

# **Product Annex Investment Services**

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## **Product Annex**

### **to the Special Terms and Conditions for the Provision of Certain Services for Foreign Central Banks, Monetary Authorities or International Organisations (including EU Institutions)**

#### **Investment services**

##### **Section I Investment of overnight funds with the Bank**

###### **Article 1 Scope of services**

The Bank offers customers who hold a giro account with it a facility for the automatic investment of overnight funds with the Bank ("tier one" overnight investment). Customers must have consented to a limited disclosure by the Bank of their identity to the Eurosystem central banks for the following legitimate purposes: (a) analysis of tier one overnight investment usage, (b) protection of Eurosystem Reserve Management Service providers and respective customers from damage through cyber incidents and (c) support of lending/repo operations with the customer.

###### **Article 2 Limits**

Only credit balances up to a certain maximum amount (maximum investment amount) are eligible. The Bank shall inform the customer separately of the initial maximum investment amount as well as any changes (usually on a quarterly basis).

###### **Article 3 Automatism, interest**

- (1) Up to the maximum investment amount, the balance on the customer's giro account at the end of a business day shall be automatically included in the tier one overnight deposit (investment amount). A separate instruction by the customer is not required.
- (2) The investment amount earns interest pursuant to the Interest Rate and Price Schedule.
- (3) The funds are invested until the next business day.
- (4) Interest is credited to the customer's giro account on the first business day of the following month.

- (5) If a fee is payable on the balance in the tier one overnight deposit (“negative interest”), then paragraphs 2 to 4 shall apply subject to the proviso that no interest shall be payable and the customer shall pay a fee pursuant to the Interest Rate and Price Schedule, which the Bank shall debit to the customer’s giro account on the first business day of the following month.

Section II  
Investment of fixed-term deposits with the Bank

**Article 4**  
**Scope of services**

- (1) The Bank offers customers that have made the relevant selection in the Participation Agreement a facility for the investment of fixed-term deposits upon special request by the customer. A precondition of this facility is the maintenance of a giro account at the Bank. The minimum investment amount is one million euro. The Bank is entitled to determine a maximum amount the customer may invest with the Bank by making use of the facility. The Bank will inform the customer about the maximum amount and changes in respect of this amount separately. Investment amounts have to be a multiple of €50,000. The Bank may refuse to accept fixed-term deposits if, in the Bank's judgement, this is necessary with a view to the market situation.
- (2) The fixed-term deposits must have a maturity of at least one day and no more than twelve months.
- (3) Fixed-term deposits may be invested:
  - (a) "with the option of premature termination" for fixed-term deposits with a maturity of between seven days and one month,
  - (b) "without the option of premature termination" for fixed-term deposits with a maturity of between one day and twelve months.

**Article 5**  
**Orders for fixed-term deposits with the Bank**

- (1) Orders for fixed-term deposits with the Bank should be submitted by 14.00 on business days.
- (2) The orders must contain the following information
  - Giro account number
  - Type of order ("investment" or "premature termination")
  - Investment amount
  - Interest rate
  - Maturity date
  - Value date
  - Option of premature termination according to Article 4 (3); if not specified in case of fixed-term deposits with a maturity of up to one month the Bank assumes that the customer wishes to invest without the option of premature termination. (Article 4 (3) (b))
- (3) The Bank issues the customer with an order confirmation containing the information specified in paragraph 2 and the applicable interest rate pursuant to the Interest Rate and Price Schedule or the fee to be paid by the customer ("negative interest") pursuant to the Interest Rate and Price Schedule. The Bank may apply a different rate if, in the Bank's judgement, this is necessary with a view to the market situation. The Bank shall inform the customer in advance and shall specify the business day as of which such divergent interest rate shall be applicable.

**Article 6**  
**Settlement of the fixed-term deposits**

- (6) If not otherwise agreed, the Bank shall debit the investment amount to the customer's giro account on the second business day following the business day on which the Bank received the order provided that there is a sufficient credit balance on the giro account.
- (7) Upon maturity of the fixed-term deposit, the Bank shall credit the invested amount, taking into account the calculated interest, to the customer's giro account.
- (8) If a fee is payable on the investment ("negative interest"), then paragraphs 1 and 2 shall apply subject to the proviso that the customer shall pay a fee pursuant to the Interest Rate and Price Schedule and the Bank shall credit the investment amount *minus the fee* to the customer's giro account on the maturity date.

