



Corporate Finance and Equity Capital Markets

Regulatory Schedule

You intend to enter into an Engagement with us. Some or all of Services is a (are) regulated service(s) pursuant to MiFID II. MiFID II requires us to provide you with certain information. This and other information are made available in this document. This document applies to you regardless of your client categorisation and regardless of your jurisdiction of residence or incorporation.

For further guidance on selected risks in connection with, among other things, certain Financial Instruments and Services, see Annex 3 (*Risk Disclosures*) of this document.

This document is important, and you should read it carefully to ensure you understand it and retain a copy for your records. We recommend that you take professional advice, if necessary, to understand this document.

This document is not Investment Advice, Investment Research, or a marketing communication.

This document supersedes any document related to the same subject matter between you and us.

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1. Van Lanschot Kempen

We are registered as a bank with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, AFM) and Dutch Central Bank (*De Nederlandsche Bank N.V.*, DNB) in the Financial Supervision Act (Wft) register. We may act as a provider of Investment Service or Ancillary Services.

For purposes of the Engagement, we will not act through a tied agent (*verbonden agent*).

Further information about us is set out under “*Contact Information–Our Information*”.

2. Client Categorisation



MiFID II uses client categories to recognise that clients have different levels of experience, knowledge, and expertise. Client categorisation determines the level of regulatory protection you enjoy and potentially the range of investment Services and/or Ancillary Services or Financial Instruments available to you.

2.1 General

MiFID II requires us to categorise you into one of the following three categories:

- Non-Professional Clients, which benefit from the highest level of protection;
- Professional Clients, which benefit from an intermediate level of protection; and
- ECPs (eligible counterparties), which benefit from the lowest level of protection,

and to notify you of your categorisation.

2.2 Your Client Categorisation

We have notified you of your client categorisation. Unless you have informed us in writing of the contrary or have requested us to be categorised differently, we will conduct business on that basis. You will promptly inform us of any change to your circumstances that could affect your client categorisation. Should we become aware, however, that you no longer fulfil your client categorisation, we will take appropriate action (which may include discontinuing any Services). Note that not all of our services are available for clients that are categorised as Non-Professional Clients.

2.3 Your right to Request a Different Categorisation

In certain circumstances, you may request us to be categorised differently for a specific product, transaction or Investment Service or Ancillary Services:

- when you are categorised as a Non-Professional Client, if you are in any doubt about your knowledge and experience, we recommend you to either not enter into this Engagement or to seek external professional advice. In certain cases, you may request us to re-categorise you as a Professional Client. If, after our assessment of your expertise, experience and knowledge, we are reasonably assured that, in light of the nature of the envisaged Services and/or Financial Instruments, you are capable of making your own investment decisions and understanding the risks involved, we may accept your request and treat you as a Professional Client. We may require you to provide evidence that you meet certain requirements or provide us with (additional) information;
- when you are categorised as a Professional Client, you may request us to re-categorise you as a Non-Professional Client (in order to secure a higher degree of protection) or, in certain circumstances, as an ECP. It is your responsibility, if you

are considered to be a Professional Client, to ask for a higher level of protection when you deem you are unable to properly assess or manage the risks involved; and

- when you are categorised as an ECP, you may request us to re-categorise you as a Professional Client or as a Non-Professional Client (in both cases, in order to secure a higher degree of protection).

Subject to the Rules, we may also on our own initiative re-categorise you. When you are categorised as an ECP, we may re-categorise you as a Professional Client. When you are categorised as a Professional Client, we may re-categorise you as a Non-professional Client.

If you are re-categorised, different or additional terms and conditions may apply to the Engagement.

2.4 Differences in the Level of Protections Provided for Different Categories of Clients

A summary of the different protections to which you are entitled, depending on your client categorisation, is set out below.

2.4.1 Professional Clients

Under MiFID II, Professional Clients are granted fewer protections than Non-Professional Clients. In particular:

- a Professional Client will be provided with less information with regard to us, our Services and any investments (for example, on costs, commissions, fees and charges);
- a Professional Client may be provided with less information relating to the nature and risk profile of the Financial Instruments that we offer to it;
- if we are required to assess the appropriateness of a Financial Instrument, Service or Transaction, we can assume that a Professional Client has sufficient knowledge and experience to understand the risks involved;
- if we are required to assess the suitability of a personal recommendation made to a Professional Client, we can assume that it has sufficient experience and knowledge to understand the risks involved, and can sometimes assume that it is able financially to bear any investment risks consistent with the Professional Client's investment objectives;
- where Investment Services or Ancillary Services relate to Financial Instruments that are the subject of current offers to the public and a prospectus has been published, we are not required to provide a Professional Client, in good time before the provision of Investment Services or Ancillary Services, with information about where the prospectus has been made available to the public;
- when providing a Professional Client with best execution, we are not required to prioritise the overall costs of the transaction as being the most important factor in achieving best possible result for it;
- we do not need to inform a Professional Client of material difficulties relevant to the proper carrying out of the Professional Client's order(s) promptly;
- we may conclude title transfer financial collateral arrangements for the purpose of securing or covering a Professional Client's present or future, actual or contingent or prospective obligations;
- we do not need to comply with more extensive reporting obligations in respect of the execution of orders, Portfolio Management and contingent liability transactions or positions in leveraged Financial Instruments;
- should we provide a Professional Client with periodic statements, we are not required to provide them as frequently as for Non-Professional Clients;
- where we are holding a Professional Client's client money, are not required to notify the Professional Client of whether interest is payable on it; and
- a Professional Client may not be entitled to compensation under certain investor compensation schemes.

