



- > **GENERAL TERMS AND CONDITIONS**
- > **GENERAL RISK WARNING  
CONCERNING FINANCIAL INSTRUMENTS**

## > PREAMBULE

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The present general terms and conditions govern the contract between Keytrade Bank Luxembourg SA (hereafter "the Bank"), and their clients (hereafter referred to as "you"), concerning accounts opened with the Bank, in connection with the use of the online transactions in financial instruments service provided by the Bank (the "service") and the ancillary services associated therewith as they appear on the Bank internet site (hereafter the "site").

Your contract with the Bank, subject to the present general terms and conditions, takes effect from such time a:

- > the Bank receives the account opening form, duly filled in and signed by you and any joint owners of the account you are opening with the Bank, together with all appendices and other forms described in the account-opening form, and
- > the Bank has informed you of your account number and login code, with such dispatch serving as proof of acceptance by the Bank of their contract with you, based on the present general terms and conditions, and
- > sufficient funds or financial instruments have been paid into the account that you have opened, as indicated under article 1 below, the Bank will then give you a password and a trading password enabling you to use the service.

The Bank is subject to the supervision of the Luxembourg supervisory authorities, the Commission de Surveillance du Secteur Financier, located at L-1150 Luxembourg, 110, route d'Arlon.

## > 1 THE ACCOUNT

### 1. OPENING OF THE ACCOUNT

To be able to use the service, you must have previously opened an account with the Bank pursuant to the present terms and conditions and the instructions contained in the account opening form. The service will be available only when the account has been credited with funds or financial instruments, which are negotiable within the framework of the service of a minimum value corresponding to the sum shown on the site on the account-opening date. Each account consists of cash and securities. You undertake to inform the Bank of any major alterations to the information communicated to the Bank in the account-opening form.

### 2. SIGNATURES

You have to deposit with the Bank a specimen of your signature and, as the case may be, of the persons acting as your corporate bodies or of other authorized signatories. The Bank is allowed to take these specimens into account exclusively, with no regard to any other signature deposited or filed with the registrar of companies or any other official publication. The Bank may (without being obliged to do so) admit the use of electronic signatures and may consider your electronic signature, within the meaning of article 18 (1) of the law of August 14, 2000 relating to electronic commerce, as equivalent to an original signature conforming to the applicable specimen, and give electronic communications bearing such a signature the same effects as an original document in writing bearing a signature conforming to the applicable specimen.

### 3. POWER OF ATTORNEY

The Bank provides a standard power of attorney form that may be used by you in order to allow you to confer powers on your accounts to third parties. In order to grant power of attorney to a third party, you must fill that standard form in and notify it to the Bank in accordance with the provisions set out therein. The Bank may, subject to a prior or subsequent notification to the proxy holder, and without having to justify itself, refuse to acknowledge a power of attorney and take it into account.

The power of attorney may be terminated for one of the following reasons:

- > you notify the Bank about the termination of the power of attorney,
- > death, interdiction, bankruptcy or insolvency of the proxy holder or a similar event (in particular incapacity), and
- > your death, if you are the sole holder of the account on which the power of attorney has been granted. You or your heirs must inform the Bank of the occurrence of such events.

When a power of attorney ceases to be effective for whatever reason, you must return to the Bank (or ensure that the proxy holder returns) all the documents relating to the account opened with the Bank, on which the power of attorney was given, and which are in the possession of the proxy holder. Failing such return, you shall bear all the consequences of the use of these documents by the proxy holder or by any third party.

The proxy holder, is like you, bound by the present general terms and conditions. You are liable vis-à-vis the Bank for all the actions of the proxy holder in the framework of his/her mandate.

Unless specifically requested by the account holder, the proxy holder shall have the same scope of competence in management, arrangements and termination as the account holder him/herself.

### 4. NOTIFICATIONS

The Bank is authorized to communicate with you, except where the law provides otherwise:

- > by electronic mail (with attachments where necessary) sent to your e-mail address, or in the event of a response to an e-mail that indicates that it has been sent by you, from whatever e-mail address, to that e-mail address;
- > by notice posted on the transactional site, or for messages of general scope and intended for all clients, by notice posted on the public site, including messages concerning methods by which operations may be carried out or products subscribed to, purchased or sold;
- > by any other form of communication via an electronic medium (such as for sending statements, account statements etc.);
- > by ordinary postal mail,
- > by fax, to the fax number indicated in the account opening form;
- > by notice sent along with account statements.

You may communicate with the Bank,

- > online on the site of the Bank, in accordance with the functions featured on the site, whether public or transactional, by using the required confidential codes;
- > by e-mail to the e-mail address of the Bank;
- > by ordinary letter sent to the registered office of the Bank;
- > by delivery to the registered office of the Bank with acknowledgement of by the Bank;
- > by fax to the Bank, it being understood that the Bank has the right not to take into account notifications transmitted by fax if it has doubts as to the origin or genuineness of the message, and it also being understood that the Bank may in any case request, prior to taking such notification into account, that it be confirmed by ordinary postal letter, in which case only the postal letter shall be deemed to constitute a notification; and
- > by telephone, it being understood that the Bank has the right not to take into account notifications received by telephone if it

has doubts as to the identity of the caller, and it also being understood that the Bank may in any case request, prior to taking such notification into account, that it be confirmed by ordinary postal letter or by fax, in which case only that communication shall be deemed to constitute a notification.

Communications by fax, e-mail or any other electronic medium shall be deemed to have been received by the addressee on the date on which they are sent, or if they are made by "posting" on the site, on the day on which the "posting" is effected.

Communications by ordinary mail shall be deemed to have been received on the third day following the day of dispatch.

Notifications made to the registered office of the Bank shall be presumed to have been received on the date of the receipt or acknowledgement of receipt sent by the Bank.

For the above-mentioned notifications, you alone shall bear the risk and full liability inherent in fraudulent use of your e-mail address or in the dispatching by an unauthorized third party of an e-mail fraudulently indicating that it has been made and sent by you. Your attention is expressly drawn to the fact the electronic messages (e-mail or SMS) exchanged between you and the Bank may not be secured. Neither the confidentiality nor the integrity of such messages, nor the identity of the sender or the addressee can be guaranteed.

The Bank may at any moment, subject to an ordinary advice on the site, and especially for reasons of security and confidentiality, restrict or suspend your rights to use any of the abovementioned means of notification other than ordinary postal letter. This decision may be taken generally for a number of clients or for all clients, or individually, in which case the abovementioned advice shall be posted on the transactional site for that Client.

The Bank may also communicate with you, for example in cases of emergency or violation of any of your obligations, at the telephone or mobile telephone number indicated in the account opening form.

Postal packages (including the sending securities or other valuables) are sent at your risk. the Bank may (without being required to do so) decide to send all letters by registered post, in which case the cost of the dispatch shall be payable by you and debited from your account.

You may indicate to the Bank, in the account opening form that you would like your correspondence to be held at your disposal at the Bank. In such case, the Bank is not obliged to print out the account statements and other correspondence, but it will be sufficient to keep them at your disposal on its computer system and only print them at your request, with the indication that the date on which they have been issued, and such date shall be binding. the Bank shall however reserve the right to send correspondence to your domicile where this is justified by circumstances (in an emergency, violation of your obligations, when the Bank is obliged to do so by applicable laws or regulations, etc), and the Bank shall assume no liability in that regard. In this case, the correspondence shall be dispatched at your expense. the Bank shall not accept liability for the consequences of the storage, removal and/or late delivery of documents or correspondence retained by it at your request. Such correspondence is deemed to have been notified by ordinary mail on the day following the date of the document.

## 5. DEBIT AND CREDIT OF THE ACCOUNT

Le compte sera utilisé pour l'apport en débit ou en crédit de dépôts d'espèces à vue (ou sous d'autres formes de dépôts conformes à la loi et acceptés par la Banque), en EUR ou toute autre devise acceptée par la Banque, en attente d'affectation à l'acquisition d'instruments financiers ou en attente de restitution, et des dépôts de titres faisant l'objet d'acquisitions, cessions, dépôts, retraits et autres opérations.

## 6. TYPE DE COMPTE

### a. Individual account

You can open an individual account in your name, in which case you are the sole owner of the account and the only person authorized to effect transactions on the account.

### b. Joint account

You can also open a joint account with other account holders, whose identity is detailed in the account-opening form. In this case, each account holder is deemed to be an obligee or an obligor vis-à-vis the Bank, in respect of all rights and obligations arising from this account (passive and active joint liability), and is authorized to use the account individually to carry out transactions or financial instruments, using the service. Each account holder may approve or express his reservations concerning the account statements or transactions carried out on the account. However, the different account holders shall determine among themselves, by a separate agreement, and without that this determination shall concern the Bank, the rights of any joint account holder on the account (e.g., by fixing the proportion of each account holder proportionally to his assets deposited on the account). the Bank may at any time request each joint account holder to inform it about this determination. Under no circumstances, the knowledge that the Bank may have about the distribution of assets between the account holders of a joint account may be used against the Bank to contest or reduce the effects of the active and passive solidarity between the joint account holders. In the event that the Bank has to provide a statement about the property of the assets credited to a joint account to the authorities, to a creditor attaching the account, or any other third party, it will assume, without prejudice to any possible agreements entered into between the joint account holders to which the Bank is not a party and about which it has no obligation to inform itself, that these assets belong to any of the joint account holders in equal proportions.

