

# INVESTMENT SERVICES GENERAL CONDITIONS

APPLICABLE AS FROM 03.01.2018



**BNP PARIBAS**  

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# 1. SCOPE

The investment services general conditions (the “**Investment Services General Conditions**”) constitute the contractual framework between the Bank and its clients for the provision of the Services referred to under clause 2 in relation to Financial Instruments and, where applicable, for the sale and/or advice in relation to Structured Deposits (see clause 2).

The Investment Services General Conditions apply in addition to the Bank Conditions, which govern the overall relationship between the Bank and its clients. In case of discrepancy between the Bank Conditions and these Investment Services General Conditions, the latter shall prevail. The Bank shall not be bound by any terms of business or other contractual documentation sent by or on behalf of any client, unless otherwise agreed in writing.

In some instances the Bank and a client may enter into a specific agreement for the provision of certain Services. In case of discrepancy between the Investment Services General Conditions and that specific agreement, the latter shall prevail.

By requesting and/or accepting the provision of Services by the Bank, clients shall be deemed to have agreed to these Investment Services General Conditions.

Capitalised terms shall have the meaning given to them in the Glossary which can be consulted at the end of this document.

## 2. SERVICES

### 2.1 Investment and Ancillary Services

The following services and activities are provided by the Bank to its clients, where so agreed between the Bank and the Client:

#### (i) Investment services and activities:

- reception and transmission of orders in relation to one or more Financial Instruments,
- execution of orders on behalf of clients,
- dealing on own account,
- Punctual Investment Advice (may also be referred to as “ad hoc Advice”) or Ongoing Investment Advice,
- Portfolio Management,
- underwriting of Financial Instruments and/or placing of Financial Instruments on a firm commitment basis,

- placing of Financial Instruments without a firm commitment basis.

The abovementioned services and activities are collectively referred to as, the “**Investment Services**”.

#### (ii) Ancillary Services:

- safekeeping and administration of Financial Instruments for the account of clients, including custodianship and related services such as cash/collateral management,
- granting credits or loans to an investor client to allow it to carry out a transaction in one or more Financial Instruments where the Bank is involved in the transaction,
- advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings,
- foreign exchange services where these services are connected to the provision of Investment Services,
- investment research and financial analysis or other forms of general recommendation relating to transactions in Financial Instruments,
- services related to underwriting,
- Investment Services, as well as Ancillary Services relating to commodities and other elements, including climatic variables, freight rates or inflation rates, when used as underlying of certain derivatives and where these are connected to the provision of other Services.

The abovementioned services are collectively referred to as, the “**Ancillary Services**” and together with the Investment Services, the “**Services**”)

#### (iii) Packaged services

In certain circumstances the Bank may offer certain Services together with other services or products as part of a package or as a condition for the provision of other services or products. Unless indicated otherwise by the Bank at the time the packaged service is provided, it will not be possible for the client to buy the different components of the package separately.

### 2.2 Limitations to the provision of Services

The Bank may be prohibited by law and, in any event, reserves the right not to provide any of the above mentioned Services to clients i) whose identification details or one of the components thereof (e.g. place of residence, nationality, LEI) is not communicated in due time to the Bank or ii) for whom these Services are subject to additional limitations, obligations and/or prohibitions, following any condition set out by the issuer of the relevant Financial Instrument or by any legal provision applicable to the Bank or the client.

Following a one month’s notice, the Bank also reserves the right to terminate, without any compensation, any

agreement concerning the provision of Services concluded with a client i) whose identification details or one of the components thereof (e.g. place of residence, nationality, LEI) is not communicated in due time to the Bank or ii) for whom the Services become subject to additional limitations, obligations and/or prohibitions, following any condition set out by the issuer of the relevant Financial Instrument or by any local or foreign legal provision applicable to the Bank or the client.

Notwithstanding the above provision, if the application of a notice period could lead to an infringement of any local or foreign legal provision applicable to the Bank and/or any of its clients, the Bank reserves the right to exercise its contractual termination right as above mentioned with immediate effect and without compensation.

## 2.3 Structured Deposits

These Investment Services General Conditions also apply when the Bank sells or advises its Clients in relation to Structured Deposits, except for clauses 2.1, 7.3, 9 and 10. Any reference to Financial Instruments shall, where relevant, be construed as a reference to Structured Deposits and any reference to "Services" in these Investment Services General Conditions shall, where relevant, also cover the sale and provision of advice to clients in relation to Structured Deposits.

# 3. CLIENT CATEGORISATION

## 3.1 General

Each client is categorised by the Bank as a "retail client" or as a "professional client". In addition, certain professional clients may be further categorised as "eligible counterparties". Categorisation is undertaken on the basis of objective criteria and in accordance with the prevailing regulations. Each client will be informed by the Bank about its categorisation.

A client may be categorised differently for particular Services or transactions or types of transactions or products.

Different rules and different levels of protection apply to clients depending on their categorisation.

## 3.2 Provisions not applicable to eligible counterparties

The following provisions of the Investment Services General Conditions do not apply to clients when categorised as

eligible counterparties: clause 2.1 (iii), clause 4.2, clause 4.3, clause 5, clause 6 and clause 7.3.

## 3.3 Professional clients

The following provision of the Investment Services General Conditions do not apply to clients when categorised as Professional Clients: clause 4.3 and for the purpose of clause 4.2 (Suitability) professional clients as referred to in Section I of Annex 2 of MiFID II are presumed to possess the required knowledge and to have experience in the investment field, unless agreed otherwise in writing.

## 3.4 Opt-down

A client that has been categorised as a professional client may, at any time, request the Bank to be treated as a retail client (and hence benefit from the higher level of protection of retail clients). Likewise, an eligible counterparty may, at any time, request the Bank to be treated as a professional client or as a retail client. The Bank is, however, not obliged to accept a request for opt-down. Any such request will become effective only if accepted by the Bank.

