 1-2 years, warrants are generally invested in for only a few days or months. On the basis of the warrant, the holders have no rights to the underlying instrument company, such as dividends.

Investors should follow the value development of warrants during their period of validity. When investing in warrants it is possible that the targeted return is not achieved and the invested capital can be lost.

### 2.2.5 Derivatives

A derivative contract is a financial instrument the value of which is determined on the basis of the underlying instrument. Derivative contracts include options, forward contracts, interest and currency exchange agreements and related options and/or the combinations of these and/or other similar agreements. Derivative contracts are aimed at hedging against changes in the value of the underlying instrument or benefiting from such changes. The underlying instrument may be currency, security, interest, return, another derivative agreement, index, commodity, credit risk, other underlying instrument or a combination of different underlying instruments.

The terms of derivative contracts vary greatly. Whether the derivative contract is settled by physical transfer of the underlying instrument or crediting the net value depends on the terms of the derivative contract. Derivative contracts can be traded in the regulated markets and/or multilateral trading systems. Setting collateral is a requirement for

exchange-traded derivatives trading. The collateral requirement is based on the rules of the relevant exchange and is calculated daily from the customer's open derivative position. If the collateral requirement increases, the customer must provide additional collateral. The Bank may require collateral also for transactions other than exchange-traded derivatives trading.

In addition to changes in the value of the underlying instrument, i.e. the market risk, the factors influencing the value of the derivative contracts and the amount, timing and execution of the payment obligations of the counterparties include market events, general economic and political factors and changes in legislation. Derivative contracts include a risk of delayed payments and credit losses due to the insolvency of the counterparties. Before concluding an individual derivative contract, a counterparty must study the terms and features of the derivative contract, resulting obligations, rights and other consequences.

The risks related to derivative contracts are not described in full in this notification. If required, a counterparty must contact an independent expert in order to assess the risks of derivative contracts.

### 2.2.6 Money market products

Money market products include commercial paper, money market investments and treasury bills of the state. The investment period of money market products varies from overnight investments to investments for a maximum of one year. Commercial papers are debt instruments issued by banks, corporations and municipalities. The treasury bills of the state are debt instruments issued by the Republic of Finland for 1-12 months. Money market products include a risk of delayed payments and credit losses due to the insolvency of the issuers.

### 2.2.7 Owner and investor liability in the recovery and resolution of credit institutions and investment firms

If the resolution authority referred to in the Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU, "the BRRD Directive") considers that a credit institution or an investment firm issuing securities (such as shares or bonds) is in danger of becoming insolvent or no longer meets the capital requirements set for it, the resolution authority has the power to decide on the write-down of the issuer's liabilities. This means that the issuer's investors may lose part or all of their investments in relation to the issuer in question.

The write-down of the issuer's liabilities subject to a decision by the resolution authority may also have an impact on other

investment products if products within the scope of owner and investor liability are used as investments in an investment fund or insurance company's investment-linked insurance, for example. The write-down decision would also affect the value of the fund unit or insurance proportionally to its weight in the portfolio.

## 2.3 General description of the investment services

### 2.3.1 Stockbrokerage services

The Bank provides its customers with stockbrokerage services (reception, transmission and execution of orders) in Finnish and foreign securities and other financial instruments. The Bank receives and transmits customers' orders concerning financial instruments and executes orders on behalf of the customers. Share brokerage orders are executed by Danske Bank Markets Equities or are submitted for execution by our other partners according to our order execution policy.

We will seek to process your market order as quickly as possible. If an order is placed outside the space of time when we process orders in the relevant security, we will not seek to execute the order until we again open the processing of orders and trading in the relevant market.

Fees are collected for brokerage services. The amount of the fee is influenced by the method of transaction selected by the customer and the marketplace used to carry out the order. The valid fees at any given time are stated in the price list for the brokerage services. With regard to mutual funds administered by the Fund Management Company, the valid fees at any given time are stated in the key investor information document and in the price list relating to the mutual funds.

### 2.3.2 Investment advice and asset management

When offering investment products the Bank may provide its customers with individual recommendations concerning specific financial instruments i.e. investment advice according to the Act on investment services. However, a general presentation of the investment products offered by the Bank to the customer or the release of a general recommendation aimed at the public and published by the Bank through its distribution channels or the mass media do not constitute individual recommendations. The transmission or execution of orders given by customers do not constitute individual recommendations.