The transfers of funds and securities will only be possible to an account for which account holder 1, as specified in the account opening form, is the only or joint beneficiary, opened with another financial institution. All notifications relating to a joint account will be addressed by the Bank to the holder 1 and this notification shall be deemed to be a notification to all the joint account holders. Only this holder 1 will receive the confidential codes and it belongs to this account holder to communicate these codes, under its exclusive liability, to the other account holder(s). It is presumed that the "client profile" indicated on the account opening form has been agreed upon between all the joint account holders. Furthermore, the Bank may rely on the fiscal residence of holder 1 to apply the fiscal regulations relating to the account holding and the transactions effected on this account. It is however expressly understood that, notwithstanding

the provisions above, if one of the joint account holders is a Luxembourg resident, the account shall be subject to the rules applicable in Luxembourg, including the rules relating to the fiscal status of the account.

Unless the law provides otherwise, the death of a joint account holder will not result in the closing of the joint account, which may continue to be operational with the single signature of a surviving joint account holder.

## 7. IDENTIFICATION

In order to allow the Bank to perfectly identify you, you have to join a copy of your identity paper to the account opening form. The Bank will presume that the address of your domicile indicated on your account opening form will be your fiscal residence, unless you provide a different indication in writing.

## 8. INDIVISIBILITY

The obligations of (joint) account holders to the Bank are indivisible.

## 9. GUARANTEE

Without prejudice to the liens and other rights enjoyed by the Bank by operation of law, all assets credited to your account with the Bank, and more generally all assets that the Bank may owe you, shall be allocated to the constitution of a guarantee in favor of the Bank in relation to any claim, present or future, owed to the Bank.

If you fail to fulfill your obligations or are late in fulfilling them, the Bank is authorized - except for the exceptions provided for by law - to withhold the assets in question or sell them in the legally prescribed way and allocate the proceeds to clearing the debts owed by you in principal, interest, expenses and incidental costs. Furthermore, should you not fulfill one of your obligations, the Bank shall also be authorized not to fulfill its obligations.

## 10. MARGIN REQUIREMENTS

The Bank requires that there should, at all times be sufficient assets in the account that you have used to make a transaction on any type of instrument (options, derivatives, futures, etc.), to ensure a permanent credit balance, covering 100% of your open positions in respect of that transaction, and all assets deposited shall be allocated to cover these positions. The Bank is not required to offer you the possibility to give orders for all types of financial instruments, on all markets, and in particular on those exposing you to a risk on open positions. The Bank indeed reserves the right (without being obliged to do so) to offer different services and functionalities to its clients, by taking into account their financial profile and their experience in the field of investments. The service is at any time limited to the functions described on the site (type of market, type of instrument, type of order, etc. to which you may have access). You must consult the site in order to identify the services offered.

It is however expressly indicated that the eventual loss that you may incur on open positions may exceed the amount of coverage provided for and requested by the Bank, and that the Bank does not guarantee that the amount of coverage that it requests corresponds to the risk that you are taking on such positions. In case where, following the evolution of the markets or for any other reason, the assets in the account are or will become insufficient to cover your position, and/or if you have not provided for or completed, at the request of the Bank, the required coverage within the delay indicated by the Bank, you irrevocably authorise the Bank to liquidate, totally or partly, your positions, at your exclusive costs and risks. Additionally, the Bank is irrevocably authorized to realise all or part of the assets that the Bank holds for your account, in order to settle all the transactions entered into by you subject to a preliminary notification. In this case, all the costs and risks are at your charge.

## 11. DEBIT BALANCE

You agree to maintain a credit balance at all times, on all accounts opened in your name. Any tolerance of a debit balance by the Bank does not constitute the right to maintain or occasionally renew a debit balance. Consequently, the Bank may at any time demand the immediate payment in full of such a debt. Any debit balance accrues interest without notice in favour of the Bank at the rate in effect during the time the account was in debit. These rates can be found on the "Tariffs" page on the site. They vary according to currency and may be modified at any time by the Bank according to market conditions. The debit interests accrued by the accounts are capitalized quarterly. You irrevocably authorise the Bank to proceed, on its own motion, with the liquidation of all or part of the financial instruments held on the account in order to purge the debit balance. The Bank shall use its best efforts, without an obligation of result, to inform you of that liquidation. The fact for the Bank not to charge debit interests or not to liquidate assets as described above, must under no circumstance be construed as a waiver by the Bank of its rights resulting from the present clause.

## 12. SINGLE ACCOUNT

The various accounts (cash, securities) of whatever kind, with a credit or debit, balance, in whatever currency, form part of one single account with the Bank, and this account is allocated to the sole use of the service. The Bank may, on their own initiative and without notice, set off the outstanding balance of these accounts or transfer assets from an account with a credit balance to an account with debit balance, whatever the currency of these accounts. If necessary, the currency will be exchanged at the rate in effect at the Bank on the day of transfer. All the conditions of the present general terms and conditions (including this clause) apply to each account you hold individually or jointly, with the Bank.

## 13. Transaction notices and account statements

Transaction notices ("avis d'opéré"), account statements and other statements concerning the account and transactions carried out on the account will be sent to you by ordinary mail or, to the extent permitted by law, as for all other statements from the Bank, by e-mail, if you have indicated an e-mail address to the Bank. After each transaction using the service a transaction notice will be sent to you. You are advised to print out your e-mail statements and keep them carefully.

You must check that your orders are correctly executed by the Bank, and you are required to advise the Bank as soon as possible of any error, whether favourable or unfavourable to you. In addition you can find the balance of your account and a description of the

transactions on the site. Should there be a contradiction between the information on the site and the information in the transaction notices and account statements, the latter shall always prevail.

#### 14. REMUNERATION OF DEPOSITS

The cash deposited in your cash account accrues interest at the rate indicated on the "Tariffs" page on the site. This interest constitutes a retrocession of a portion of the interest received by the Bank for the sub-deposit of the client's assets with other financial institutions. The interest rate varies according to the currencies, and can be modified at any time by the Bank, to adapt to market conditions.

#### 15. TRANSFERABLE SECURITIES

All the transferable securities in your account, including those acquired from orders executed by the Bank, will be considered fungible unless the law provides otherwise. You will be informed of the serial numbers of the transferable securities, which might be subject to a drawing, before the first drawing. Furthermore, in the case of the withdrawal of transferable securities from your account, if need be, you agree to receive securities with different numbers from those you deposited, with the exception of those subject to drawing whose numbers have been allocated to you.

#### 16. CURRENCY

Amounts will be debited or credited in the currency in which they have been paid or cashed by the Bank, without prejudice to the Bank's right to set off any insufficiency in one or several currencies by the conversion of available balances into one or several other currencies, in compliance with Article 12. The amounts to be credited will be transferred to the same account, if need be, in a separate column/sub-account.

#### 17. REMUNERATIONS, TAXES AND COSTS

The Bank may debit your account with any remuneration or reimbursement of costs due to them, as well as any amounts which they are legally obliged to charge or withhold, for transactions effected, or income received or other amounts paid into this account (tax on stock exchange operations, other similar taxes which apply in other countries, withholding tax, taxes on the delivery of bearer securities, etc.).

#### 18. PAYMENTS AND TRANSFERS

Payments and transfers and remittances in your favour, executed by a correspondent of the Bank or other financial intermediary, in Luxembourg or abroad, will be permanently acquired by you only at such time as the Bank is in possession of the funds or securities transferred by the correspondent or other intermediary, notwithstanding receipt by the Bank of a confirmation by that correspondent, or intermediary that such payment, transfer or remittance has been made. In general, all payments into cash or security accounts are made subject to the usual reserves ("réserve de bonne fin") by the Bank who reserves the right to automatically make reversals as explained below, in the absence of an effective transfer.

#### 19. REVERSALS AND CORRECTION OF ERRORS

You authorize the Bank to automatically reverse and without notice or permission, in the event of a clerical error, for example, if an amount has been credited twice or erroneously allocated or, conversely if the Bank has omitted to debit a sum or assets, or if an operation has been effected subject to the usual reserves ("réserve de bonne fin") and is not subsequently settled. In the event of an error in the allocation of securities to the credit of your account, the Bank may automatically reverse the securities erroneously attributed. If these assets have been withdrawn prior to the correction of the error, you authorise and mandate the Bank to purchase, at your exclusive costs and risk, the securities on the market, if you fail to return the securities within 5 days following a formal notice by the Bank by ordinary mail. If the securities have been sold before correction of the error, you authorize and mandate the Bank reverse credit of the proceeds of such sale in your account.