## 3.5 Opt-up for retail and professional clients

Clients that have been categorised as retail clients or professional clients by the Bank and that meet the opt-up conditions may request the Bank in writing to be treated as respectively, a professional client or an eligible counterparty (and hence may lose certain protection rights), either generally or in respect of a particular Investment Service or transaction, or type of transaction or product. The Bank is, however, not obliged to accept a request for opt-up. Any such request will become effective only if accepted by the Bank.

## 3.6 Changes affecting the professional client/ eligible counterparty categorisation

All professional clients and eligible counterparties are responsible for keeping the Bank informed of any change which could affect their categorisation as professional clients or eligible counterparties.

# 4. INFORMATION ON CLIENTS, SUITABILITY AND APPROPRIATENESS ASSESSMENT

## 4.1 Information on Clients

It is the responsibility of each client to ensure that any information provided to the Bank is accurate and up-to-date and to inform the Bank immediately of relevant changes to the information already provided to the Bank.

The Bank is fully entitled to rely on information provided to it. Situations where information is incorrect, incomplete, inaccurate or outdated may lead the Bank to provide a Service or product that is not appropriate/suitable for the client and may, therefore, have adverse consequences for the client, for which the Bank will bear no responsibility.

On the basis of the information available to the Bank (including in case of incomplete or conflicting information or when no information is available), the Bank reserves the right not to provide or to restrict Services.

The client acknowledges that any change to the information provided to the Bank or any omission of relevant information may affect the outcome of suitability/appropriateness assessments made by the Bank.

The client acknowledges that in certain circumstances, as determined by the Bank (e.g. where the client is a legal person or is a group of two or more natural persons), the Bank may have to seek information not only on the client but also on other persons (e.g. the natural persons representing the client) in order to conduct its assessment of suitability or appropriateness. The client shall ensure that the Bank is provided with all necessary information on other persons, as is necessary for the Bank to conduct its assessment of suitability or appropriateness.

## 4.2 Suitability

When providing Investment Advice or Portfolio Management to clients, the Bank assesses whether the relevant Financial Instrument is suitable for the client, based on the information provided by the client or otherwise available to the Bank, on the client's knowledge and experience in the investment field relevant to that Financial Instrument, its financial situation (including ability to bear losses) and its investment objectives (including risk tolerance). The assessment of the suitability of the transaction for a client is one of the means used by the Bank to ensure that it acts in the client's best interest.

In the event of joint ownership and/or joint proprietorship, the following rules shall apply.

- The suitability assessment with respect to the financial situation shall be performed on the joint owner and/or joint proprietor with the weakest financial situation;
- The suitability assessment with respect to the knowledge and experience shall only take into account the knowledge and experience common to all joint owners and/or joint proprietors.

The joint owners and/or joint proprietors may however derogate from the rules set out in the preceding paragraph by means of a written agreement acceptable to the Bank. Where appropriate, this agreement must expressly identify the joint owner and/or proprietor whose financial situation, knowledge and experience must be assessed.

When providing Investment Advice, the Bank will, before the transaction is made, provide the client with a statement on suitability. Such statement may be provided after the transaction is concluded, if the use of a means of distance communication prevents its prior delivery and the client does not request to delay the transaction in order to receive such statement in advance.

## 4.3 Appropriateness

Where required by law, the Bank will assess, before offering Investment Services other than Investment Advice or Portfolio Management, whether the Financial Instrument envisaged is appropriate to the client, based, where relevant, on information provided by the client or otherwise available to the Bank on the client's knowledge and experience in the investment field relevant to that Financial Instrument.

# 5. INFORMATION AND RISKS RELATING TO FINANCIAL INSTRUMENTS

The Services of the Bank cover a wide range of Financial Instruments.

Each type of Financial Instrument has its own features and is subject to particular risks. Certain Financial Instruments may not be suitable or appropriate for a particular client in light of its categorisation and/or its knowledge and experience, financial situation (including its ability to bear losses) and/or its investment objectives (including its risk tolerance).

A general description of the nature and risks of the Financial Instruments to which the Services relate is available in

the documentation provided by the Bank on Financial Instruments.

The client acknowledges the importance to read all documentation relating to the relevant Financial Instrument as provided by the Bank through its different channels of communication before transmitting any order in relation to such Financial Instrument, so that it understands the features and the risks associated with the relevant Financial Instruments.

## 6. INVESTMENT ADVICE

The Bank may, upon the client's request, provide Investment Advice in relation to certain types of Financial Instruments, including Financial Instruments issued by the Bank or other entities of the BNP Paribas Group. The Bank only provides Investment Advice on Financial Instruments that form part of the range of Financial Instruments it has selected and analysed for that purpose.

Investment Advice can take the form of Punctual Investment Advice or Ongoing Investment Advice.

Unless agreed otherwise in writing, the Investment Advice provided by the Bank to the client shall consist in Punctual Investment Advice.

Unless agreed otherwise in writing, the Bank will not (i) provide Investment Advice on an Independent Basis (which means that the range of Financial Instruments that are assessed by the Bank when providing Investment Advice may be limited to Financial Instruments issued or provided by the Bank or other entities having close (legal or economic) links with the Bank or the BNP Paribas Group), nor (ii) carry out any periodic assessment of the suitability of the Financial Instruments recommended to the client.

It always remains, the client's own responsibility to decide whether or not to follow Investment Advice given by the Bank.

## 7. CLIENT ORDERS

### 7.1 Execution services

Unless agreed otherwise in writing, when the Bank receives an order from a client (and accepts it) for the purchase or sale of Financial Instruments, the Bank may, at its discretion (i) execute the client order itself, (ii) transmit the order to a third party financial institution for its execution or (iii) act as counterparty to the transaction (i.e. dealing on own account) (those three means of order execution services are referred together to as "**Order Execution Services**").

