

PARETO SECURITIES AB TERMS AND CONDITIONS FOR CREDIT
RELATED SERVICES

VER 2024:1

A. GENERAL TERMS FOR SECURITIES FINANCING (CREDIT FACILITY)4

 A.1 Credit Application and evaluation of the Credit Client.....4

 A.2 Pledge4

 A.2.1 Sale of pledged collateral4

 A.3 Collateral value4

 A.5. Background pledge and the disposition/re-use of collateral5

 A.5.1 Terms for re-use of collateral5

 A.5.2 Specific information to the Credit Client5

 A.6 Termination and early termination5

 A.8 SFTR Reporting.....6

 A.9 Supervision.....6

 A.10 Applicable law and dispute resolution6

 A.11 Language6

B. TERMS FOR INTRADAY CREDIT7

 B.1 Specific terms.....7

 B.2 Usage of intraday credit.....7

 B.3 Size of the intraday credit and obligations if overdraft occurs.....7

 B.4 Duration7

 B.5 Margin Breach.....7

 B.6 Criteria for daily calculation.....7

 B.7 Risks7

 B.8 Collateral.....7

 B.9 Costs and other conditions7

 B.10 Language8

C. GENERAL TERMS AND CONDITIONS FOR THE LENDING OF SECURITIES9

 C 1. Applicability, etc.....9

 C 2. Definitions.....9

 C 3. Transactions and Contract Note10

 C 4 Transfer of title10

 C 5 Delivery10

C 6 Terms.....	10
C 7 Instructions	11
C 8 Income.....	11
C 9 Stock issues, reduction of share capital, mergers, etc.....	11
C 10 Provision of security, etc.....	12
C 11 Premiums	12
C 12 Taxes etc.....	12
C 13 Returns etc.	12
C 14 Guarantees.....	13
C 15 Grounds and procedure for premature termination	13
C 16 Effect of premature termination.....	14
C 17 Recourse to collateral provided etc.	14
C 18 Terms of agreement.....	14
C 19 Compensation for damages and penalty interest.....	15
C 20 Notices	15
C 21 Amendments to the General Terms and Conditions	15
C 22 Limitation of PSAB's liability.....	15
C 23 Assignment.....	15
C 24 SFTR Reporting.....	16
C 25 Applicable law, etc.	16
C.26 Language	16
C27 Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client	17
C.28 Approved Collateral	18
D. Terms for Currency Account	19
D.1 Minimum portfolio value for enabling the Service	19
D.2 Use of Currency Accounts.....	19
D.3 Risks	19
D.4 Example purchase.....	19
D.5 Costs	20
D.6 Foreign Exchange of negative balances.....	20
D.7 Suspension from the service	20
E. GENERAL TERMS AND CONDITIONS FOR GUARANTORS	21
PROVIDING A GUARANTEE – INFORMATION TO THE GUARANTOR.....	21
E.1 Definitions	21

E.2 Guarantee limited to a specified amount	21
E.3 Order of claims	21
E.4 The Guarantors right to collateral.....	21
E.5 Transfer of Collateral, protection of Collateral	21
E.6 Termination.....	22
E.7 Change of Guarantor’s address.....	22
E.8 Messages to Guarantors	22
E.9 Limited liability.....	22
E.10 Limitation period	22
E.11 Interpretation and applicable law.....	22
E.12 Language	22

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A. GENERAL TERMS FOR SECURITIES FINANCING (CREDIT FACILITY)

These General Terms and Conditions shall be deemed to form an integral part of the Securities Credit Agreement between PSAB and the Credit Client (the "Credit Agreement") and govern the Credit Client's and PSAB's responsibility for the credit established in a Custody Account and / or Investment Savings Account ("ISK"). (Custody Account and ISK jointly referred to as the "Account" below). If the Credit Client has several Custody or ISK Accounts, it is made aware that all accounts in the Credit Client's name are governed in these terms. Any deviations from these General Terms and Conditions must be agreed in writing.

A.1 Credit Application and evaluation of the Credit Client

Through this agreement, PSAB offers Credit for investing in Financial Instruments. The information provided by the Credit Client in the Credit Application together with a Credit Score Report* forms the basis for the Credit Assessment of the Credit Client.

As a basis for the credit assessment, PSAB will request a Credit Score Report from a Credit Register through a third party, which results in an "Inquiry" with a Credit Register.

The Credit Client is bound to immediately inform PSAB if the Credit Client's financial situation changes significantly.

If the Credit Client's application is rejected it shall be notified in writing, including a description of the reasons why. If the rejection is based upon information received from a service provider of Credit Score Reports this information shall be forwarded to the Credit Client.

A.2 Pledge

To ensure all of the Credit Client's current and future obligations to PSAB under the Credit Agreement or other commitments that may arise in connection with the Credit Client's transactions related to securities, the Credit Client hereby pledges to PSAB all the securities listed at any time in the Account and the cash funds connected to the Account.

The Credit Client cannot, without the prior consent of PSAB, pledge its assets to a third party or dispose of the collateral regarding pledged securities or cash described in this agreement. In addition, the pledge applies correspondingly to the General Conditions for Custody Account, Section D.

Positive cash balances on the Account is a deposit, while a negative cash balance means that the credit limit is used. The cash balance is available on PSAB's Online Platform www.paretosec.se. Deposits in the Account are covered by the Swedish Deposit Guarantee, which amounts to SEK 1,050,000.

The Credit Client gives PSAB irrevocable and unreserved right of disposal over the Account, thus also the right to dispose of positive cash balances in the execution of securities transactions and deduction of all costs relating to settlement

and Securities Financing, hereinafter referred to as interest and fees.

The Credit Client can dispose of the account for trading in securities through PSAB if the available amount for trading is not negative. A positive cash balance can be transferred to a bank account in the Credit Client's name upon agreement. The Credit Client cannot transfer money from the Account with a negative cash balance unless PSAB has given its written consent.

Negative cash balances must never exceed the approved Credit Limit. If the negative cash balance exceeds the credit limit, the Credit Client shall immediately, and on its own initiative, transfer cash or sell securities to reduce the cash balance within the credit limit.

A.2.1 Sale of pledged collateral

If the Credit Client fails to fulfil its obligations to PSAB in accordance with the General Conditions for the Custody Account, Section D or the Credit Agreement, PSAB may, without prior notification to the Credit Client, immediately claim the pledged securities by selling assets to cover the corresponding credit amount with PSAB. PSAB shall, upon pledge realisation, proceed in accordance with what is applicable by law. However, as far as possible, PSAB exempts itself from liability for any losses incurred in connection with the realization of the collateral.

A.3 Collateral value

The Collateral Value of the assets in the Account is calculated by PSAB in accordance with the rules that PSAB apply at any given time. The Credit Client can use the Online Platform or an Account Statement to obtain information about the summarised collateral value or for a specific financial instrument.

It is crucial that the Credit Client always keeps itself informed of the total collateral value of the assets in the Account. It is also the Credit Client's own responsibility to ensure that no overdraft (breach/ shortfall of collateral) occurs at any time. Furthermore, the Credit Client also must consider any other obligations for which the assets are used as collateral (e.g. margin claims for derivatives or short selling) and make sure that no breach occurs or could be reasonable assumed to occur.

PSAB applies dynamic collateral rates which means that a collateral percentage rate may be reduced when a portfolio is concentrated to a few holdings and is increased when the portfolio is diversified. If a sole security constitutes more than 70% of a portfolio's total market value, the collateral value will be reduced. If a sole security constitutes less than 40% of the portfolio's market value, the collateral value will be increased.

You can read more about dynamic collateral values on www.paretosec.se.

A.4 Margin Breach (Overdraft)

The Credit Client can under no circumstances avoid its accountability for any shortfall in collateral which may arise by claiming that Pareto Securities did not notify the Credit Client about the current account status (total collateral value of the assets in the account or if overdraft occurs).

If a shortfall in collateral nevertheless occurs, the Client is obliged to repay Pareto Securities immediately and, of its own accord, the excess amount owing, or pledge additional collateral to cover the shortfall. In the absence of such repayment or such a pledge of additional collateral, the whole amount owing on the connected cash accounts becomes immediately repayable.