2.4.2 ECPs

Under MiFID II, ECPs are granted fewer protections than Professional Clients and Non-Professional Clients. In particular, and in addition to the above, we are not required:

- to provide an ECP with information about us, our Services and the arrangements through which we will be remunerated;
- to disclose to an ECP information regarding any fees or commissions that we pay or receive;
- to assess the appropriateness of a Financial Instrument, Service or Transaction, but can assume that the ECP has the expertise to choose the most appropriate Financial Instrument, Service or Transaction for itself;
- to provide an ECP with risk disclosures on the Financial Instruments or Services that the ECP selects from us;
- to provide an ECP with best execution in executing the ECP's orders; and
- to provide reports to an ECP on the execution of the ECP's orders or the management of the ECP's investments.

We accept no liability on the basis that Professional Clients or ECPs claim that they do not, or did not, have the knowledge and experience to understand any Financial Instrument, Service or Transaction.

2.5 Appropriateness for Non-Professional Clients

If you are a Non-Professional Client, when providing the Service of Underwriting or Placing of Financial Instruments to you, we are under a regulatory obligation to consider whether those Services and/or Financial Instruments are appropriate for you. Where the Law permits, we will not consider the appropriateness of the particular Service or Financial Instrument to you in relation to Non-complex Financial Instruments.

In determining whether the particular Service and/or Financial Instrument is appropriate for you, we will consider, among other things, your knowledge and experience in the investment field relevant to the particular Service and/or Financial Instrument. We will ask you for information in order to assess the appropriateness of the particular Service or Financial Instrument for you. If you fail to provide us on request all the information regarding your knowledge and experience in the investment field relevant to the particular Service or Financial Instrument, we may be unable to determine appropriateness and may provide you a warning in that respect or decline to provide you the Service or transact the Financial Instrument with you.

For the purposes of this Section, "you" and "your" mean the person or persons acting as the decision-maker to enter into Transactions (on behalf of the person who will enter into the Client Agreement).

You undertake to notify us immediately if any of the information provided under this Section changes in any respect.

3. Pre-mandate Information

3.1 Corporate Finance Strategy

Where we provide advice on corporate finance strategy (*bedrijfsstrategie*) as contemplated in MiFID II and the service of Underwriting or Placing of Financial Instruments, in a mandate to manage an offering, we have arrangements in place to inform you of:

- the various financing alternatives available with us, and an indication of the amount of transaction fees associated with each alternative. In this regard, see Section 3.2 (*Capital Markets Financing*);
- the timing and the process with regard to the corporate finance advice on pricing of the offering of the Financial Instruments;
- the timing and the process with regard to the corporate finance advice on Placing of the offering of the Financial Instruments;
- details of targeted investors that we intend to approach in connection with the offering of the Financial Instruments;
- the job titles and departments of the relevant individuals involved in the provision of the corporate finance advice on the pricing and allotment of the Financial Instruments; and

- our arrangements to prevent or manage conflicts of interest that may arise where we place the Financial Instruments with our other clients or with our own proprietary book.

3.2 Capital Markets Financing

We provide services related to equity capital markets financing, i.e. Underwriting and Placing services, for equity and equity-linked securities in the context of public offerings and/or private placements, including:

- initial public offerings;
- rights issues;
- capital increases; and
- sales of Financial Instruments conducted via (accelerated) book-building.

For such services, we charge Underwriting or Placing fees. These fees can include a fixed or variable amount, a fixed or variable percentage of the transaction value and/or a discretionary fee based on your satisfaction with the transaction or predetermined quantitative criteria.

Besides equity capital markets financing, we do not have other standard alternative financing solutions generally available to the target client group of our Corporate Finance and Equity Capital Markets divisions to which this document applies. Nevertheless, in specific cases structured financing solutions may be designed.

Accordingly, when we provide corporate finance advice and/or the service of Underwriting and/or Placing of Financial Instruments, by default only such available financing alternatives that are generally offered by us are taken into consideration. Your contact person at us is available to clarify any questions relating to the financing alternatives available at us and to connect you with the relevant product team as needed and/or desired.