The Bank will provide clients with reports on orders executed in accordance with prevailing legal requirements.

### 7.2 Execution rules

- (i) The Bank reserves the right to refuse a client order, in particular in the case of (but not limited to):
  - (a) orders with unrealistic limits;
  - (b) orders to purchase or sell Financial Instruments for which the Bank does not provide Order Execution Services, nor the service of safekeeping and administration;
  - (c) orders to purchase or sell Financial Instruments which are subject to legal requirements which the client does not meet;
  - (d) sell orders for non-regularised Financial Instruments or for Financial Instruments whose regular nature still has to be determined;
  - (e) orders that can be perceived as illegal or with the consequence of supporting fiscal fraud by clients.
- (ii) Orders are executed in accordance with the laws, rules and standard practices prevailing in the place where they are executed, unless this conflicts with the following paragraphs (to the extent it is possible to derogate from those laws, rules and standard practices).
- (iii) A request for a cancellation or modification of an order by the client can be accepted only if such order has not yet been executed.
- (iv) Any confirmation or amendment of an order by a client must be express and unambiguous. If not, the Bank may consider such instruction as a new order in addition to the initial order.
- (v) The validity period of an order must be indicated by clients when placing the order.
- (vi) Orders logged shall automatically be cancelled as soon as the relevant Financial Instruments are the subject of corporate actions (including but not limited to coupon payment, dividend payment, bonus or subscription right, modification of the nominal value), provided that the Bank has the necessary information in that respect.
- (vii) The Bank reserves the right:
  - (a) not to execute (i) an order to sell Financial Instruments in the absence of a prior deposit of the relevant Financial Instruments on the client's custody account or (ii) a purchase order in the absence of sufficient funds standing to the credit of the client's cash account,
  - (b) to execute a purchase order which is linked to a sale order only if the sale order is duly executed,
  - (c) to repurchase the Financial Instruments sold but not delivered or which are irregular, or to re-sell the Financial Instruments purchased but not paid for, without prior notice and at the client's expense, if the client does not deliver the Financial Instruments or the funds to the Bank the day following the order's execution date, or if the Financial Instruments are irregular,

- (d) to close out the position of the client without any possibility for the client to further extend the transaction, if the client has not delivered, completed or reconstituted in due time the margin for a forward transaction,
  - (e) to debit the client's cash account or withdraw Financial Instruments from its custody account in order to create any margin (required by legal, regulatory or contractual provisions). The Bank may also debit the client's accounts with any amount owed to the Bank by virtue of transactions in Financial Instruments, including derivatives and/or contracts pertaining thereto, insofar as they make the client indebted to the Bank for any sum whatsoever.
- (viii) In the absence of instructions from the client to the contrary, Financial Instruments acquired on behalf of the client are deposited on the client's custody account with the Bank. Nevertheless, if, for any reason whatsoever, an order to purchase is executed by the Bank despite insufficient available funds in the client's cash account, the Bank will not deposit the acquired Financial Instruments on the client's relevant custody account, and will retain the full ownership of these Financial Instruments until full payment of the due amounts by the client.
- (ix) If the Bank credits the client's cash account with funds relating to a transaction before having received the corresponding amount from the relevant third party, such credit is subject to final receipt of the funds from such third party. If the Bank does not receive the corresponding amount in due time, it may debit the client's cash account with the amount of the earlier credit, together with any related cost and currency exchange loss. If the client's cash account is credited in foreign currency, that account will be debited in the same currency.
- (x) In accordance with applicable legal provisions, and in order to perform their supervisory duties, the relevant authorities, may request at any time from the Bank information on, amongst others, the identity of its clients, the beneficial owners or representatives that have submitted an order or participated in a transaction in relation to Financial Instruments. The client acknowledges that the Bank's intervention in such transaction implies the client's authorisation to communicate to the relevant authorities, amongst others, its identity and the identity of beneficial owners and/or representatives. The client also acknowledges that the Bank may contractually be required to provide such information, as well as information on the client's trades to the relevant regulated market(s) and/or institution(s) for registration, clearing or settlement of transactions in Financial Instruments, as well as the issuing entity of the relevant Financial Instrument and third-party custodians.

### 7.3 Execution policy

Except if the Bank accepts a specific instruction from the client, the Bank will, when providing Order Execution Services to clients, take a number of measures so as to obtain the best possible result for its clients, considering various criteria such as price, costs, speed, likelihood of execution

and settlement, size, nature or any other consideration relevant to the execution of the order.

The client acknowledges that it has received, read and understood the Bank's client order execution policy which includes, amongst others information on the execution venues on which client orders can be executed by the Bank.

Unless agreed otherwise in writing, client orders will be executed by the Bank in accordance with the Bank's execution policy.

By submitting an order for execution to the Bank, the client confirms its agreement with the Bank's client order execution policy, and explicitly consents that its orders may be executed, in accordance with the Bank's execution policy, outside a regulated market, a multilateral trading facility or an organised trading facility.

## 8. NOMINEE SERVICE

The Bank may act as the nominee of a client (i.e. act in its own name but on behalf of its client) when that client wishes to acquire certain types of Financial Instruments.

When acting as the nominee, the Bank agrees to be shown in the issuing company's register. The subscribed Financial Instruments are therefore stated in the register under the Bank's name rather than under the name of its clients.

Clients' position in the Financial Instruments will then be reflected in the client's individual custody account with the Bank.

Under Belgian law and to the extent applicable, clients have a right of revendication ("*droit de revendication*" / "*terugvorderingsrecht*") against the issuer of the Financial Instruments, which shields them from the risk of insolvency of the Bank acting as nominee.

Subject to applicable law and the terms of the relevant Financial Instrument, the clients may request to be registered directly in the issuing company's register. In that case, the services performed by the Bank as nominee will cease.