A5. Background pledge and the disposition/re-use of collateral

The undersigned Custody/Cash Account Holder (the "Credit Client") and Pareto Securities AB ("Pareto Securities") have entered into/intend to enter into an agreement whereby Pareto Securities may provide credit to the Credit Client on the condition that the Credit Client pledges financial instruments to Pareto Securities. Pareto Securities may either directly or indirectly finance such credit by obtaining credit from another supervised institution, for which Pareto Securities may provide collateral using, among other things, the financial instruments the Credit Client has pledged to Pareto Securities. If the Credit Client has other contractual obligations to Pareto Securities, for example, an obligation to provide margin security for derivative trading, and such obligations are secured by Pareto Securities' security interest in the Credit Client's financial instruments, Pareto Securities may similarly have the right of disposition with respect to such financial instruments. Using the financial instruments pledged by the Credit Client to Pareto Securities in such a manner will hereafter be called re-use (of collateral).

According to Chapter 3 in the Financial Instruments Trading Act (1991:980), the conditions for re-using collateral, is that PSAB and the Credit Client must conclude, in a written agreement, the terms of use that shall apply for re-using the collateral.

A.5.1 Terms for re-use of collateral

Through this agreement, PSAB and the Credit Client enter such an agreement as mentioned in the previous section and agree that PSAB shall be able to re-use the Credit Client's collateral under the following conditions.

1. PSAB has the right to separate the collateral (financial instruments) pledged by the Credit Client from the debt and/or obligation for which it is re-used and in turn pledge the instruments or lien to another bank (supervised institution) or transfer the lien relating to these instruments to another bank (supervised institution). Such a disposition may not take place with a higher amount or under more strict terms than those applying to the re-use agreement between PSAB and the Credit Client.

2. PSAB's disposition with respect to the Credit Client's pledged financial instruments shall also be on terms which give the Credit Client the right to make payments to PSAB up to the date when PSAB and/or the party that has obtained a right to the instruments informs the Credit Client in writing that payment is to be made to a party other than PSAB. If such a payment instruction is provided, the Credit Client is obliged to follow the instruction.
3. PSAB is responsible for immediately forwarding payments made incorrectly or mistakenly by the Credit Client to PSAB to the recipient indicated in the payment instruction.

A.5.2 Specific information to the Credit Client

PSAB will not inform the Client on each occasion when collateral is re-used. The Credit Client should therefore assume that if the Credit Client has been granted a credit by PSAB or has other obligations to Pareto Securities, collateral may be re-used.

The Credit Client should be aware of the fact that a payment instruction from PSAB or from another institution that has obtained a right to the re-used instruments may include an instruction regarding what the Credit Client should do if the Credit Client wants to sell financial instruments that are pledged to PSAB and that it is important for such instructions to be followed. The Credit Client should also observe in particular that it is important to follow all payment instructions provided to the Credit Client based on this agreement. An incorrect payment may result in the need for the payment to be made again in order for the re-used instruments to be fully at the Credit Client's disposal. There is thus a risk that the Credit Client will not recover a payment that was made incorrectly.

A.6 Termination and early termination

The Credit Agreement is valid until further notice and the Credit Client always has the right to settle its credit amount whenever it wishes. PSAB can terminate the Credit Agreement for repayment with a notice period of 30 calendar days. If the Credit Client has not used its credit, PSAB may terminate the credit immediately.

PSAB may terminate the credit for immediate payment if a client materially mismanages its obligations in the capacity that overdrafts (security breach) are not settled within the specified deadline or the Credit Client's financial conditions are significantly weakened.

In addition, upon termination of the Custody Account Agreement in accordance with clause G.10, first or second paragraph below, the credit is due for payment at the time of the Custody Account Agreement's termination. No later than the day the Credit Client's right to credit expires, the Credit Client shall repay the utilised credit together with accrued interest to the Company.

A.7 Interest and other costs

The Credit Client pays debit interest for the part of the credit that is used (negative cash balance) and the Credit Client's Custody Account is debited on a monthly basis. In the event that the Credit Client has overdrawn its credit limit (used more than the granted credit) or that the Credit Client has a security breach (overdraft), overdraft interest is paid according to the price list in force at any given time.

The interest rate (cost/debit interest rate) that applies when the credit is granted is stated in the separate letter that PSAB sends as confirmation when the credit has been approved. The detailed terms and costs of using the credit are shown in the table of standardized European information on consumer credit, which is sent out by PSAB in connection with an approved credit application.

Changes to interest rates may take place with immediate effect in connection with changes to the Swedish Riksbank's Repo Rate or other reference interest rates over which the Company has no controlling influence, and/or in connection with credit policy decisions, changes to the Company's borrowing costs or other cost increases for the Company.

Changes in interest rates for other reasons may only take place from the day when the Company notifies the Credit Client of the interest rate change.

A.8 SFTR Reporting

SFTR stands for Securities Financing Transaction Regulation (SFTR) which requires both financial and non-financial counterparties to report information regarding transactions relating to Securities Financing. The regulation has been adopted by the EU and its purpose is to enhance the transparency of the financial system. The regulation entered into force in 2020, and on January 11, 2021 the last step of the implementation process will be completed.

A.8.1 What is in the scope of the reporting

The regulation contains reporting obligations for counterparties when entering several different transaction types. The transaction types covered by PSAB services includes the borrowing and lending of shares (Securities Lending), using a credit facility for the purpose of investing in financial instruments (Securities Financing) and the re-use of collateral (re-pledging).

A.8.2 Which counterparties are included

FC (Financial Counterparty)

Financial Counterparties, such as investment firms, credit institutions, insurance companies and investment fund companies, have a reporting obligation on their own behalf which starts on April 11, 2020. **Reporting obligations exist for Financial Counterparties** which requires that PSAB does not have an obligation to report the counterparty's leg in a transaction unless otherwise agreed in writing.

NFC+ (Non-Financial Counterparty +)

Larger Non-Financial Counterparties are companies that exceed at least two of the three threshold values below.

Reporting obligations exist for Larger Non-Financial Counterparties which requires that PSAB does not have an obligation to report the counterparty's leg in a transaction, unless otherwise agreed in writing. The reporting obligation starts on January 11, 2021.

- a) Balance Sheet > EUR 20,000,000
- b) Net Sales > EUR 40,000,000
- c) Average employees during the financial year > 250

NFC (Non-Financial Counterparty)

Smaller and mid-sized Non-Financial Counterparties are companies the size of which are below two of the three threshold values below. PSAB has the reporting obligation for both Pareto's and the counterparty's transaction.

- a) Balance Sheet < EUR 20,000,000
- b) Net sales < EUR 40,000,000
- c) Average employees during the financial year < 250

Counterparty Type	Reporting Requirements
FC	PSAB and the counterparty each have their own reporting responsibility*
NFC+	PSAB and the counterparty each have their own reporting responsibility*
NFC-	PSAB reports both for the counterparty and on its own behalf.

*The Counterparty may, if it has a Custody and Cash account through PSAB, delegate its reporting duties to PSAB, under the condition an agreement in writing has been entered. The transactions within such scope are such transactions that are made through a Custody and Cash account with PSAB.

A.8.3 Which jurisdictions are included

Jurisdictions covered by the SFTR reporting requirements are companies within the EU, or companies outside of the EU with a branch within the EU.

A.9 Supervision

PSAB is supervised by the Swedish Financial Supervisory Authority.

A.10 Applicable law and dispute resolution

The interpretation and application of the agreement and associated securities credit shall take place in accordance with Swedish law. Disputes that may arise shall, if the Credit Client is not a consumer, be decided by the Stockholm District Court in the first instance. It follows from law where disputes which may arise with a Credit Client who is a consumer shall be settled.

A.11 Language

In case of any discrepancies between the English and Swedish language versions of these terms and conditions, the Swedish language version shall prevail.

B. TERMS FOR INTRADAY CREDIT

B.1 Specific terms

These terms for intraday credit is applicable in addition to Section A for clients who has applied for the service intraday credit.

B.2 Usage of intraday credit

An approved intraday credit is not activated until the portfolio value exceeds SEK 200 000 and is deregistered automatically when the value becomes lower than SEK 200 000. The portfolio value is the sum of total cash and total market value of the Credit Client's custody account (and Investment Savings Account when applicable). Please note that some securities are not included in the calculation (e.g., leveraged equity traded products or structured products).