3.3 Investment Advice and Investment Research

Our duties and responsibilities under the Client Agreement will not include providing, or constitute, Investment Advice (whether or not independent), Investment Research, Portfolio Management or providing investment strategies to you or any other person in connection with any transaction. General views, general advice or general recommendations expressed to you (in whatever form) on economic climate, markets, investment strategies or investments are not, and do not constitute, Investment Advice. Furthermore, recommendations issued to the public (i.e., not addressed to you personally) will not be personal recommendations to you and does not constitute Investment Advice.

3.4 Solicitation, Allocation and Pricing

Where we provide the service of Underwriting or Placing, see Our Solicitation and Allocation Protocol for Capital Markets Transactions. It will be provided to you separately. It provides further information on our approach to the solicitation, allocation and pricing of offerings of Financial Instruments.

3.5 Target Market Assessment

When acting as a “*manufacturer*” of the Transaction for the purposes of MiFID II, we will designate a target market (*doelgroep*) of the relevant Financial Instruments.

3.6 Client Agreement

We will provide you with a draft Client Agreement setting out the terms of our Engagement, including the Services. The Client Agreement will be negotiated by you and us. Such negotiation will seek to balance our respective rights and obligations. You should seek advice from your professional adviser(s) during the Client Agreement’s negotiation and propose amendments / to understand the possible consequences of the Client Agreement. We will not publicly file, or otherwise make available, the Client Agreement other than as set out in the Client Agreement. Unless otherwise agreed between you and us, you may elect to conclude the Client Agreement in English or Dutch.

3.7 Client Financial Instruments or Client Funds

We will not hold client Financial Instruments or client funds pursuant to the Services. When client Financial Instruments or client funds are held as part of other services (whether or not connected to the Services), you will be provided with the related regulatory information in the context of such other services.

3.8 Reporting

When you are a Non-Professional Client we will, and when you are a Professional Client we will on your request, provide you with reports on the Services in a durable medium. Those reports will include periodic communications, taking into account the type and the complexity of Financial Instruments involved (if any) and the nature of the Service provided to you and will include, where applicable, the costs associated with the transactions and Services undertaken on your behalf. The Client Agreement will set out the nature, frequency and timing of the reports on the performance of the Services.

3.9 Best Execution

Given the nature of the Services, best execution does not apply to the Services. When best execution applies to other services provided by us (whether or not connected to the Services), you will be provided with the related regulatory information in the context of such other services.

4. Communications

4.1 Provision of Information

We are required to provide you with certain information in relation to the Services and to provide you with a choice as to how that information is provided to you.

- **Communication of information not addressed to you personally.** Certain of our information disclosures are general in nature and will not be personally addressed to you but will be addressed to all or some of our other clients. This consent relates to whether we can provide such information to you via our website. For purposes of Article 3(2) of the MiFID II Delegated Regulation, by signing the Client Agreement, you will consent to the provision of information to you pursuant to Articles 46, 47, 48, 49, 50 or 66(3) of the MiFID II Delegated Regulation by means of a website where that information is not addressed personally to you.
- **Communication of information addressed to you personally.** This consent relates to how we may communicate information that is addressed to you personally. For purposes of Article 3(1) of the MiFID II Delegated Regulation, by signing the Client Agreement, you will consent that we may provide information addressed to you personally by way of a durable medium other than paper (such as by way of e-mail or a website notified to you).

If you wish to receive this information by paper only, please let us know in writing.

This document is drafted on the basis that you are not a “consumer” as defined in the E-Commerce Directive (i.e., you are not an individual or, if you are, you are dealing in the course of your trade, business or profession). As a non-consumer, you hereby agree to the fullest extent permissible under the E-Commerce Directive that we will not be required to make any disclosures or comply with any requirements that would otherwise be required by the E-Commerce Directive.

4.2 Recording and Monitoring of Communications

In certain circumstances, communications in relation to the Services (including emails, voicemail, face-to-face and online chat conversations, telephone calls and website usage records) as well as paper correspondence such as envelopes or packages may be monitored, recorded or inspected (as appropriate) using monitoring devices or other technical or physical means. The monitoring of communications may take place where deemed necessary for purposes permitted by Rules from time to time, including, without limitation, to record evidence of transactions and so as to ensure compliance with the Rules.

Any telephone conversations and electronic communications that are recorded in accordance with this Section may be recorded without use of a warning tone or other notification.

Where we are required to record communications under the Law, a copy of the recording of the communications will be made available to you on request for a period of five years from the date of the communication.

Our competent authority may request that we retain certain or specific records for longer than five years and, if it does, the records retained as a result of such a request will be available to you for a period of up to seven years.