**Article 7**  
**Premature termination of fixed-term deposits**

- (1) In the case of fixed-term deposits "with the option of premature termination" (see Article 4 (3) (a)) the customer may terminate the fixed-term deposit prematurely subject to a notice period of two business days. In such a case, no interest shall be paid for the residual maturity of the fixed-term deposit and an indemnification in the amount of 7.5 basis points shall be charged for the residual maturity. Article 6 (2) and (3) shall apply accordingly to the settlement.
- (2) In all other cases, premature termination of fixed-term deposits is not permitted.

Section III  
Overnight deposits with credit institutions

**Article 8**  
**Scope of services**

- (1) The Bank offers customers that have made the relevant selection in the Participation Agreement and issued a corresponding standing order to the Bank a facility for the uncollateralised deposit of overnight funds with selected credit institutions (“tier two” overnight deposits).
- (2) A precondition of this facility is the maintenance of a giro account at the Bank. The minimum investment amount is €50,000. The investment amount must be a multiple of €50,000. The Bank shall be entitled to impose a limit on the amount the customer is allowed to invest.
- (3) The investment is effected by the Bank for the account and at the risk of the customer. The Bank assumes no guarantee, surety or liability of any other kind for the fulfilment of the repayment obligation by the credit institution with which the tier two overnight deposit is placed in accordance with article 8 et seq. of this Product Annex.
- (4) Within the meaning of this section, the term credit institutions also comprise domestic governmental debt management institutions.

**Article 9**  
**Automatism, interest**

- (1) In accordance with the customer's instruction, the balance on its giro account on a payment transaction business day at 16.30 will be automatically included in the tier two overnight deposit (investment amount).
- (2) If a transaction is concluded (i.e. if the Bank succeeds in investing funds with a selected credit institution), the customer shall be remunerated pursuant to the Interest Rate and Price Schedule.
- (3) The funds are invested until the next payment transaction business day. The Bank credits the investment amount plus interest to the customer's giro account on the next payment transaction business day as soon as and insofar as it has received them from the credit institution.
- (4) The Bank reports to the customer on concluded transactions retrospectively on a monthly basis.
- (5) If a fee is payable on the investment (“negative interest”), then paragraphs 2 to 4 shall apply subject to the proviso that the customer shall not be remunerated but shall instead pay a fee pursuant to the Interest Rate and Price Schedule and the Bank shall credit the investment amount *minus the fee* to the customer's giro account on the next payment transaction business day.

**Article 10**  
**Selection of the credit institution, liability**

- (1) The selection of the credit institution is incumbent on the Bank. The credit institution must be active in the money market and have an excellent credit standing. The Bank does not apply any other selection criteria (such as information gained through its involvement in banking supervision). The Bank provides customers that have made the relevant selection within the meaning of

Article 8 (1) with a list of eligible institutions and will inform them about changes to the circle of counterparties.

- (2) The Bank is also entitled but not obliged to distribute the investment amount among several credit institutions within the meaning of paragraph 1, or to deposit the investment amount together with those of other customers, or to combine both of the above. In such cases, the customers' investment amounts at each of the credit institutions shall be deemed to be invested pro rata in proportion to the investment amounts. In such cases, remuneration is calculated on the basis of the weighted average of the market rates achieved in accordance with the Interest Rate and Price Schedule.
- (3) If the credit standing of a credit institution within the meaning of paragraph 1 deteriorates to such an extent that the requirements stipulated in paragraph 1 are no longer fulfilled, the Bank shall cease to conclude any new transactions with this counterparty. This shall not, however, affect any outstanding transactions.
- (4) The Bank shall not be liable to the customer for the fulfilment of obligations by the credit institution provided that the Bank has made the investment in line with paragraphs 1 to 3 above (no del credere liability).
- (5) The Bank shall be obliged to name the credit institution(s) with which the investment has been made only in the event of late payment.
- (6) In such a case, the Bank shall endeavour to assert its customer's interests vis-à-vis the credit institution(s). At the customer's request, it shall assign its claims against the credit institution(s) to the customer.



