

Investor notification

Sampo Bank plc

Registered domicile and address Helsinki,
Hiililaiturinkuja 2, FI-00075 SAMPO BANK, FINLAND
Business ID 1730744-7

20.8.2009

Sampo Fund Management Ltd

Registered domicile and address Helsinki,
Hiililaiturinkuja 2, FI-00075 SAMPO BANK, FINLAND
Business ID 0671602-6

www.sampopankki.fi

1 General information about Sampo Bank plc

1.1 Purpose of the notification

The providers of investment and ancillary services must, before signing the agreement concerning a financial instrument and investment or ancillary services, provide the customer with sufficient information about themselves and the services offered.

This notification contains advance information required by the legislation concerning the financial and ancillary services provided by Sampo Bank plc and companies belonging to the same group, the financial instruments covered by the services, related risks, custody of customer assets, and the expenses, fees and taxes related to the services.

With regard to mutual funds administered by Sampo Fund Management Ltd, a subsidiary fully owned by the Bank, the advance information required by the legislation is available in the fund regulations and simplified prospectus of each mutual fund and in the price lists.

All advance information, agreement terms and customer services are available in Finnish. Versions in other languages are merely translations of the original Finnish text. In the event of conflict between the Finnish text and a translation into another language, the Finnish text shall prevail in the interpretation. The advance information is notified in accordance with Finnish law.

1.2 Information about the Bank and its supervisor

Sampo Bank is a subsidiary fully owned by Danske Bank A/S. The Bank has a licence granted by the Financial Supervision Authority to practise investment and ancillary service operations pertaining to the Act on Credit Institutions and Act on Investment Firms. The product selection offered or intermediated by the Bank includes the financial instruments and investment services stated in Section 2. The Financial Supervision Authority is the supervising authority of the Bank's operations. The address of the Financial Supervision Authority is Snellmaninkatu 6, P.O. Box 103, FI-00101 Helsinki, Finland.

1.3 Methods used in communications

The Bank is liable to recognise its customers. The customer may be in contact with the Bank and issue investment orders in a Bank branch or electronically through the Bank's online or telephone services using identifiers approved by the Bank. The Terms and Conditions on Electronic Communication related to the banking identifiers describe the operability and availability of the online and telephone services in more detail.

1.4 Reporting

Reporting related to financial instruments or investment products or services delivered to the customer by the Bank is agreed in product-specific agreement.

1.5 Expenses and fees related to financial instruments and investment and ancillary services

The regular expenses and fees related to financial instruments and investment and ancillary services, as well as any expenses and fees paid to third parties or their representatives or those received from them, are stated in product-specific price lists, other product-specific agreement terms, materials or, with regard to mutual funds administered by the Fund Management Company, the simplified prospectus of each mutual fund.

1.6 The Investors' Compensation Fund and Deposit Guarantee Fund

1.6.1 Investors' Compensation Fund

The Bank is a member of the Investors' Compensation Fund. The Compensation Fund safeguards the indisputable and mature claims of an investor when the Bank or an investment firm cannot pay the claims of investors within a specified time limit due to other than temporary insolvency. The Compensation Fund will not compensate losses due to fallen share prices or incorrect investment decisions. The Compensation Fund only pays compensation to non-professional investors.

The amount of compensation to be paid to one investor is 9/10 of the investor's claim from one investment firm, and a maximum of EUR 20,000.

1.6.2 Deposit Guarantee Fund

The Bank is also a member of the Deposit Guarantee Fund, which has been established to provide security for bank customers. The purpose of

the Deposit Guarantee Fund is to guarantee the depositors' receivables from banks if a bank is unable to pay the funds to its depositors. Funds deposited in accounts within the customers' deposit guarantee scheme are protected up to EUR 50,000, even though a bank is declared bankrupt or is otherwise in a state of insolvency. The Deposit Guarantee Fund does not compensate any funds deposited in a customer funds account referred to in the Securities Markets Act and held with a bank or an investment firm. The Deposit Guarantee fund does not compensate certain funds deposited in accounts used for investment operations or custody and management services if the account cannot be used for any other purpose according to the agreement made with the bank or investment firm.