The investment advice provided by the Bank does not constitute independent investment advice because we recommend also securities issued by the Bank or by companies that are closely associated with the Bank.

Our advice is based on general market analysis in which, in addition to securities issued by the Bank or companies that are closely associated with the Bank, we also offer advice on a selection of securities of issuers that do not have a close relationship with the Bank.

The Bank does not follow or monitor the suitability of a recommended investment for a customer unless it has been separately agreed in an agreement concluded with the customer.

The Bank can regularly provide a customer with a suitability statement on the financial instruments recommended to the customer if a regular suitability assessment has been agreed upon separately in an agreement concluded with the customer.

The Bank may provide its customers with asset management as defined in the Act on Investment Services. Asset management refers to the management of financial instruments in accordance with the agreement made with the customer so that the power of decision over investments is given in full or in part to the recipient of the order, i.e. the asset manager. The content of the asset management service is specified in the agreements and terms and conditions and price lists.

Fees are collected for the asset management services. The fees are usually based on the value of assets under management, the number of transactions, returns or a combination of these. The valid fees at any given time are stated in agreements, terms and conditions and price lists.

### 2.3.3 Sustainability risk considerations

According to the EU regulation on sustainability-related disclosures in the financial services sector ("disclosure regulation") we have to disclose how we integrate sustainability risks in our selection of UCITS and AIFs that we advise on. Sustainability risks mean environmental, social or governance events or conditions that, if they occurs, could cause an actual or a potential material negative impact on the value of the investment.

We offer advice on select UCITS and AIFs, where we have sufficient knowledge of them. When selecting which to advise on, sustainability risks are included along with other relevant risk aspects to identify sustainability factors which might pose a risk and thus impact the value of the investment.

Sustainability risks can result in funds no longer being available in Danske Bank investment universe that we advise on. Our policy on responsible investments and the currently applicable investment restrictions can be found on [danskebank.com](https://www.danskebank.com)

If you place orders in eBanking or Mobile Banking, Danske Bank will not offer individual investment advice. You will have a wide range of investment objects available but we are unable to determine the sustainability (or other) risks of all or selected investment objects or the impact of those risks on investment returns.

This means that you must carefully study the investment object and assess how the sustainability risks of the investment object could affect the value of the investment.

### Responsible Investments

When investors entrust us with their assets and savings, it is our duty to serve their interests by providing investment solutions with the aim to deliver competitive and long-term performance. Our commitment to responsible investment is an integral part of this duty. Responsible investing entails making better-informed investment decisions, addressing sustainability issues, dilemmas, and risks, and influencing portfolio companies through active dialogue to contribute to a positive outcome.

The investment management is done in accordance with the Danske Bank Group's Responsible Investment Policy and sustainability risks are incorporated alongside other risks in the investment decision-making process. Sustainability risk is incorporated into the investment process to identify the sustainability criteria, which may pose a risk and thereby affect financial performance of an investment. Based on environment, social and governance (ESG) research and ESG data, sustainability risk factors are systematically identified and assessed by underlying Danske Invest funds alongside other risks.

The investment universe is screened to identify sustainability risks associated with potential portfolio investments with reference to current regulations, industry's best practices, international norms and voluntary frameworks for corporate responsibility. Based on our assessment and company dialogue, we may from time to time decide to divest or restrict investments in a company. Investment restrictions are applied across the investment universe based on Danske Bank Group position statements and our understanding of the average investors' ethical and sustainability aspirations. This covers excluding investments in companies involved in certain sectors, products or activities from the investment universe.

Regarding underlying funds that are not Danske Invest funds, sustainability risk considerations form an integral part of the selection hereof.

While sustainability risk considerations are included in investment processes, sustainability risk may impact the returns of the investment.