#### 20. OPERATIONS RELATING TO FINANCIAL INSTRUMENT DEPOSITED

Unless agreed otherwise, the Bank shall carry out the following operations or cause its correspondents or sub-depositaries to carry them out (with the exclusion of all other operations not specifically mentioned below):

- > it shall collect or obtain repayments, bonuses and allocations of all securities and sums relating to the securities deposited, and shall credit the proceeds to the client's account;
- > it shall collect the dividends, interest and other totals due to the client and credit the proceeds to the client's account;
- > the Bank shall ensure that the securities are regularised, especially by proceeding to the exchanges, renewal of coupon sheets, stamping, etc.;
- > if and only insofar as the Bank is informed of it in due time by its correspondent or subdepository, and without accepting any other responsibility than to relay the information to the client, the Bank shall advise the client of operations requiring a choice (increase in capital with subscription rights, take-over bid).

If the client does not give instructions, and unless notification of the operation by the Bank advises otherwise, the Bank shall act or instruct its correspondents or sub-depositaries to act as follows:

- > in the event of a take-over bid or optional public exchange offer, the Bank shall not carry out the operation and the securities which are the object of the proposed take-over or exchange bid shall be conserved;
- > in cases of optional dividends, the Bank shall automatically opt for the allocation in cash.

The Bank may at any time notify its Clients about changes to these courses of action.

The Bank shall only be responsible for carrying out or not carrying out the above-mentioned operations in case of wilful negligence, fraud or gross negligence on its part. If for the above-mentioned operations the Bank uses a correspondent of sub-depositary, the Bank shall only be liable vis-à-vis its clients if and to the extent the correspondent of sub-depositary is responsible to the Bank, unless the Bank commits a serious fault in its choice of its correspondent or sub-depositaries.



## > 2 THE SERVICE

### 21. TRANSMISSION AND EXECUTION OF ORDERS

The service enables you to electronically transmit orders to the Bank, on financial instruments (hereafter "orders"). Upon reception, valid orders are electronically transmitted by the Bank to the appropriate markets for execution on your behalf (in "real time") (subject to additional checks, which the bank could be bound to) by, or under the responsibility of the Bank (without prejudice to the Bank's recourse to their correspondents). The orders are transmitted and executed pursuant to these general terms and conditions and according to the methods described on the site on the day of the transmission of the order, in particular with respect to the type of financial instruments and the markets involved, the kind of orders being traded, the possibility of selling on one market securities which were bought on another, etc.

By receiving, transmitting and executing the buy and sell orders on a regulated market, or any subscription, redemption or conversion orders in respect of financial instruments, or within the framework of change operations, the Bank only acts in its quality as a representative ("mandataire") and not as a counterpart of its clients.

### 22. VALID ORDERS

The Bank will only execute orders, which have been validly received. Under the present terms and conditions an order is only considered to be validly received by the Bank if the following conditions have been fulfilled:

- > you have encoded and transmitted your order, using the secret codes and in accordance with the instructions on the site exclusively by means of the electronic communication system on the site, it being understood that the Bank will use its best endeavours, without being bound to do so, to follow up within a reasonable time those orders transmitted by means other than electronic channels but only when these orders cannot be electronically transmitted due to technical problems (in which case, your faxed or mailed order, including by e-mail, will be presumed transmitted by you and with your consent if it bears a signature described in article 2, and the Bank shall not be bound to make any additional checks, and the Bank shall not be liable if it refuses to execute the order if it finds that the signature does not conform to the specimen referred to in article 2),
- > the available balance in your account contains, either in cash for subscriptions, or in securities for redemptions, adequate and sufficient assets for the execution of the order, comprising the associated costs and taxes,
- > the electronic communication of the order has been confirmed by the receipt by you of an operation number. Any order validly received will be immediately sent to the relevant market for execution. It is expressly understood that the Bank may refuse the execution of any order if the assets held on the account are not sufficient. However the Bank may not be held liable for the execution of an order that was not sufficiently covered, and the acceptance and the execution of that order does not deprive the Bank from its rights stated above, in particular those provided for under articles 10 and 11. Attention is drawn to the fact that in the event that an order is executed at the market price, it is possible that the execution price will exceed the price on which is based the calculation of the coverage required at the moment when the order is entered. This risk is particularly high on speculative markets or if a financial instrument will be quoted for the first time after an initial public offering.

### 23. CANCELLATION REQUEST

request for the cancellation of an order will be taken into consideration by the Bank only from such time as it has been validly received, and such request for cancellation will only be considered as validly received if it has been transmitted in compliance with the rules described under article 22(i) here-above, mutatis mutandis.

The Bank cannot guarantee that cancellation requests will be executed, in particular if such requests have been validly received after the order which is to be cancelled has already been executed, or if such cancellation is not possible because of the regulations and operational rules of the markets concerned. In general, under the present terms and conditions, a request for the cancellation of an order will be considered as a new and separate order, distinct from the order, which is to be cancelled.

### 24. COMPLIANCE WITH APPLICABLE REGULATIONS

Your orders are subject to the regulations in the countries and on the markets concerned. They can only be executed if they are in compliance with these regulations, and to the extent and according to the terms and conditions provided for therein. the Bank will in no way be held liable for the non-execution of an order (as defined below), which results from the non-compliance of such order with the applicable regulations, or for any other reason resulting from the application of these regulations (for example, though not limited to market closure, suspension of quotation, etc.) Attention is expressly drawn to the fact that applicable regulations vary according to the countries and markets concerned (e.g., the minimum number of stocks which may be sold/bought, the time limits for the execution or cancellation of an order, time limits for liquidation, etc.) If in doubt, you should familiarize yourself with such regulations, as the case may be, via the Bank's helpdesk. the Bank is not legally bound to provide these regulations on the site.

### 25. ABSENCE OF ADVISORY SERVICE

The service does not comprise any portfolio management advice, or any tax and legal advice, and the Bank has no power to manage your assets. The quotes and other information on companies or financial instruments, which are available on the site, do not constitute advice for buying or selling or any other kind of advice.

### 26. ACCESSIBILITY TO THE SERVICE AND TECHNICAL BREAKDOWNS

The Bank will make every reasonable effort at its disposal to ensure access to its site and use its of service, by having recourse to adequate technical means, in compliance with technical requirements and common practice in the industry. In spite of such precautions, certain technical problems may arise at the Bank, with their correspondents, or on the markets concerned. Similarly, electronic transmission problems or other problems may also occur between you, the Bank, their correspondents or the markets concerned, making the valid transmission of orders impossible, or, after reception of a valid order by the Bank, making its execution impossible. When necessary, and without prejudice either to the Bank's right to invoke « force majeure », or to the fact that the Bank's obligations are confined to using their best efforts, though not to guaranteeing any given result, the Bank

assume no responsibility for lack of access to the site or the service, making the valid transmission of orders impossible, or in the case of non-execution, partial execution, erroneous or late execution of a validly received order (hereafter collectively referred to as a "non-execution"), when this lack of access or non-execution results from a technical failure (including problems of transmission) beyond the reasonable control of the Bank, and in particular:

- > technical breakdowns at the Bank's correspondents, or on the markets concerned (e.g. Overloading of a stock market),
- > the failure of a line or other means of communication,
- > breakdown of the Bank's machines,
- > unforeseeable deficiency software,
- > intensive traffic on the site and overload of the Bank's systems,
- > electricity failure
- > decisions taken by the authorities, including the market authorities, and
- > strikes, thefts, and other events having the same effect.

Taking into account the above-mentioned technical problems information may appear on the site, concerning the position of an order ("executed", "waiting", "rejected"), which does not correspond to the real position of the order. It is therefore reminded that only the information contained in the transaction notice will constitute evidence. When the Bank is informed of such a problem, by a client, their correspondents, or the markets concerned, the Bank are authorized to correct the errors, as the case may be by making the required adaptations to your account, by passing the orders by non-automatic means, etc. Any communication made by the Bank as to the position of an order, by means other than posting on the site, in accordance with the ordinary methods used by the service (fax, etc.) takes precedence over the information on the site. Without prejudice to articles 13 and 35, you are obliged to inform the Bank as soon as possible of any technical problem, transmission problem or any malfunction that you notice in use of the service.

## 27. SUSPENSION OF THE SERVICE

The Bank may intentionally and without notice, interrupt the service or a part thereof

- > to prevent or remedy any possible failure or break-down of its machines, software, or communication equipment,
- > if the Bank considers it to be useful to do so, particularly, though not limited to, such events as attempted hacking, embezzlement, or
- > to carry out maintenance or to make improvements to the service.

Whenever practicably possible, the Bank will endeavour to inform you in due time of any planned interruptions. the Bank cannot be held liable for any possible damages resulting from these suspensions of service.

## 28. FINANCIAL INFORMATION

The site provides access to the quote of financial instruments, as well as to other financial information, such as information on companies or financial instruments, pending issues etc. the Bank endeavour to work with the most well-known and reliable information providers. However, all of this information is given to the Bank by third parties and, particularly as far as some quotes are concerned, by the relevant stock exchanges and markets themselves. the Bank do not, therefore, guarantee the accuracy of this information and decline all responsibility for any prejudice resulting either from the erroneous nature of such information or from failures in the transmission of this information.