Deposited funds and funds not yet credited to the account are subject to compensation from either the Deposit Guarantee Fund or the Investors' Compensation Fund. The same funds are not subject to compensation from both funds.

1.7 Operating principles for a reliable administration

When a customer is engaged in transactions with the Bank it may be found that the Bank, its staff or another customer has significant interests, relationships or arrangements related to the concerned financial instrument, business transactions or services that are in conflict with the customer's interests.

The Bank has confirmed the general operational principles in order to avoid and manage conflicts of interest. The operational principles describe

the methods the Bank follows and maintains to prevent conflicts of interest from damaging the interests of its customers. These methods concerning the Bank's organisation and administrative arrangements include arrangements related to the separation of functions, supervision of employees and exchange of information.

Under certain conditions the Bank can only guarantee the appropriate management of conflicts of interest and the fair treatment of all parties by not engaging in transactions with the customer. In this case, the Bank is not liable to notify the customer of the reason for this procedure or provide the customer with any other related information.

If requested, the Bank will provide more information on the operational principles applied to conflicts of interest. The request must be presented in writing and sent to Sampo Bank plc / Group Legal and Compliance / P.O. Box 1565, FI-00075 Sampo Bank.

2 General description of financial instruments, investment services and their financial risks

2.1 General

The acquisition of financial instruments always involves a financial risk. The targeted return may not be achieved, or the investor may even lose the invested capital in part or in full. The customer

should familiarize himself with the investment market, different investment options and different investment services before starting to make investments. Because customers are always responsible for the financial and tax consequences of their investment decisions, the selected investment services, their actions and orders related to financial instruments, the customers must study the investment services as well as the features, risks and taxation of the financial instrument before making a decision. Before using the services, customers should study the terms and conditions of the investment services and financial instruments in order to identify their responsibilities and liabilities and those of the Bank. When making decisions, customers must always base their decisions on their own assessment of the investment services, investment object and the risks related to the investment decision.

The investment-related risk can be reduced by dividing investments because the value fluctuations of different property types even each other out as the market situation changes. The division of investments is called diversification or asset allocation.

Even though, in certain situations, the Bank has assessed the appropriateness or suitability of the financial instrument or investment service for a customer, the customer is solely responsible for the financial and tax consequences of his/her investment decisions, operations and orders concerning financial instruments, and is not entitled to receive compensation for any resulting damage or losses from the Bank. The customer is also responsible for using or not using the recom-

mended services and financial instruments that are assessed to be appropriate and/or suitable.

The most common financial instruments, investment services provided by the Bank and related financial risks are described below. The general description presents the character of each financial instrument type or investment service and the most typical risks. More detailed descriptions can be found in the terms and conditions of financial instruments and investment services as well as in product-specific brochures relating thereto.

2.2 General description of financial instruments

2.2.1 Shares

In a limited company the assets invested by the owners in the company form the share capital, which is divided into portions of equal value - shares. Shareholders are the company's owners having the power of decision in general meetings and the right to possible dividends and subscription of new shares in a share issue. The return on shares consists of the dividend and a possible increase in value. Companies generally pay dividends in the spring. The increase or decrease in the value of shares is realised once an investor sells his/her shares.

In comparison to other asset types, strong value fluctuation is a characteristic of shares. Those investing in individual shares must have time and interest to follow the companies and the general economy. Shares are risky investment objects but the potential for return is also considerable. The significant factor in share invest-

ments is obtaining information about the investment object because the return development of an individual company's share in the long-term depends on the company's business results. In addition, the general development of the equity markets may have an influence on the value of an individual share. When investing in shares it is possible that the targeted return is not achieved and the invested capital can be lost. The equity market risk should be controlled by diversifying investments over several different shares. In addition, investors should also diversify their risks by making investments also in the debt instrument market.

