

# General Commercial Terms

The art of common sense



## 1. PREFACE

SKAGEN AS, Org. No. 867 462 732, ("SKAGEN") is a management company with license to operate as a fund manager. SKAGEN is also authorised to provide the investment services portfolio management and investment advice.

SKAGEN's registered office is Skagen 3, 4006 Stavanger, Norway.

The Clients are bound by these Commercial Terms when they submit instructions, enter into agreements, or complete transactions with SKAGEN.

## 2. DEFINITIONS

**Business Day** Any day that banks in Norway are open for general business

**CET** Central European Time, adjusted for daylight savings

**Client** Any individual or legal entity submitting instructions, entering into agreements, or completing transactions with SKAGEN

**Commercial Terms** These terms and conditions

**Consumer** An individual Client not primarily acting in a business capacity

**Fund** A fund managed by SKAGEN

**SKAGEN's website** [www.skagenfunds.com](http://www.skagenfunds.com)

## 3. THE RELATIONSHIP BETWEEN THE GENERAL COMMERCIAL TERMS AND THE FUND'S PROSPECTUS

In case of conflict between these Commercial Terms and the Fund's prospectus, the prospectus shall prevail.

## 4. SUPERVISORY AUTHORITY

SKAGEN is under the supervision of the Norwegian Financial Supervisory Authority, Revierstredet 3, 0151 Oslo.

## 5. MARKETING

SKAGEN's marketing will be performed in accordance with regulations in the relevant country as well as any authorizations granted by the authorities in that particular country.

## 6. GOOD BUSINESS PRACTICE

SKAGEN will perform its operations in accordance with its licensing conditions, other provisions applying to the operation of its business, including SKAGEN's and the Fund's Articles of Association, and current requirements on good business practice.

## 7. RISK OF LOSS

The Client acknowledges and accepts that investments in the Funds involve a risk of loss. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the Fund's risk profile and management fees. The return may become negative as a result of negative price developments. For more detailed information on the characteristics of the various Funds and the risk associated with investing in Funds, please visit SKAGEN's website.

In accordance with the rules of good business practice, SKAGEN will seek to provide the Client with all necessary information in a suitable manner, considering the Client's investment experience and knowledge. The Client is fully responsible for evaluating the risk of all transactions and investments.

Fund investments are not covered by government guarantee schemes for bank deposits.

## 8. NOTIFICATIONS FROM CLIENTS

### 8.1 Communications from the Client to SKAGEN

The Client must submit written notifications to SKAGEN. Signed applications for subscription and redemption of Fund units may be sent by mail, fax, or e-mail. The Client may also submit electronic notifications as set forth in item 8.4 below.

### 8.2 When a notification is received

A notification is received by SKAGEN when SKAGEN has gained knowledge of the notification and its content.

### 8.3 Notification content and incomplete notifications

A notification from a Client to SKAGEN must contain the necessary information about the Client and the transaction to be performed.

If the Client sends an incomplete notification to SKAGEN, the notification will be considered to have been received when the remaining information is later received by SKAGEN.

However, SKAGEN may decide to consider the incomplete notification as received by SKAGEN when SKAGEN gains knowledge of the incomplete notification and its content, if the notification, in SKAGEN's opinion, contains sufficient information to permit secure implementation of the transaction.

The Client is responsible for the accuracy of the content of notifications, and the Client cannot hold SKAGEN responsible for incomplete notifications sent by the Client, regardless of the method of submission.

### 8.4 Use of electronic services

The Client may submit electronic notifications to SKAGEN through the channels indicated on SKAGEN's website.

SKAGEN may not be held responsible in any way for failures, breakdowns, or errors in the electronic services offered to the Client, including failures, errors, or breakdowns in software or networks.

## 9. THE CLIENT'S AUTHORIZATIONS, ETC.

SKAGEN is not obligated to perform a transaction for the Client if SKAGEN believes it may involve a breach of law or a breach of rules, terms, or conditions in force at any time, or if SKAGEN has reason to believe that other reasons exist for not performing the transaction.