## 29. FEES

The Bank shall act as broker with respect to all stock exchange trades. All the prices and fares of the Bank (brokerage fees, costs, etc.) are available online on the site and on written request from the registered office of the Bank. They may be changed by the Bank at any time. The fee for each operation (in particular for the execution of an order) is that which appears on the site on the day of the transaction. The fees online on the day of the transaction take precedence over those quoted previously. Any modification of the fees will be notified by posting on the site, with 5 business days' notice.

## 30. REMUNERATION PAID TO THIRD PARTIES OR RECEIVED FROM THIRD PARTIES

In the context of the provision of investment services, the Bank may receive from third parties, or pay or grant to third parties, remuneration, commissions or non-monetary advantages (the "advantages"). These advantages are granted in return for services rendered by their beneficiary, with the aim of improving the quality of the service provided to Clients. The Client may obtain further information on this matter upon request to the Bank.

## 31. THE BANK'S LIABILITY

The Bank shall only be liable for any willful or gross negligence. It shall not be liable for any other negligence. All obligations incumbent on the Bank are means-based (i.e. obligations to use reasonable efforts to perform the services) and not results-based. In all cases where the Bank is liable, this liability will be limited to direct damages, i.e., damages which constitute the necessary and inevitable consequences of the Bank's fault, and the Bank may under no circumstances be bound to compensate indirect damages of a financial, commercial, or other nature, loss of business, increase in overheads, disruption of work, lost profit, attempt to a reputation, goodwill, or expected savings. the Bank is not obliged to compensate the loss of opportunity to make a profit or avoid a loss.

Without limitation to the causes exonerating the Bank from any liability as provided in article 26 above, the Bank cannot be held liable for any prejudice for you resulting directly or indirectly from events of force majeure or measures taken by the Luxembourg or foreign authorities. Consequently, although this list is not exhaustive, it shall not be liable for any prejudicial consequence arising specifically from

- > fire or flood;
- > strike action by its staff;
- > operations ordered by persons upon whom powers are conferred in the event of war, disturbance, riot or occupation of the



- territory by foreign or illegal forces;
- > decisions by the authorities, including the Stock Exchange authorities;
- > errors or interruptions through the activity of Luxembourg or foreign telegraph or telephone services, post or private transport systems or any other service provider in the field of information within the meaning of the Directive 2000/31/CE dated 8 June 2000 on certain legal aspects of information company services, in particular electronic commerce, in the Internal Market; and
- > Luxembourg or foreign legal or regulatory restrictions, that prevent the return to the Bank of financial instruments passed to the Bank by its correspondents or sub-depositaries, or by the Bank to you.

The Bank shall not be liable, except insofar as required by the law and by applicable regulations, especially in relation to the prevention of money laundering, to verify the accuracy of information and documents communicated to it by you in the account opening form or elsewhere, for example with regard to your tax status, even if the information provided can be verified with a public source or by any other means. Similarly, the Bank shall not be responsible, with regard to clients who are foreign nationals or have a tax or other residence abroad, for carrying out any verifications in connection with the requirements of foreign laws liable to affect or alter the information provided to the Bank. All information you send to the Bank shall be deemed to be accurate, up to date and genuine at all times. The Bank may however, with a view especially to protecting its liability with regard to authorities, especially the tax authorities, but without being required to and without being held liable towards you if it does not do so, verify whether the information and documents sent by you are accurate, up to date and genuine, and act on the basis of information that it believes, in its own judgment, to be accurate and up to date, subject to prior notification to you in due time. In the event of a disagreement between the Bank and you on this subject, no account shall be opened, or where appropriate, your accounts shall be closed and the contract concluded on the basis of the present terms and conditions terminated, without prior notice, costs or compensation being payable by either party.

The Bank may be required, for the purpose of carrying out and completing operations, to have recourse to the services of a correspondent or sub-depositary. The Bank shall only be liable towards you if and to the extent the correspondent or sub-depositary is liable towards the Bank, unless the Bank commits a grave error in the selection or monitoring of its correspondents or sub-depositaries.

When the Bank, for the purpose of carrying out a specific operation, is required temporarily to release securities received as deposits, the risk shall be borne by you; the Bank, in this regard, shall take only the customary precautions without liability.

## > 3 CLIENT'S OBLIGATIONS

### 32. NON-PROFESSIONAL USER

If you sign the declaration of non-professional user, you certify that:

- > You sign in your own name and on your own behalf, and not in the name or on behalf of a company, association, partnership or trust.
- > You use the financial information for your own personal investment activities only, and not in connection with any professional or business activity.
- > You are not registered with nor approved by the Securities and Exchange Commission, the Commodities Futures Trading Commission, any transferable securities agency, any Stock Exchange or association involved in the quoting of transferable securities, any regulated market or any other equivalent organization abroad. Neither shall you be the owner of or partner in any such organization.
- > You are not an employee of a bank or insurance company or of any of their agents or representatives carrying out tasks related to the negotiation of transferable securities of any kind.
- > You do not supply the information to other persons.

In addition, you shall acknowledge that:

- > You have read and agree to be bound by the NASDAQ Consolidated Subscriber Agreement, a copy of which can be found on the site or requested from the Bank.
- > You are not an agent of NASDAQ and are not authorized to add, remove or modify any clause or clauses within the NASDAQ Consolidated Subscriber Agreement.
- > None of the clauses in the NASDAQ Consolidated Subscriber Agreement has been added, removed or modified.
- > You have read and agree to be bound by the NYSE and AMEX Agreements, a copy of which can be found on the site or requested from the Bank.

### 33. STATEMENTS

a. By accepting the present general terms and conditions you state or acknowledge the following:

- > you have the legal capacity to conclude this contract and to manage your portfolio yourself,
- > you have sufficient investment experience and you do not deem it necessary to take advice or to put your portfolio in the hands of a professional manager,
- > you have read the information on the risks concerning financial instruments, available on the site and appended to the account-opening form,
- > you accept all responsibility for, and all the risks associated with the orders that you transmit to the Bank, on the understanding that the Bank cannot be held liable for the appropriateness of your investment decisions and for the financial consequences of your orders,
- > you agree that every order shall be executed as you have encoded it (including your choice of the market on which it will be executed, etc.), without the intervention or advice of the Bank,
- > you have sufficient knowledge of computers and the Internet to use the service,
- > you undertake to keep the Bank informed of any modification in your financial profile and your investment objectives, as they are described in the account-opening form,
- > you will not use the service to manage the portfolio of a third party, or of your own clients etc. without prior notice to the Bank, who reserve the right, without notifying in advance, to inform the finance Commission if they have reasonable cause to think that

- you are providing investment services to a third party without being registered to do so,
- > you will not re-sell or make available in any manner the financial information provided on the site,
- > the service and the accounts opened with the Bank cannot be used for money-laundering, and without prejudice to the Bank's verifications in this respect, you will not use the service or your accounts for this purpose,
- > your assets held on your account do not have a criminal origin.

b. As your orders are transmitted online and executed in real time, you acknowledge that the Bank will not be able to verify your orders and to provide you with related advice, based in particular on your investment profile. You expressly acknowledge that you have carefully studied the risks related to specific types of financial instruments as these risks are explained in the information notice joint to the account opening form and available on the site.

### 34. SECRET CODES

You guarantee to respect the personal and confidential nature of the three codes (login, password and trading password), and you accept entire responsibility in the event of these codes being communicated to third parties. Any order encoded with these codes will from then on be irrefutably deemed to have been transmitted by you or with your consent and under your sole responsibility. In the event of the loss, theft or fraudulent use of one of these codes, you are obliged to inform the Bank as soon as possible. At your request, your account will be blocked by the Bank, no later than the day following the receipt of such notification.

### 35. SAFE-KEEPING OF INFORMATION

You must take all necessary measures to keep a record of any statements from the Bank (transaction number, account statements, history of transactions, situation of the portfolio, etc.). If this information has been electronically communicated and stored in the memory of your computer, you are advised to keep a printed copy. A charge will be made for any duplicates that the Bank shall be requested to supply.

### 36. DISPUTES

Any complaint or observation of any nature relating to :

- > a malfunction on the site or any of its functions,
- > any information displayed on the site of the Bank,
- > an error committed in respect of an operation,
- > non performance by the Bank of its obligations,
- > the content or form of any notification made by the Bank, including transaction notices and account statements, or, with regard to the price for the execution of an order or the non-execution of an order, etc., must be notified by you to the Bank within three days of the day during which you become aware or are deemed to have become aware of it, or within any longer period authorized by applicable regulations. If you fail to do so within such period, you will lose your right to complain.

## > 4 MISCELLANEOUS

### 37. CHANGE OF ADDRESS AND ELECTION OF DOMICILE

In the event of any change of residence, of postal address or electronic address, you must inform the Bank. Until notification of such change has been received, the Bank may continue to correspond with you at the last place of residence, postal address or electronic address of which they were notified. The communications sent to this former address will then be deemed to have been received by you as indicated in Article 4.