The ownership of and trading in foreign shares may involve taxation-related, legal, financial, political and other unforeseen risks deviating from investments in Finnish securities that are completely the customers' responsibility. In addition, share investments made outside the euro-zone always include an exchange rate risk.

2.2.2 Mutual funds

In mutual funds customer assets are collected and invested in several different investment objects that form a fund. Mutual funds are managed by investment business professionals who are responsible that funds are invested in investment objects defined by the rules of funds. A mutual fund consists of fund units. A fund saver purchases units in a mutual fund, thus becoming a unit holder in the fund. Unit holders own the assets of the mutual fund. The value of fund units at the purchase moment determines the number of units that can be acquired with a certain amount of euros.

Fund saving, as any other investments, involves a risk. Of all investment markets, the money market includes the smallest targeted return and risks (money market funds) and the largest return and risks are in the equity market (equity funds). Even small amounts can be invested in mutual funds and the investment is always diversified over a number of different securities. The simplified prospectus of each mutual fund describes the features and risks related to the mutual fund. Customers should study the mutual fund's rules, simplified prospectus and price list before engaging in mutual fund investments.

2.2.3 Bond loans

Bonds are debt instruments issued by the state, municipalities, banks and other financial companies as well as corporations and other entities through which the issuer borrows money from the public for a long term, usually for at least two years.

Traditional bonds are suitable for investors who appreciate security and regular payments of interest. The principal is repaid in full according to the terms of the bonds. The bond's interest can be fixed or linked to a floating reference rate, and it is paid at least annually. The interest on bonds with floating interest rates is generally paid at intervals of three or six months.

Traditional bonds do not generally contain any collateral. If the ranking of the bond is lower than that of the issuer's other commitments, the bonds are called de-bentures. Due to their greater risk, the return on a de-benture is better than on the same issuer's senior bonds.

The determination of return on index loans is defined in the loan-specific terms of each individual bond. The return depends on the development of the underlying instrument, which may be share or share basket, share index or index basket, mutual fund, interest, currency, currency basket or currency index, price of raw material or commodity, inflation, conduct on debt of a defined reference debtor (so called credit linked note), a combination of those stated above or any other instrument defined in detail in the loan-specific terms. The value of the underlying instrument may increase or decrease during the term of the bonds. The past development of an underlying instrument is not a guarantee of future returns. Investors must also pay attention to other factors possibly affecting the return on the securities stated in the loan-specific terms, such as the interest calculation basis and participation factors. The amount of return can also be influenced by the issue price and any subscription fees to be collected. The risks related to an individual loan are stated in the loan-specific terms. A principal-guaranteed index loan, in which the repayment of the principal depends only on the issuer's solvency, is a good form of investment for customers who appreciate secured principal but are willing to take limited risks in order to achieve the possibility of better return.

The risks related to bond investments, as well as to all debt instrument investments, include credit risk, interest or other market risk and currency risk. Credit risk is realised if the debtor is unable to fulfil his/her payment obligation pertaining to the bond terms. Interest or other market risk

stands for a risk related to the reduction of the investment's value when the general interest rate level increases, or the value of the index to which the return on the bonds is linked develops unfavourably compared to the expectations. If the currency of the bonds is other than euro, a currency risk is present for Finnish investors.

2.2.4 Warrants

A warrant is a security the value of which is determined on the basis of its underlying instrument (e.g. share or index). The holder of the warrant attempts to utilise changes in the value of shares using a derivative security similar to an option without owning the shares that are the underlying instruments. Depending on the terms, a warrant provides its holder with the right to receive a cash payment to be paid on the basis of the value development of the warrant's target, or purchase or sell the underlying share relating to the warrant at a defined price. Warrants can be traded in a stock exchange throughout the validity of the warrant. Even though the nominal exercise period of warrants can be long, even 1-2 years, warrants are generally invested in for only a few days or months. On the basis of the warrant, the holders have no rights to the underlying instrument company, such as dividends.

Investors should follow the value development of warrants during their period of validity. When investing in warrants it is possible that the targeted return is not achieved and the invested capital can be lost.