Section IV  
Fixed-term deposits with credit institutions

**Article 11**  
**Scope of services**

- (1) The Bank offers customers that have made the relevant selection in the Participation Agreement a facility for uncollateralised fixed-term deposits with selected credit institutions.
- (2) A precondition of this facility is the maintenance of a giro account at the Bank. The minimum investment amount is €100,000; there is no maximum investment amount. The investment amount must be a multiple of €50,000.
- (3) The investment is effected by the Bank for the account and at the risk of the customer. The Bank assumes no guarantee, surety or liability of any other kind for the fulfilment of the repayment obligation by the credit institution with which the fixed-term deposit is placed in accordance with article 11 et seq. of this Product Annex.
- (4) Article 8 (4) applies accordingly.

**Article 12**  
**Orders for fixed-term deposits with credit institutions**

- (1) Orders for fixed-term deposits with credit institutions should be submitted by 14.00 on business days.
- (2) The orders must contain the following information
  - a. Giro account number
  - b. Investment amount
  - c. Maturity date
  - d. Value date
  - e. Interest rate
- (3) The Bank issues the customer with an order confirmation containing the information specified in paragraph 2 and the interest rate applicable to the investment amount pursuant to the Interest Rate and Price Schedule or the fee to be paid by the customer on the investment amount (“negative interest”) pursuant to the Interest Rate and Price Schedule.

**Article 13**  
**Selection of the credit institution, liability**

Article 10 applies accordingly, subject to the proviso that a list of eligible institutions shall only be provided upon request. To receive updates, a new request must be made each time.

**Article 14**  
**Settlement of the fixed-term deposits**

- (1) Unless individually agreed otherwise, the Bank shall debit the investment amount to the customer's giro account on the second business day following the business day on which the Bank received the order provided that there is a sufficient credit balance on the giro account.
- (2) The Bank shall credit the investment amount plus interest in accordance with the Interest Rate and Price Schedule to the customer's giro account at the time at which the fixed-term deposit matures as soon as and insofar as it has received them from the counterparty.
- (3) If the investment is subject to a fee ("negative interest"), then paragraphs 1 and 2 shall apply subject to the proviso that the customer shall pay a fee pursuant to the Interest Rate and Price Schedule and the Bank shall credit the investment amount *minus the fee* to the customer's giro account on the maturity date.

Section V  
Orders for the sale and purchase of securities

**Article 15**  
**Scope of services**

- (1) The Bank offers customers that have made the relevant selection in the Participation Agreement the service of executing orders for the sale and purchase of securities.
- (2) A precondition of this service is the maintenance of a giro account and a safe custody account at the Bank.
- (3) Securities within the meaning of the following provisions are securities which the Bank holds in safe custody and administers pursuant to article 6 (1) and article 6 (2) of the Product Annex Basic Services with the exception of shares and other equity interests.
- (4) The Bank executes orders for the sale or purchase of securities as an agent. To this end, the Bank concludes a sales or purchase transaction (hereinafter referred to as an “Implementing Transaction”) with another market participant for the account of the customer.
- (5) To execute transactions that need to be reported pursuant to Article 26 of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, the customer is required to specify its legal entity identifier (LEI) once in order to facilitate its correct identification. The Bank shall be entitled to forward the required reporting data to the relevant stock exchange or trading platform in order to enable this entity to report to the relevant supervisory authority.
- (6) The Implementing Transactions are subject to the legal provisions and established practices applicable to securities trading at the stock exchange in question; in addition, the general terms and conditions of the Bank's counterparty and any clearing houses involved shall apply.
- (7) The Bank shall not be liable to the customer if the Bank's counterparty does not, or not properly, fulfil its obligations under the Implementing Transaction provided that the Bank has carried out the Implementing Transaction in line with paragraphs 1 to 4 above (no *del credere* liability).
- (8) An obligation to name the counterparty with which the investment was placed exists only in the event of late payment or delayed delivery.
- (9) In such a case, the Bank shall endeavour to assert its customer's interests vis-à-vis the counterparty. At the customer's request, it shall assign its claims against the counterparty to the customer.

**Article 16**  
**Placing orders**

- (1) Orders for the sale or purchase of securities are to be submitted by 16.00 on business days; orders received after this time shall be deemed to be received on the following business day.
- (2) The orders must contain the following information
  - The numbers of the customer's giro and safe custody accounts at the Bank
  - Type of transaction: “purchase” or “sale”

- Name of the securities including the ISIN code (or WKN), name of the issuer, coupon interest rate, date of issue and date of final maturity
  - Nominal value of the securities
  - Execution date (trade date)
  - Value date (settlement date)
- (3) Orders must be to the value of one million euro or a multiple thereof.
- (4) The Bank accepts only orders which are not contingent. Orders are valid only for the day on which they are received within the meaning of paragraph 1.
- (5) The Bank does not charge any sales or purchase commission of its own, except for the transaction fee in accordance with the latest Interest Rate and Price Schedule. Third-party costs incurred – if any – are borne by the customer.