In case the Credit Client at multiple occasions uses its intraday credit leading to that the Credit Client in the beginning of the trading day has an overdraft or has breached its credit limit account repeatedly, the intraday credit will be revoked.

B.3 Size of the intraday credit and obligations if overdraft occurs

In addition to ordinary Securities Financing (long term) the Credit Client may be approved for intraday credit under the condition that the Credit Client has applied for the service. Credit Clients that have been approved intraday credit will daily receive an additional amount to its trading capacity. The additional amount is based upon the Credit Client's portfolio value (excluding securities that are not meant for the service) by the end of the previous trading day. The intraday credit is limited to the approved credit amount and amounts to a maximum of SEK 4 million.

Example 1: In case the Credit Client by the end of the previous trading day has a portfolio value of SEK 600,000 and an approved credit limit of SEK 400,000 the intraday credit will be capped at SEK 400,000 (assumes a portfolio value containing appropriate securities).

Example 2: In case the Credit Client by the end of the previous trading day has a portfolio value of SEK 600,000 (where SEK 100,000 of the portfolio value is invested in leveraged equity traded products) and an approved credit limit of SEK 1,000,000 the intraday credit will be capped at SEK 500,000 (SEK 600,000-SEK 100,000).

The Credit Client is at all times obligated to keep itself informed about used intraday credit, make sure that approved credit limit is never exceeded during the trading day and settling the intraday credit by the end of the trading day.

PSAB can also at any given time, and without further explanation, reduce the intraday credit and the exposure in case there are market circumstance that indicates the Credit Client is at risk losing its capital.

In case the Credit Client by the end of a trading continues to use its intraday credit that results in an overdraft (breach). In those situations, the Credit Client shall immediately and on its

own initiative transfer cash to its account or transfer securities to the account to resolve the breach. In case sufficient collateral is not in place the Credit Client accepts that PSAB may immediately execute forced sales to adjust the breach if there are market conditions that favor such handling.

The Credit Client is aware that the terms in the Credit Agreement including General terms for Securities Financing and General Terms and Conditions is applicable for the service Intraday Credit.

B.4 Duration

The Intraday Credit is calculated and entered into the trading system daily (it will not be visible in portfolio reports). It is made available before the stock exchange/marketplace opens and is removed when the stock exchange/marketplace closes. The intraday credit may not be used after the stock exchange/marketplace is closed. PSAB has the right to terminate the intraday credit at any time.

B.5 Margin Breach

The consequences for Margin Breach are stated under Section A.4 in the General Terms for Securities Financing and in the General Provisions for custody/account agreements.

Please note the following. A margin breach that occurs as the result of the intraday credit not being settled at the end of the day may have the following consequences. **Forced sales of assets may begin immediately on the following trading day. If the client wants to avoid this situation it must inform PSAB immediately. PSAB rejects liability for any losses that occur in connection with forced sales.**

B.6 Criteria for daily calculation

The account's equity must exceed SEK 200,000 for the intraday credit to be entered into the trading system.

The Credit Customer must have enough collateral for its ordinary credit (must not be in Margin Breach). If the Credit Customer has had a Margin Breach for 5 consecutive days without settling the Intraday Credit at the end of the day, the intraday credit will be revoked, and the ordinary Credit Limit for Securities Financing will be subject to re-evaluation.

B.7 Risks

The Credit Customer is made aware that the risk when trading in securities increases significantly when a portfolio is pledged and when using intraday credit, the risk increases further.

B.8 Collateral

All assets are pledged in accordance with the Credit Agreement.

B.9 Costs and other conditions

Usage of intraday credit is free of charge as long as the Credit Client restore its negative cash balance, by the end of the trading day, by closing its positions. In case the Credit Client has a breach by the end of the trading day an administrative fee will be charged which equals SEK 500 and will be charged the account automatically.

If the Credit Customer has a breach after the trading day, debit and overdraft interest will be calculated in accordance with the General Terms for custody/account agreements. All current costs and fees related to securities credits are stated in the PSAB price list which is available at www.paretosec.com

B.10 Language

In the event of any discrepancies between the English and the Swedish language versions of these terms and conditions, the Swedish language version shall apply.

C. GENERAL TERMS AND CONDITIONS FOR THE LENDING OF SECURITIES

C 1. Applicability, etc.

- 1.1 These General Terms and Conditions constitute the contractual terms and conditions for the "Credit Agreement" entered into by the parties. Notwithstanding the absence of a reference thereto in conjunction with Transactions or in Contract Notes, the Credit Agreement shall apply to each Securities Loan which is executed between the parties, unless expressly agreed otherwise.
- 1.2 In addition to the terms and conditions set forth in the "Credit Agreement" and these General Terms and Conditions, any conditions separately agreed upon by the parties in respect of a particular Transaction shall apply (which has been confirmed in a Contract Note or in another manner). In the event of any inconsistency in respect of a particular Transaction between the terms and conditions set forth in the "Credit Agreement" and these General Terms and Conditions, and the conditions separately agreed upon, any condition separately agreed upon between the parties shall have precedence.
- 1.3 The terms and conditions set forth in the "Credit Agreement", these General Terms and Conditions, and the conditions agreed upon separately by the parties in respect of a particular Transaction or Transactions shall have precedence over any general terms and conditions for trading in financial instruments, or any custodian account agreement or custodian account/account agreement entered into between the parties. The term "Credit Agreement" as used below means "Credit Agreement", these General Terms and Conditions, Contract Notes and any other separate agreements between the parties regarding Securities Loans.
- 1.4 In conjunction with a particular Securities Loan, a party may be either a Lender or a Borrower. In the event the parties have entered into more than one Securities Loan under the Credit Agreement, each party may at simultaneously act as both Lender and Borrower. Besides the reference to "Lender" and "Borrower", these General Terms and Conditions may also sometimes refer to "Pareto Securities" and the "Credit Client", respectively.

C 2. Definitions

- 2.1 As used in these General Terms and Conditions, the following terms shall have the definitions set forth below:

"Working Day"	a day which is not a Sunday or public holiday or, in respect of the payment of promissory notes, is not equivalent to a public holiday and is a day on which banks in Sweden are generally open for business;
"Borrower"	a party which, pursuant to a Securities Loan, borrows Securities;
"Borrowing Value"	the value ascribed to a pledged security in accordance with section 10.5;
"Contract Note"	Such reporting to the Client as referred to in Article 59 of Regulation (EU) 2017/565.
"Financial Instrument"	transferable securities intended for trading on the capital market, money market instruments, units in collective investment undertakings and derivative instruments;
"Lender"	a party which, pursuant to a Securities Loan, lends Securities;
"Market Value"	the quoted transaction price at the close of the trading day for the Security or, in the absence of such a transaction price, the quoted bid price at such a time according to the relevant price list for the Security. In respect of bonds and other debt instruments, the Market Value shall, however, always be calculated on the basis of the most recently quoted bid interest/bid price;
"Premium"	consideration agreed upon between the parties for a Securities Loan;
"Securities"	Financial Instruments which are the subject of Securities Loans;
"Securities Loan"	a loan of Securities entered into between the parties pursuant to the Credit Agreement;
"Security Ratio"	the ratio, expressed as a percentage, at which the parties have contracted that a security shall be provided shall form the basis for the calculation of the Security Requirement. The calculation is normally based upon -200 percent reduced with the collateral value percentage which applies to the security;

"Security Requirement"	the aggregate sum for which a party, in its capacity as Borrower, must provide as a security and which equals the Security Ratio multiplied by the Market Value of any Securities borrowed for which security must be provided;
"Term"	the period commencing on the contracted date for delivery of Securities pursuant to a Securities Loan up to and including the agreed upon date for the return of the corresponding Securities, or as a consequence of termination pursuant to section 6.2 and 6.3, the date determined for the return of the corresponding Securities;
"Transaction"	the execution of an agreement for a Securities Loan;
"Transaction Date"	the day on which a Transaction is executed.