## 9. CUSTODY

### 9.1 Custody

The Bank may act as custodian for Financial Instruments received from clients subject to the limits and conditions provided for in this clause 9.

Clients placing Financial Instruments in a custody account must hold a cash account approved by the Bank.

The Bank ensures that a clear distinction is made between its own assets and the Financial Instruments held for a client.

The Bank will communicate on a quarterly basis to each client for whom it holds Financial Instruments and/or funds a statement of those Financial Instruments and/or funds unless such a statement has been provided in any other earlier periodic statement. Clients may request the Bank to provide the above statements on a more regular basis, in which case the Bank may charge additional fees.

## 9.2 Third-party intervention

Clients authorise the Bank to deposit Financial Instruments with sub-custodians, which may or may not form part of the BNP Paribas Group, including sub-custodians located outside the European Union.

The Bank will exercise all due skill, care and diligence as regards the selection, appointment and regular review of the sub-custodians it calls on and will take their reputation and expertise into account, as well as any legal requirements related to the holding of Financial Instruments that could adversely affect the clients' rights.

The Bank will not deposit Financial Instruments with sub-custodians who are not subject to effective prudential regulation and supervision, unless the local law governing the relevant Financial Instruments so requires.

Sub-custodians appointed by the Bank may call on other sub-custodians, whether or not located in the same country. Accordingly, the accounts on which the Financial Instruments and cash are ultimately held may be subject to the law of a country other than a member state of the European Union and the client's rights relating to these Financial Instruments and cash may differ from the rights of the client having an account in Belgium.

Financial Instruments deposited with such sub-custodians are subject to their operating rules, the agreements entered into between the Bank and these sub-custodians and the regulations and legislation applicable in the countries in which they are established. This may impact the clients' rights.

Clients acknowledge and agree that sub-custodians may hold client Financial Instruments deposited with them by the Bank in Omnibus Accounts.

The Bank cannot be held liable for any loss caused to the client by an act or an omission of a sub-custodian, except in case of gross negligence (*faute lourde/grove fout*) or wilful default (*dol/bedrog*) by the Bank in the initial selection of the sub-custodians. In case of default or insolvency of a sub-custodian, the client risks not recovering all of its assets.

The Bank ensures that any Financial Instrument deposited with a sub-custodian (whether or not deposited in an Omnibus Account) is identifiable separately from the Financial Instruments belonging to the Bank and from the Financial

Instruments belonging to the sub-custodian. However, when a client's Financial Instruments are held by a sub-custodian established outside the European Union, that sub-custodian may not be able under local law to separately identify the client's Financial Instruments from its own assets or from the Bank's assets. In such case, the ownership rights of the clients may not be protected, especially in the case of the sub-custodian's insolvency. Accordingly, the client risks not recovering all of its assets.

The client undertakes to communicate to the Bank all documents required by public authorities or other third parties permitting the holding of Financial Instruments. In the absence of such communication, the Bank will have the right to sell those Financial Instruments. All costs related to such sale shall be borne by the client. The Bank shall not be liable for the holding or sale of such Financial Instruments.

## 9.3 Fungibility

Unless agreed otherwise in writing and in so far as the nature of the Financial Instruments so permits, all Financial Instruments held in custody by the Bank are subject to the fungibility system. The foregoing also applies to any gold held in custody by the Bank.

The client agrees that, where relevant, the Bank registers the Financial Instruments on an account with a clearing or settlement institution.

## 9.4 Withdrawals

Financial Instruments deposited on a custody account shall be returned to clients by means of a transfer to another custody account with another bank.

The Bank will no longer be in charge of the administration of the Financial Instruments of a client with effect from their transfer to another bank.

## 9.5 Closing of custody account

The Bank reserves the right to close any custody account three months after withdrawal of the last Financial Instruments which were deposited in the said account.

## 9.6 Administration of the Financial Instruments

Unless agreed otherwise in writing, and provided that the Bank is duly informed of the relevant corporate action on time and, if applicable, has been duly credited by its correspondent with all necessary amounts, the Bank will automatically:

- collect the proceeds of redemption and premiums and credit them to the client's cash account.
- collect the dividends, interest and any other amount due to the client and credit them to the client's cash account.

If a client withdraws Financial Instruments from its custody account within the month preceding a payment date, those Financial Instruments will be delivered ex-coupon and the due coupon amount (i.e. pro rata its holding period by the client) will be paid on the client's cash account, less any charges and taxes.

- notify clients of corporate actions requiring a decision from them. In the absence of any instruction from a client within the prescribed time, the Bank will act as indicated in its notification to the client. It is the responsibility of the client to check if it is eligible to participate in the corporate action for which it is informed. A notification by the Bank of any corporate action does not and shall not be construed as Investment Advice.

Any redemption of the principal amount (or other similar amount) paid on Financial Instruments held in custody by the Bank will be paid to the client in the Financial Instrument's currency. Dividends, interests, premiums and other similar payments will be paid to the client in euros.

The Bank cannot be held liable for any loss caused to the client as a result of any action (or absence of action) in relation to corporate actions, except in case of gross negligence (*faute lourde/grove fout*) or wilful default (*dol/bedrog*) of the Bank.

Furthermore, although the Bank may, occasionally, inform clients of the existence of class actions or other collective actions, proxy voting or similar operations, the Bank will not be held liable for not informing clients about such actions or operations. Whatever the case may be, its intervention will be limited to notifying clients (where appropriate) without providing any assistance with the completion of formalities for participating in these actions or operations. The Bank does not verify stop orders (*oppositions/verzetaantekeningen*) with respect to Financial Instruments held in custody.

## 9.7 Use of Financial Instruments by the Bank

Upon the client's express written consent and subject to the agreed specified terms between the client and the Bank, the Bank may use the client's Financial Instruments in relation to securities financing transactions (i.e., stock lending or stock borrowing or the lending or borrowing of other Financial Instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back) or otherwise for its own account or for the account of another person or another client of the Bank.

