

## Securities Investments

### 1. Introduction

At Ringkøbing Landbobank particular focus is paid to the securities area, which means that we have:

- an investment centre, where specialists service clients with large securities investments and clients with special investment needs and requirements
- Well-trained advisers at all the Bank's branches - who are ready to offer competent investment advisory services

Consequently we are able to fulfil the various needs and requirements regarding securities advisory services and securities trading of the majority of our clients. If you are not already in contact with one of our investment managers regarding your investments, you are more than welcome to get in touch with your nearest Sydbank branch. Our staff can also answer any queries you may have about the information provided in this material and about investments in general.

The purpose of this material is to give you some insight into the most significant aspects concerning private investors securities investments, eg your needs, requirements and considerations as an investor, the most common types of securities and the risks associated with different types of securities. If you are not an experienced investor, we recommend that you read the whole material in order to learn about the more common types of securities. Later it can be used for reference purposes whenever specific questions arise.

### 2. Why invest in securities?

Securities investments are most commonly made in order to achieve a higher return than that usually offered by a regular bank account. Over time a securities portfolio with a sensible composition is expected to generate a return which is higher than the interest return of a regular bank account.

Compared with money held in a bank account, investments in securities offer the potential for a higher return - but also involve a greater risk of loss.

If you wish to invest in securities, it is important to have a securities portfolio with a sensible composition. As a rule the portfolio will include bonds, shares and units. Moreover we advise you to spread your investments across several types of securities and several securities.

Your investment manager is always ready to help you compose a securities portfolio that matches your individual requirements. See "Ringkøbing Landbobank's investment advisory services" below.

### 3. Your investment profile

There are a number of issues for you to consider before making an investment. These are listed below. Your investment profile comprises the following: your investment objectives, time horizon, risk appetite and investment experience. Your investment manager will always base his advice on your investment profile. We wish to give you the best possible investment advice and one of the criteria for achieving this is that you inform us of any changes in your investment profile.

### 4. How much do you wish to invest?

Your personal wealth may include several different elements, eg an owner-occupied dwelling, pension savings and other savings. Therefore it is a good idea if you review the elements of your personal wealth at present and consider your wishes for the future, eg how much you would like to have at your disposal when you retire. Issues to consider in this respect include the remaining life of any large mortgages as well as the size of your pension savings, which impacts the growth of your personal wealth.

The size of your current savings is significant in relation to which investment composition would be the best for you. Before you consider investing in individual securities, your savings should be of a certain size as securities trading is subject to a minimum fee per transaction. The size of your investments compared with your financial circumstances as such is also of importance to the composition of your investments.

### 5. Investment objectives

Your investment objectives should be clear before you invest. You may require annual or semi-annual payments, or you may be saving up and investing in order to withdraw the money for a specific purpose in eg three years. You may prefer stable growth over time or you may prefer to be very active, perhaps even speculative, as regards part of your savings. Your objectives may well vary depending on the investment - for example your objectives as regards your pension savings and other savings may differ.

### 6. Time horizon

Your time horizon is the period during which you expect to invest your savings in securities. It is important that you have decided on a time horizon for your investments. If you have a short-term time horizon, price-stable securities may represent an alternative to a bank account. If you need your savings in eg two years' time, you can invest in a two-year bond. If you have a long-term time horizon, it would be advantageous to invest part of your savings in long bonds and shares, ie in more price-sensitive securities.

The following terms are used with respect to time horizon:

- a short-term time horizon represents investments of less than 2 years
- a medium-term time horizon represents investments from 2 to 6 years
- a long-term time horizon represents investments of more than 6 years.

We recommend an investment horizon of at least six years for share investments. From experience we know that time horizon is of great importance to the return developments observed in a securities portfolio.