2.2.5 Derivatives

A derivative contract is a financial instrument the value of which is determined on the basis of the underlying instrument. Derivative contracts include options, forward contracts, interest and currency exchange agreements and related options and/or the combinations of these and/or other similar agreements. Derivative contracts are aimed at hedging from against changes in the value of the underlying instrument or benefiting from such changes. The underlying instrument may be currency, security, interest, return, another derivative agreement, index, commodity, credit risk, other underlying instrument or a combination of different underlying instruments. The terms of derivative contracts vary. Whether the derivative contract is settled by physical transfer of the underlying instrument or crediting the net value depends on the terms of the derivative contract. Derivative contracts can be traded in the regulated markets and/or multilateral trading systems. Setting collateral is a requirement for exchange-traded derivatives trading. The collateral requirement is based on the rules of the relevant exchange and is calculated daily from the customer's open derivative position. If the collateral requirement increases, the customer must provide additional collateral. The Bank may require collateral also for transactions other than exchange-traded derivatives trading.

In addition to changes in the value of the underlying instrument, i.e. the market risk, the factors influencing the value of the derivative contracts and the amount, timing and execution of the payment obligations of the counterparties include market events, general economical and political

factors and changes in legislation. Derivative contracts include a risk of delayed payments and credit losses due to the insolvency of the counterparties. Before concluding an individual derivative contract, a counterparty must study the terms and features of the derivative contract, resulting obligations, rights and other consequences.

The risks related to derivative contracts are not described in full in this notification. If required, a counterparty must contact an independent expert in order to assess the risks of derivative contracts.

2.2.6 Money market products

Money market products include commercial paper, money market investments and treasury bills of the state. The investment period of money market products varies from overnight investments to investments for a maximum of one year. Commercial papers are debt instruments issued by banks, corporations and municipalities. The treasury bills of the state are debt instruments issued by the Republic of Finland for 1-12 months. Money market products include a risk of delayed payments and credit losses due to the insolvency of the issuers.

2.3 General description of the investment services

2.3.1 Stockbrokerage services

The Bank provides its customers with stockbrokerage services (reception, transmission and execution of orders) in Finnish and foreign securi-

ties and other financial instruments. The Bank receives and transmits customers' orders concerning financial instruments and executes orders on behalf of the customers.

Fees are collected for brokerage services. The amount of the fee is influenced by the method of transaction selected by the customer and the market place used to carry out the order. The current fees are available in the price list for the brokerage services. With regard to mutual funds administered by the Fund Management Company, the current fees are stated in the simplified prospectuses and in the price list relating to the mutual funds.

2.3.2 Investment advice and asset management

When offering investment products the Bank may provide its customers with individual recommendations concerning specific financial instruments i.e. investment advice according to the Act on Investment Firms). However, a general presentation of the investment products offered by the Bank to the customer or the release of a general recommendation aimed at the public and published by the Bank through its distribution channels or the mass media do not constitute individual recommendations. The reception, transmission or execution of orders given by customers do not constitute individual recommendations.

The Bank may provide its customers with asset management as defined in the Act on Investment Firms). Asset management stands for the management of financial instruments in accordance

with the agreement made with the customer so that the power of decision over investments is given in full or in part to the recipient of the order, i.e. the asset manager.

Fees are collected for the asset management services. The fees are usually based on the value of assets under management, the number of trades, returns or a combination of these. The current fees are stated in agreements and price lists.

3 Categorisation of investor customers

According to the Securities Markets Act, a stockbroker must notify customers of their categorisation as a non-professional customer, professional customer or an eligible counterparty. The classification is based directly to the legislation and the Securities Markets Act includes detailed provisions on the factors affecting the categorisation. The customer categorisation has an influence on the extent of the investor protection and the applicable conduct of business rules.

All conduct of business rules related to the investor protection do not apply to professional customers and they do not have the right for compensation to be paid by the Investors' Compensation Fund. Non-professional customers are within the protection of the Investors' Compensation Fund. As an investor the customer is categorised as a non-professional customer unless another classification is notified.