When the Financial Instruments of a client are held in an Omnibus Account maintained by a third party sub-custodian, the Bank will not enter into arrangements for securities financing transactions or otherwise use those instruments for its own account or for the account of other clients unless it has received the express written consent of each

client whose Financial Instruments are held in the Omnibus Account.

## 9.8 Security interests

Pursuant to Article 31 of the Law of 2 August 2002, the Bank has a lien (*privilège/voorrecht*) (ranking *pari passu* with the right of other pledgees (*créancier gagiste/pandhoudende schuldeiser*)) over the Financial Instruments and funds:

- that have been delivered to it by a client as margin for the execution of transactions in Financial Instruments, the subscription of Financial Instruments or forward transactions in currencies,
- that it holds following the execution of transactions in Financial Instruments or forward transactions in currencies or following the settlement of transactions in Financial Instruments, the subscription of Financial Instruments or forward transactions in currencies which are directly entered into by its clients.

This lien covers all sums due to the Bank by a client in the framework of those transactions, including sums due under loans or advances.

In addition to this lien, the Bank may benefit from additional security interests, liens and/or rights of set-off. Additional information on those additional security interests, liens and/or rights of set-off can be found in the Bank Conditions and, as the case may be, in specific agreements entered into between the Bank and the client.

Third-party sub-custodians appointed by the Bank may also have security interests, liens and/or rights of set-off in relation to the Financial Instruments they hold in custody.

## 9.9 Bare ownership and usufruct

For custody accounts subject to bare ownership and usufruct rights, the Bank opens a separate "bare ownership" cash account and "usufruct" cash account.

The Bank credits the "bare ownership" account with the proceeds arising from redemption, lottery, premium, distribution of reserves or capital, subscription rights, free allocation of Financial Instruments and sale of Financial Instruments. The Bank debits the same account with the net purchase price of Financial Instruments, subscription rights and rights relating to free allocation of Financial Instruments, together with all brokerage and other Costs and fees relating to those transactions.

The Bank credits the "usufruct" account with all the other proceeds generated by the Financial Instruments held on the custody account, including all interests and dividends. The Bank debits the same account with all the other amounts due to the Bank in relation to the custody account, including custody fees and postal charges.

New Financial Instruments arising from the exercise of subscription rights or granted in the framework of a free allocation of Financial Instruments will be deposited on the custody account.

When free Financial Instruments are granted out of non-reserved profits, the bare owner and the owner of the usufruct right must agree on the account to be debited with the costs relating to those Financial Instruments and on the account to be credited with the proceeds of the sale of those Financial Instruments. The bare owner and the owner of the usufruct right shall together decide on the treatment of Financial Instruments issued out of non-reserved profits.

Upon termination of the usufruct right (e.g., following the death of the owner of the usufruct right) the Bank will deliver to the bare owner the Financial Instruments held on the custody account, coupons not yet payable attached.

Orders relating to Financial Instruments deposited on the custody account and orders relating to the "bare ownership" account require the approval of both the bare owner and the owner of the usufruct right. The same rule applies to orders relating to the exercise of subscription rights and the sale or the purchase of rights relating to free allocation of Financial Instruments.

## 9.10 Pledged Financial Instruments

Unless agreed otherwise and except for arrangements relating to the payment of sums produced by those pledged Financial Instruments, pledged Financial Instruments are, *mutatis mutandis*, subject to all the provisions of this clause 9.

## 9.11 Savings Certificates

### 9.11.1 General

The Bank offers the possibility for clients to subscribe to Certificates.

Subject to compliance with applicable laws and the articles of association of the issuer of the Certificates, clients have the choice between dematerialised certificates deposited in a custody account or registered certificates.

### 9.11.2 Certificates in registered form

Certificates in registered form require that the client holds a custody account and a savings account, a cash account, an investor account or any other account approved by the Bank on which the Bank can pay the revenues of the Certificates and the principal amount. The Bank is responsible for maintaining the registers of Certificates, the delivery of registration certificates and the management of the registration. If a registration is made in the name of co-holders, notices sent to only one co-holder will be considered as valid.

Registration certificates issued by the Bank are not tradable and cannot be transferred or pledged. Registration

certificates will be returned to the Bank before any disposal of the certificates, together with (if applicable) a power of attorney to a representative of the Bank to record in the register, on behalf of the holder of the Certificates, the conversion or the repayment of the registered Certificates. Should the holder of the Certificates be unable to return the registration certificate to the Bank before a disposal of the Certificates, it will sign an undertaking to hold the Bank harmless in case of damage due to the loss of the registration certificate.

### 9.11.3 Conversion into dematerialised Certificates

At the request of the client, Certificates in registered form can be converted into Certificates in dematerialised form. The conversion request must be made in writing and must be submitted at the latest one month before an interest payment date.

### 9.11.4 Payment of interest and principal amount

The payment of interest is subject to the following provisions:

If the articles of association of the issuer of the Certificates so permit, the Bank may detach coupons as from the 15th day prior to the effective interest payment date and pay the interest amount on the bank account of the holder of the Certificates, value-dated as the interest payment date. The holder of the Certificates is, however, not entitled to dispose of the interest amount before the effective interest payment date.

The repayment of the principal amount is subject to the following provisions:

If, at maturity, the Bank has not received instructions from the holder of the Certificates in terms of renewal or redemption of the Certificates, the principal amount will be paid on the holder's cash account.

## 9.12 Protection of Financial Instruments and deposits

The Bank has taken various steps to ensure, to the maximum extent possible, that the Financial Instruments and cash it holds for its clients are protected. Those steps include amongst others:

- ensuring segregation between its own Financial Instruments and assets and those of its clients,
- technical measures ensuring that Financial Instruments and assets held by the Bank are deposited in safe and secure premises,
- proper staff training and control,
- regular verification of the correspondence of its records and accounts to the Financial Instruments and assets held for clients.