The return on a securities portfolio may show relatively large fluctuations in the short term. However, if the portfolio is observed over a 5 year period, return fluctuations will usually be substantially narrower. Therefore it can be unfortunate if you have made long-term investments and you suddenly need to sell your securities. In this case you may risk selling at a loss. The time horizon of your investments will change - merely by the passing of time. If for instance you are nearing the time when you plan to retire, it would be wise to consider in good time when and at which pace you will need your savings. Your time horizon may also change as a result of other financial events. Therefore it would be a good idea to consider on a regular basis whether the time horizon of your investments needs adjusting.

### 7. Risk appetite

As a rule share investments generate a higher return than bond investments, and bond investments usually generate a higher return than bank account deposits. However there is a greater risk associated with investing in shares than investing in bonds, and the risk associated with investing in bonds is higher than holding money in a bank account.

As an investor you will typically welcome a high return. The question is, however, whether you can also accept the potential downside, namely the higher risk of a poor, or even negative, return. It is extremely important that you consider the risk you are willing to take in relation to your securities investments. Subsequently it is up to Ringkøbing Landbobank to make a proposal for a securities composition which is expected to generate the best return - against the risk you wish to assume.

Diversifying your investments across shares as well as bonds will contribute to reducing your risk. The same applies to diversification across several different shares in different countries and industries. If for instance you invest in one or only very few shares, your securities portfolio will be extremely sensitive to adverse price developments in any one share.

Your investment manager can help you to identify the risk associated with your current securities portfolio as well as the risk associated with securities that you may be planning to invest in or switch to.

## 8. Investment experience

It goes without saying that investment experience is gained over time. Experienced securities investors have witnessed periods of favourable as well as unfavourable market developments. Unless you are an experienced securities investor, we recommend that you read the paragraphs on the risks of investing in different types of securities. The advantage of drawing on your investment manager's expertise is that you will also benefit from the Bank's investment experience. Therefore we recommend that you seek advice and guidance from your investment manager.

## 9. Different types of securities

Before you invest in securities it is important that you are aware of the opportunities and risks associated with investments in different types of securities. The following comprises a brief description of the characteristics of the most commonly traded types of securities.

### 9.1. Danish bonds

A bond is a debt instrument that places the issuer, eg the Danish government or a mortgage bank, under an obligation to repay the bond debt in a manner to be specified. Bonds will often constitute a natural part of a securities portfolio. In addition to your investment profile, the choice of bond or bonds will depend on your interest rate expectations as well as your assessment of which bonds currently represent an attractive investment opportunity.

#### 9.1.1. Types of bonds

A number of different features are associated with the coupon (interest) payment and repayment of a bond. Before addressing the different types of bonds, we will review a number of common bond characteristics.

- Coupon  
Most bonds pay interest (also known as coupon) once or several times a year.  
The size of the coupon payment appears from the bond's nominal interest rate. For instance on the bond, "5% Danish Government Bullet 2013", the government pays an annual coupon of 5%, calculated on the nominal bond portfolio.
- Fixed-rate/floating-rate bonds  
Most bonds are fixed-rate bonds and therefore the coupon payments are constant throughout the term of the loan. However there are also floating-rate bonds whose interest rate is fixed for 6 or 12 months at a time. Consequently a bond investor does not know the coupon for future interest rate fixing periods.
- Maturity date  
The maturity dates of the majority of bonds are fixed in advance and investors know at the time of purchase when a bond will mature/will be redeemed. The above mentioned government bond will mature in 2013, more specifically on 15 November 2013. Maturity dates are shown in a bond price list.
- Redemption price  
Bonds are usually redeemed at par, ie at the nominal value of the bond.
- Price  
A bond is a commodity traded at a price which may vary during the day or from one day to the next. The market price of a bond is identical to the bond price. If the bond price decreases, the bond will lose some of its value; at the same time a lower price will make the bond cheaper to buy.
- Market value  
The value of a bond portfolio is calculated by multiplying the nominal bond portfolio by the current price. This value is named the market value.
- Yield to maturity  
In general a bond has a fixed nominal interest rate. Coupon payments are calculated on the nominal value of a bond. The yield to maturity (YTM) is calculated on the basis of the purchase

price compared to the bond's future cash flows.