The probability of sustainability risks and the extent to which they impact the returns of an investment depend on several factors. Although duly mapped, identified and managed in the investment processes, the following elements can affect the degree to which sustainability risks are likely to impact the returns of an investment:

- sustainability risks are often complex, multidisciplinary and interlinked, which can make it difficult to assess in their entirety
- sustainability risks are usually difficult to quantify and are long-term in nature, and the probability of materialisation also depends on the investor's time horizon
- sustainability risks, such as risks stemming from changes in physical climate, political action, societal expectation, consumer demand or technological development, can be driven by megatrends that are large in scope and magnitude or occur at an unanticipated pace, which may not be reflected to a full extent when investment decisions are made
- a lack of ESG comprehensive or standardised data can make it difficult to uncover all sustainability risks or to base investment decisions on faulty grounds
- sustainability risk assessments can be inaccurate, which may cause that investments are exposed to greater sustainability risks than anticipated
- impact of sustainability risks can increase in magnitude in combination with other risks, especially in relation with market, credit, liquidity, emerging and frontier markets, active management, concentration and tax risks.

Danske Bank's Responsible Investment Policy and investment restrictions and their definitions can be found at [danskebank.com](https://www.danskebank.com)

### 3 Categorisation of investor customers

According to the Act on investment services, a stockbroker must notify customers of their categorisation as a retail customer, professional customer or eligible counterparty. The classification is based directly on the legislation and the Act on investment services includes detailed provisions on the factors affecting the categorisation. The customer categorisation has an influence on the extent of the investor protection and the applicable procedural rules.

As an investor the customer is categorised as a retail customer unless another classification is notified.

Not all the procedural rules related to the investor protection apply to professional customers because they are generally deemed to have a lesser need for protection than retail customers.

Professional customers include:

- the State, State Treasury,
- banks, fund management companies, insurance companies or other institutional investors subject to authority supervision,
- a company that meets at least two of the following requirements on the basis of its financial statement from the previous full fiscal period:
  - the final balance sheet total is at least EUR 20,000,000
  - net turnover is at least EUR 40,000,000
  - the company's own funds are at least EUR 2,000,000
- an institutional investor whose principal business is investing in financial instruments.

Professional customers are responsible for notifying the Bank of any changes that may affect the categorisation.

Retail customers may request changing their categorisation into professional customers in writing if the Bank has assessed that the retail customer has the capability for making independent investment decisions and understands the related risks and the customer fulfils at least two of the following requirements:

- the customer has carried out significantly large transactions in the relevant market at an average frequency of ten times per quarter during the previous four quarters,
- the value of the customer's investment portfolio is more than EUR 500,000,
- the customer works or has worked for at least one year in the financial sector in a professional position that requires knowledge of planned transactions and services.

In addition, a professional customer can be treated as a retail customer, if so requested. A customer classified as an eligible counterparty may request to be treated as a professional or retail customer. The request for the change in the categorisation must be issued in writing. A changed categorisation may have an effect on the investor protection and the application of the procedural rules. The Bank considers changing a categorisation on a case-specific basis.

More information about the customer categorisation criteria is available at [www.danskebank.fi](https://www.danskebank.fi).

#### 4 Order execution policy

Danske Bank's order execution policy sets out the principles that we follow when executing orders for our retail and professional customers in financial instruments to ensure that our customers obtain best execution.

This summary explains the main features of these operational principles. The order execution policy is available in its entirety at [www.danskebank.fi](http://www.danskebank.fi). You can order a paper copy of the principles by telephone from the bank's customer service, tel. 0200 2580 (local/mobile call charge).

By signing an investment service agreement, or by issuing an order concerning a financial instrument, you are also approving Danske Bank's valid order execution policy at the same time.

##### 4.1 Best execution – summary

Danske Bank A/S is required to take all sufficient steps to obtain the best possible result for its customers when executing their orders concerning financial instruments.

This is also known as our obligation to deliver best execution.

##### 4.2 Basis of assessment

The order execution policy explains the various factors that we take into account in order to offer our customers the best execution.

For retail customers, the best possible result is defined as the total consideration, or total price, when they sell or buy financial instruments. Total consideration is the price of the financial instrument and the costs related to execution. The total consideration includes all expenses for our customer that are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Specific instructions from our customer regarding an order may affect our obligation and opportunities to deliver best execution and may prevent us from taking the steps that we would otherwise take to comply with this policy.

When executing a customer order, we may act as the customer's counterparty, trading on our own account.

In such cases, the customer trades the financial instrument in question directly with us. We may also choose to execute your order via an execution venue or by transmitting your order to one of our brokers who will then execute it. When we choose between different ways of executing orders, our focus

will be on ensuring the best total consideration for the customer.