C 3. Transactions and Contract Note

- 3.1 Transactions may take place with an agreement by telephone or in another manner. Each Transaction must be confirmed through the preparation of a Contract Note which is submitted to the counterparty. The parties acknowledge that agreements in respect of Securities Loans are entered into at the time of the agreement and not at the time at which Contract Notes are exchanged.
- 3.2 A Contract Note shall be prepared by PSAB and sent to the Credit Client. The Credit Client must immediately inform PSAB in respect of any errors or deficiencies which are contained in the Contract Note, the absence of any Contract Note, and any other errors or deficiencies in connection with a Transaction. PSAB shall not be liable under any circumstances for damage which may have been avoided if a complaint had been made immediately.
- 3.3 A Contract Note pursuant to section 3.1 shall contain information regarding the Lender and Borrower, the type, quantity and day of delivery of the Securities as well as information regarding the Premium which the Borrower shall pay to the Lender. In addition, a Contract Note shall contain such information as may be required pursuant to regulations adopted by the Financial Supervisory Authority from time to time, as well as any information agreed upon separately by the parties.

C 4 Transfer of title

- 4.1 The parties acknowledge that titles to Securities which are lent are transferred from the Lender to the Borrower and that the Lender's ownership rights are replaced with a claim against the Borrower to return Securities of the same sort and quantity as those which were borrowed. With respect to shares, the transfer of ownership results, inter alia, in the voting rights in respect of the shares no longer being vested in the Lender, with the exception of voting rights in Swedish CSD (Central Securities Depository) companies which vest in the Lender as a consequence of the fact that the Lender is registered as a shareholder in print-outs of the shareholders register as specified in chapter 7, section 28, third paragraph of the Swedish Companies Act (SFS 2005:551).

C 5 Delivery

- 5.1 The Lender shall, on the first day of the Term, deliver to the Borrower the Securities which are the subject of the Securities Loan. Securities which are registered in CSD registers shall be delivered not later than the time of day which is designated by the registrar or, where applicable, the relevant custodian bank, in accordance with the ordinary time schedule for settlement in effect from time to time. The Securities may not be subject to any pledge interests or other encumbrances.
- 5.2 The provisions set forth in section 19.1 shall apply in the event of damages incurred as a consequence of non-delivery, late delivery, or insufficient delivery.

C 6 Terms

- 6.1 The Term for a Securities Loan may be specified as a particular period of time. In all other circumstances, the Term shall be until termination by either party.
- 6.2 The Lender may, where the Term is not specified as a particular period of time, terminate the Securities Loan at any time effective not earlier than three (3) Working Days after the date on which notice of termination is received by the Borrower, unless the Borrower agrees to a shorter notice period.
- 6.3 Not later than 5 p.m. on any given day, the Borrower may terminate a Securities Loan effective on the Working Day immediately following, however, with respect to Securities Loans with a specified Term, Premiums shall be paid for the entire predetermined Term.
- 6.4 Notice of termination pursuant to section 6.2 and 6.3 may be effected by telephone.
- 6.5 In the event of a suspension of trading or the equivalent in respect of a Security, the Term shall, upon request by the Borrower, be extended by the number of days in respect of which return is postponed as a consequence thereof. Such a

request shall be presented without delay upon realization by the Borrower that, as a consequence of the suspension in trading or the equivalent, s/he will not be able to return the Security in due time.

C 7 Instructions

- 7.1 In the event an offer, information, or suchlike is provided in respect of the Securities during the Term which may affect the Lender's rights after the expiration of the Term, the Lender may provide instructions to the Borrower in respect of the Securities lent. The Borrower undertakes to use its best effort to comply with such instructions to the extent s/he has possession of the relevant Securities. The Lender shall compensate the Borrower for any costs which the Borrower may incur in respect thereof.

C 8 Income

- 8.1 In the event that dividends, interest payments, or other income is payable in respect of the Securities during the Term, the following shall apply. Unless otherwise agreed, the Borrower shall compensate the Lender, where the income consists of cash, in an amount which is equivalent to the income payable in respect of the Securities borrowed during the Term. Such compensation shall be paid to the Lender on the date on which the Lender would have received the income had s/he possessed the Securities. Where the income does not consist of cash, such income shall be paid at a time agreed upon by the parties. In the event it is not possible to make payment of such income, cash compensation shall be provided in an amount corresponding to the income at the above-stated time.
- 8.2 Unless otherwise agreed upon, compensation pursuant to section 8.1 shall be made on a gross amount basis; i.e. the amount of compensation shall also cover sums which have not been received by the Borrower as a consequence of withholding taxes or suchlike.

C 9 Stock issues, reduction of share capital, mergers, etc.

- 9.1 In the event that during the Term of a Securities Loan regarding shares, certain changes should occur in the company whose shares are the subject of the loan or in the company's stock, e.g. an increase or decrease in the share capital, bankruptcy, or liquidation, a reverse share split, or share split regarding shares in the company or suchlike, the provisions set forth below in sections 9.2 - 9.6 shall apply. Where, during the Term, the time for conversion terminates in respect of convertible instruments lent or where the date of maturity occurs in respect of bonds or other debt instruments which have been lent, the provisions set forth in sections 9.7 and 9.8 shall apply unless otherwise agreed by the parties.
- 9.2 In the event a bonus issue is carried out during the Term, the newly issued shares shall be included under the Securities Loan and the Borrower shall deliver to the Lender on the last day of the Term the additional number of shares which were issued as a consequence of the bonus issue. Any excess bonus share rights shall be transferred to the Lender as soon as it is possible to do so. In the event such a transfer has not been made within two Working Days from the date on which such a possibility first existed, the Lender shall be entitled, at the Borrower's expense, to effect replacement purchases. Where, in respect of CSD companies, a resolution has been adopted stating that the issuing company shall cause any excess bonus share rights to be sold, the Lender shall be entitled to such compensation as the Lender would have received had the Lender been the owner of the shares. Such compensation shall be paid to the Lender on the date on which the Lender would have received the compensation had it held the shares.
- 9.3 In the event a new issue of shares is carried out during the Term, the Borrower shall, as soon as subscription rights are available for transfer, transfer to the Lender all subscription rights to which the Lender would have been entitled had the Lender been the owner of the shares. In the event such a transfer is not made within three (3) Working Days from the date on which such a possibility first existed, the Lender shall be entitled, at the Borrower's expense, to effect replacement purchases. Where, in respect of CSD companies, a resolution has been adopted stating that the issuing company shall cause any excess fractional share rights to be sold, the Lender shall be entitled to such compensation as the Lender would have received had the Lender been the owner of the shares. Such compensation shall be paid to the Lender on the date on which the Lender would have received compensation had it held the shares.
- 9.4 In conjunction with the publication of offers for the redemption of shares, buyouts, mergers, or suchlike during the Term, the relevant Securities Loan shall be terminated and the Borrower shall return the corresponding shares and any associated rights not later than six (6) Working Days prior to the expiration of the application period determined in connection with the offer.
- 9.5 In conjunction with the commencement of liquidation, bankruptcy or similar proceedings, the relevant Securities Loan shall terminate with immediate effect, and the Borrower shall return the corresponding number of shares and any associated rights without delay.
- 9.6 In the event of a reverse share split, share split, or reduction in share capital during the Term, the Borrower shall deliver to the Lender on the last day of the Term the number of shares equivalent to the original shares lent. In the event that some form of cash compensation or other compensation is payable as a consequence of a reduction in the share capital, such payment shall be made to the Lender on the date on which the Lender would have received compensation had it held the shares.

- 9.7 With respect to convertible instruments, where the period for conversion terminates during the Term, the Borrower shall, upon the request of the Lender, return the Security not later than five (5) Working Days prior to the expiration of the conversion period. Such a request must be submitted to the Borrower not later than eleven (11) Working Days prior to the expiration of the conversion period. In the event such a request is received by the Borrower after such time, the Borrower shall not be obligated to compensate the Lender in the event the Lender loses its right to conversion before the Borrower is able to return the Securities.
- 9.8 In the event that, in respect of bonds or other debt instruments, the date of maturity or amortization occurs during the Term, any sums due in respect of the Security which was lent must be provided to the Lender on the date on which the Lender would have received such amount had s/he held the Security.

C 10 Provision of security, etc.