- Issuer  
The issuer is the name appearing on the bond, eg Danske Stat or Totalkredit.
- Reinvestment  
If you have invested in bonds and wish to ensure that the value and the running yield remain invested in bonds, you must continuously reinvest the coupon payments and redemptions which are paid on an ongoing basis. The instalments repaid by the borrower will be paid either as total redemption or as running drawings. These amounts must also be reinvested continuously.
- Callable/non-callable bonds  
Bonds may be callable, which means that the borrower may redeem his bond loan at par prior to its maturity. Callable bonds are usually mortgage bonds issued as annuity loans. In general early redemption (when mortgage borrowers convert their mortgage loans) will usually have the unfortunate consequence for bond investors that the money must subsequently be reinvested at a lower rate of interest. When buying callable bonds there is therefore the risk that the bond's term will be shorter than originally planned, due to early redemption. When callable bonds are purchased at a premium, the interest amount paid, measured in percentage terms of the market value, will be below the coupon rate of the bond. Non-callable bonds cannot be redeemed early.

In general bond loans can be divided into the following types:

- Bullet loans  
The characteristic feature of a bullet loan is that all bonds issued are redeemed at one time on one specific date. The bond has a nominal interest rate (coupon) and the outstanding debt accrues interest at this rate. Coupons are paid on the settlement date.  
In general the Danish government uses bullet loans as a source of funding. Mortgage banks use bullet loans to finance homeowners' adjustable-rate loans, eg Totalkredit's "Boliglån" og Nykredit's "Tilpasningslån".
- Annuity loans  
Annuity loans are ordinarily used by mortgage banks and imply that the borrower pays a fixed amount (interest and instalment payments) semi-annually or quarterly. Initially the fixed amount will comprise large interest payments and very small instalment payments. The instalments as of the settlement date will be paid to the purchaser of the bond as redemptions. Therefore redemptions will be small at the beginning of the term of the loan. Later on, when the bond debt has been reduced, the instalment proportion of the borrower's repayment will increase. For bond investors, higher instalment payments means that redemptions will go up over time.  
Annuity loans can be issued as callable or non-callable bond loans. Callable loans give the borrower the option to redeem the loan early and will often generate an excess return compared with non-callable bonds. This is due to the uncertainty surrounding the bond's actual term to maturity.  
  
Mortgage banks offer borrowers various types of interest-only options in connection with certain annuity loans. The concept of interest-only periods is that the purchaser of a bond will be repaid over a longer period of time. The longer term to maturity and the associated risk will generate a higher yield to the bond investor.
- Serial loans  
The characteristic feature of serial loans is that the borrower pays fixed instalments on each

settlement date. In the case of a five-year serial loan, an instalment of 20% of the original principal is repaid every year for five years. The borrower's interest payments will decrease proportionately. In relation to the bond investor, a fixed share of the bond portfolio will be drawn (redeemed) each year. In order to preserve the bond portfolio, reinvestments are therefore necessary on a continuing basis.

- Index-linked loans  
An index-linked loan involves a special type of bond whose principal amount is regularly adjusted for inflation. There are different types of index-linked loans and the underlying idea of these loans is that the bond investor can protect his savings against inflation.