In order to ensure that we can provide best execution on a continuous basis, we continuously monitor our own performance and the performance of the execution venues and brokers that we use for executing our customers' orders. If we find that the performance is not satisfactory, we will resolve the matter.

We will publish periodic reports demonstrating how we have complied with our obligation to provide best execution.

You will find our most recent execution quality data on the financial instruments where we act as systematic internaliser, market maker or liquidity provider at [www.danskebank.com/bestexecution](http://www.danskebank.com/bestexecution). The website also includes the most recent execution quality data on the execution venues that we use most often.

At a customer's request, we will demonstrate to that we have executed the customer's order in accordance with this policy. We may not have obtained the best possible result for the customer on a single specific occasion, but we will demonstrate that we have complied with the policy in the order execution process.

##### 4.3 List of venues and brokers

Our most recent list of the most important execution venues and brokers can be found at [www.danskebank.com/bestexecution](http://www.danskebank.com/bestexecution). The website also shows which venues we use for each class of financial instruments when we execute the orders of retail and professional customers.

We monitor the quality of the executions we deliver to our customers on a continuous basis. This also includes the monitoring of performance of the venues and brokers that we use.

##### 4.4 Changes to the policy

Any changes to our order execution policy will be published on our website.

#### 5 Information about customer funds and their custody

##### 5.1. Finnish financial instruments

The customer's domestic book-entries and physical securities are stored separately from the Bank's securities. Fees are collected for the custody service. The valid fees for any given time are stated in the price list of fees for securities services.

## 5.2. Foreign financial instruments

The Bank stores foreign financial instruments in a foreign securities depository, custodian bank, fund management company or other custodian ("sub-custodian") selected by the Bank. The customers' financial instruments are stored in a shared account and, in accordance with international practice, are registered in the name of the Bank or sub-custodian. Local legislation shall apply to a foreign sub-custody, and so the customer's rights may differ from the rights associated with domestic securities or other financial instruments. The participation of an individual shareholder in the general meeting of a foreign company is not therefore generally possible. The custody in a shared account contains a risk that the customers' book-entries may get mixed up with the assets of the sub-custodian or other investors.

The ownership of and trading in foreign securities may involve taxation-related, legal, financial, political and other unforeseen risks that differ from those for investments in Finnish securities and which are the responsibility of the customer. In addition, damage caused by the sub-custodian's insolvency is the responsibility of the customer.

The Bank is only responsible for selecting the sub-custodians used carefully and thoroughly monitoring their operations. The Bank's responsibility for the actions and negligence of a third party is determined according to the agreement terms and conditions and Finnish law.

## 6 Bank's right of lien and retention over the customer's investment products and funds

On the basis of the agreement terms related to an investment product, the Bank may have the right of lien and retention over the customer's investment property in order to cover the Bank's claims. With regard to the Bank's claims, the Bank has the offsetting right over the funds in the customer's account, unless otherwise prescribed by law.

## 7 Recording telephone calls and saving electronic messages

The Bank has the right to record and save any phone calls and discussions with the customer. In addition, the Bank has the right to use the records for verifying orders, developing its customer service, risk management purposes and as evidence in the settlement of any disputes. Copies of records are available for five years at the customer's request and for seven years at the request of the competent authority.

## 8 Taxation of financial instruments

### 8.1 Nature of the notification and limitation of responsibility

The following section describes the taxation of financial instruments at a general level when the investor is a consumer customer and generally liable to taxation in Finland (a natural person). More information on taxation can be found from product-specific brochures for each financial instrument, such as the general part of the prospectus.

If the investor has concluded a savings agreement pursuant to the Act on Restricted Long-term Saving or Equity Savings Account, the taxation of the investments will diverge from that presented in this section. The taxation of investments within the scope of agreements is determined separately in the relevant notifications.

This notification is not a part of the agreement between the Bank and the customer and the notification is not intended to constitute advice on taxation. The purpose of the notification is to bring the investor's attention to the fact that the ownership of financial instruments has tax consequences. The purpose is also to encourage investors to independently obtain necessary additional information before making an investment decision.

This notification is based on the tax legislation as well as court and taxation practice valid as of 1 January 2022.