The Client represents that transactions and payments will comply with applicable authorizations, powers and jurisdictions of both a public and private nature applicable at any time to the Client's transactions. The Client shall document any powers, resolutions, certificates of registration, articles of association, etc. whenever SKAGEN so requests.

The Client shall at all times provide SKAGEN with up-to-date information on the individual(s) authorised to perform transactions on the Client's behalf. A transaction is binding for the Client unless SKAGEN has not acted in good faith in regard to the capacity or powers of the individual acting on the Client's behalf.

The use of intermediaries, etc. does not exempt the Client from his responsibilities concerning these Commercial Terms. Insofar as certain limits apply to the Client's trading, the Client shall be solely responsible for complying with such limits even if it has informed SKAGEN of such limits.

## 10. SUBSCRIPTION OF FUND UNITS

Subscription of Fund units takes place as described in the Fund's prospectus and these Commercial Terms.

Subscription amounts are payable on the date of submission of the subscription notification, unless otherwise agreed. The issuance of units is conditional on the subscription amount having been paid. If the amount has not been paid by the due date, SKAGEN may cancel the transaction or delay the execution of the transaction.

The subscription amount is paid when:

- a) the Client has provided SKAGEN with the authority to draw the amount from the Client's bank account, provided that sufficient funds are available on the account to cover the payment
- b) the subscription amount is valued to the Fund's account
- c) the Fund has otherwise obtained exclusive right of disposal in relation to the subscription amount

Notification of subscription cannot be withdrawn unless such notification is received by SKAGEN before 15:00 CET on the same day the notification of subscription is received and SKAGEN accepts the withdrawal.

In connection with Norwegian public holidays, the deadline for receipt of notification of withdrawal may be changed.

## 11. REDEMPTION OF FUND UNITS

### 11.1 Implementation of the redemption

The Client may redeem Fund units as described in the Fund's prospectus and these Commercial Terms.

A prerequisite for redemption is that no registered encumbrances or other limitations exist on the SKAGEN account from which redemption is to be made. The Client is obligated to cancel any encumbrances or other limitations before submitting the redemption request to SKAGEN.

The redemption of units in Funds will be implemented as soon as possible, and no later than two weeks from SKAGEN's receipt of the Client's redemption notification. The transfer of the redemption amount from the Fund's account is normally initiated one Business Day after the redemption transaction is settled.

The redemption amount may only be paid to a bank account for which the Client has disposal rights. SKAGEN may require that the Client produce documentation regarding the disposal rights to the account.

### 11.2 Withdrawal of redemption notification

A redemption notification may not be withdrawn unless SKAGEN receives notification of the withdrawal before 15:00 CET on the same day the redemption notification is received and SKAGEN accepts the withdrawal.

The deadline for receipt of notification of withdrawal may be changed due to Norwegian public holidays.

### 11.3 Suspension of redemptions

In case of stock exchange closure or similar emergencies, or otherwise to the extent permitted by laws, regulations, Articles of Association or Fund prospectuses, SKAGEN may, with the consent of the regulatory authority, suspend redemption of Fund units.

## 12. VALUATION

Transactions in Fund units are made at an unknown price, the net asset value ("NAV"). Subscription notifications for equity funds, which are received before 15:00 CET, will utilize the NAV set for the relevant day, provided that the subscription amount is paid, see item 10. Subscription notifications for fixed income funds will utilize the NAV set for the day the subscription amount is valued to the Fund's bank account. For first time subscription, the NAV date will depend on the time SKAGEN receives documentation necessary to complete customer due diligence. Redemption notifications which are received before 15:00 CET, will utilize the NAV set for the relevant day.

In connection with Norwegian public holidays, the deadline for receipt of trade notifications may be changed.

### 13. COSTS

Subscription and redemption fees apply to transactions in Fund units in accordance with the prospectus of the relevant Fund. Fund investments are charged a management fee in accordance with the Fund's prospectus. If Fund transactions are executed through other parties or the Client makes use of another account operator than SKAGEN, additional fees and charges may apply.

### 14. CANCELLATION RIGHTS

The Client has no cancellation rights under the Norwegian Cancellation Rights Act of 20 June 2014 No 27 for services and Fund transactions covered by the Commercial Terms.