- 9.1.2. Return  
The return on a bond investment comprises the sum of:
- the coupon during the period
  - any redemption gains/losses
  - the difference between present value and purchase price.
- 9.1.3. Bonds as an investment alternative  
Against a historic background, bond investment returns have been far more stable than corresponding share investment returns. However, over a number of years, bond returns are projected to be lower than share returns. The correlation between risk and return can be improved by diversifying investments across several types of bonds.
- 9.1.4. Risks  
There are two kinds of risk associated with bond investments:
- Issuer risk  
A bond is a debt instrument and as such there is always a theoretical risk that the debtor will not be able to pay the instalment and interest payments agreed. However, in reality, this risk is virtually non-existent in relation to Danish government and mortgage bonds. Corporate bonds may be issued by large and well-reputed companies but also by less sound companies. A number of companies are rated by international credit rating agencies, eg Moody's and Standard & Poor's. These agencies monitor companies and rate them on an ongoing basis as regards their short-term and long-term debt. We recommend that these ratings are reviewed before any investment is made. Ordinarily bonds issued by low-rated companies generate a slightly higher yield. The higher yield represents the payment for increased issuer risk.
  - Interest rate risk  
When interest rates in society change, the yield to maturity of bonds changes as well. If interest rates decline, bond prices go up. If interest rates rise, bond prices go down. Interest rate sensitive bonds (ie long-dated bonds) will rise/decrease more in value than short-dated bonds. Duration is a measure of the risk associated with a bond, ie the fluctuations in a bond's price.
- 9.1.5. Turnover  
Danish bonds are listed on NASDAQ Copenhagen.
- Around 2,300 different bonds are listed on NASDAQ Copenhagen. However turnover is concentrated on relatively few bonds. As a bond investor, it is important to know whether the trading frequency of a bond is high (the bond is liquid) or very low (the bond is illiquid). In general there will be an excess return when purchasing illiquid bonds (if there are any sellers of these bonds). However the excess return also reflects the risk that bond investors may not be able to find buyers for the bond on the day they wish to sell. Therefore we recommend that investors focus on liquid bonds.

- 9.1.6. Tax issues  
Pension funds are currently subject to 15.3% tax in compliance with the Danish Act on Taxation of Pension Yields. Bond investors should focus on purchasing bonds generating the highest possible returns. Investors do not need to distinguish between the distribution of return on interest income and capital gains as the entire return is taxable at 15.3%.

Other funds  
When investing in bonds, capital gains as well as interest income are taxable. Losses are deductible. Gains and losses are included in capital income.

- 9.2. Foreign bonds  
Foreign bond investments are associated with additional risks. There are risks of political upheaval, legislative changes and economic reforms which may have a substantial impact on interest rate developments in the relevant countries. In addition there is the exchange rate risk of investing in a foreign currency. If the currency in which the bond is issued depreciates, the bond will decrease in value measured in DKK.  
However there can be several advantages associated with investing in foreign bonds. Markets and thereby the options are considerably larger, and the possibilities for diversifying risk are greater. It is important to distinguish between purchases of government bonds and corporate bonds as well as in which countries investments are made. There are the so-called established economies and financial markets where markets are regulated under secure and reliable conditions. However it is also possible to invest in so-called emerging markets, ie countries and markets in eg South America. Investments in these countries should be made by investors who are familiar with these markets, who have a high risk tolerance and who have assets allowing them to compose a securities portfolio with sufficient diversification across different bonds and bond issuers. Investments in individual foreign bonds are recommended only to experienced investors who have the possibility of spreading risk across markets, issuers etc. Other investors should consider investments in foreign bonds via the purchase of units (see below).

- 9.2.1. Tax issues  
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Other funds  
When investing in bonds, capital gains as well as interest income are taxable. Losses are deductible. Gains and losses are included in capital income.

- 9.3. Danish shares  
A share represents a unit of ownership in the enterprise issuing the shares. Therefore, if 1,000 shares have been issued, one share will represent an ownership share of 1 per mille (1/1000). Shares are issued to raise capital eg to make new investments, to repay debt or to make acquisitions.  
From an investment perspective, the idea of buying shares is to have the opportunity of acquiring a stake in the value which is expected to be created within the enterprise. To a large extent the value of an enterprise and as such its shares are based on the expectations of the enterprise's future developments. Changes in the expectations of future developments will therefore affect the share price. The risk associated with share investments is that the price may go down, eg due to a change in expectations of future developments, and in the worst case the company may go bankrupt. In this scenario the investor will have lost his investment. However the maximum amount which can be lost is the price paid for the share. Ordinarily if you own a share you are entitled to attend and vote at the general meeting.  
When investing in shares, it is important to allocate time to keep updated on company developments as well as finan-

cial market developments. As a shareholder it is wise to monitor the share markets.