The Bank is not responsible for changes in taxation legislation, court practice or taxation practice, or their inclusion in this notification. Taxation treatment may be changed in the future and is determined based on the individual conditions of each customer, which have not been taken into account in the information provided here.

### 8.2 Taxation of capital income

Dividends from listed companies, capital income dividends, interests received from abroad on bonds, certain other interests and capital gains are examples of capital income. The capital income tax rate applied to capital income is currently 30 per cent. The amount by which taxable capital income exceeds EUR 30,000 in a tax year will, however, be taxed at 34 per cent. For example, when individuals sell securities, they may have to pay capital income tax on the capital gain. Under certain conditions, capital losses may be deducted from capital gains and other taxable capital income. Capital income from abroad is usually taxable income in Finland.

For individual taxpayers, 85 per cent of dividends received from a Finnish publicly listed company are regarded as taxable capital income and 15 per cent as tax-exempt income. A company's share is listed if it is traded on a regulated market

in Finland or elsewhere in the EEA, or traded on a regulated market supervised by the authorities outside the EEA. In addition, shares subject to multilateral trading in Finland or elsewhere in the EEA are listed, except if the share is traded on application by the company or with its consent.

Of the dividends paid by Finnish companies other than listed companies, 25 per cent are taxable capital income and 75 per cent are tax-exempt income for individual taxpayers up to an amount corresponding to 8 per cent return on the net assets of the company. However, 85 per cent of such dividends are regarded as taxable capital income and 15 per cent as tax-exempt income, insofar as the dividend exceeds the annual personal limit of EUR 150,000. For dividends exceeding the 8 per cent limit calculated on the basis of the company's net assets, 75 per cent are taxed as the individual taxpayer's earned income according to the progressive tax scale, whereas the remaining 25 per cent are tax-exempt.

A dividend from a foreign company is taxed in the same way as a dividend from a corresponding Finnish company if the dividend is distributed by a company that is not a company referred to in the "parent-subsidiary directive" (2011/96/EU, as amended by Council Directive 2013/13/EU). A dividend received from another foreign company is also taxed in the same way as a dividend received from a corresponding Finnish company if the company distributing the dividend is required to pay, without any possibility of option or exemption, at least 10 per cent in taxes on its profit from which the dividend is distributed and it is a dividend that is paid by a company that is domiciled in an EEA member state pursuant to the company's tax legislation, and the company's domicile is not in a country outside the EEA pursuant to a tax treaty or there is a tax treaty between the country of domicile of the company paying the dividend and Finland which is applied to the dividend.

85 per cent of the surplus (interest on cooperative capital and other surplus referred to in the Cooperatives Act) of a public listed cooperative is taxable capital income for individual taxpayers, and 15 per cent is tax-exempt income if the surplus is income that is from a personal source of income. 25 per cent of the surplus that belongs to the personal source of income of a cooperative that is not publicly listed is taxable capital income, and 75 per cent is tax-exempt income up to EUR 5,000. Regarding the portion of the surplus received by a taxpayer that exceeds EUR 5,000, 85 per cent of this portion of the surplus is taxable capital income and 15 per cent is tax-exempt income. However, the above does not apply to the surplus of other than a cooperative that is not publicly listed and that has under 500 members.

The Bank is under an obligation to deduct withholding tax on certain capital income, such as dividends of Finnish publicly listed companies and interest on certain bonds.

### 8.3 Return on bonds subject to the Act on tax withheld at source on interest income

The Bank deducts tax at source on interest or index bonuses paid on bonds subject to the Finnish Act on tax at source on interest income (1341/1990) at the time of payment. The withholding tax rate on interest income is 30 per cent. The interest/index bonus received and the tax deducted on it are not reported in the tax return. Accrued interest received when selling a bond (secondary market compensation) is, however, capital income instead of interest income subject to tax at source. The Bank deducts a preliminary withholding tax on the secondary market compensation. Information concerning secondary market compensation received from a bond is checked from the pre-completed tax return. If necessary, the information is corrected or supplemented and the tax return is returned to the local tax office.