In addition to those steps the Bank is a member of:

- the guarantee scheme for financial services (fonds de garantie pour les services financiers/garantiefonds voor financiële diensten), which ensures, to a certain extent, the protection of cash deposits (including bons de caisse/kasbons) with the Bank in case of default by the Bank (as defined by applicable law). A detailed description of the conditions of intervention of the guarantee scheme and other applicable rules can be obtained from <http://fondsdegarantie.belgium.be/fr> or <http://garantiefonds.belgium.be/nl> ; and
- the protection scheme for deposits and financial instruments (fonds de protection des depots et instruments financiers/beschermingsfonds voor deposito's en financiële instrumenten), which ensures, to a certain extent, the protection of Financial Instruments deposited with the Bank in case of default by the Bank (as defined by applicable law). A detailed description of the conditions of intervention of the protection scheme and other applicable rules can be obtained from [http://www.protectionfund.be/fr/mod\\_contexte.html](http://www.protectionfund.be/fr/mod_contexte.html) or [http://www.protectionfund.be/nl/mod\\_systeem.html](http://www.protectionfund.be/nl/mod_systeem.html).

A detailed information document is also available at every Bank's branch in Belgium and from the Bank's website ([www.bnpparibasfortis.be](http://www.bnpparibasfortis.be)).

## 9.13 Exclusion of certain Financial Instruments

The Bank reserves the right, for any reason whatsoever, including internal reasons, not to hold or to cease holding certain Financial Instruments in custody. That is in particular the case in the following circumstances:

- the Bank is, in accordance with applicable local law, obliged to deposit the Financial Instruments in a country where it has no correspondent;
- the residence and/or nationality of the client and/or the issuer have as a consequence that the conservation of the Financial Instruments is subject to additional limitations, obligations and prohibitions following the application of any provision prescribed by a foreign legislation eligible to present extraterritorial effects;
- the client does not meet the conditions legally required or set out by the issuer to hold these Financial Instruments;
- the third-party sub-custodian called on by the Bank refuses these Financial Instruments.

If the Bank ceases to hold certain Financial Instruments in custody, it will inform the client thereof in writing, subject to one month's notice effective from the date of sending. Where appropriate, the Bank will inform the client if the Bank is no longer able to handle said Financial Instruments on any market whatsoever.

During this notice period, the client will have the option of either liquidating its Financial Instruments (provided that

these instruments can still be traded) or transferring them to another financial institution.

If no such transfer has been made on expiry of this notice period, the Bank reserves the right to liquidate the securities at the expense of the client, provided that such liquidation is possible, and to pay the proceeds thereof into the client's cash account. If such liquidation is no longer possible or if the transfer is refused by the financial institution appointed by the client, the client agrees to forfeit said Financial Instruments to the Bank and to have them cancelled from its custody account.

## 9.14 Withdrawal and destruction of lapsed bearer securities

The Bank reserves the right not to hold or to cease holding lapsed bearer securities in custody, regardless of the grounds (legal conversion into dematerialised or registered securities, dissolution of the issuing company, etc.). In this situation, the Bank will advise the client thereof by registered letter, subject to one month's notice effective from the date of sending. During this period, the client will have the option of taking back its lapsed bearer securities. If, on expiry of this period, the client has not taken them back, the Bank reserves the right to destroy them.

# 10. COSTS AND INDUCEMENTS

In consideration for the Services provided by the Bank to its clients, the clients agree to pay on demand such commissions, fees and charges, at such rates as may be notified by the Bank to its clients from time to time. In addition to those costs, other costs may be due by the clients directly to third parties. The Bank will provide its clients in good time with appropriate information with regard to costs and related charges, in accordance with applicable law. This information will include information relating to the Services, including the cost of advice (where relevant), the cost of the Financial Instrument recommended or marketed to the client, how the client may pay for it and any third party payments. The information about costs and charges will be aggregated. An itemised breakdown will be provided upon the client's request.

Without prejudice to, and to the extent permitted by, any applicable law, the professional clients and the eligible counterparties agree to a limited application of the Bank's detailed information requirements on costs and associated charges.

Unless indicated otherwise, information on Costs provided to clients prior to the provision of a Service, is a mere estimate and is given for information purposes only. Costs to be paid to

the Bank shall be those communicated to the client following the provision of the relevant Service.

Unless otherwise agreed, all Costs payable by a client to the Bank are automatically debited from the client's cash account.

The client will ensure that this account has sufficient funds so that these Costs can be debited.

In case of changes to Costs by the Bank, the client may, within a period of 60 days from the notification of the change by the Bank, terminate the relationship with the Bank.

Clients acknowledge that, in certain circumstances, where applicable law so permits, the Bank, when providing Services, may pay or receive Inducements.

## 11. REPORTING AND STATEMENTS

### 11.1 General

Upon receipt by the client of any report or statement issued by the Bank, the client must immediately inform the Bank of errors or incomplete information it notes in such report or statement. These documents are deemed to be approved by the client if no immediate claim is made and in any case if it is not made within a period of 60 calendar days effective from the date on which said document is dispatched.

### 11.2 Reporting obligation for leveraged financial instruments and contingent liability transactions

Retail clients, holding a custody account that includes positions in leveraged Financial Instruments or contingent liability transactions, shall be informed by the Bank where the initial value of each leveraged Financial Instrument or contingent liability transaction depreciates by 10 % and thereafter at multiples of 10 %.

For that purpose, the Bank shall take into account the weighted average value of the Financial Instruments (subject to the reporting obligation set out in this paragraph 11.2), where a retail client holds multiple identical Financial Instruments with a different initial value (unless otherwise agreed in writing with the client).

## 12. INTERMEDIARY AND TIED AGENTS

The Bank may appoint intermediary and/or Tied Agents for the promotion and provision of its Services. The Bank will only appoint duly registered and authorised intermediary and/or Tied Agents.