- 9.3.1. Types of shares  
There are a number of different types of shares which vary in several respects:
- Voting rights  
Shares can be divided into A shares and B shares where A shares are usually associated with more voting rights than B shares.
  - Right to dividends  
There are preferential shares which normally entitle holders to a prior claim on any dividend paid, possibly supplemented by limitations in other respects.
- 9.3.2. Share capital increases  
Share capital increases are possible when new shares are offered for sale at the current market price. An increase is also possible by means of pre-emption rights for existing shareholders of the company. In such cases shareholders must pay to acquire more shares. A share increase can also take place by issuing new shares which are allocated to shareholders in proportion to their existing shareholdings (bonus shares).
- 9.3.3. Ownership  
When shares are purchased, they will be registered as bearer shares. As an investor you may ask Ringkjøbing Landbobank to have the shares registered in the name of the holder. This means that the company is made aware of your ownership of shares in the company and as a result you will receive financial statements and other significant company information.
- 9.3.4. Return and risk  
The return on a share investment consists of:
- dividends distributed - dividends are distributed in connection with the annual general meeting
  - increases and declines in the share price.
- Over a number of years, shares are projected to generate a higher return than bonds. However return fluctuations will also be greater. Therefore, to a large extent, the size of return depends on the risk. Higher risk tolerance allows for a higher return and vice versa. In general share investments involve a greater risk than bond investments.
- However the level of risk also depends on the number of companies across which an investor has diversified his investments. If for instance the entire investment is placed in one company, the investor will be totally dependent on the performance of this one company.  
History has shown that the return-risk ratio can be improved by diversifying investments across several industries, countries and public limited companies.
- 9.3.5. Shares as an investment alternative  
The motive for investing in shares is the wish to obtain a higher return combined with the willingness to accept a higher risk than that of investing in bonds. Normally these investments are of a long-term nature.  
It is advantageous to invest in several types of securities as the market prices of bonds and shares rarely move at the same pace, which contributes to reducing the risk of the overall securities portfolio.
- 9.3.6. Risks  
Apart from the risk of share price fluctuations described above under "Return and risk", there is the risk that a company may go bankrupt. Share investors (shareholders) have limited liability, which means that, following the purchase of shares, they

cannot be required to make further payments or cover other liabilities. If a company is adjudged bankrupt, the shareholders (owners) are however last in the line of creditors and they must face the fact that all their capital may be lost (the shares are worthless). In addition, shareholders' risks coincide with the enterprise's risks: changes in market expectations as regards share performance, business conditions, competition, patents, political regulation, consumer preferences, fashion trends, image, campaigns, legal actions, technological developments - just to mention some of the factors that may impact prices in both directions.

- 9.3.7. Turnover  
Stock exchanges act as the marketplace for trading in shares. In Denmark, NASDAQ Copenhagen acts as the most important marketplace for Danish share trading. Some shares are traded frequently and will therefore be easy to buy or sell. Other shares may be difficult to trade. Consequently you should consider the aspect of liquidity before investing in shares.

- 9.3.8. Tax issues  
Pension funds  
In compliance with the Danish Act on Taxation of Pension Yields pension funds are currently subject to 15.3% tax on increases in value and dividends received.

Other funds - shares admitted to trading in a regulated market  
Dividends and realised gains on shares admitted to trading in a regulated market are taxed as share income. Losses on shares admitted to trading in a regulated market are deductible against share income. If the loss exceeds dividends and gains the excess loss will be carried forward to later years.