### 8.4 Foreign capital income, payment of returns and taxation

For investors who are liable to pay taxes in Finland, foreign capital income is income taxable in Finland unless the applicable tax treaty prevents taxation in Finland. Income based on foreign securities may also be taxed abroad, in which case the foreign tax ("tax at source") is usually withheld from the income in conjunction with its payment. Any tax at source paid abroad is taken into account in Finland at the taxpayer's request when taxation is carried out, and is usually credited from the tax paid in Finland for the same income. However, foreign tax is usually credited at most up to the amount allowed according to the provisions of a tax treaty.

In many countries, a taxation procedure based on the custodian's notification like the one used in Finland is not permitted by law, and the prevailing practice is that, in addition to the end customer's itemisation information, the original domicile certificates and associated additional documents are required in advance from the custodian. For this reason, in connection with payment of returns on foreign securities, lower tax at source withholding percentages based on tax treaties cannot be complied with in every case.

For example, in the payment of dividends and interest on securities issued by entities in the United States, the tax regulations require assurance that the customer receiving the dividends and interest is entitled to relief in accordance with the tax treaty between Finland and the USA, and that the customer is not a person or organisation taxable according to U.S. tax laws ("U.S. person"). Moreover, the customer must

supply the documents concerning the customer identification required by tax regulations. For retail customers, the customer identification document required is a copy of an identity card (e.g. passport, driving licence) presented at a bank branch. If the necessary documents are not submitted, under tax regulations the withholding percentage will be higher than that of the relevant tax treaty.

The limited tax services offered by local securities depositories may also be an obstacle to complying, in the payment of returns, with the withholding percentages under a tax treaty between the country of domicile of the issuer of a security and the country of residence of a foreign investor. For example, in the case of returns paid on the basis of equities held in the U.S. local securities depository, the Depository Trust Company (DTC), the tax at source collected under the tax legislation of the country of domicile of a company paying dividends is usually larger than the amount collected on the basis of tax treaty regulations.

For equities listed in several countries, a condition for utilising the tax percentage pursuant to a tax treaty may be that the shares be sent to the local securities depository of the issuer's country of domicile before the return payment date.

If the investor does not himself/herself apply for a refund of the amount of tax collected in excess of the amount in the tax treaty from the tax authorities of the issuer's country of domicile, this tax will usually remain a final expense for the investor. In certain situations, applying for a refund of excess withheld tax from the tax authorities of the issuer's country of domicile is not even possible in practice because the sub-custodian chains associated with holding foreign securities may be long, as is often the case in international transactions, and it is not possible in practice for the investor to acquire a certificate that shows that excess tax at source has been collected from the investor in question from a sub-custodian at the end of the custody chain or possibly from the issuer.

Also in the case of foreign return payments, the Bank will submit in its annual declarations to the Finnish tax authorities information regarding income earners with general and limited tax liability.

### 8.5 Asset transfer tax

Asset transfer tax is paid in connection with disposal for consideration of shares in Finnish companies, similar equity securities and securities giving entitlement to their subscription. Under certain conditions, asset transfer tax is also paid in connection with disposal of a security issued by a foreign

institution when the institution in actual fact owns or manages real estate located in Finland. However, transfer tax is not generally paid if the disposal takes place against a fixed purchase price paid in cash and the security is subject to regular trading to which the public has access (1) in a regulated market in Finland or elsewhere in the EEA, (2) in a regulated market supervised by the authorities in a state outside the EEA that has approved a general agreement concerning mutual assistance in tax affairs or (3) in multilateral trading in Finland or elsewhere in the EEA, except where the share is not a book-entry security or it is being traded without the company's application or its consent. The exemption from transfer tax requires that the dealer or party in the disposal is a domestic or foreign investment service company or other investment service provider referred to in the Act on Investment Services or that the broker is a party to the disposal or the transferee is an eligible trading party in the market in which the disposal takes place. It is usually the buyer that is liable to pay the transfer tax in connection with sale or other disposal for consideration of Finnish securities that fall within the scope of transfer tax. No transfer tax is paid in connection with the issue and subscription of new shares.

The buyer or the seller may also be under an obligation to pay local transfer taxes related to trading abroad in the securities of foreign companies, depending on the provisions of the country in question. The Bank charges the eventual local tax to be paid on transactions in foreign securities in a foreign stock exchange from the customer when debiting the purchase price or the fees related to trading.