### 15. INVESTMENT ADVICE

SKAGEN may provide investment advice to the Client.

Clients who are receiving investment advice from SKAGEN will be categorised as either non-professional (retail) or professional clients. SKAGEN will notify the Client of the category to which he has been assigned. The categorisation determines the scope of customer protection provided. The Client may request SKAGEN to change his customer categorisation. Information about change of categorisation and related consequences are available from SKAGEN upon request.

The Client is required to provide SKAGEN with sufficient and accurate information about his personal financial situation, investment experience, and objectives. The Client is required to inform SKAGEN of any material changes to previously provided information. The Client agrees and accepts that SKAGEN shall be entitled to use information provided by the Client as a basis for its assessments and that, in principle, SKAGEN will not conduct its own investigations. The Client agrees and accepts that any failure to provide SKAGEN with sufficient information means that SKAGEN will be unable to determine whether a specific financial instrument is suitable for the Client.

### 16. MEASURES AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

SKAGEN is under statutory obligation to perform customer due diligence for new and existing clients. The Client is obligated to provide the necessary assistance in this connection, including producing validation of identity and other necessary documentation. If the Client does not present sufficient documentation, SKAGEN may reject the Client.

If a Client requests redemption of Fund units before customer due diligence has been completed, SKAGEN may refuse to implement the transaction. Alternatively, SKAGEN may implement the redemption and use the redemption proceeds to subscribe to units in SKAGEN Høyrente on the Client's behalf. The redemption amount will remain invested in SKAGEN Høyrente until customer due diligence has been completed.

SKAGEN is obligated to initiate further investigations if SKAGEN suspects the transactions are linked to money laundering or terrorist financing. SKAGEN is obligated to send

information about suspicious transactions to the relevant authorities without informing the Client.

The Client will, of his own accord and without undue delay, notify SKAGEN in writing and document any change to the Client's situation relevant for client relations, including

- Changes regarding biographical data
- Amendments regarding beneficial owners (see further information on SKAGEN's website)
- Amendments regarding who can act on the Client's behalf
- Amendments regarding whether the Client falls under the definition of a "politically exposed person" (see further information on SKAGEN's website)
- Amendments concerning the purpose and intended nature of the client relationship

### 17. PROCESSING OF PERSONAL DATA

SKAGEN, represented by its managing director, is the data controller of personal data in accordance with the General Data Protection Regulation and the Norwegian Personal Data Act.

SKAGEN undertakes the collection, storage and processing of personal data concerning the Client. The purpose of the processing of the data is, among other things, to manage securities funds, market securities funds and other services, fulfil agreements with the Client, establish Client profiles and comply with prevailing legislation.

SKAGEN is obliged by law to register certain types of personal data concerning the Client, such as name, date of birth and national identity number, residential address and transaction history. SKAGEN may send the Client electronic marketing to the e-mail address provided by the Client, but the Client may unsubscribe from these mailings at any time.

SKAGEN is part of the Storebrand Group. SKAGEN may not share the Client's personal data with other companies in the Group for any marketing purposes without the prior consent of the Client. Any consent may be subsequently withdrawn at any time.

SKAGEN has a legitimate interest in using data processors to perform tasks related to ongoing operation and management, and to exchange relevant personal data for this purpose. Without the Client's prior consent, SKAGEN may not disclose personal data concerning the Client to external parties for marketing purposes. Any consent may be subsequently withdrawn at any time.

SKAGEN is obliged to make audio recordings of telephone calls when investment advice is undertaken for the Client. Audio recordings must be retained for five years.

By sending a written enquiry to SKAGEN, the Client may require access, rectification, erasure and transfer of personal data, and in certain situations may also object to or require the processing to be restricted. Further details of the protection of personal data and exercising the Client's rights

can be found at <https://www.skagenfunds.co.uk/privacy-policy-and-cookies/> and <https://www.skagenfunds.com/privacy-policy/>.

SKAGEN and its employees are subject to a statutory duty of confidentiality. In accordance with current statutory and regulatory provisions, SKAGEN may be obliged to give information of any kind to public authorities and appeal bodies, irrespective of any statutory duty of confidentiality.