- 10.1 The Credit Client shall provide collateral for its obligations pursuant to the Credit Agreement as a result of entering into Securities Loans. In connection therewith, the Collateral Ratio agreed in the Credit Agreement shall apply, unless otherwise agreed between the parties in connection with the Transaction.
- 10.2 Collateral in accordance with section 10.1 must be provided not later than the time agreed upon for delivery of the relevant Securities Loan at a Borrowing Value equal to and not less than the applicable Collateral Requirement.
- 10.3 It is the responsibility of the Credit Client to keep itself regularly informed of the Collateral Requirement and Borrowing Value which are from time to time applicable in respect of collateral provided. Where the total Borrowing Value of the collateral provided by the Credit Client pursuant to the Credit Agreement is less than the Collateral Requirement, the Credit Client shall, without delay and without demand, provide supplemental collateral sufficient to fulfil the Collateral Requirement.
- 10.4 Only cash, Financial Instruments, bank guarantees, or other collateral acceptable to PSAB may be used as collateral.
- 10.5 The Borrowing Value shall be the value which PSAB applies from time to time.
- 10.6 The Credit Client may not pledge or in any other manner dispose of property to any third party which is pledged pursuant to these General Terms and Conditions, without the prior written consent in each individual case of PSAB.
- 10.7 The Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client, which is a separate annex to the Credit Agreement contains detailed provisions regarding the PSAB's provision of collateral to the Credit Client.

C 11 Premiums

- 11.1 Premiums for a Securities Loan are paid in respect of the Term of the Securities Loan, excluding the last day of the Term. The Premium is calculated on a daily basis and determined pursuant to an agreement at the time of the Transaction and is indicated, unless otherwise agreed upon, as an annual percentage rate of the Market Value of the relevant Security in effect from time to time. The Premium is calculated, unless otherwise agreed upon, for the exact number of days (365/365 daily basis) in the respective debiting period.
- 11.2 Payment of Premium shall be made for each calendar month not later than seven (7) Working Days after the expiration of each respective month unless otherwise agreed upon, and shall be debited against the Borrower's account with the Lender, where applicable. In all other circumstances, the Premium shall be paid to the Lender in a manner agreed upon by the parties.

C 12 Taxes etc.

- 12.1 Each party shall be liable for its own taxes and costs which may arise as a consequence of Securities Loans, unless otherwise set forth in these General Terms and Conditions.

C 13 Returns etc.

- 13.1 On the last day of the Term, the Borrower shall return to the Lender Securities of the same type and quantity which s/he previously took receipt of in accordance with the relevant Securities Loan, taking into account any changes which may have occurred pursuant to sections 7.1 and section 9.1. Returns shall be effected not later than the time of the day specified in section 5.1. At the time of return, the Security shall be free of any pledge interest or other encumbrance.
- 13.2 In the event a return in accordance with section 13.1 has not occurred, the Lender shall be entitled, at the Borrower's expense, to immediately cause a corresponding delivery to be made through a purchase (replacement purchase) of the relevant Security on a marketplace selected by the Lender. In conjunction therewith, the Lender's claim against the Borrower in respect of such Securities is replaced with a monetary claim corresponding to the amount of the Lender's costs in making such purchase. Such a monetary claim shall be immediately due and payable.
- 13.3 The provisions set forth in section 19.2 shall apply in the event of any damages incurred in conjunction with a non-return, late return, or insufficient return.

C 14 Guarantees

- 14.1 The Lender hereby guarantees that, in conjunction with the delivery of Securities pursuant to section 5.1, the Lender is entitled to dispose of the relevant Securities, and that such Securities are not subject to any pledge interest or other encumbrance.
- 14.2 The Borrower hereby warrants that, in conjunction with the return of Securities pursuant to section 13.1 or in conjunction with the provision of a security, the Borrower is entitled to dispose of the property surrendered, and that such property is not subject to any pledge interest or other encumbrance.
- 14.3 Each party guarantees that it is entitled to enter into the Credit Agreement and that the performance of the party's obligations in accordance therewith do not constitute a violation of any law, governmental regulation, the memorandum and articles of association of such party, other agreements or undertakings, and that such party possesses the necessary knowledge in order to be able to perform pursuant to the Credit Agreement. This guarantees shall be deemed to have been repeated each time a Transaction is entered into between the parties.

C 15 Grounds and procedure for premature termination

- 15.1 The Lender shall be entitled, but not obligated, to terminate prematurely all outstanding Securities Loans at such time as the Lender determines, in the event of the occurrence of any of the following circumstances:
- (a) A misrepresentation by the Borrower under section 14.2 or 14.3 whereby the Borrower fails to immediately remedy such a situation following receipt of a written demand in respect thereof;
 - (b) The failure by the Borrower to provide a security pursuant to sections 10.1 or 10.3-10.4;
 - (c) The failure by the Borrower to return Securities in accordance with section 13.1 and to effect immediate rectification following receipt of a demand in respect thereof (orally or in writing) and the Lender either waives, or does not have the possibility to, effect replacement purchases pursuant to section 13.2;
 - (d) The failure by the Borrower to make payment of compensation pursuant to sections 8.1, 9.2, 9.3, 9.5, 9.8 or section 13.2, or Premiums pursuant to section 11.2 or other amounts due and payable pursuant to the Credit Agreement and the failure to immediately remedy such a situation following receipt of a demand (orally or in writing) in respect thereof;
 - (e) A breach by the Borrower of any terms contained in the Credit Agreement other than those set forth above in this section 15.1 and the failure to remedy such a breach within two (2) Working Days following receipt of a demand (orally or in writing) in respect thereof; or
 - (f) The Borrower suspends its payments, applies for a company reorganization order, is placed into insolvent liquidation or enters into solvent liquidation, or a petition in respect of an insolvent liquidation or voluntary liquidation is presented.
- 15.2 The Borrower shall be entitled, but not obliged, to prematurely terminate all outstanding Securities Loans, at such time as the Borrower determines, in the event of any of the following circumstances:
- (a) A misrepresentation by the Lender under section 14.1 or 14.3 where the Lender fails to immediately remedy such a situation following receipt of a demand (orally or in writing) in respect thereof;
 - (b) The failure by the Lender to deliver Securities in accordance with section 5.1 and the failure to immediately remedy such a situation following receipt of a demand (orally or in writing) in respect thereof;
 - (c) A breach by the Lender of any terms contained in the Credit Agreement other than those set forth above in section 15.2 and the failure to remedy such breach within two (2) Working Days following receipt of a demand (orally or in writing) in respect thereof; or
 - (d) The Lender suspends its payments, applies for a company reorganization order, is placed into insolvent liquidation or enters into solvent liquidation, or a petition in respect of an insolvent liquidation or voluntary liquidation is presented.
- 15.3 Prior to a party effecting premature termination such party shall, where such party in its discretion does not consider that a delay would be prejudicial, consult with the other party, where possible.
- 15.4 In lieu of termination of all outstanding Securities Loans pursuant to sections 15.1 and 15.2, either party shall be entitled to limit termination to cover only premature termination of Securities Loans for which the cited grounds for termination are relevant.
- 15.5 Where premature termination takes place due to a breach of the provision set forth in section 15.1(b), the Lender shall be entitled, but not obliged, to limit the termination to cover only such part of the outstanding Securities Loans which

corresponds to the shortfall of collateral in question. In connection therewith, the Lender may determine which Securities Loan(s) shall be terminated either wholly or in part.

C 16 Effect of premature termination

- 16.1 In the event of premature termination, the parties' obligations to deliver or return Securities pursuant to section 5.1 and 13.1 shall immediately terminate. Reconciliation shall take place between the parties, whereupon in respect of each Securities Loan or part thereof which is terminated, the Lender shall be credited with the Market Value on the date of the premature termination of any Securities subject to the relevant Securities Loan. In addition, each party shall be credited with an amount corresponding to the aggregate value of any outstanding amounts to which such party is otherwise entitled from the counterparty pursuant to the Credit Agreement.
- 16.2 A party which effects premature termination shall provide the counterparty with notice thereof without delay, and pursuant to such notice shall specify the date, time and Market Value, and the grounds relied upon for such a termination as set forth in section 15.
- 16.3 Following reconciliation as specified in section 16.1, the party with a claim of an aggregate amount which is less than the claim possessed by the other party shall make payment to the other party of the difference between the respective amounts. The above-stated amount shall be immediately due and payable.
- 16.4 Claims pursuant to section 16.3 which may vest in a party which effects a premature termination of all dealings between the parties in accordance with the Credit Agreement may be used by way of a set-off by such party against all debts to the other party, including debts not due and payable, as a consequence of agreements and undertakings other than those governed by the Credit Agreement. Correspondingly, a party which effects such premature termination shall be entitled to make deductions by way of set-off from any claim which may vest in the other party in accordance with reconciliation, including claims which are not due and payable, as a consequence of agreements and undertakings other than those governed by the Credit Agreement.