### 38. NON-ACCEPTANCE OF TRANSACTION

The Bank may refuse to accept a client or refuse to execute any transaction (accepting a deposit, withdrawal, transfer, execution of an order, etc.) in order to comply with its legal or professional obligations or duties in its capacity as professional of the financial sector.

The Bank may (but is not required to) refuse to take account of or implement a notification (including an operation request) from you if:

- > the Bank considers that the notification is incomplete or ambiguous or cannot be carried out for any other reason,
- > the notification has been drawn up or is accompanied by supporting documentation drawn up in a language other than Dutch, German, French or English,
- > in the Bank's opinion, the authenticity of the notification in relation to the specimen signature(s) is doubtful and the Bank has reasons to believe that it has not been signed by you (or by your proxy holder),
- > the notification relates to a subject for which the Bank makes standard forms available to its clients (change of address, power of attorney, transfer form, etc.) and these forms have not been used for the notification; and
- > the notification has been made differently than by one of the legitimate methods for notification to the Bank as set out in article 4. In this case, the Bank shall advise you as soon as possible by the means that it deems most appropriate (where necessary, by telephone). However it is your obligation to investigate with the Bank about the status of your order and instruction given to the Bank. If the Bank decides however to take into account and implement such a notification without advising you, you shall bear the risks inherent in performing the instructions received by the Bank, especially those arising from any incompleteness or ambiguity in your notification.

The Bank may refuse (in whole or in part) to carry out or postpone the carrying out of any operation for which insufficient provision is made. In view of the Bank's computerization of the processing of operations, the Bank shall not be required to notify you that an operation was not carried out because of insufficient provision.

The above is stipulated exclusively for the benefit of the Bank. the Bank can therefore never be held liable for carrying out an operation

for which your account does not contain sufficient funding. If the Bank carries out an operation (including stock exchange orders) for which insufficient funding was available, you shall be required to pay off the negative balance of your account and the Bank may, in order to set off the negative balance, exercise all rights provided for in the present general terms and conditions.

### 39. INTELLECTUEL PROPERTY

The software on which the service is based, as well as the content of the site, including trademarks and logos, are protected by intellectual property laws. No software, material, text, information, imagery or other work accessible or visible on the site can be copied, reproduced, used, distributed, downloaded, posted or transmitted, in any form and by any method, including but not limited to, electronic or mechanical means, photocopying or taping. You cannot duplicate the site or its contents on another server without the prior, express written authorization of the Bank.

### 40. PROTECTION OF DEPOSITS

The Bank has adhered to the "Système de Garantie des Dépôts de l'Association pour la Garantie des Dépôts (A.G.D.L.)" together with other professionals of the financial sector of Luxembourg. the Bank will provide you upon request with information relating to this deposit protection scheme.

### 41. PRIVACY

Personal data about you is recorded in one or several the Bank files in compliance with relevant legislation applicable in Luxembourg. By accepting the present general terms and conditions, you agree that this data may be used by the Bank in the management of your contractual relationship with the Bank in the broadest sense (correspondence, management of accounts and payments), but the Bank shall not be permitted the communication of your data to third parties. You have the right to consult the data concerning yourself and to make any necessary modifications.

### 42. PROOF

The content and date of receipt and dispatch of all notifications stored by the Bank on a durable electronic medium shall be deemed conclusive until proved otherwise, in the same way as an original document signed in writing on a paper medium.

Information relating to contracts, operations and payments and stored by the Bank on a durable electronic medium shall be deemed conclusive until proved otherwise, in the same way as an original signed document on a paper medium.

The Bank's books and documents shall be deemed conclusive until proved otherwise. Regardless of the nature or total value of the operation to be proved, the Bank may still, in a civil or commercial matter, provide evidence by means of a copy or reproduction of the original document. Unless you can prove otherwise, the copy or reproduction of the document shall have the same evidentiary effect as the original.

The Bank may prove access to the transactional or public site by any appropriate electronic means. Inaltérable access traces left on the Bank's computer systems shall constitute evidence of such an access.

Telephone calls between the Bank and you may be recorded by the Bank, whether the call originates from the Bank or you. The recording shall constitute evidence in the same way as an original written document on a paper medium signed by all parties, and may be produced in court in the event of litigation.

You may be asked to accept additional or exceptional provisions or amendments that are generally applicable or specific to certain products or services. You shall be deemed to have accepted these additional or exceptional provisions or amendments by clicking on the "I Accept" button on the transactional or public site. Proof of this acceptance shall be supplied by the Bank via any appropriate electronic means.

This clause does not limit the admissible evidence, which may result from the applicable rules on the electronic signature..

### 43. DEATH

In the event of your or your spouse's death, the Bank must be informed of such fact immediately by your heirs and/or successors, with regard to whom your obligations are indivisible, as well as by the possible proxy holders designated by the deceased. This notice may be given only by post.

The assets held by the Bank in the name of the deceased shall be discharged in favor of the heirs and/or successors following production of a notarized deed establishing the devolution of the estate, together with all other documents that the Bank may deem necessary or useful. the Bank shall check these documents thoroughly but shall not be liable for any serious error in the examination of their authenticity, validity, translation or interpretation, especially when documents prepared in a foreign country are involved.

You acknowledge and accept that when your estate is liquidated, information on your accounts and the Operations carried out by you may be divulged by the Bank to the solicitor responsible for organizing the devolution of the estate and to the authorities, especially the tax authorities.

All Operations relating to the assets making up the estate, registered in the name of the deceased or of his spouse in a communal estate settlement, may be subject to the written approval of every person with the capacity of residual legatees and devisees, or of successors called upon to collect part or all of the assets making up the estate and held by the Bank.

The Bank shall send correspondence relating to the assets held by it in the name of the deceased to the address supplied following the mutual agreement of all the heirs and/or successors. If no such instruction is issued, it shall be sent to the address of the deceased Client, the solicitor or any other person responsible for the interests of the successors.

The heirs and/or successors shall be jointly and severally liable towards the Bank to pay all the costs relating to the opening and

settlement of the estate.

#### 44. MODIFICATION OF THE PRESENT TERMS AND CONDITIONS

The Bank reserves the right to modify the present terms and conditions at any time. Only the terms and conditions in force on the day of an operation, as they appear on the site at that time are applicable to the contractual relations concerning such operation.

#### 45. APPLICABLE LAW AND COMPETENT JURISDICTIONS

The present general terms and conditions are subject to Luxembourg law, and in the event of litigation, Luxembourg courts will have exclusive jurisdiction, save for the right for the Bank to bring litigation before any other jurisdiction normally competent, including the jurisdiction of a country in which you own assets. If you do not have or elect a domicile in Luxembourg, you will be deemed to have your domicile at the registered office of the Bank where all notifications and summons of procedural acts (including writs of summons) may be validly done. In this case, you will be informed by registered mail to your address aboard as indicated in the account opening form (as it may have been updated) with attached thereto, a copy of the document instituting the procedure. You recognise and acknowledge that all possible delays in the reception of registered mail shall not affect the validity of the proceedings instituted, as notified to your effective or elected domicile in the Grand-Duchy of Luxembourg.

#### 46. DURATION

Your agreement with the Bank based on the present general terms and conditions is made for an indefinite period. It can be terminated by either party on one day's notice. In any event it will be automatically terminated upon closure of the account with the Bank.

With effect from the date of termination, the credit balance of the account shall cease to bear interest. If you do not issue clear instructions regarding the availability of credit balances or of your other assets held on deposit by the Bank within a reasonable period following the date of termination, the Bank may itself decide on the way in which the credit balances shall be sent to you, at your risk.

## > GENERAL RISK WARNING CONCERNING FINANCIAL INSTRUMENTS

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This document does not pretend to describe all risks inherent in investments in financial instruments. Its objective is rather to give basic information and to warn clients about the risks inherent in all investments in financial instruments.

The client should not enter into any investment transaction before being sure that he has fully understood the nature of the transaction and all risks involved. The client must carefully examine the nature of the transaction taking in account his experience, his objectives, his assets and any other relevant circumstances.

## ➤ GENERAL RISKS

### ECONOMIC RISK

Prices of the financial instruments are always influenced by changes in the activity of a market economy, and fluctuate in line with such activity. The duration and extent of economic ups and downs vary, as do the repercussions of those variations on the different market sectors. In addition, different countries' economic cycles differ from each other.

Failure to take these factors into account as well as an incorrect analysis of an economy's development when taking an investment decision may lead to losses being incurred. The effect of an economic cycle on prices must therefore be taken into account.

### INFLATION RISK

Currency devaluations may cause an investor to incur financial loss. Therefore, it is important for investors to take into account the real value of their existing assets as well as the real realizable yield on this portfolio. For the purpose of calculating this yield, real interest rates should be taken into account, that is, the difference between the nominal interest rate and the inflation rate.