## 18. NOTIFICATIONS FROM SKAGEN

### 18.1 Notifications from SKAGEN

SKAGEN can notify the Client via SKAGEN's web portal, My Page.

Under the current rules and regulations, SKAGEN is required to ensure that the Client is regularly provided with access to information about his holdings and returns.

SKAGEN reserves the right to correct obvious errors in a notification sent to the Client. Corrections shall be made immediately after SKAGEN becomes aware of the error, the reason for the error, and which clients are affected by the error.

### 18.2 Receipt of notifications

A notification from SKAGEN sent by mail shall be considered as duly mailed when sent to the address registered by the Client in the unit registry. The notification shall be considered as having been received by the Client when the ordinary postal delivery time has been added.

A notification from SKAGEN by fax shall be considered to have been received by the Client when SKAGEN has sent the notification to the number most recently provided in writing to SKAGEN by the Client, and SKAGEN has received a sender's receipt confirming successful transmission, the time of transmission, and the fax number.

Electronic notifications from SKAGEN shall be considered to have reached the Client when sent from SKAGEN to the latest electronic address last submitted to SKAGEN by the Client.

Irrespective of the above, a notification from SKAGEN is considered received by the Client when the notification is available on SKAGEN's web portal, My Page.

## 19. NOMINEE REGISTRATION

If the Client, in its relationship with SKAGEN, acts on behalf of other parties and is to be entered into the unit holder registry instead of the beneficial owner of the units, the Client is obliged to seek permission from the Norwegian Financial Supervisory Authority to act as nominee.

Permission to act as nominee entails certain obligations, including registration of information about the beneficial unit holder and submission of holding and realisation reports for clients subject to taxation in Norway. Additional information can be found at the website of the Norwegian Financial Supervisory Authority.

## 20. SKAGEN'S SUBCONTRACTORS

SKAGEN has the right to make use of subcontractors that have been given the authority to act on SKAGEN's behalf. The Client accepts that the Commercial Terms also apply to the relationship between the Client and subcontractor, when applicable.

## 21. LIABILITY AND LIMITATION OF LIABILITY

SKAGEN or the Fund is liable vis-à-vis Clients only if SKAGEN or the Fund through gross negligence has caused such Client an economic loss. A Consumer may irrespective of the above claim compensation arising from mandatory consumer legislation.

In any event, SKAGEN's and the Fund's liability is limited to the value of the Client's transaction, or would-be transaction at the time of the transaction. SKAGEN and the Fund are in no case liable for harm, loss or expense due to circumstances beyond the control of SKAGEN and/or the Fund, including, by way of example, war, terrorism, natural disasters, fire or water damage, power outages, strikes, lockouts, errors in data processing systems or networks, legislative or regulatory changes, instructions from any public authority, etc. SKAGEN and the Fund are not responsible for indirect losses or damages, including losses due to contracts with third parties lapsing or not being fulfilled as assumed.

If SKAGEN has used subcontractors, SKAGEN is not liable for any loss or damages incurred by the Client as a consequence of subcontractors' acts or omissions, provided that SKAGEN has used reasonable care in selecting and appointing such subcontractors. Neither can SKAGEN be held liable if the selection and appointment of such subcontractors were not influenced by SKAGEN.

## 22. COMPLAINTS

If a Client has not received notification in respect of changes to the Client's SKAGEN account within 10 days after the Client has submitted a transaction request, the Client shall immediately notify SKAGEN that the notification has not been received.

When a Client receives notification confirming that a transaction has been completed or confirming other changes to the Client's SKAGEN account, the Client must immediately verify that the information in the notification is correct.

A Client loses his right to invoke a breach if he does not, immediately after he has discovered or should have discovered the breach, notify SKAGEN of the breach. A Consumer loses his right to invoke a breach, if he does not within a reasonable time after he discovered or should have discovered the breach, notify SKAGEN indicating the breach.

In all circumstances, a Client loses the right to invoke a breach if he does not lodge a complaint within 4 months after the day the breach occurred.