Professional customers include:

- the State, State Treasury, a municipality or any similar entity,
- banks, fund management companies, insurance companies or other institutional investors subject to authority supervision,
- a company that meets at least two of the following requirements on the basis of its financial statement from the previous full fiscal period:
 - the final balance sheet total is at least EUR 20,000,000
 - net turnover is at least EUR 40,000,000
 - the company's own funds are at least EUR 2,000,000
- an institutional investor whose principal business is investing in financial instruments.

Professional customers are responsible for notifying the Bank of any changes that may affect the categorisation.

Non-professional customers may request changing their categorisation into professional customers in writing if the Bank has assessed that the non-professional customer has the capability for making independent investment decisions and understands the related risks and the customer fulfils at least two of the following requirements:

- the customer has carried out significantly large transactions in the relevant market at an average frequency of ten times per quarter during the previous four quarters.
- the value of the customer's investment portfolio is more than EUR 500,000.
- the customer works or has worked for at least one year in the financial sector in a professional position that requires knowledge of planned transactions and services.

In addition, a professional customer can be treated as a non-professional customer, if so requested. A customer classified as an eligible counterparty may request to be treated as a professional or non-professional customer. The request for the change in the categorisation must be issued in writing. A changed categorisation may have an effect on the investor protection and the application of the conduct of business rules. The Bank considers changing a categorisation on a case-specific basis.

More information about the customer categorisation criteria is available at www.sampopankki.fi.

4 Order execution policy

This policy sets out the overall principles the Bank follows as a securities dealer when executing orders of its customers.

The policy does not apply if the customer has been categorised as an “eligible counterparty” or is a “professional client” and the Bank quote a price for its own account or negotiate terms directly with the customer in respect of transactions where the Bank acts as principal. The reason is that in those cases the Bank does not carry out an order on the customer’s behalf.

Moreover, the policy does not apply to:

- issues and redemptions of mutual fund units or collective investment undertakings
- share issues and repurchases
- acquisition offers to shareholders.

4.1 Best execution

When the customer asks the Bank to buy or sell financial instruments, the Bank will take all reasonable steps to achieve the best possible result for you in the circumstances – this is what is meant by “best execution”.

If the instructions given by the customer limit the Bank’s possibility of choosing the execution venue or the time or price of the trade, it may be impossible for the Bank to carry out the customer’s order in full or in part in accordance with the principles stated in this policy.

4.2 Basis of assessment

When choosing how to process the customer’s order to ensure best execution, we take various factors into consideration, such as:

- price and expenses (total consideration)
- speed
- likelihood of execution and settlement
- type and scope of the order, and
- other relevant elements.

The prioritisation of these factors varies, depending on:

- whether the customer is a non-professional or professional customer
- current market conditions
- the size and nature of the order
- the specific security or other financial instrument that the order concerns
- the relevant execution venues.

In most cases, price and costs will be the essential factors. Accordingly, the total consideration

is decisive for achieving best execution – unless the purpose of the execution of the order implies that the Bank should prioritise other elements.

To serve interests of the customer, the Bank may, for example, postpone the execution of the order or at-tempt to carry it out in tranches as a consequence of the specific instructions of the customer, the size or nature of the order or market conditions in general.

4.3 Execution venues

The Bank chooses the execution venues where, according to the Bank’s ongoing assessment from time to time, best execution is most likely to be achieved. These execution venues will not always offer the most favourable prices. But the customer’s order will always be carried out in accordance with the principles of this policy.

The Bank chooses execution venues not only with a view to executing trades but also with a view to obtaining price information. The Bank uses this information when customers trade directly with the Bank.

The choice of execution venue is based on liquidity and efficient pricing, costs and likelihood of order execution. If a financial instrument is listed for trading at several execution venues, the Bank normally chooses the venue that generally has the highest liquidity.

The Bank uses business partners that, in the Bank’s opinion, are able to execute orders in accordance with the Bank’s best execution obligation. The business partners have also been

selected because the Bank believes that they will be able to achieve a result at least matching the result that the Bank could reasonably expect to obtain through other business partners.