### **Article 17 Execution of orders**

- (1) In the case of a purchase order the customer is obliged to ensure that on the value date (settlement date) the necessary cover is available on the giro account specified in the order. In the event of insufficient cover, the Bank is entitled to permit an overdraft in individual cases provided that the other assets held at the Bank offer adequate collateral. If the account remains overdrawn overnight, interest shall be charged on the overdraft amount at the marginal lending rate of the Eurosystem plus 100 basis points.
- (2) Sales orders will be executed only if corresponding securities are maintained in safe custody with the Bank.
- (3) The Bank may execute the orders as it deems fit through a domestic stock exchange, via electronic trading systems such as Bond Vision or on the OTC market with counterparties. The customer may issue alternative instructions.
- (4) Provided the Bank was able to execute the customer's order, the Bank shall issue the customer with a corresponding trade confirmation.

### **Article 18 Settlement of securities transactions**

On the value date the Bank shall,

- (i) in the event of a securities sale, credit the amount of the sales proceeds received by the Bank (less third-party costs, plus interest accrued) to the giro account which the customer specified in the order and debit the securities sold to the safe custody account specified in the order;
- (ii) in the event of a securities purchase, credit the delivered securities to the safe custody account specified by the customer in the order and debit the sales price paid by the Bank (plus third-party costs and interest accrued) to the giro account specified in the order.

## **Article 19 Liability**

If the Bank falls behind with the execution of an order, it shall be liable in accordance with article 4 of the Special Terms and Conditions, subject to the proviso that the Bank's liability, insofar as it is there restricted to direct loss, extends only to the price difference and interest foregone.

Section VI  
Access to automated, collateralised securities lending programmes

**Article 20**  
**Scope of services**

- (1) The Bank offers customers that have made the relevant selection in the Participation Agreement access to the automated, collateralised securities lending programmes of Clearstream Banking SA, Luxembourg.
- (2) A precondition of this service is the maintenance of a giro account and a safe custody account at the Bank.
- (3) The securities lending programmes within the meaning of this section shall mean the automated securities lending programmes (ASL, Article 21 ff and ASLplus, Article 27 ff) of Clearstream Banking SA, Luxembourg.
- (4) In ASL, securities loans are entered into at Clearstream Banking SA, Luxembourg with a participant that has previously not been specified and in ASLplus securities loans are entered into with Clearstream Banking SA, Luxembourg as business partner and borrower.
- (5) Acting as its proxy, the Bank provides the customer with access to this programme by concluding collateralised securities lending transactions (securities loans) within the framework of this programme for the account and at the risk of said customer with participants of Clearstream Banking SA, Luxembourg or with Clearstream Banking SA, Luxembourg (borrowers). The Bank assumes no guarantee, surety or liability of any other kind for the fulfilment of the borrowers' obligation to return securities of the same category in the same amount or to pay the borrowing fee.
- (6) The securities lending process is described in detail in the articles making up this section and in the Technical Handbook.

**ASL**

**Article 21**  
**Provision of securities for automated securities lending**

- (1) To conclude automated securities loans, the Bank, the customer, Clearstream Banking Frankfurt and Clearstream Banking Luxembourg sign a "Transaction Bank Relationship Management Agreement" (TBA). The conclusion and continued existence of an effective TBA with all aforementioned parties is the prerequisite for concluding and conducting automated securities lending transactions and, in particular, for the Bank's activities on the customer's behalf in connection with such securities loans. Further details, particularly concerning the settlement of automated securities loans, can be found in this TBA and in the agreements to be concluded separately between the customer and Clearstream Banking Luxembourg (see article 1.1 of the TBA). The terms and conditions below shall also apply. In the event that the terms and conditions below deviate from the provisions of the TBA, the latter shall prevail. A specimen of the TBA to be signed by the customer can be found in the annex to these terms and conditions.
- (2) The customer maintains a certain securities holding on its safe custody account at the Bank. The holding on this safe custody account is not available for securities loans.