### 8.6 Fees related to book-entry accounts and foreign safe custody

The costs incurred in the management or custody of securities, book entries and other similar assets, such as book-entry account fees, are only deductible in taxation for the part exceeding EUR 50. The Bank will declare the account management fees for the book-entry account and custody of foreign securities and the account transfer fees for book-entries and securities paid by the customer during the tax year directly to the tax authorities.

### 8.7 Additional information

Additional information is available on the Tax Administration's website ([www.vero.fi](http://www.vero.fi)). Additional information is also available from the local tax offices.

## 9 Distance selling of financial services

If a consumer concludes an entirely new agreement regarding financial services through distance selling from beginning to end without meeting a representative of the bank, the consumer will have the right to cancel the agreement in certain

cases. If changes are made to an existing agreement, there will be no cancellation right.

If a new custody and investment service agreement is concluded through distance selling (for example through the web bank or the telephone bank), consumer customers will have the right to cancel the agreement. However, the cancellation right does not apply to investment products whose value fluctuates according to market changes. There is no cancellation right in subscription of or other trading in shares, bonds or fund units, for example.

The cancellation right will remain in force for 14 days after the customer has concluded a new distance agreement using his or her banking identifiers and has obtained or had the possibility of obtaining the advance information and the agreement terms and conditions. Should the customer wish to exercise his or her cancellation right, he or she should notify the Bank of this either via the web bank by submitting a contact request or by calling customer service at tel. +358 (0)200 2580 (local/mobile call charge). In order to make the notification, the customer must have bank identifiers. In the notification, the name of the contract to be terminated must be specified.

If the customer exercises his or her cancellation right, he or she must pay the fees and payments according to the price list for the duration of validity of the agreement. If securities are in custody, the customer must, in accordance with the terms and conditions, indicate another book-entry account / securities custody to which the securities in custody will be transferred.

### 10 Countries subject to restrictions and sanctions

Persons resident in the USA or other countries subject to corresponding restrictions will not be sold or marketed investments or offered investment services or investment advice. The Bank is entitled to immediately limit the services of persons living in countries subject to restrictions and to give notice on the agreements of persons living or moving to such countries.

Sanctions may refer to economic and other sanctions and corresponding restricting measures imposed by the Finnish state, the EU, the UN, OFAC or their bodies, for example. Should a customer or an organisation, a direct or indirect owner, managing director, employee or other representative that belongs to the customer's group or is in actual fact controlled by a customer be subject to sanctions or party to business or corresponding operations that are subject to sanctions, the Bank is entitled to immediately discontinue offering

services to the customer and to give notice on the customer's agreements.

### 11 Customer advisory services and out-of-court redress procedures

In questions regarding investment services, it is best to contact the Bank first by contacting a branch of Danske Bank, by calling Danske Bank's customer service on tel. +358 (0) 200 2580 (local/mobile call charge) or by sending a contact request using the eBanking message service. If a dispute regarding investment services arises between the Bank and the customer, attempt will be made to resolve the dispute together through negotiations.

If the dispute cannot be resolved through negotiations, the customer may turn to FINE's Finnish Financial Ombudsman Bureau, which provides free and impartial advice and guidance to customers. FINE's Investments Complaints Board and Banking Complaints Board will also issue recommendations concerning disputes. FINE does not handle disputes that are pending or have been dealt with by the Consumer Disputes Board or in a court of law.

FINE's contact details are:

FINE Finnish Financial Ombudsman Bureau,  
Porkkalankatu 1, 00180 Helsinki.  
tel. +358 (0)9 6850 120  
[www.fine.fi](http://www.fine.fi).

The easiest way to submit a matter for consideration by FINE is with the web form at the address

<https://www.fine.fi/tunnistaudu.html>

You can apply for an out-of-court settlement for disputes regarding products or services purchased online with the European Commission's Online Dispute Resolution portal at the address [ec.europa.eu/odr](http://ec.europa.eu/odr). If you are submitting a complaint to the Online Dispute Resolution portal you will need to provide Danske Bank's email address, which is [danskebank@danskebank.fi](mailto:danskebank@danskebank.fi).

### 12 Updates to the notification

This notification will be updated as needed when the information handled in it changes. The notification in force at any particular time is available at the Bank's branches, the [www.danskebank.fi](http://www.danskebank.fi) site or by ordering it from the customer service at tel. +358 (0)200 2580 (local/mobile call charge).