The Bank uses one or several of the following overall execution venues:

- execution on regulated markets and other market Trades may be made through the Bank’s own membership or via a business partner
- execution outside regulated markets and other markets. The Bank may carry out the order acting as principal (including under the rules on systematic internalisation) or through a business partner.

The List of execution venues can be found at www.sampopankki.fi.

4.4 Execution of orders

The Bank executes orders as quickly as possible and in the sequence in which they arrive.

Orders may be aggregated and executed in one or several tranches if, due to demand conditions, several orders may be settled at an average price that we consider generally favourable. Hence, aggregation may in some cases work to the disadvantage of a particular order.

When executed, aggregated orders will, to the extent possible, be allocated to customers on the trade date at the calculated average price. If aggregated orders can be executed only in part, the Bank allocates the executed part to the participants in proportion to the size and conditions

of their orders. Allocation to the Bank will be made only if all the orders of participating customers are satisfied in full.

4.4.1 Equities, etc.

The execution of orders in respect of equities, standardised derivatives (such as options and futures) and units of collective investment schemes and mutual funds which are listed for trading on a regulated or other market and are also traded outside that market is subject to the following conditions.

When executing orders the Bank may:

- promptly place the order at the execution venue. Execution is subject to the rules applied on the relevant market. Orders can be executed only if they match opposite bids or offers. However, if an order cannot be matched in full, partial execution will often be possible
- wait before placing the order, or place it successively in tranches. The Bank may wait if it finds that, because of market conditions, liquidity or the size or nature of the order, this is the most favourable solution for the customer
- combine orders and subsequently place the aggregated order on the relevant market. The Bank aggregates orders if it finds that, because of market conditions, liquidity or the size or nature of the order, this is the most favourable solution for the customer
- act as principal, trading at a price reflecting the market price
- place the order through a business partner with whom the Bank has an agreement. Usually, the business partner decides how the order will be executed.

4.4.2 Special financial instruments

When executing orders in respect of financial instruments which are not listed for trading on regulated or other markets, and which are not negotiated through issues, redemptions and repurchases, the Bank will act as buyer or seller. The Bank's prices match the prices which it can obtain, taking into account the time, volume and trading conditions.

The Bank determines the price of units of collective investment schemes and mutual funds on the basis of information from the issuer on net asset value and on the basis of available market data on trading prices.

4.4.3 Bonds / Fixed income

Bond trades are normally executed with the Bank acting as a buyer or seller.

The Bank differentiates between orders regarding bonds for which the Bank quotes bid and offer prices, and bond orders that the Bank executes on the basis of prices obtained from business partners quoting prices for the relevant bonds. In both cases, the Bank trades as principal.

Bond pricing is based on models used to forecast yield curve and development trends. Through international, generally recognised information systems, the Bank has access to price information from major market makers.

4.4.4 Derivatives trading (the Bank as counterparty)

This section is relevant only if a customer has or wants to have a master agreement with the Bank about trading in derivatives.

When a customer buys or sells derivatives with the Bank as counterparty, the price of the transaction will normally be based on current market prices.

The price will be calculated on the basis of:

- external reference prices from recognised operators in the relevant markets, information providers, business partners and others, or
- the Bank's internal reference price based on prices, interest and foreign exchange rates, yield curves, volatility, yield and price spreads, correlation and supply and demand.

In both cases the following factors are also taken into account:

- information about the issuer of the underlying financial instrument
- relevant information about the market in question
- the complexity of the transactions
- the liquidity in the market for the relevant type of derivative trade
- settlement risks
- the issuer's creditworthiness
- the Bank's cost of capital in connection with the derivative trade
- the costs incurred during the life of the transaction, including fixing, event and market value reporting.

4.5 Monitoring, evaluation and changes

The Bank monitors and evaluates the effectiveness of this policy and the measures taken to comply with it. If necessary, we will amend the policy.