C 17 Recourse to collateral provided etc.

- 17.1 PSAB is entitled, in such manner as PSAB deems appropriate, to immediately sell or have recourse to the security, where the Credit Client fails to perform, in a timely manner, its obligations pursuant to the Credit Agreement. PSAB shall, in conjunction therewith, proceed with caution and, where possible and where in PSAB's opinion this can occur without prejudice to PSAB, provide the Credit Client with prior notice in respect thereof. PSAB may determine the order in which recourse shall be had to collateral and the order in which the Credit Client's obligations shall be satisfied through recourse to collateral.
- 17.2 Financial Instruments which constitute collateral may be sold in a manner other than on the marketplace on which the instrument is traded.
- 17.3 Funds on account which constitute collateral may, without prior notice to the counterparty, be withdrawn from the account.
- 17.4 PSAB is authorised, either itself or through a third party appointed by PSAB, to sign the Credit Client's name, where such is required to effect a sale of pledged property or otherwise to protect or exercise PSAB's rights with respect to pledged property. For the same reasons, PSAB may open a separate custodian account and/or a VP account at Euroclear AB or an account in another account-based system. The Credit Client may not revoke such authorisation during the term of the pledge.
- 17.5 PSAB may, where the Credit Client has pledged Financial Instruments or funds on account which constitute collateral for the Securities Loan to a third pledge holder, surrender/transfer the instrument/funds on account to the other pledge holder following instructions from such pledge holder, notwithstanding the objections of the Credit Client thereto. Notice in respect of such a surrender/transfer shall be sent to the Credit Client.
- 17.6 PSAB's undertakings in its capacity as pledge holder of pledged property are limited in scope to that which is set forth in these General Terms and Conditions.
- 17.6 Provisions regarding collateral provided are also contained, in addition to these General Terms and Conditions, in the document "Credit Agreement" under the heading "Collateral".

C 18 Terms of agreement

- 18.1 The Credit Agreement shall apply until terminated by either party, and may be terminated by either with immediate effect. However, the Credit Agreement shall apply, notwithstanding termination, in respect of outstanding Securities Loans until such time as the legal relationships arising thereunder have been settled in their entirety.

C 19 Compensation for damages and penalty interest

- 19.1 In the event of non-delivery, late delivery, or insufficient delivery pursuant to section 5.1, the Borrower (subject to the limitations set forth in section 22.1) shall be entitled to compensation from the Lender for reasonable and foreseeable additional costs, and losses, which the Borrower incurs as a direct consequence thereof.
- 19.2 In the event of non-return, late return, or insufficient return pursuant to section 13.1, the Lender (subject to the limitations set forth in section 22.1) shall be entitled, in addition to compensation for replacement purchases in accordance with section 13.2, to compensation from the Borrower for reasonable and foreseeable additional costs, and losses, which the Lender incurs as a direct consequence thereof.
- 19.3 In the event of the premature termination of a Securities Loans pursuant to sections 15.1 - 15.5, the terminating party shall be entitled to compensation in accordance with the provisions otherwise set forth in these General Terms and Conditions, and to compensation by the counterparty for reasonable and foreseeable additional costs, and losses, as a direct consequence of the premature termination.
- 19.4 In the event of failure to make payment when due, interest shall be payable in accordance with section 6, first sentence of the Interest Act (SFS 1975:635) commencing on the due date until such time as payment is made in full.

C 20 Notices

- 20.1 PSAB may, as PSAB deems appropriate, provide information to the Credit Client by email to the email address designated by the Credit Client in the Credit Agreement. All notices pursuant to the Credit Agreement and as a consequence of Securities Loans associated therewith shall, unless otherwise specified in the Credit Agreement, be made in writing. Notice which is sent by a party by registered mail shall be deemed to have been received by the counterparty not later than the fifth (5) Working Day after dispatch, provided the letter is sent to the address set forth in the agreement or of which the counterparty has otherwise notified the sender. Notice by fax or electronic communication shall be deemed to have reached the recipient upon receipt. Where a fax notice or electronic communication reaches the recipient on a day that is not a Working Day, or on a Working Day after normal business hours, unless otherwise specifically stated in these General Terms and Conditions, the notice shall be deemed to have reached the recipient at the commencement of the following Working Day.

C 21 Amendments to the General Terms and Conditions

- 21.1 The Credit Client acknowledges and accepts that PSAB may amend these General Terms and Conditions at any time. Amendments to the terms and conditions shall take effect against the Credit Client commencing the thirtieth (30) calendar day from such time PSAB informs the Credit Client in respect of the amendment, or commencing on a later date as specified by PSAB in the notice. Unless otherwise expressly agreed between the parties or as otherwise provided pursuant to section 21.2, amendments to the General Terms and Conditions shall, however, only take effect in respect of Transactions executed after the amendment enters into force. The previous terms and conditions shall apply to Transactions executed prior to such entry into force. The Credit Client shall be entitled to terminate the Credit Agreement in accordance with section 18 in the event that s/he does not consent to the proposed amendment.
- 21.2 In the event the conditions no longer exist for the parties' performance of their obligations pursuant to the Credit Agreement, or they are materially altered due to the actions or decisions of the Swedish or a foreign government, central banks, governmental authorities, or amendments to Swedish or foreign legislation, or the decisions of Swedish or foreign courts, PSAB shall be entitled to amend these General Terms and Conditions with immediate effect. Such amendments shall also apply to previous Transactions executed.

C 22 Limitation of PSAB's liability

- 22.1 PSAB shall not be responsible for damages resulting from Swedish or foreign legislation, Swedish or foreign actions by public authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in respect of strikes, blockades, boycotts and lockouts shall apply even if PSAB itself takes such measures or is the subject of such measures.
- 22.2 Damage which arises in circumstances other than those set forth in sections 22.1, 19.1 - 19.3 shall not be compensated by PSAB, provided PSAB has exercised normal care.
- 22.3 PSAB shall not be liable under any circumstances for indirect loss or damage, unless caused by PSAB's gross negligence.

C 23 Assignment

- 23.1 Neither party shall be entitled to assign its rights or obligations pursuant to the Credit Agreement without the prior written consent of the other party. PSAB is however entitled to assign, without approval, the Credit Agreement to any other company within its group of companies.

C 24 SFTR Reporting

24.1 SFTR stands for Securities Financing Transaction Regulation (SFTR) which requires both financial and non-financial counterparties to report information regarding transactions relating to Securities Financing. The regulation is adopted by the EU and its purpose is to enhance the transparency of the financial system. The regulation entered into force in 2020 and on January 11, 2021 the last step of the implementation process will be implemented.

24.2 The regulation contains reporting obligations for counterparties when entering several different transaction types. The transaction types covered by PSAB services includes the borrowing and lending of shares (Securities Lending), using a credit facility for the purpose of investing in financial instruments (Securities Financing) and the re-using of collateral (re-pledge).

24.3 FC (Financial Counterparty)

Financial Counterparties, such as investment firms, credit institutions, insurance companies and investment fund companies, have a reporting obligation on their own behalf which starts on April 11, 2020. **Reporting obligations exist for Financial Counterparties**, which requires that PSAB does not have an obligation to report the counterparty's leg in a transaction, unless otherwise agreed in writing.

24.4 NFC+ (Non-Financial Counterparty +)

Larger Non-Financial Counterparties are companies that exceed at least two of the three threshold values below. Reporting obligations exist for Larger Non-Financial Counterparties, which requires that PSAB does not have an obligation to report the counterparty's leg in a transaction unless otherwise agreed in writing. The reporting obligation starts on January 11, 2021.