### COUNTRY RISK

It may happen that a foreign debtor, although solvent, cannot repay the principal and interest on loan at maturity or may even completely default on the loan due to the unavailability of foreign currency or limits on foreign currency transfers in the debtor's country of origin. Country risk includes the danger of economic as well as political instability. Consequently, payments to which the investor is entitled may be defaulted on in the event of the ensuing unavailability of foreign currency or limits on foreign currency transfers. With regard to securities issued in a foreign currency, investors risk receiving loan repayments in a currency that is no longer convertible because of exchange controls. No means of shielding oneself against such risks exist.

### EXCHANGE RATE RISK

Since foreign exchange rates fluctuate, exchange rate risk exists whenever financial instruments are held in a foreign currency. The essential factors affecting a country's foreign exchange rate are a country's inflation rate, the gap between domestic and foreign interest rates, and the assessment of economic trends, the political situation and safety of the investment. Additionally, psychological factors, such as internal political crises, may weaken a domestic currency's exchange rate.

### LIQUIDITY RISK

Insufficient market liquidity may prevent investors from selling financial instruments at market prices. Fundamentally, a distinction has to be made between a lack of liquidity caused by the laws of market supply and demand and lack of liquidity due to financial instruments' characteristics or to market practice.

A lack of liquidity due to market supply and demand arises when a financial instrument is almost exclusively in supply (seller's price or bid) or almost exclusively in demand (buyer's price or offer) at a certain price.

Under such circumstances, buy or sell orders cannot be carried out immediately and/or only partially (partial execution) and/or at unfavourable conditions. In addition, higher transaction costs may apply. A lack of liquidity due to financial instruments' inherent characteristics or to market practice may occur, for example, because of lengthy transcription procedures for transactions involving registered shares, long performance delays because of market practice, other trading restrictions or a short-term need for liquidity that cannot be covered through sales of securities.

### PSYCHOLOGICAL RISK

Irrational factors may affect the overall performance of financial instruments on stock exchanges such as trends, opinions or rumours likely to cause share prices to drop substantially even if the future prospects of the companies affected thereby have not evolved unfavourably.

### CREDIT RISK

Purchases of securities financed through loans are associated with additional risks. Supplementary collateral may be required if the prices of the pledged assets move such that the credit limit guaranteed by the pledge is exceeded. If the investor is unable to provide the additional collateral, Keytrade may be forced to sell the deposited securities at an unfavourable moment. Furthermore, the loss incurred due to an unfavourable movement in the price of a financial instrument may exceed the initial investment amount. Fluctuations in the prices of pledged securities may hinder the investor's ability to repay the loans.

Investors need to be aware that, due to the leverage factor accompanying the purchase of credit-financed securities, the sensitivity to price fluctuations of such investments will be proportionally greater. As a consequence, chances for gain increase, as do risks of loss. The extent of those risks will depend on the amount of leverage associated with the investment: the greater the leverage, the greater the risks.

### TAX RISK

The tax risk can arise as a result of unclear legislation concerning the tax aspect of financial instruments. The obscurities are possibly related to, among other things, the taxation rate, the application of tax measures. Also a modification of the taxation concerning the family formation: divorce, death, testamentary provisions, can have possible tax consequences on the financial instruments. These obscurities can be present at the coming in to force of the legislation, but are able to arise later. For foreign financial instruments tax treaties, between several governments, can also have an influence on the financial output.

### THE RISK LINKED TO THE USE OF COMPUTERIZED RESOURCES TO CARRY OUT FINANCIAL OPERATIONS

Each computerized system has its own user interface with a specific terminology and with its own methodology to execute the desired instruction. The used terminology can differ from language area to language area, the result being that a locally used term can have a different content in another language area. For lack of sufficiently knowledge of the user interface, wrong orders can be passed on. The



simplicity and the speed with which the orders are passed can create undesirable transactions.

## SPECIFIC RISKS

### BONDS

Bonds are negotiable debt instruments issued in bearer, registered or dematerialized form by a company or a government body to creditors and whose par value at issuance represents a fraction of the total amount of the debt.

The interest payments on bonds may be either fixed or variable. The duration of the debt as well as the terms and conditions of repayment are determined in advance. The purchaser of a bond (the creditor) has a claim against the issuer (the debtor).

#### > CHARACTERISTICS

- > Yield: possible dividend payments and increase in value of the security.
- > Duration: short-term (up to 4 years), medium term (4-8 years), long-term (more than 8 years).
- > Repayment: unless stipulated otherwise, the bond is repaid either at the maturity date, or by means of annual payments, or at different dates determined by drawing lots.
- > Interest: depends on the terms and conditions of the bond; e.g., fixed interest for the entire duration or variable interest often linked to reference rates (e.g., FIBOR or LIBOR).

#### RISKS

- > Insolvency risk  
The issuer risks becoming temporarily or permanently insolvent, thus entailing its incapacity to repay the interest or redeem the bond. The solvency of an issuer may change due to general economic conditions and/or to changes specific to the issuing company, the issuer's economic sector and/or the countries concerned as well as political developments with economic consequences. Deterioration of the issuer's solvency will influence the price of the securities it issues.
- > Interest rate risk  
Uncertainty concerning interest rate movements means that purchases of fixed-rate securities carry the risk of a fall in the prices of the securities if interest rates rise. The longer the loan duration and the lower the interest rate, the higher a bond's sensitivity to a rise in the market rates.
- > Early redemption risk  
The issuer of a bond may include a provision allowing early redemption of the bond if market interest rates fall. Such early redemption may result in a change to the expected yield.
- > Risks specific to bonds redeemable by drawing  
Bonds redeemable by drawing have a maturity that is difficult to determine, so unexpected changes in the yield on these bonds may occur.
- > Risks specific to certain types of bond  
Additional risks may be associated with certain types of bond, e.g., floating rate notes, reverse floating rate notes, zero bonds, foreign currency bonds, convertible bonds, subordinated bonds, etc.  
For such bonds, the investor is advised to make inquiries about the risks referred to in the issuance prospectus and not to purchase such securities before being certain that all risks are fully understood.  
In the case of subordinated bonds, investor must beforehand enquire about the ranking of the debenture compared to the issuer's other debentures. Indeed, if the issuer becomes bankrupt, those bonds will only be redeemed after repayment of all higher ranked creditors.  
In the case of reverse convertible notes, there is a risk that the investor will not be entirely reimbursed, but will receive only an amount equivalent to the underlying securities at maturity.

### SHARES

**MiFID** : Shares traded on regulated market – Shares traded on non regulated markets

According to the implementation in the Luxembourg law of the European Directive Markets in Financial Instruments (MiFID), Keytrade distinguishes non complex financial products (for which no knowledge- and experience test is required) and complex financial products (for which a knowledge- and experience test is required). Keytrade considers shares traded on regulated markets as non complex financial products. Shares traded on non regulated markets are considered as complex products.

Shares are bearer, registered or dematerialized financial instruments representing a shareholder's rights in a company. One share represents a fraction of a corporation's share capital.

#### CHARACTERISTICS

- > Yield: possible dividend payments and increase in value of the security.
- > Shareholder's rights: financial and ownership rights: those rights are determined by law and the issuing company's articles of association.
- > Transferability: unless otherwise provided, transfers of bearer shares do not entail any formalities. However, transfers of registered shares are often subject to limitations.

#### RISKS

- > Company risk

A share purchaser does not lend funds to the company, but makes a capital contribution and, as such, becomes a coowner of the corporation. He thus participates in its development as well as in chances for profits and losses, which makes it difficult to forecast the precise yield on such an investment. An extreme case would be if the company went bankrupt, thereby wiping out the total sums invested.

› Price risk

Share prices may undergo unforeseeable price fluctuations causing risks of loss. Price increases and decreases in the short, medium and long-term alternate without it being possible to determine the duration of those cycles. General market risk must be distinguished from the specific risk attached to the company itself. Both risks, jointly or in aggregate, influence the evolution of share prices.

› Dividend risk

The dividend per share mainly depends on the issuing company's earnings and on its dividend policy. In case of low profits or even losses, dividend payments may be reduced or not made at all. There also companies which have as policy not to distribute any dividends.

## FUNDS

### MiFID : "UCIT Funds" – "Non-UCIT Funds"

According to the implementation in the Luxembourg law of the European Directive Markets in Financial Instruments (MiFID), Keytrade distinguishes non complex financial products (for which no knowledge- and experience test is required) and complex financial products (for which a knowledge- and experience test is required). Keytrade considers UCITS Funds as non complex financial products. Non UCITS Funds are assimilated to complex products.

### INVESTMENT FUNDS

Investment funds have no legal personality. They are the joint property of the participants (= co-owners) who have brought the funds and are managed by a company on their behalf. Their objective is to place funds from a number of investors in different assets based on the risk-spreading principle and enabling its shareholders or members to benefit from the results of the management of their assets.

#### CHARACTERISTICS

- › Open-ended-funds: the number of shares and participants in an open-ended fund is not fixed. An open-ended fund may issue additional shares as well as redeem shares already in issue. From an investor's point of view, the fund is obliged to redeem shares at the agreed redemption price and according to contractual provisions.
- › Closed-end funds: the number of shares issued in a closed-end fund is limited to a specific number. In contrast to open-ended funds the fund is not obliged to redeem outstanding shares. Shares may only be sold to third parties or, in some cases, on a stock exchange. The price obtained is determined on the basis of supply and demand.