The Bank also assesses, on an ongoing basis, whether the execution venues and business partners that the Bank has chosen to ensure best execution continue to meet our standards. If not, we will make the necessary changes.

Any amendments to our order execution policy will be published on the Bank's Web site at www.sampopankki.fi.

5 Information about customer funds and their custody

5.1. Domestic financial instruments

The customer's domestic book-entries and physical securities are stored separately from the Bank's securities. Fees are collected for the safe custody. The current fees are stated in the price list for the brokerage services.

5.2. Foreign financial instruments

The Bank stores foreign financial instruments separately from the Bank's assets in the custody of a third party selected by the Bank, i.e. subcustodian. The customers' financial instruments are stored in a joint account and are registered in the name of the Bank or sub-custodian in accordance with the general practices. The participa-

tion of a single shareholder in the general meeting of a foreign company is not therefore generally possible. The custody in a joint account contains a risk that the customers' book-entries are commingled with the assets of the sub-custodian or other investors.

The ownership and trading in foreign securities may involve taxation-related, legal, financial, political and other unforeseen risks deviating from investments in Finnish securities that are completely the customers' responsibility. If the home country of a financial instrument, and thus the domicile of the sub-custodian, is outside the European Economic Area (EEA), the customer's rights to the financial instrument may differ. In addition, the damage caused by the sub-custodian's insolvency is born solely by the customer.

The bank is only responsible for selecting the sub-custodians used carefully and thoroughly monitoring their operations. The Bank's responsibility for the actions and negligence of a third party is determined according to Finnish law.

6 The Bank's right of lien and retention over the customer's investment products and moneys

On the basis of the agreement terms related to an investment product, the Bank may have the right of lien and retention over the customer's investment property in order to cover the Bank's claims. With regard to the Bank's claims, the

Bank has the offsetting right over the funds in the customer's money account, unless otherwise agreed upon in writing or prescribed by law.

7 Information about recording and storing telephone calls

The Bank has the right to record and store any phone calls with the customer. In addition, the Bank has the right to use the recorded calls for verifying orders, developing its customer service, risk management purposes and as evidence in the settlement of any disputes.

8 Taxation of financial instruments

8.1 Nature of the notification and limitation of responsibility

The following section describes the taxation of financial instruments at a general level when the investor is a consumer customer and generally liable to taxation in Finland (a physical person). More information on taxation can be found from product-specific brochures for each financial instrument, such as the simplified prospectus of a mutual fund. This notification is not a part of the agreement between the Bank and the customer and the notification is not intended to constitute advice on taxation. The purpose of the notification is to bring the investor's attention to the fact that the ownership of financial instru-

ments has tax consequences. The purpose is also to encourage investors to independently obtain necessary additional information before making an investment decision. This notification is based on the tax legislation as well as court and taxation practice valid as of 1 January 2009.

The Bank is not responsible for potential changes in taxation legislation, court practice or taxation practice, or their inclusion in this notification. Taxation treatment is determined based on the individual conditions of each customer and may be changed in the future.

8.2 Taxation of capital income

Dividends from listed companies, capital income dividends, interests received from abroad on bonds, certain other interests and capital gains, etc., are regarded as capital income. The rate applied to capital income is currently 28 per cent. For example, when an individual sells securities, he/she may have to pay capital income tax on the capital gain. Capital losses are deductible from capital gains in taxation, on certain conditions. Capital income from abroad is taxable income in Finland, unless the applicable tax treaty prevents taxation in Finland.

For individual taxpayers, 70 per cent of dividends received from a Finnish publicly listed company are regarded as taxable capital income and 30 per cent as tax-exempt income. A company's share is listed if it is subject to public trading or traded on another regulated market in Finland or elsewhere in the EEA, or traded on a regulated market supervised by the authorities outside the

EEA. In addition, shares subject to multilateral trading in Finland or elsewhere in the EEA are listed, except if the share is traded by the company's application or with its consent.