## 13. CONFLICTS OF INTEREST

The Bank has identified potential situations of conflicts that could arise, when providing Services to its clients, between the interests of a client and the interests of the Bank (including its managers, employees, agents, etc.) or the interests of another client and has taken measures to manage such conflicts of interest.

A document summarising the Bank's conflicts of interest policy is available on the Bank's website ([www.bnpparibasfortis.be](http://www.bnpparibasfortis.be)).

## 14. COMMUNICATION

### 14.1 Language for communication

The Client agrees that communications with the Bank can be in any of the language(s) as agreed between the Bank and each of its clients and as reflected in the Bank's files and/or, where appropriate, in English.

The client further agrees to receive all relevant information from the Bank in relation to Services and/or Financial Instruments in any of the language(s) agreed between the Bank and the client in accordance with the above paragraph (except if the client has otherwise notified the Bank) and, if that information is only available in English, in English.

### 14.2 Methods of communication

#### 14.2.1 General

Unless agreed otherwise in writing and subject to clause 14.2.2, all communications between the Bank and clients will be made as set out in the Bank Conditions.

#### 14.2.2 Provision of information by the Bank

The client agrees that, subject to the stipulations hereunder, all information that the Bank must communicate to the client may be communicated by the means of communication that the Bank considers appropriate. Taking into account all relevant circumstances and any legal, regulatory or contractual requirement, these means of communication may

consist of: regular postal mail, e-mail, information posted on the Bank's website ([www.bnpparibasfortis.be](http://www.bnpparibasfortis.be)), electronic communications (including messages sent through the Bank's online communication channel or via voice telephony) or fax.

Where the law makes the provision of information via electronic communication (including e-mail and through a website) conditional on the Bank being satisfied that the client has regular access to the internet, such access will be presumed if the client has communicated an e-mail address to the Bank that allows it to correspond with the Bank or if the client has access to the Bank's online banking platforms.

Where the law makes the provision of specific information on a durable medium other than paper conditional on the client's choice or where the law makes this provision via a website conditional on formal consent of the client, the proof of this choice or consent may be evidenced by the Bank via any means whatsoever.

#### **14.2.3 Communication of orders relating to the provision of Investment Services**

Orders must be communicated to the Bank in writing using the Bank's standard order forms or, subject to prior agreement between the Bank and the client, by telephone, fax, e-mail or online, through the Bank's internet or mobile banking applications.

## 15. RECORDS

Without prejudice to the Bank Conditions, the Bank reserves the right to record all communications between the Bank and its clients.

In certain circumstances as described under MiFID II the Bank must record incoming and outgoing telephone conversations or electronic communications with clients. It is in particular the case for communications relating to the following Investment Services (whether or not it results in a transaction): reception and transmission of orders in relation to one or more Financial Instruments, execution of orders on behalf of clients, dealing on own account.

Clients agree that these recordings may be submitted as evidence by the Bank in any dispute or other proceedings in relation to the provision of Services or any transaction contemplated or executed with or for the Bank's clients pursuant to these Investment Services General Conditions (including in relation to any enquiry by any competent authority). Such records are the sole property of the Bank and are conclusive evidence of the request or communication.

Clients agree to and shall inform promptly any person (acting in any capacity, such as agents, authorised representatives or contact persons of the client) that their conversations or communications with the Bank may be recorded. When that person communicates with the Bank, it shall be deemed to

have agreed that its conversations or communications with the Bank are recorded by the Bank.

Without any prejudice to any applicable law on data protection, a copy of the recording of such conversations and communications is available to clients on request for a period of 5 years or 7 years (if required by the competent authority) following the date the record is created.

## 16. CONTACT AND COMPLAINTS

A client, wishing to obtain information about its relationship with the Bank, is invited to contact its usual Bank's branch or the telephonic contact point at +32 2 261 11 11.

Any complaints may be filed, free of charge, with the Bank through the customer's branch, through Easy Banking Phone, or by using the complaint form available through Easy Banking Web or the Bank's website.

In the case of disagreement on the proposed solution, customers may contact the Bank's Complaints Management:

- by mail to the address below, BNP Paribas Fortis SA/NV Complaints Management, Montagne du Parc/Warandeborg 3, B-1000 Brussels
- by telephone at +32 2 762 20 00
- by fax to +32 2 228 72 00
- by e-mail to: [complaints.management@bnpparibasfortis.com](mailto:complaints.management@bnpparibasfortis.com)
- by using the online electronic form available on the below website [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be) > Suggestions, ... > formulaire-plainte

A client who is not satisfied with the solution proposed by this service can initiate an extrajudicial action before the qualified authority below:

OMBUDSFIN – Ombudsman in financial conflicts

- per post naar het volgend adres: North Gate II Koning Albert II-laan 8, bus 2 B-1000 Brussel
- via een fax naar het nummer +32 2 545 77 79
- via een e-mail naar [ombudsman@ombudsfijn.be](mailto:ombudsman@ombudsfijn.be)
- via het elektronisch formulier beschikbaar op volgende website [www.ombudsfijn.be](http://www.ombudsfijn.be) > Klacht indienen

This website also provides detailed information about the characteristics and application conditions of this extrajudicial consumer dispute resolution the Bank participates in through its Febelfin membership.

Using this extrajudicial dispute resolution does not preclude customers from taking any other legal action.

## 17. CHANGES TO THE INVESTMENT SERVICES GENERAL CONDITIONS

Changes to these Investment Services General Conditions and, unless agreed otherwise, changes to agreements relating to the provision of Investment Services, shall be agreed upon between the Bank and its clients as follows:

- clients will be notified of the contemplated changes,
- unless requested otherwise by law or by regulatory provisions, those changes will come into force the first day of the second month following the date of notification,
- in case of a client's disapproval of the contemplated changes, the client may, within the same period, terminate the relationship with the Bank.