#### RISKS

- › Management risk  
Since the return on investment fund shares depends, among other factors, on the skills and quality of decisions made by the fund managers, errors of assessment can lead directly to losses.
- › Risk of a drop in prices  
Investment fund units or shares are exposed to the risk of a drop in their prices. Such price diminutions reflect the decrease in value of the securities or currencies comprising the fund's asset portfolio. The more diversified the fund, the lower the risk of losses. Inversely, risks are more important for more specialized and less diversified funds. It is therefore important to pay attention to the general and specific risks attached to financial instruments and currencies in which a fund invests.  
The investor may obtain information about a fund by consulting, among other sources, its prospectus.

## SICAVS

A sicav, which is the French acronym for open-ended investment company, has a legal personality. They are investment companies in the form of a société anonyme (SA) or a société en commandite par actions (SCA). Investors become shareholders and receive a number of units proportionate to their contributions. Each unit carries earnings in proportion to the revenues collected by the Sicav. These revenues are either redistributed to unitholders or are capitalised i.e. reinvested in the company. The tax treatment of investment companies is fundamentally different to investment funds.

#### CHARACTERISTICS

- › Main characteristic: the investor may at any time invest in or withdraw from a sicav; the sicav may at any time without formality increase its share capital through the issue of new shares or conversely reduce its capital by selling existing shares.
- › Each transaction is carried out at the prevailing net asset value. The net asset value corresponds to the market value per share of the net asset value of the portfolio. This net asset value is calculated periodically, most often on a daily basis, and is published in the financial press. It is published a slightly later date - the values of a portfolio on a given day can in fact only be calculated the day after, when all the share prices are known.
- › Sicavs can be divided into sub-funds: this means that a sicav can be made up of various forms of securities, each of which correspond to a separate part of the company's assets. When a sub-fund makes an issue, a prospectus explaining its exact investment policy is issued to investors. Investors may convert shares invested in one sub-fund into shares of another sub-fund for a modest fee.

- › The appropriate monitoring body of the sicav checks that the investment rules are followed.

## RISKS

- › Insolvency risk  
Négligeable, le risque qu'une sicav fasse faillite est pratiquement exclu.
- › Liquidity risk  
Shares can always be sold under market conditions subject to exit fees.
- › Foreign exchange risk  
Zero if the sicav is invested solely in euros, high if the sicav invests in volatile currencies, without hedging of foreign exchange risk and if the protected capital is not in euros.
- › Interest rate risk  
In general, an interest rate rise has a negative impact on the price of the shares and indirectly on the value of a sicav.
- › Price volatility risk  
He is determined through general developments on the stock exchange on which the sicav invests. Volatility is lower than for an individual share.
- › Risk of absence of revenues  
Capitalisation sicavs do not distribute dividends.

## TRACKERS

The term trackers, sometimes referred to as index shares, is used to describe a special form of investment. In fact these are funds or baskets of shares listed on the stock exchange in the same way as shares.

These products offer the performance of an index or a basket of shares and combine the advantages of shares (simplicity, continuous quotations etc) with those of traditional funds (access to vast choice of stocks, diversification).

### CHARACTERISTICS

- › Easy to use and understand: instead of investing in one single share at a time, funds are invested in a group of companies, in other words in an index or a basket of shares.
- › Transparency: the daily notification of the composition of the fund and of the net asset value and the continuous disclosure of the net asset value of each tracker fund provides investors with good visibility on the performance of their investment. As the price of the tracker reflects a fraction of an index e.g. 1/10th or 1/100th its performance is particularly easy to monitor.
- › Versatility: trackers are suited to all types of investments for any type of investor: as a first stock market investment, long-term investment, index-based strategies, treasury management, combination with derivatives of the same underlying instrument, hedging instruments, arbitrage strategies.
- › Economical: the purchase or sale of a tracker is better value than purchasing or selling each of the shares which make up the underlying basket. Also the broker expenses are similar to those for shares and the management fees of the fund are low.
- › Liquid: Diverse strategies generating natural liquidity: trading in the basket of shares, options and futures transactions, market-making and longer term investment.

## RISKS

- › Insolvency risk  
Negligible because trackers are issued by banks.
- › Liquidity risk  
No. The owners of tracker funds have the option to sell their tracker very easily at the market price at any time during the listing period.
- › Foreign exchange risk  
Depends on the underlying portfolio (see prospectus). Zero if the underlying shares are denominated in euros. May be significant for funds denominated in other currencies.
- › Interest rate risk  
In general, a rise in interest rates has a negative effect on the price of the shares and therefore on the indices and therefore on the trackers which are baskets of shares.
- › Price volatility risk  
The price of a tracker fund may fluctuate just like a share. However as the index is based on a diversified basket of shares, the tracker is not subject to very high fluctuations.

## OPTIONS

Options are derivative instruments whose value varies in proportion to variations in the value of the underlying asset. The purchaser of an option receives, on payment of a premium to the counterpart, the seller of the option, the right to purchase (call) or to sell (put) the underlying asset at maturity or during a certain period at a pre-determined exercise price.

### CHARACTERISTICS

- › Duration: the duration of the option starts from the day of subscription until the day the option right matures.
- › Link between the option and the underlying asset: this link characterizes the number of units of the underlying asset that the holder of the option has the right to purchase (call option) or to sell (put option) by exercising his option right.
- › Strike or exercise price: the exercise price is equal to the pre-agreed price at which the holder of the option may purchase or sell the underlying asset when exercising the option.
- › Leverage: any change in price of the underlying asset entails a proportionally higher change in the price of the option premium.
- › Purchase of a call or a put: the buyer of a call option speculates on a rise in the price of the underlying during the lifetime of the

option, resulting in an increase of the value of the option. Conversely, the buyer of a put option would profit from a drop in the price of the underlying.

- Sale of a call or a put: the seller of a call option expects the price of the underlying asset to drop whereas the seller of a put can profit from a rise in the value of the underlying asset.

## RISKS

### ➤ Price risk

Options may be traded on stock exchanges or over-the-counter and follow the law of supply and demand. The option price depends on factors such as whether there is sufficient market liquidity and the real or expected price trend of the underlying asset. A call option loses value when the price of the underlying asset decreases, whereas the opposite is true for a put option. The price of an option does not solely depend on price variations of the underlying asset. Other factors may come into play, such as the duration of the option (time value) or the frequency and intensity of changes in the value of the underlying asset.

Consequently, the value of an option (premium) may decline although the price of the underlying asset remains unchanged.

### ➤ Leverage risk

Due to the leverage effect, price variations in the option premium are generally higher than changes in the underlying asset price. Thus, the holder of an option may benefit from high gains or may incur high losses. The risk attached to the purchase of an option increases with the amount of leverage.

### ➤ Option purchase risk

The purchase of an option represents a highly volatile investment. The likelihood of an option maturing without any value is relatively high. In that case, the investor loses the option premium as well as commissions paid for the option purchase.

The investor has three choices: he can maintain his position until maturity, try to sell the option before maturity, or, for "American" options only, exercise the option before maturity. Exercising an option may entail either settlement of the difference between the exercise price and market price or purchase or delivery of the underlying asset. When exercising an option on a futures contract, an investor effectively takes a position in futures, which would entail acceptance of some obligations concerning security margins.

### ➤ Option sale risk

The sale of an option requires, generally speaking, higher risk-taking than the purchase of an option. Indeed, even if the price obtained for an option is fixed, the losses the vendor may incur are potentially unlimited.

If market prices for the underlying asset vary unfavourably, the seller of the option will have to adjust his security margins to maintain his position. If the sold option is an «American» option, the seller may have to settle the transaction in cash or buy or deliver the underlying asset at any moment until expiry. If the option is on a futures contract, the seller will acquire a futures position and will have to respect his obligations concerning security margins. The seller's risk exposure may be reduced by holding a position on the underlying asset

(securities, index or other) corresponding to the option sold.

## TURBOS

### CHARACTERISTICS

A Turbo is an investment product that thanks to a leverage system enables to benefit from the rise or drop of the stock markets.

### RISKS

With this leverage effect, a trade in Turbos is more risky than a trade in the underlying asset. If the underlying asset's quote reaches or exceeds the stop loss level, the turbo is automatically settled and the residual value refunded to the investor. In such cases, you can lose the whole of your investment. If you invest in a turbo for which the underlying asset is listed in a foreign currency, the currency exchange effects can negatively influence the turbo's quote.

## WARRANTS

### CHARACTERISTICS

A warrant is a contract that gives the right to buy (call warrant) or to sell (put warrant) an underlying value during a certain period against an in advance determined price issued by a financial institution which operates the liquidity.

A warrant can have as underlying value: a stock, a bond, a currency, a market index, etc. A warrant is a right, not an obligation.

The contract indicates the quantity that must be received or transferred when the right is asserted. The exchange happens cash.