Dividends paid by Finnish companies other than listed companies are tax-exempt for individual tax payers up to an amount corresponding to nine per cent return on the net assets of the company. However, 70 per cent of such dividends are regarded as taxable capital income and 30 per cent as tax-exempt income, insofar as the dividend exceeds the annual personal limit of EUR 90,000. For dividends exceeding the nine per cent limit calculated based on the company's net assets, 70 per cent are taxed as the individual taxpayer's earned income according to the progressive tax scale, whereas the remaining 30 per cent are tax-exempt.

A dividend from a company located in an EU State or a tax treaty state is usually taxed in the same way as a dividend from a corresponding Finnish company. However, if the dividend is received from a company that is not a company referred to in the "parent-subsidiary directive" (90/435/EC), or from a company located in a state with which Finland does not have a tax treaty applicable to taxation of dividend valid in the relevant tax year, the dividend is always in its entirety taxable as earned income for an individual taxpayer in Finland.

Interest on the capital of a co-operative and similar payments are tax-exempt up to EUR 1,500; 70 per cent of the amount exceeding EUR 1,500 is regarded as taxable capital income.

The Bank is under an obligation to deduct withholding tax on certain capital income, such as dividends of Finnish publicly listed companies and interest on certain bonds. Income based on foreign securities may also be taxed abroad, in which case, in most cases, a foreign tax at source is withheld from the income in connection with its payment. Any tax at source paid abroad is taken into account in Finland when taxation is carried out and is usually credited from the tax paid to Finland for the same income. However, foreign tax is usually credited at most up to the amount allowed according to the provisions of the tax treaty.

8.3 Return on bonds subject to interest income in the Income Tax Act

The Bank deducts tax at source on interest or index-linked compensation paid on bonds subject to Tax at Source Act relating to Interest Income (1341/1990) at the time of payment. The withholding tax rate is 28 per cent. The interest/index-linked compensation received and the tax deducted therefrom are not reported in the tax return. Accrued interest received when selling a bond (secondary market compensation) is nevertheless regarded as capital income instead of interest income subject to tax at source. The Bank deducts a preliminary withholding tax on the secondary market compensation. Information concerning secondary market compensation received from a bond is checked from the pre-filled tax return. If necessary, the information is corrected or supplemented and the tax return is returned to the Local Tax Office.

8.4 Transfer tax

Transfer tax is paid in connection with disposal for consideration of shares in Finnish companies, similar equity securities and securities entitling to their subscription. However, transfer tax is not generally paid if the disposal takes place against fixed purchase price paid in cash and the security is subject to regular trading to which the public has access (1) in public trading or other regulated market in Finland or elsewhere in the EEA, (2) in a regulated market supervised by the authorities in a State outside the EEA that has approved a general agreement concerning mutual assistance in tax affairs or (3) in multilateral trading in Finland or elsewhere in the EEA, except where the share is not a book-entry security or it is being traded without the company's application or its consent. The exemption from transfer tax requires that the disposal takes place through a broker or that the broker is a party to the disposal or the transferee is an eligible trading party in the market in which the disposal takes place. It is usually the buyer that is liable to pay the transfer tax in connection with sale or other disposal for consideration of Finnish securities that fall within the scope of transfer tax. No transfer tax is paid in connection with issue and subscription of new shares.

The buyer or the seller may also be under an obligation to pay local transfer taxes related to the trading abroad in securities of foreign companies, depending on the provisions of the country in question. The Bank charges the eventual local tax to be paid on transactions in foreign securities in a foreign stock exchange from the customer when debiting the purchase price or the fees related to trading.

8.5 Fees related to the book-entry account and foreign safe custody

The cost incurred by the management or custody of securities, book entries and other similar assets, such as book-entry account fees, are only deductible in taxation for the part exceeding EUR 50. The Bank will notify the tax authorities of the account management fees for the book-entry account and custody of foreign securities and the account transfer fees for book-entries and securities paid by the customer during the tax year.

8.6 Additional information

More information is available on the Tax Administration's website (www.vero.fi). Additional information is also available from the local tax offices.