- (3) The customer shall open a special safe custody account (ASL special safe custody account) with the Bank. The securities holding on this special safe custody account shall be available for automated securities loans.
- (4) The customer may instruct the Bank to transfer securities from its safe custody account to its special safe custody account.
- (5) By instructing the Bank to transfer securities from the safe custody account to its special safe custody account, the customer implicitly declares that
  - the Bank is authorised to conclude securities loans on the customer's behalf and for the customer's account with these securities;
  - in order to execute such transactions, the Bank is entitled to dispose of the securities holdings on the special safe custody account or to grant authority to Clearstream to make such dispositions on the customer's behalf;
  - the customer is the owner of the transferred securities
- (6) In turn, the Bank shall open a special safe custody account (CBF special safe custody account / owing to ASL) at Clearstream Banking AG, Frankfurt to mirror transfers of securities holdings from the customer's safe custody account to its special safe custody account at the Bank; the Bank shall transfer securities from its general safe custody account with Clearstream to said CBF special safe custody account / owing to ASL accordingly.
- (7) The Bank does not guarantee that securities loan contracts concerning the securities on the special safe custody account will actually be entered into.
- (8) The customer is entitled to instruct the Bank to retransfer securities from the special safe custody account to its safe custody account so that they are no longer available for automated securities loans.

## **Article 22**

### **Conclusion of the automated securities loans**

- (1) The automated securities loans are entered into between the customer and the borrower. They are arranged by Clearstream Banking AG Frankfurt or Clearstream Banking SA, Luxembourg; the arrangement includes the provision of collateral and is subject to the relevant terms and conditions of Clearstream.
- (2) An automated securities loan is entered into each time CBF debits securities from the Bank's CBF special safe custody account / owing to ASL. It terminates when CBF credits securities of the same kind and quantity to the Bank's CBF special safe custody account / owing to ASL.
- (3) The Bank has no influence over the selection of the borrower. It is selected by Clearstream Banking SA, Luxembourg.
- (4) The customer is lender of the automated securities-loans. The Bank accepts no responsibility for the fulfilment of the borrower's contractual obligations (no del credere liability).
- (5) If the borrower fails to fulfil its obligations, the Bank shall endeavour to help the customer safeguard its interests.

**Article 23**  
**Details of the securities loans**

- (1) The securities loans contracts are entered into for an unspecified period. They terminate at the latest 364 days from the date of conclusion. The duration of a securities loan is calculated from the date of delivery (including that day) up to the date of return (excluding that day). The date of delivery shall mean the day on which the securities are debited from the CBF special safe custody account / owing to ASL. The date of return shall mean the day on which the securities are debited or recredited to the CBF client safe custody account / owing to ASL.
- (2) The lending fee is determined by Clearstream's current fee schedule (published on the Clearstream website); it is payable retrospectively on a monthly basis.
- (3) At the customer's instruction, the Bank shall terminate a securities loan on the customer's behalf with immediate effect. Here, the notice period of one business day shall apply as long as notice of termination is received by the Bank before 09.30. If it is received after 09.30, the notice period is two business days. Securities may be returned at an earlier point in time.
- (4) The borrower is also entitled to terminate the securities loan at any time. The recrediting of the borrowed securities to the Bank's CBF special safe custody account shall be deemed to be a termination of the securities loan contract.

**Article 24**  
**Income derived from lending transactions, fees and interest payments**

- (1) The Bank shall credit income received from the lending transactions to the customer's giro account.
- (2) The Bank does not levy any fees for its own services in connection with securities loans. This is without prejudice to the fees payable for other services (e.g. maintenance of safe custody accounts) in accordance with the latest Interest Rate and Price Schedule.
- (3) The Bank shall also credit interest earned on the loaned securities to the customer's giro account.

**Article 25**  
**Reporting**

Unless otherwise agreed, the Bank shall report to the customer retrospectively on a monthly basis.

**Article 26**  
**Default of repayment of matured securities loans**

- (1) If the Bank is informed by Clearstream that the borrower is in default of its obligation to retransfer borrowed securities, the Bank shall instruct Clearstream on the customer's behalf by 11.00 on the second business day following the day on which it receives this information to remit the countervalue of the borrowed securities (including interest accrued) in favour of the Bank. Clearstream shall calculate the countervalue of the borrowed securities using the reference price of the securities on a stock market information system on the agreed date of return.



- (2) The Bank shall forward any amount received in this way to the customer's giro account. The Bank is under no further obligation in this respect. In particular, the Bank is not obliged to compensate the customer for any difference between the amount received and the loss incurred.