- 9.4. Foreign shares  
By choosing to invest in foreign shares as well, investors may achieve an even better spread of their investments. The large foreign markets allow diversification across far more different industries, countries and companies, which means that the overall return-risk ratio will improve. Foreign investments are subject to country-specific risks where political upheaval, regulations, interventions but also deregulation and reforms may have a significant impact on share prices. Moreover foreign currency investments imply an exchange rate risk as a foreign currency may rise as well as decrease against DKK.

- 9.4.1. Tax issues  
In general the rules applying to Danish shares also apply to foreign shares.  
Moreover foreign shares may be subject to additional indirect taxes (for instance on dividends), eg depending on any double taxation agreements or similar agreements that Denmark may have concluded with the relevant country.

## 9.5. Units

- 9.5.1. Definition of an investment fund  
An investment fund is an association of investors who aim to achieve a good return on their savings. The concept of an investment fund is to gather many small amounts into one large amount to be invested in several different securities. The objective of Danish investment funds is to manage the savings of investors in the best possible manner. Consequently investors are not required to make investment decisions regarding individual shares or bonds.

- 9.5.2. Ownership  
An investment fund is owned by its unit-holders (the investors of the investment fund). Unit-holders receive the entire profit of the investment fund less securities transaction costs and administrative costs. Profit is distributed as dividends or recorded as an increase in value of the

unit. In periods when no profits are generated, the value of the unit will not rise. If markets develop adversely, units may decrease in value. Already at the time of purchase, a unit-holder becomes a co-owner of a group of enterprises or bond series - depending on the type of investment fund.

#### 9.5.3. Investment fund legislation

According to the Danish Investment Associations, etc. Act, the capital of an investment fund must be invested in many different securities within the framework of the investment objectives of the relevant investment fund. The risk diversification requirement is the most significant difference between investing in an investment fund and investing in individual securities. Moreover the Act stipulates certain requirements as regards the articles of association, financial reporting, calculation principles etc.

#### 9.5.4. Different types of investment funds

Denmark boasts a large number of investment funds with very different investment opportunities. They all share the feature that investors should have an investment horizon of a couple of years or more, depending on the type of fund. Investment opportunities can be divided into the following categories:

- Bond-based funds - Danish bonds. The investment area is funds which invest exclusively in short-term or long-term bonds - or a combination thereof
- Bond-based funds - foreign bonds. The investment area is funds which invest broadly in foreign bond markets
- Equity-based funds - geographical limits. The investment area is funds which invest broadly in the global equity market or which invest in specific areas, eg shares in Eastern Europe. Moreover, there are funds which invest in specific countries, eg in Danish shares
- Equity-based funds - industry limits. The investment area is funds which invest in individual industries, eg biotechnology.

#### 9.5.5. Return and risk

Investments in investment funds should be seen as an alternative to direct investments in individual securities markets. Due to their size, investment funds can diversify their investments, which is an advantage not usually offered to private investors. The return expectations of the various funds follow the markets in which fund investments have been made. The narrower the investment area of an investment fund, the greater the likelihood of return fluctuations, as a rule. For instance, a fund that invests exclusively in global biotechnological shares will experience significantly greater fluctuations than a fund that invests broadly in global shares. Therefore it is recommended that investors consult their investment managers before investing.

#### 9.5.6. Ringkjøbing Landbobank collaborates with several investment funds

Ringkjøbing Landbobank collaborates with several investment funds to ensure a competitive supply of investment funds. A full list of Ringkjøbing Landbobank's collaboration partners is available at Ringkjøbing Landbobank's website [www.landbobanken.dk/investering/prisogvilkaar](http://www.landbobanken.dk/investering/prisogvilkaar).

