

Legally Required Participant Disclosure CSDR Article 38

Svenska Handelsbanken AB(publ), including its branches in Finland, Norway and Denmark - below commonly referred to as Svenska Handelsbanken, we or us.

Introduction

The purpose of this document is to publicly disclose the levels of protection and costs associated with different levels of segregation Svenska Handelsbanken provides, acting directly or through our branches, in respect of securities we hold directly for clients with Central Securities Depositories (CSDs) within EEA (including owner accounts we operate as appointed account operator by the client). The different levels of protection and costs associated therewith in relation to the respective local CSDs are specified pursuant to Article 38 (6) of the Central Securities Depositories Regulation (CSDR).

Svenska Handelsbanken is directly, and through its branches in Finland, Norway and Denmark, acting as participant to the following local CSDs:

- Euroclear Sweden
- Euronext VPS
- VP securities A/S
- Euroclear Finland Oy
- Euroclear Bank SA/NV

This document describes the type of accounts and level of segregation supported by Svenska Handelsbanken with the respective local CSD and the cost structure associated with them.

This material is provided from a business perspective and as additional information in guidance to further assist the clients in their choices of account set up which best suits their profile and needs.

Levels of segregation

Svenska Handelsbanken provides two separate levels segregation to its clients at the CSD: omnibus client segregated accounts and individual client segregated accounts.

Svenska Handelsbanken's proprietary holdings of securities are kept separate from its clients' holdings both in the bank's books and records and on the local CSD.

Omnibus client segregated accounts (at the CSD)

An Omnibus client segregated account is used to hold securities of several of Svenska Handelsbanken's clients on collective basis in the same account at the CSD. Each and every client holdings are reflected in our internal books and records where reconciliations against the CSD holdings are made on a daily basis. In relation to an omnibus client segregated account Svenska Handelsbanken is registering the holdings on the account in its capacity as a nominee acting on behalf of the client.

Individual client segregated accounts (at the CSD)

An individual client segregated account is used to hold securities of a single client separated from other clients' securities. Reconciliations of Svenska Handelsbanken's books and records for each client against the CSD holdings are made on a daily basis. Depending on the service

Svenska Handelsbanken may offer individual client segregated accounts *either* in the form of a single client nominee account *or* an owner account. The owner account is opened directly with the CSD in the name of the client with the client as account holder and registered owner of the holdings on the account. Regarding the single client nominee account Svenska Handelsbanken is registering the holdings on the account in its capacity as nominee for the client. Nevertheless, any such account may be named identifying the client as the beneficial owner of the account and its holdings

Svenska Handelsbanken's own proprietary securities are always excluded and safekept separately regardless of the type of account the client chooses.

In addition to this information and further guidance on the level of account segregation and fee schedule for each CSD, we refer to the applicable CSD website.

Links:

- Euroclear Sweden (Sweden)
[https://www.euroclear.com/dam/ESw/Legal/Disclosure-pursuant-to-38\(6\)-CSDR-Published.pdf](https://www.euroclear.com/dam/ESw/Legal/Disclosure-pursuant-to-38(6)-CSDR-Published.pdf)
<https://www.euroclear.com/sweden/sv/regelverk-Euroclear-Sweden.html>

- Euronext VPS (Norway)
<https://www.vps.no/pub/?lang=en#>

- VP securities A/S (Denmark)
<https://www.vp.dk/eng>

- Euroclear Finland Oy (Finland)
<https://www.euroclear.com/finland/en.html>

- Euroclear Bank SA/NV
<https://www.euroclear.com/en.html>

Cost disclosure

The cost structure are affected by a number of factors, such as type of account, the client's relationship with Svenska Handelsbanken, the complexity of the client's business and the technical set up at both the CSD and within Svenska Handelsbanken.

Additional costs may be charged by local CSD, such as account opening and maintenance fees as well as other fees. Svenska Handelsbanken may pass on local CSD's fees, cost and charges to clients as agreed with the client.

The cost applicable with the different account options are available upon request and disclosed to clients before an agreement with Svenska Handelsbanken.

Main legal implications of different levels of segregation

In case of Svenska Handelsbanken's insolvency any securities safekept on a nominee account with the local CSD, whether omnibus or individually segregated, will be separated from Svenska Handelsbanken's insolvency estate. Consequently, any such client has the right to have its securities excluded from the bankruptcy estate and transferred to a new custodian as per the client's instructions. However, each client has to establish its claim as a matter of law and it may take some time before the administrator of the bankruptcy estate succeeds in sorting out the claims and act on a client's instruction to transfer the securities to a new

custodian. Nonetheless, the process of establishing its claim is not complicated and is usually done by a straight forward notice to the administrator along with the safekeeping agreement and documents of identification.

As mentioned above Svenska Handelsbanken's books and records of its client holdings are reconciled against the CSD holdings on a daily basis. Nevertheless, in the event of a shortfall, however unlikely, the client would have an unsecured claim against the bankruptcy estate (as an unsecured creditor) for the missing securities. The risk of a shortfall is greater where the client is choosing an omnibus client segregated account to hold its securities since the securities are held together with other clients' securities collectively on the CSD. Any shortfall would be settled among the securities holders in accordance with law or market practice. This would most likely lead to the shortfall being allocated among the holders in proportion, pro rata, to the size of their individual holdings.

Should a client choose an individual client segregated account in the form of a *single* client nominee account there is no risk of a shortfall related to other client holdings since such a client's holdings is held on separately (an individual account) from other clients' securities both on Svenska Handelsbanken's books and record and on the CSD level.

Any securities registered on an owner account with the CSD will not be part of Svenska Handelsbanken's bankruptcy estate and the client would be able to access the securities through another account operator in accordance with the CSD's rulebook. From a risk perspective only this would be the safest account option.

Disclaimer

This document does not take all aspects into consideration, it is only an indication of the cost structure associated with the account types described. This document should not be considered as legal advice nor meant to cover all information necessary to make client specific assessment of an appropriate type or level of segregation.