## **ASLplus securities loans**

### **Article 27**

#### **Provision of securities for ASLplus securities loans**

- (1) To conclude ASLplus securities loans, the Bank, the customer, Clearstream Banking Frankfurt and Clearstream Banking Luxembourg sign a "Transaction Bank Relationship Management Agreement" (TBA). The conclusion and continued existence of an effective TBA with all aforementioned parties is the prerequisite for concluding and conducting ASLplus lending transactions and, in particular, for the Bank's activities on the customer's behalf in connection with such securities loans. Further details, particularly concerning the settlement of ASLplus securities loans, can be found in this TBA and in the agreements to be concluded separately between the customer and Clearstream Banking Luxembourg (see article 1.1 of the TBA). The following terms and conditions shall also apply. In the event that the terms and conditions below deviate from the provisions of the TBA, the latter shall prevail. A specimen of the TBA to be signed by the customer can be found in the annex to these terms and conditions.
- (2) The customer maintains a certain securities holding on its safe custody account at the Bank. The holding on this safe custody account is not available for an ASLplus securities loan.
- (3) The customer shall open a special safe custody account (ASLplus special safe custody account) with the Bank. The securities holding on this special safe custody account shall be available for ASLplus securities loans.
- (4) The customer may instruct the Bank to transfer securities from its safe custody account to its special safe custody account.
- (5) By instructing the Bank to transfer securities from the safe custody account to its special safe custody account, the customer implicitly declares that
- a. the Bank is authorised to conclude ASLplus securities loans on the customer's behalf and for the customer's account with these securities;
  - b. in order to execute such transactions, the Bank is entitled to dispose of the securities holdings on the special safe custody account or to grant authority to Clearstream to make such dispositions on the customer's behalf;
  - c. the customer is the owner of the transferred securities
- (6) The Bank shall open a special safe custody account for the respective customer at Clearstream Banking AG, Frankfurt (CBF special safe custody account / owing to ASLplus), to mirror transfers of securities holdings from the customer's safe custody account to its special safe custody account at the Bank; the Bank shall transfer securities from its general CBF safe custody account to the CBF special safe custody account accordingly.
- (7) The Bank does not guarantee that a securities loan concerning the securities on the special safe custody account will actually be entered into.

- (8) The customer is entitled to instruct the Bank to retransfer securities from the special safe custody account to its safe custody account so that they are no longer available for ASLplus securities loans.

### **Article 28**

#### **Conclusion of the ASLplus securities loans**

- (1) An ASLplus securities loan is entered into by the customer and Clearstream Banking SA, Luxembourg.
- (2) An ASLplus securities loan is entered into each time CBF debits securities from the Bank's CBF special safe custody account / owing to ASLplus. It terminates when CBF credits securities of the same kind and quantity to the Bank's CBF special safe custody account.
- (3) The customer is lender of the ASL-plus securities loans. The Bank accepts no responsibility for Clearstream Banking SA Luxembourg fulfilling its contractual obligations as borrower (no *del credere* liability).
- (4) If Clearstream Banking SA, Luxembourg fails to fulfil its obligations as borrower, the Bank shall endeavour to help the customer safeguard its interests.

### **Article 29**

#### **Details of the ASLplus securities loans**

- (1) ASLplus securities loans are concluded over an indefinite period of time. The duration of a securities loan is calculated from the date of delivery (including that day) up to the date of return (excluding that day). The date of delivery shall mean the day on which the securities are debited from the CBF special safe custody account. The date of return shall mean the day on which the securities are debited or recredited to the CBF client safe custody account.
- (2) The lending fee is determined by the current fee schedule of Clearstream Banking S.A. Luxembourg. It is recalculated on a daily basis and is due after the conclusion of an ASLplus securities loan or, after the end of the month if a loan has not been concluded by that point.
- (3) At the customer's instruction, the Bank shall terminate an ASLplus securities loan on the customer's behalf. In such a case, the ASLplus securities loan is either ended immediately if the borrower can acquire the lent securities from another lender, or, if the borrower cannot obtain the lent securities from another lender, no later than one business day after receipt of the notice of termination as long as this notice is received by the bank before 09.30. If it is received after 09.30, the notice period is two business days. Securities may be returned at an earlier point in time.
- (4) The borrower is also entitled to terminate the securities loan at any time. The recrediting of the borrowed securities to the Bank's CBF special safe custody account shall be deemed to be a termination of the ASLplus securities loan contract.