- a) Balance Sheet > EUR 20,000,000
- b) Net Sales > EUR 40,000,000
- c) Average employees during the financial year > 250

24.5 NFC (Non-Financial Counterparty)

Smaller and mid-sized Non-Financial Counterparties are companies the size of which is below two of the three threshold values below. PSAB has the reporting obligation for both Paretos and the counterparty's transaction.

- a) Balance Sheet < EUR 20,000,000
- b) Net sales < EUR 40,000,000
- c) Average employees during the financial year < 250

Counterparty Type	Reporting Requirements
FC	PSAB and the counterparty each have their own reporting responsibilities*
NFC+	PSAB and the counterparty each have their own reporting responsibilities*
NFC-	PSAB reports for both the counterparty and itself.

If the Counterparty has a Custody and Cash account through PSAB, it may delegate its reporting duties to PSAB, providing that a written agreement has been entered into. The transactions within such scope are transactions that are made through a Custody and Cash account with PSAB.

24.6 Jurisdictions covered by the SFTR reporting requirements are companies within the EU, or companies outside of the EU with a branch within the EU.

C 25 Applicable law, etc.

25.1 The interpretation and application of the Credit Agreement and Securities Loans shall be governed by the laws of Sweden. Any disputes which arise shall, unless the Credit Client is a consumer and certain dispute resolution rules applies, be submitted to the Stockholm District Court as the court of first instance. It is stated in law where disputes, which may arise with a Client who is a consumer, shall be settled.

C.26 Language

26.1 In the event of any discrepancies between the English and Swedish language versions of these terms and conditions, the Swedish language version shall apply.

C27 Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client

27.1 Definitions

In these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client, the following words and terms shall have the following meanings. In the event of discrepancies between these definitions and the definitions of the same words and terms in the Credit Agreement, the definitions below shall take precedence. The provisions of the General Terms and Conditions for Securities Lending regarding the Credit Agreement also apply to these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client. Words and expressions otherwise defined in the Credit Agreement have the same meaning in these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client.

In the event of discrepancies between the terms and conditions stated in these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client and the Credit Agreement, these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client shall take precedence.

"Borrowing Value"	the value attributed to collateral in accordance with section 27.3, penultimate paragraph.
"Approved Collateral"	The Financial Instruments listed in section 28
"Pledged Property"	The Financial Instruments registered on the assigned VP account.
"Collateral Requirement"	The aggregate amount which the PSAB is required to pledge as collateral, from time to time, in accordance with these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client, and which is equivalent to the Collateral Ratio for the PSAB, multiplied by the difference between (a) the Market Value of Securities borrowed by PSAB and (b) the Market Value of Securities loaned to the Credit Client (whereby the Collateral Requirement is positive if (a) is greater than (b).
"Säkerhetstal"	105%.

27.2 Provision of collateral etc. by PSAB.

For its obligations under the Credit Agreement as a consequence of the Securities Loans taken out, PSAB shall provide collateral in accordance with the provisions of these Separate Pledge Terms and Conditions for PSAB's Pledge to the Credit Client.

If the PSAB Collateral Requirement is positive, collateral must be provided no later than the agreed time of delivery of the Securities Loan in question. The Borrowing Value of the collateral must, at a minimum, correspond to the Collateral Requirement applicable to PSAB (if it is positive).

Only Approved Collateral may be used as collateral.

The Borrowing Value for each asset must be the collateral value stated in Section C 28 or as separately agreed by the parties.

Dividends, interest, any income, and other rights arising from the Pledged Property do not constitute part of the Pledged Property.

27.3 PSAB's engagement as account operator

PSAB, in its capacity as Account Operator, has opened the VP account on which the Pledged Property will be registered. The account is common to all of PSAB's clients who, from time to time, have granted securities loans to PSAB and who have a security interest in the Financial Instruments registered on the account pursuant to an agreement with the PSAB.

27.4 Status of the security interest

The Pledged Property is also pledged with equal rights (pari passu) to other lenders from whom PSAB has borrowed securities and who have obtained a security interest in the Pledged Property under an agreement with PSAB. The Credit Client and these other lenders are each entitled individually to enforce their security interests. If, at any relevant time, the pledged property is not sufficient to cover all claims of current lenders against PSAB in respect of securities loans granted, the pledged property shall be allocated amongst the lenders in proportion to each lender's claim against PSAB.

27.5 Replacement of collateral, additional collateral, etc.

PSAB shall be entitled to replace, at any time, any Approved Collateral constituting the PSAB's Pledged Property for other Approved Collateral.

The aggregate Borrowing Value of Pledged Property provided by PSAB as collateral in accordance with the Credit Agreement - including these Separate Pledge Terms and Conditions for PSAB's Pledge to the Client - and other substantially similar master agreements with other parties shall, from time to time, correspond to the aggregate Collateral Requirement for all Securities Loans under the Credit Agreement, also including these Separate Pledge Terms and Conditions for PSAB's Pledge to the Client, and other master agreements. Negative Collateral Requirements are disregarded when calculating the current total Collateral Requirement.

In the event that the aggregate Borrowing Value of the Pledged Property provided by the PSAB as collateral is less than the Collateral Requirement as per the preceding paragraph, the PSAB shall provide additional collateral without delay so that the aggregate Borrowing Value is no longer less than the aggregate Collateral Requirement.

In the event that the aggregate Borrowing Value of the Pledged Property provided by the PSAB exceeds the aggregate Collateral Requirement, the PSAB shall be entitled to recover the Pledged Property so that the aggregate Borrowing Value no longer exceeds the aggregate Collateral Requirement.

C.28 Approved Collateral

- 28.1 When PSAB provides collateral to the Credit Client in accordance with these terms and conditions, the collateral must be one of the following: cash, Swedish asset-backed mortgage bonds, or treasury bills issued by the Swedish state. For each asset, a margin rate is applied as follows: 100 percent for cash, 90 percent for asset-backed mortgage bonds, and 95 percent for treasury bills/government bonds issued by the Swedish state.

D. Terms for Currency Account

Credit Clients investing in foreign instruments have the option to use Currency Accounts to manage their Currency Risks. In that case, the Credit Client is responsible for converting currencies and monitoring its currency exposure. Please note that all examples below are based upon a Client whose base currency is SEK. SEK is the main currency that is presented in portfolio reports and online trading tools.

D.1 Minimum portfolio value for enabling the Service

PSAB reserves the right to always require Credit Clients with a currency account to hold at least 100,000 SEK in portfolio value (or the equivalent value in another currency) to utilize the service.

D.2 Use of Currency Accounts

Under the circumstances that an Investor does not want changes in the investments currency to have an impact on the returns, there is an option to reduce the currency risk by using a Currency Account in connection with a Credit Facility. The Credit Client will then borrow the amount in the instrument's currency.

Please note that Swedish Investment Savings Accounts may not have negative cash balances and if they occur, the negative amount is added to the Standard Income calculation (which will affect the Tax Calculation). The loan amount should therefore preferably be transferred from the Client's regular Custody Account.

With a Currency Account, it is the profit or loss that the currency risk is linked to and not the whole investment (when borrowing the amount in the instrument's currency).

D.3 Risks

The Credit Client must be aware that purchasing and selling instruments in foreign currencies entails currency risks. Just like when buying and selling financial instruments, the currency is a variable that can change the price substantially in a short amount of time. In theory there is no currency risk if the credit facility is used in the instrument's currency.

The currency risk emerges as soon as the market price of an investment is not the same as the initial investment (making a negative Cash Balance in the instrument's currency). Accordingly, currency risks emerge with unrealised profits and losses or realised profits and losses that are not converted to the Credit Client's main currency.

It is important that the Credit Client understands this type of risk and specifically if it chooses to expose itself to currency exposures beyond investments in financial instruments.