#### 9.5.7. Tax issues

**Pension funds**  
are currently subject to 15.3% tax in compliance with the Danish Act on Taxation of Pension Yields. Interest income and dividends received as well as realised and unrealised capital gains are subject to taxation. Any unrealised and realised capital losses can be set off against gains.

#### Other funds

For a review of tax issues, please visit the websites of our collaboration partners: [sydinvest.dk](http://sydinvest.dk), [bankinvest.dk](http://bankinvest.dk), [majinvest.dk](http://majinvest.dk), [sparinvest.dk](http://sparinvest.dk) and [valueinvest.dk](http://valueinvest.dk)

### 10. Composition of a securities portfolio

The individual securities may be viewed as building blocks that can be combined in many different ways. On the basis of your investment profile and your knowledge of the different types of securities, the aim is to combine the building blocks - in your securities custody account - to suit your individual needs and requirements. The choice of securities and the composition of a securities portfolio represent one of the most important disciplines in the attempt to create the best possible and individually tailored securities portfolio.

### 11. Ringkjøbing Landbobank's investment advisory services

It is important that your investments are placed in the best possible manner - and in accordance with your needs and requirements.

Consequently our responsibility as advisers is to take into account your knowledge of for instance the different types of securities, your financial circumstances, your investment profile, including your investment objectives, risk tolerance, time horizon, any tax issues etc.

We would be happy to advise you on the composition of your investments. According to the rules on investor protection we are not allowed to provide advice unless we have knowledge of your personal financial circumstances, see above.

When selecting specific investments, we apply the following investment process:

- Overall assessment of economic developments and pricing in various financial markets
- Assessment of overall allocation between equities and bonds
- Choice of allocation of equity investments by industry
- Level of risk associated with the bond portfolio, including overall risk and allocation between short-term, medium-term and long-term bonds
- Choice of specific securities.

#### 11.1. Ringkjøbing Landbobank's securities advisory services and securities trading services

The Bank's range of services and concepts enables you to receive the advice you need and you can also choose how closely you wish to participate in the ongoing management of your investments. Your options are as follows:

- At the one end of the scale, to conduct transactions on your own, which is the case, for instance when trading via Ringkjøbing Landbobank's NetBank or MobilBank.
- At the other end of the scale, to leave the entire management of securities to Ringkjøbing Landbobank by concluding a portfolio management agreement.

### 12. Securities trading - how?

Securities trading at Ringkjøbing Landbobank is possible in several different ways, for instance:

- via your investment manager, eg in connection with a meeting at the Bank
- by calling your investment manager to make a trade
- via Ringkjøbing Landbobank NetBank or MobilBank.

We recommend that you read:

- Ringkjøbing Landbobank's Terms and Conditions of Securities Trading, which describes how securities transactions are conducted, including the options regarding types of transactions

- Ringkjøbing Landbobank's Terms and Conditions for Custody Accounts.

The terms and conditions are also available at [www.landbobanken.dk/investering](http://www.landbobanken.dk/investering) - under the menu item "Priser og vilkår".

### 13. When you have invested in securities

When you have traded securities, Ringkjøbing Landbobank will send a confirmation stating that your order has been executed. You are obliged to check the contents of the securities statement and complain to the Bank immediately if the contents of the statement do not coincide with what has been agreed. At the end of each year you will receive a custody account statement from Ringkjøbing Landbobank which shows the securities

in your custody account as well as which information has been reported to the tax authorities. If you are registered with Ringkjøbing Landbobank NetBank, you will be able to monitor your investments, including current values as well as gains/losses.

### 14. Other issues

Insider trading

Please note that you may not use any information that is not publicly available as the basis for buying or selling securities in a listed company. These so-called insider trading rules apply to all investors.

### 15. Questions

If you have any questions as to the information provided in this material, or if you have any other queries concerning investments, you are always welcome to contact your investment manager.

Valid from 15 November 2017

### Translation

The above is a translation of the Danish "Investering i værdipapirer". In case of doubt the Danish original will apply.