**Article 30**  
**Income, fees and interest payments**

- (1) The Bank shall credit any income received from the ASLplus lending transactions to the customer's giro account.
- (2) The Bank does not levy any fees for its own services in connection with securities loans. This is without prejudice to the income received for other services provided by the Bank (e.g. maintenance of safe custody accounts) which are calculated in accordance with the Bank's current fee and price schedule.
- (3) The Bank shall also credit interest earned on the loaned securities to the customer's giro account.

**Article 31**  
**Reporting**

Unless otherwise agreed, the Bank shall report to the customer retrospectively on a monthly basis.

**Article 32**  
**Default of repayment of matured securities loans**

- (1) If the Bank is informed by Clearstream Banking AG, Frankfurt that Clearstream Banking S.A. Luxemburg is in default of its obligation to retransfer borrowed securities, the Bank shall instruct Clearstream Banking S.A. Luxemburg on the customer's behalf by 11.00 on the second business day following the day on which it receives this information to remit the countervalue of the borrowed securities (including interest accrued) in favour of the Bank. Clearstream Banking S.A. shall calculate the countervalue of the borrowed securities using the reference price of the securities on a stock market information system on the preceding business day.
- (2) The Bank shall forward any amount received in this way to the customer's giro account. The Bank is under no further obligation in this respect. In particular, the Bank is not obliged to compensate the customer for any difference between the amount received and the loss incurred.

**Article 32a**  
**Joint Usage of ASL and ASLplus**

In general, ASL and ASLplus are settled via a joint special safe custody account. However, the customer may also opt to use a separate special safe custody account for each programme.

Section VII  
Foreign exchange transactions

**Article 33**  
**Scope of services**

- (1) The Bank offers customers that have made the relevant selection in the Participation Agreement the option of entering into sales and purchase transactions for foreign exchange in available foreign currencies against the euro. The available currencies are listed in the Technical Handbook.
- (2) The Bank acts as Principal.
- (3) The Bank shall agree with the customer the order type and the parameters of the order.
- (4) The general, established practices on the foreign exchange markets shall apply unless specified otherwise below.

**Article 34**  
**Settlement**

- (1) Unless otherwise agreed with the customer, amounts purchased by the Bank in a foreign currency are to be remitted to the Bank on the second business day following the trade date. The Bank will credit the euro countervalue to the customer's giro account on the same day.
- (2) Unless otherwise agreed with the customer, amounts sold by the Bank in a foreign currency are remitted by the Bank on the second business day following the trade date. On the same day, the Bank will debit the euro countervalue to the customer's account.
- (3) To secure its advance payment risk, the Bank may exercise its rights pursuant to article 3 of the Special Terms and Conditions over the customer's assets. If no sufficient assets are available, the Bank will withhold its performance until it has received the performance to be made by the customer.
- (4) If, on the second business day following the trade date, the customer fails to remit the amount purchased in the foreign currency or if there is insufficient collateral on its account to cover the debit of the euro countervalue, default interest on the euro countervalue shall be levied until the date of remittance at the rate at which the Bank is charged by its foreign correspondent banks, however, at no less than the marginal lending rate of the Eurosystem.

**Article 35**  
**Exchange rate**

The Bank shall agree with the customer the rate at which it sells or purchases the foreign exchange. On request, the Bank shall provide the customer with non-binding indications in advance. The customer retains the risk of a change in the exchange rate.

Section VIII  
Portfolio management

**Article 36**  
**Scope of services**

- (1) The Bank shall offer customers that have made the corresponding selection in the Participation Agreement the service of administering their assets entrusted to it for this purpose.
- (2) The portfolio management shall be carried out in accordance with standardised investment guidelines. The customer exercises the options foreseen in the standardised investment guidelines when signing the Participation Agreement.
- (3) The Bank's obligations relating to the portfolio management do not encompass investment advice to the customer. Specifically, the Bank shall not advise the customer on any securities that are to be purchased, nor shall it provide any advice in connection with the investment guidelines or regarding the suitability for the customer of the securities to be purchased or of the aforementioned guidelines.
- (4) The Bank's liability with regard to its portfolio management activities shall be governed by Article 4 of the Special Terms and Conditions. The Bank neither breaches its obligations nor shall the Bank be liable if the securities purchased on behalf of the customer comply with the investment guidelines.
- (5) As remuneration for its portfolio management services the Bank will charge the customer a fee in accordance with the interest rate and price schedule which will be debited from another giro account held by the customer. No other fees will be levied.