Any oral complaints or objections from the Client must immediately be confirmed by a written complaint to SKAGEN. The written complaint must state the circumstances the Client invokes, and the remedy sought. This requirement for written confirmation of complaint does not apply to a Consumer.

With reference to the previous paragraphs, “immediately” is understood as meaning no later than the end of the Business Day after the Client has, or should have discovered the circumstances giving rise to the complaint.

## 23. CLIENT’S DEFAULT

The Client is in default if the Client has not met his obligations vis-à-vis SKAGEN or the Fund.

A default will also have occurred if SKAGEN or the Fund have reasonable grounds to expect that the Client will be unable to meet his obligations vis-à-vis SKAGEN or the Fund.

In case of a Client default, SKAGEN or the Fund has the right to immediately:

- a) reject the Client’s requests for subscription or redemption of units in the Fund,
- b) set off any claims by SKAGEN or the Fund against the Client, irrespective of the claim being of the same or a different currency and irrespective of the claim belonging to SKAGEN or the Fund,
- c) exercise the right to retain or suspend,
- d) initiate, without any further warning and for the Client’s account and risk, whatever measures SKAGEN or the Fund considers necessary for covering or reducing economic loss.

The Client is liable for, and shall hold SKAGEN and the Fund harmless from, any loss resulting directly or indirectly from the Client’s default, or resulting from the Client’s acts or omissions constituting a breach of the Commercial Terms or other conditions of the contractual relationship. The Client’s liability is limited to the highest of the subscription amount and current/previous holdings in the Funds, with the exception of liability for loss resulting directly or indirectly from the non payment or delayed payment of subscription monies. SKAGEN or the Fund may claim interest corresponding to the current rate of interest on overdue payment, cf. the Norwegian Act of December 17, 1976, No. 100 on Interest on Overdue Payments, as well as compound interest calculated from the payment due date until payment is made. SKAGEN or the Fund may also claim coverage of fees and charges for internal and external legal assistance. Such losses are payable by the Client on demand.

## 24. AMENDMENTS

SKAGEN reserves the right to amend these Commercial Terms if this is required due to changes to legislation, the Articles of Association, internal procedures or for other justifiable reasons.

SKAGEN shall notify the Client that the Commercial Terms have been amended, with information on how to receive a

copy. The Client is considered to have accepted to receive such notification by e-mail if the Client has provided his e-mail address to SKAGEN. Non-substantial amendments may be notified to the Client by posting on SKAGEN’s website.

The Client is bound by the amended Commercial Terms if he, after notification in accordance with the above, carries out a transaction with SKAGEN. The amended Commercial Terms do not apply to transactions submitted before notification in accordance with the above, unless laws, regulations or instructions etc. stipulate an earlier point in time at which the terms will enter into force.

The current General Commercial Terms are available on SKAGEN’s website and can be ordered free of charge from SKAGEN.

## 25. GOVERNING LAW, LEGAL VENUE, AND RESOLUTION OF DISPUTES

Any claim or dispute between the parties resulting from or in connection with the Commercial Terms or Fund transactions shall be settled in accordance with Norwegian law with Stavanger District Court as the legal venue.

SKAGEN may, however, bring legal action against Clients in any legal venue to which they are subject.

Clients with foreign legal venue and who can plead law provisions giving them protection against legal action in Norwegian courts, whether it is a question of legal venue, governing law, or other matters, hereby waive this right to the extent possible in accordance with mandatory law in the country of origin.

The Client may bring any dispute before the Norwegian Financial Services Complaints Board for its opinion. In order for the Complaints Board to hear a dispute, the Client must first submit a complaint to SKAGEN, with a reasonable time limit for considering the complaint. The Client may thereafter submit a written complaint to the Complaints Board, stating the grounds for the complaint and the result being sought. See SKAGEN’s website for the Financial Services Complaints Board’s contact information.

## 26. LANGUAGE

These Commercial Terms are available in Norwegian, Swedish, Danish, and English. In case of conflict, the Norwegian version shall prevail. SKAGEN will communicate with the Client in one of these languages.

Stavanger, 12 July 2018



[www.skagenfunds.com](http://www.skagenfunds.com)