### RISKS

#### ➤ Risk with regard to the issuer

The solvency of the issuer must be assured. The risk is fairly small if the issuer is a controlled institution, and only if it concerns covered warrants for which the issuer has made the effort to provide supplies by ensuring the underlying value, which can be addressed at the exercise.

#### ➤ Liquidity risk

Depends on the number of transactions with the warrant.

#### ➤ Exchange risk

This risk is non-existent for warrants, which give the right to register on new shares or obligations in euro.

#### ➤ Interest rate risk

In general, an increase of the interest rate has a negative influence on the evolution of the share prices and indirectly on the price of the warrant.

#### ➤ Risk concerning quote fluctuations

A warrant is a speculative instrument; in general the rate of it is less fixed than that of its underlying value.

#### ➤ Risk of lack of income

Warrant gives no right to income.

➤ Capital risk

No capital must be refunded.

➤ Other risks

The moment that the warrant is exercised, the circumstances can be less favourable than at the issuing (interest rate of the new stock which is lower than the market interest in case of an obligation or lower buy-price than the stock exchange index in case of a share). In that case, a warrant can lose its value completely.

## STRUCTURED PRODUCTS

### CHARACTERISTICS

A structured product is a hybrid product whose performance may depend on one or several underlying instruments such as: a basket of shares, stock market indices, currencies, commodities or even active management strategies.

Structured products have maturity dates and the principal may or may not be guaranteed.

### RISKS

➤ Insolvency risk

The issuer and/or the guarantor run the risk of temporary or permanent insolvency. Their solvency status must be checked. The risk is relatively low if the issuer is a controlled company. Keytrade only works with first-class major international banks to structure and guarantee the structured products.

➤ Liquidity risk

There is not necessarily a market for structured products.

➤ Foreign exchange risk

Via structured products issued in euros you can invest in international financial instruments without the impact of foreign exchange variations.

➤ Risk of early redemption

The issuer of a structured product has the option of early redemption. Early redemption may alter the anticipated yields.

➤ Risks specific to certain structured products

Investors are invited to take into consideration the specific risks, such as interest rate risk, stated in the issue prospectus and related documents.

## PRODUCTS TRADED ON THE KEYTRADE PRO PLATFORM

Products traded on the Keytrade Pro platform are complex products which have the potential for a loss higher than the margin deposited. In addition to the specific risks of each of the products (see below), please take into consideration the following risks:

### RISKS CONNECTED WITH DAY TRADING

The day trading strategy may be defined as the trading strategy which is characterised by the submission of intra-day orders by the client for the purposes of buying and selling the same security(ies).

➤ day trading is not appropriate for people with limited financial resources and/or limited experience in trading and/or low risk tolerance;

➤ day trading presupposes knowledge of the financial markets and functioning of Keytrade's order execution system;

➤ a consequence of day trading may be high transaction fees as a result of the number of orders executed.

### RISKS SPECIFIC TO MARGIN PRODUCTS

➤ due to the level of the margin required by Keytrade, any change in the price of the underlying asset may result in significant losses and can exceed the value of the deposited margin by a substantial amount. Any profit or loss following a fluctuation of the underlying asset will be fully deducted from the account at the client's risk;

➤ if the usage of the deposited margin is exceeded, Keytrade may immediately close one or several of the client's open positions, in whole or in part, or realise or sell any asset in general in the customer's account with Keytrade without advising the client beforehand;

➤ Keytrade may increase the margin requirements without informing the client in advance.

## CFDS

The Contract For Difference ("CFD") is a contract concluded between two parties with a view to exchanging the difference between the price of the underlying instrument upon acquisition of the contract and the price of the underlying instrument at the end of the contract multiplied by the number of units of the underlying instrument stated in the contract.

### CHARACTERISTICS

CFDs do not have a maturity date and can be traded at any time. This financial instrument is traded on the OTC (over-the-counter) market. The underlying instrument covers shares or indices. If dividends are paid on the underlying shares, buyers of long contracts (speculating on a rise) receive a compensatory payment and pay interest on the market value of the position in underlying shares. These amounts are paid by the seller of the long contract. If dividends are paid on the underlying shares, buyers of short contracts (speculating on a fall) pay a compensatory payment and receive interest on the market value of the position.

The benefit of this product is the leverage effect which it causes on yield and risk. In fact the client can deal in this product without the need to make large movements of capital. The client just needs to deposit a guarantee in order to create the required initial margin. The purpose of this margin is to hedge potential losses which may result from the transaction. The contract is closed automatically if the losses exceed the guaranteed amounts.

## RISKS

- Risk attached to the type of contract  
Investors can only trade in CFDs if they understand the nature of the contract in which they are involved and the extent of the risks to which they are exposed.
- Leverage effect risk  
If an investor carries out transactions in products with leverage effects, the risk of sudden loss of money is high. The force of the leverage effect can play against them as easily and as quickly as it can in their favour. Investors must always apply risk minimisation strategies in order to overcome the possible poor performance on the market.
- Interest rate risk  
In the case of long positions held at the close of the trading day, the issuer must pay the day-today interest on the amount borrowed. In reality CFDs primarily suited to short positions, as the financial costs on long positions can absorb potential gains. Positions closed before the close of a trading day are not subject to financial costs.  
Short positions in the CFDs are not subject to financial costs and even sometimes include a lower proportion of interest.
- Voting right  
Investors do not hold the underlying instrument and therefore do not have rights to the underlying instrument or voting rights.

## FOREX

Forex transaction» denotes one of the following three Contracts :

- a foreign exchange spot contract ("Spot") is a contract according to which the parties agree to exchange given volumes of currency within a payment period that corresponds to the delivery period;
- an OTC currency forward contract ("Forward Outright") is a contract according to which the parties agree to exchange given volumes of currency within an agreed term generally exceeding two working days;
- a currency option contract gives the buyer the right to buy or sell and obligates the seller to buy or sell a fixed amount of currency against another currency, at a rate fixed in advance and on (or by) an agreed date.

## CHARACTERISTICS

These contracts are traded on the OTC (over-the-counter) market.

The client needs to deposit a guarantee in order to create the required initial margin. The purpose of this margin is to hedge against the potential losses which may result from the transaction. The contract is closed automatically if the losses exceed the guaranteed amounts.

## RISKS

- Foreign exchange risk  
Pertaining to the foreign currency fluctuations over a period. These stocks may fall rapidly resulting in substantial losses unless stop-loss orders are used.
- Interest rate risk  
This risk may result in distortions between the interest rates of the two currencies.
- Credit risk  
the possibility that one of the parties involved in a Forex transaction does not honour its debt at the end of the contract. This may occur when a bank or a financial institution is insolvent.
- Country risk  
relates to governments which may invest in the foreign-exchange markets to limit the selling of their currency. There is more country risk with "exotic" currencies than with the principal currencies which allow free trading in their currency.
- Leverage effect risk  
in this area, the investment strategies may be linked to high levels of risk. For example, by making use of leverage effects, a small movement in the market may result in significant gains or substantial losses. In some cases, the whole of the investment may be lost.

## FUTURES

Future denotes a standardised contract traded on an organised or regulated market under the terms of which the client buys or sells a commodity or a financial product (the underlying) at a price determined when the Contract is concluded, but deliverable at a predetermined later date.

## CHARACTERISTICS

These contracts have different characteristics: the underlying may be a commodity (wheat, oil, metal, etc.) or a financial product (interest rate, shares, stock exchange indices, etc.), the contract is based on a quantity (in the case of commodities) or a nominal (financial products), the quotation method is expressed in percentage or in value, the value of the contract fluctuates on the basis of the nominal fluctuation in the price (the «tick»), the contract specifies the maturity date and the method of settlement (by delivery of the underlying or in cash. Keytrade Pro offers cash settlement only). This financial instrument is traded on an



organised market.

The client needs to deposit a guarantee in order to create the required initial margin. The purpose of this margin is to hedge the potential losses, which may result from the transaction. Throughout the term of the contract, an additional margin is periodically decided and required by the investor. It represents the accounting profit or loss resulting from the change in the contractual value or in the underlying instrument. The additional margin may reach a multiple amount of the initial margin. The methods for calculating the additional margin during the term of the contract or in the event of settlement are based on the stock exchange regulations or the contractual specifications in each case.

## RISKS

- › Leverage effect risk  
If the market moves in a way that the investor does not expect, the leverage effect may be harmful to the investor. The loss can be very high (in theory unlimited).
- › Risk of loss  
For a forward purchase, the loss is limited to the amount of the purchase if the security falls. On the other hand, in the event of forward short-selling, whereby the security is not in the portfolio, there is no theoretical limit to the potential loss: If the security which is sold short experiences a major rise, the loss may be very high because in order to meet his obligation the seller will need to buy back the sold share at very high price.
- › Counterparty risk  
If the counterparty is not known there is always a risk that the counterparty will not meet its commitments.
- › Foreignexchange risk  
The foreign exchange risk may be high in the case of volatile currencies but it is zero for contracts in euros.
- › Price volatility risk  
The Futures market is an extremely liquid one and the trading in futures on these markets is high which increases the volatility of the underlying instruments.
- › Lack of revenue  
Futures do not have any revenues



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