**Article 37**  
**Giro and safe custody accounts**

- (1) The customer's assets shall be held in a giro account and a safe custody account both specifically established for this purpose, opened and managed by the Bank on behalf of the customer (giro account and safe custody account management). The rules set out in the Product Annex for Basic Services shall apply if not amended by deviating provisions in this section.
- (2) By signing the Participation Agreement and selecting portfolio management services in accordance with this section VIII, the customer grants the Bank the exclusive power of attorney over its giro account and safe custody account specified in paragraph 1. When providing its portfolio management services, the Bank, its bodies and staff members are empowered to represent the customer in connection with any instructions issued to, or other legal transactions conducted with, the Bank (acting in the capacity of a safe custody and giro account keeping institution). To this end, the customer releases the Bank from the restrictions set out in section 181 of the German Civil Code<sup>1</sup>.

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<sup>1</sup> Section 181 of the German Civil Code - Contracting with oneself - : An agent may not, unless otherwise permitted, enter into a legal transaction in the name of the principal with himself in his own name or as an agent of a third party, unless the legal transaction consists solely in the performance of an obligation.

- (3) The customer shall not be entitled to issue individual instructions relating to the acquisition, sale or transfer of securities in the safe custody account specified in paragraph 1 or to dispose of the giro account specified in the same paragraph. Article 39 remains unaffected.

### **Article 38** **Cash withdrawals and cash transfers**

- (1) The customer may reduce the amount of assets managed by the Bank by making cash withdrawals or increase such amount by cash transfers. To effect a withdrawal, the Bank shall transfer the amount withdrawn to a separate giro account held by the customer with the Bank. The customer shall make a cash transfer by transferring available credit to its giro account set out in Article 37 paragraph 2.
- (2) The customer shall provide the Bank with withdrawal instructions at least 5 business days prior to the desired execution date. Cash withdrawals or cash transfers shall amount to at least €5 million. The Bank must be advised of any withdrawals exceeding €200 million ten business days in advance, and of any withdrawals exceeding €500 million one calendar month in advance. The notification period includes the day on which the instruction is issued, provided that the instruction was received before 09.00 a.m. (CET). If the customer wants its instruction carried out prior to the expiry of the above deadlines, the Bank is entitled, but not obliged, to do so.
- (3) The customer shall notify the Bank of cash transfers at least five business days prior to the transfer to the giro account specified in accordance with Article 37 paragraph 1; the investment of the funds transferred will be executed within a reasonable timeframe, taking into account the respective market conditions.
- (4) Within the range of assets eligible under the investment guidelines the Bank shall have full discretion in selecting the securities to be sold in the event of a cash withdrawal or the securities to be purchased in case of a cash transfer.

### **Article 39** **Transfer of the entire securities portfolio and of the entire giro account balance (“transfer in specie”)**

By derogation from Article 38, the customer may instruct the Bank to transfer the entire portfolio of securities acquired for the customer and the entire credit balance on its giro account specified in accordance with Article 37 paragraph 1 to a separate safe custody account or separate giro account held with the Bank. If the customer instructs the Bank prior to 09.00 a.m. (CET), the transfer shall be made on the next business day, otherwise, the transfer shall occur on the next but one business day.

### **Article 40** **Reporting**

- (1) The Bank shall provide the customer with an annual report regarding the managed portfolio. The report shall include the performance of the assets of the customer in comparison to the indices selected by the customer in the investment guidelines.

- (2) In addition the customer shall receive a monthly report showing performance and the composition of the assets of the customer. Upon request, the Bank shall provide the customer with account statements relating to its safe custody account and its giro account.

**Article 41**  
**Termination of the portfolio management**

- (1) The Bank and the customer may terminate the portfolio management with a notice period of two months to the end of the quarter. Such notice must be given in writing. Upon receipt of the termination notice, the Bank will no longer purchase any further securities on behalf of the customer. Unless the customer instructs the Bank to the contrary, the Bank will sell the securities of the customer by the end of said quarter. In this period, the Bank shall be freed of its obligations under the investment guidelines concerning the relative weighting of the individual sub-portfolios. As at the end of the quarter, the Bank shall transfer the remaining balance to a separate giro account held by the customer with the Bank.
- (2) The right of the customer to terminate the contract for extraordinary reasons remains unaffected. At the time the termination becomes effective the customer assets shall be transferred in accordance with Article 39.