D.4 Example purchase

Fees for trading in financial instruments are not considered in the example below

- The purchase of 1,000 shares EA at the price USD 100
- Purchase amount USD -100,000 is debited the account
- The currency exchange at the time of purchase is SEK 10
- The sale of 1,000 shares one month later is made at a price of USD 80 (sale amount USD +80,000)

Cash Balance-Purchase

- The purchase amount of USD -100,000 debits the cash account balance
- The Cash account balance after the transaction is USD -100,000 (the prior balance was 0)
- Interest is calculated for a negative cash balance during the period in accordance with the current price list

Cash Balance-Sale

- Sale of the previously bought 1,000 EA shares one month later at a price of USD 80
- The sale amount of USD +80,000 is credited the cash account
- The cash balance after the transaction is equivalent to USD -20,000 (loss after the sale of EA)

Risks after realized loss

When exposing yourself with a loan (negative cash balance) in another currency, this entails an exposure to a change in price. If the foreign exchange increases in price, the debt calculated in SEK increases.

- When the USD/SEK changes to 10.50 the loss is calculated to be SEK- 210.000
- When the USD/SEK changes to 9.00, the loss is calculated to be SEK- 180.000

If a negative cash balance occurs on a currency account after positions are closed in foreign investments, you may need to take a position on whether to keep the foreign currency or convert it to SEK. If it is not exchanged, additional losses may arise. If the USD price in the above example increases further from 10.50 to 11.00, the negative cash balance increases from SEK -210,000 to SEK- 220,000.

D.5 Costs

You pay interest for the days on which the currency cash account (based on settlement date) in USD is negative (if you have a negative USD cash balance you will pay interest in USD). The interest is debited in accordance with the current price list (the interest rates are also available in the portfolio report).

If you are declared for the product, you may also apply to use FX Forwards. FX Forwards is a hedge against movements in currency prices during a fixed period. The period of time will determine the cost for the FX Forward. Please contact your client representative for more information.

D.6 Foreign Exchange of negative balances

For Credit Clients where a negative cash balance arises due to the client being unaware that imbalances have occurred after an executed trade, PSAB may choose to exchange the imbalances in question without prior notification to the Credit Client.

D.7 Suspension from the service

Credit Clients who end up with negative balances and do not have an approved credit limit will be suspended from the service. Thereafter, all trading will be conducted in the main currency, SEK. This can happen without further notice from PSAB. If a Credit Client does not maintain a portfolio value in accordance with Section D.1, the Credit Client may also be suspended from the service, and any imbalances will be exchanged into SEK. In case negative balances occur due to foreign exchange prices moving in an unfavourable direction for the Credit Client, the Credit Client becomes liable to repay any amount to PSAB that may occur.

E. GENERAL TERMS AND CONDITIONS FOR GUARANTORS

PROVIDING A GUARANTEE – INFORMATION TO THE GUARANTOR

A Guarantor is the contractual party which enters into and signs a “Guarantee Agreement” to share the responsibility, with a Borrower, of its commitments to the Lender under a Credit Agreement. The Lender may issue a demand for payment directly from the Guarantor for the Borrower’s commitments (regardless of whether any common interest between the Guarantor and the Borrower comes to an end).

The Lender is free to choose the Guarantor from which it demands full payment if several different Guarantors have provided a Guarantee for a Borrower.

E.1 Definitions

"Borrower"	A party which, pursuant to a Credit Agreement, uses a Credit Related Service through PSAB (such as Margin Lending, Securities Lending, or other services requiring that a Borrower needs a Credit Facility).
"Credit Agreement"	The agreement in which a borrower enters into with PSAB to utilise Credit Related Services.
"Guarantor"	An individual or a legal person who promises to pay a borrower’s debt in the event that the borrower defaults on its obligation relating to Credit Related Services.
"Guarantee Agreement"	The agreement which specifies the details of the Borrower, the Guarantor and any details if the Guarantee should be limited to a specified amount.
"Lender"	PSAB is the party which offers Credit Related Services and has claims against a Borrower

E.2 Guarantee limited to a specified amount

If the Guarantee is limited to a specified amount in the Guarantee Agreement, the Guarantor is, in addition to the stated amount with interest, also responsible for any fees and costs which arise for the Lender when exercising the Guarantee and by any other means collects its claim for which the Guarantee constitutes collateral.

E.3 Order of claims

If the Borrower does not fulfil its commitments pursuant to the Custody Account Agreement for which the Guarantor has provided the Guarantee, the Lender may decide in which order to collect provided collateral (collateral deposited in an account, Guarantees etc.). The Lender may decide in which order the Borrower’s commitments shall be paid by claiming the Guarantee.

E.4 The Guarantors right to collateral

Collateral or other warranties that have been provided for the Borrower’s undertaking pursuant to the Custody Account Agreement, will constitute collateral for the Guarantor’s recovery claim against the Borrower, only to the extent the Guarantor has informed the Lender that it has such a right and the Lender has proven its right by presenting a written agreement thereof. This right is subordinated the Lender’s right to collateral or other warranties.

If the collateral constitutes pledges for recovery claims by several Guarantors, they shall have the right to the collateral proportionate to each of their recovery claims, unless otherwise agreed.

E.5 Transfer of Collateral, protection of Collateral

The Lender may, to the extent the Lender has not claimed a Guarantor, release collateral, which, in the Lender’s opinion, is not relevant to the payment of a due amount pursuant to the Custody Account Agreement, for which the Guarantor has provided a Guarantee, without this diminishing the Guarantor’s liability.

The Lender has a responsibility to the Guarantor to protect the collateral solely to the extent that is required under the Custody Account Agreement for which the Guarantor has provided the Guarantee or pursuant to a separate pledge agreement.

E.6 Termination

The Guarantor does not have the right to terminate the Guarantee. However, the Guarantor may submit a written request to the Lender to give notice for the Custody Account Agreement, for which the Guarantor has entered the Guarantee, to be terminated six months after such notice is given.

Such termination may result in a payment obligation for the Guarantor based on the Guarantee.

If the Lender has received such a request for termination, but neglected to terminate the Custody Account Agreement in question within the stated time frame, the Guarantee will be terminated for the Guarantor who requested the termination of the Custody Account Agreement in question, six months after receipt. However, this will not enter into force if the Lender, due to delayed payments by the Borrower within the time frame in question, has made a claim in writing against the Guarantor based on the Guarantee against the Guarantor requesting the termination.

E.7 Change of Guarantor's address

The Guarantor shall inform the Lender in writing, without delay, any changes relating to its address or contact information.

E.8 Messages to Guarantors

If the Lender has sent information to the Guarantor through regular mail to the most recent address provided by the Guarantor, the information will be assumed to have been received by the Guarantor at the latest on the fifth business day after being sent. If the information is sent by facsimile or e-mail to a fax number or e-mail address provided by the Guarantor, the information will be assumed to have been received by the Guarantor at the time it was sent or if sent outside normal office hours on the following business day.

E.9 Limited liability

The Lender is not liable for any damages caused by a circumstance outside the Lender's control such as legal enactment, action by authorities, war, strike, blockade, boycott, lockout or other similar event. In the event of strike, blockade, boycott or lockout, this limitation also applies if the Lender is the object of, or initiates, such industrial action.

No compensation will be provided by the Lender for damages caused in other cases, unless it was caused by carelessness on the part of the Lender. The Lender is not liable for indirect damage. If the Lender is prevented from partly or fully performing its obligations under these provisions due to a circumstance or event listed above, such obligations will be suspended until the circumstance no longer exists. If the Lender, as a result of such a circumstance or event, is prevented from effecting or receiving a payment, neither the Lender nor the Guarantor will be liable to pay penalty interest.

E.10 Limitation period

The limitation period means that the Lender, after a specific amount of time (ten years), loses its right to demand repayment of its claim from the Guarantor.

However, the limitation period can be cancelled by the Lender if it, for example reminds the Borrower that a claim exists. After such cancelation a new limitation period begins over.

The limitation period for a Guarantee normally starts from the date the Guarantee Agreement was signed. Referral from the [Swedish Preskriptionslag](#) [Prescription Act] (1981:130) Article 2.

According to the 8 Article paragraph in the Swedish Preskriptionslag (1981:130), the Guarantee Agreement is cancelled if the main claim (the credit) is cancelled.

E.11 Interpretation and applicable law

Interpretation and application of these terms shall take place in accordance with Swedish law.

E.12 Language

In the event of any discrepancies between the English and the Swedish language versions of these terms and conditions, the Swedish language version shall prevail.