## 18. GOVERNING LAW AND JURISDICTION

The relationship between the Bank and a client is subject to Belgian law. All disputes arising between the Bank and a client in respect of their relationship are subject to Belgian law.

Except in the case where the law expressly designates a competent court, all disputes can, at the choice of the plaintiff, be referred to:

- the court of the domicile of the defendant or one of the defendants;
- the court of the place where the disputed obligations or one of the disputed obligations originated or where they are, have been or must be executed;
- the court of the place where the bailiff has served a summons on the defendant when the defendant does not have its domicile (or when none of the defendants has its domicile) in Belgium or abroad.

# ANNEX: GLOSSARY

**Ancillary Services:** as defined under clause 2.1 (ii) of the present ISGC.

**Bank:** BNP Paribas Fortis SA/NV, having its registered address at Montagne du Parc/Warandeberg 3, B-1000 Brussels, Belgium, registered with the crossroads bank for enterprises under number 0403.199.702, authorised by and under the prudential supervision of, as a credit institution, the National Bank of Belgium (Boulevard de Berlaimont 14, B-1000 Brussels, Belgium) and the European Central Bank, (Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany) and under the supervision of the Financial Services and Markets Authority as regards compliance with, amongst others, conduct of business rules.

**Bank Conditions:** BNP Paribas Fortis Standard Terms and Conditions, as amended and restated from time to time.

**BNP Paribas Group:** BNP Paribas S.A. and its subsidiaries.

**Certificates:** short-term, medium-term and long-term savings certificates.

**Financial Instruments:** has the meaning given to it in Article 2, first paragraph, 1° of the Law of 2 August 2002 on the supervision of the financial sector and financial services and includes (but is not limited to) transferable securities (e.g. bonds and shares), money-market instruments (e.g. treasury notes and certificates of deposit), units in collective investment undertakings and certain derivative contracts (options, futures, swaps, forward rate agreements, etc.).

**Inducement:** fees, commissions or other benefits (including, but not limited to, Minor Non-Monetary Benefits) to/from third parties (including other entities of the BNP Paribas Group).

**Investment Advice:** the provision of personal recommendations to clients in respect of one or more transactions relating to Financial Instruments.

**Investment Advice Agreement:** the written agreement between the Bank and a client setting out the specific terms and conditions of the ongoing Investment Advice to be provided by the Bank to the client.

**Investment Advice on an Independent Basis:** Investment Advice (i) based on the assessment by the Bank of a sufficient range of Financial Instruments available on the market and which are sufficiently diverse with regard to their type and issuers or providers and which are not limited to Financial Instruments issued or provided by the Bank itself or by other entities having close links with the Bank or other entities with which the Bank has such close legal or economic relationships as to pose a risk of impairing the independent basis of the advice provided and (ii) for which no Inducements are received and retained, except, in certain circumstances for Minor Non-Monetary Benefits.

**Investment Services:** as defined under clause 2.1 (i) of the present ISGC.

**ISGC:** the present Investment Services General Conditions of the Bank.

**LEI:** legal entity identifier.

**MiFID II:** Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

**Minor Non-Monetary Benefits:** non-monetary benefits received by the Bank from any third party (other than the client) that are capable of enhancing the quality of the Service provided to the client and are of a scale and nature such that they could not be judged to impair the compliance with the Bank's duty to act in the best interest of its clients. Such Minor Non-Monetary Benefits generally include (i) information or documentation relating to a Financial Instrument or an Investment Service generic in nature or personalised to reflect the circumstances of an individual client received by the Bank, (ii) participations in conferences, seminars and other training events on the benefits and features of a specific Financial Instrument or Investment Service and (iii) food and drinks during a business meeting or a conference, seminar or other training events.

**Ongoing Investment Advice:** a series of personalised investment recommendations provided by the Bank to a client in relation to the client's investment portfolio, on the basis of specific terms agreed between the Bank and the client in a separate Investment Advice Agreement.

**Omnibus Account:** a custody account in the name of the Bank maintained with a third party custodian in which Financial Instruments are not individualised in the name of each client, but where Financial Instruments may be held on behalf of different clients.

**Order Execution Services:** as defined under clause 7.1 of the present ISGC.

**Portfolio Management:** managing portfolios of clients (where such portfolio includes one or more Financial Instruments) in accordance with a mandate given by the client, on a discretionary client-by-client basis.

**Punctual Investment Advice:** a punctual and personal investment recommendation provided by the Bank to a client in respect of a given transaction relating to a financial instrument.

**Services:** the Investment Services together with the Ancillary Services.

**Structured Deposits:** A deposit which is fully repayable at maturity on terms under which interest or a premium will be paid or is at risk, according to a particular formula involving factors such as, but not limited to (i) an index or combination of indices, a Financial Instrument or combination of Financial Instruments or (iii) a foreign exchange rate or combination of foreign exchange rates.

**Systematic Internaliser:** An investment firm, including the Bank, which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, a multilateral trading facility or an organised trading facility without operating a multilateral system.

**Tied Agent:** any natural or legal person who, under the full and unconditional responsibility of the Bank on whose behalf it acts, promotes the Services to clients or prospective clients, receives and transmits instructions or orders from the client in respect of Investment Services or Financial Instruments, places Financial Instruments or provides advice to clients or prospective clients in respect of those Financial Instruments or Services

**BNP PARIBAS FORTIS SA/NV**

Montagne du Parc 3, B-1000 Brussels

RPM/RPR Brussels - VAT BE 0403.199.702

Intermediary authorised under number 25.879A by the FSMA

BNP Paribas Fortis SA/NV is authorised as a credit institution by the National Bank of Belgium,  
Boulevard de Berlaimont 14, 1000 Brussels, Belgium.

R.E.: Emilie Jaqueroux

09-2017 | 036933559645 | F03388E



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world