All recordings and other records will be and remain our sole property. We may use such recordings and other records as evidence in court or other proceedings.

5. Information on Costs and Associated Charges



When you are a Non-Professional Client, MiFID II costs and charges disclosure rules require we give you information on costs and associated charges: (i) before we provide the particular Services to you – called ‘ex-ante’ (before the event) disclosures; and (ii) actually incurred – called ‘ex-post’ (after the event) disclosures.

Unless otherwise agreed in the Client Agreement, you are responsible for any costs and associated charges we incur in the provision of the Services.

You understand these costs and associated charges, having discussed these with us as necessary.

6. Inducements

Subject to, and in accordance with the Rules, we may:

- provide you with fees, commissions or non-monetary benefits; and/or
- receive fees or commissions, or provide or be provided with non-monetary benefits to or by any party other than you or a person acting on your behalf,

in connection with the provision of an Investment Service or an Ancillary Service in connection with the Engagement where the payment or benefit: (a) is designed to enhance the quality of the particular Service to you; and (b) does not impair compliance with our duty to act honestly, fairly and professionally in accordance with your best interest.

We will inform you of the existence, nature and amount of the payment or benefit, or, where the amount cannot be ascertained, the method of calculating that amount in the Client Agreement

The payment or benefit that enables or is necessary for the provision of Investment Services (such as custody costs, settlement and exchange fees, regulatory levies or legal fees), and which by its nature cannot give rise to conflicts with our duties to act honestly, fairly and professionally in accordance with your best interests, is not subject to the requirements set out above.

In certain jurisdictions, we may be prohibited from directly or indirectly providing or receiving any inducements based on your client categorisation and/or the particular Service(s). We are prohibited from directly or indirectly providing or receiving any inducements relating to the provision of Investment Services to Non-Professional Clients located in the Netherlands.

You are responsible to assess whether you may receive any fees, commissions or non-monetary benefits. We provide no assurance that you may do so.

7. Collateral; Custody of Financial Instruments and Monies

Any security interest, lien or right of set-off of we have on your Financial Instruments, if any, will be set out in the Client Agreement.

For purposes of the Engagement, we will not hold Financial Instruments or funds (monies) belonging to you as client Financial Instruments or client money.

Any monies we hold for you will be held by us as a credit institution. Accordingly, we are not required to hold your funds in accordance with your asset safe custody requirements of MiFID II. To the extent applicable, funds that you have entrusted to us will be protected by the applicable deposit guarantee scheme.

8. Conflicts of Interest



Conflicts of interest are actual, potential or perceived competing interests and/or responsibilities that may arise and that might favour one interest over another or have adverse impact on such competing interests or may give the appearance thereof.

Situations can arise where our interests, or those of our staff, conflict with your interests or where your interests compete with those of our other clients.

We are involved in a wide range of banking, corporate finance, investment banking, asset management and securities activities and services, out of which interests conflicting with the Engagement may arise or as a consequence of which we may be engaged by other clients whose interests are adverse to your interests. We have adopted certain procedures and guidelines (including so-called Chinese walls) to minimise the flow of information and to manage or help to manage such conflicts. We may therefore in the ordinary course of business, from time to time, issue research, effect transactions for our own account or for the account of clients and hold positions in securities, or derivatives relating thereto, including but not limited to the securities relating to clients and counterparties to transactions by clients. You furthermore acknowledge that we are not allowed, and are under no obligation or fiduciary duty to disclose to you, or use to your benefit, any information that may come into our possession or that we may possess in connection with aforementioned activities and services.

We make available to you a description of our Conflicts of Interest Policy through our Website or such other website as may be notified to you by us.

Our Conflicts of Interest Policy is a policy we maintain, setting out the circumstances which may constitute or may give rise to a conflict of interest, the procedures we will follow and the measures we will adopt to prevent or manage such conflicts. Where you request, we will provide you with further information on our Conflicts of Interest Policy.

While we take all appropriate steps to identify and to prevent or manage conflicts of interest, where we are not reasonably confident that our arrangements are sufficient to ensure that risk of damage to your interests will be prevented, we will

disclose to you the nature of the conflict and the steps that we have taken to mitigate the risk before undertaking business with you.

9. Money Laundering Prevention

We are subject to the Law concerning money laundering and the financing of terrorism. Our obligations under the Law override any obligations of confidentiality that may otherwise be owed to you (and, where applicable, your principal(s)). We may be obliged to notify the relevant authorities in the relevant jurisdictions of any transactions that we suspect involve the laundering of the proceeds of, or involve the financing of, any criminal activity, regardless of where that crime may have been committed. We will deal with you (and, where applicable, your principal(s)) on the understanding that you (or, where applicable, your principal(s)) are complying with and will continue to apply all such Law to which you (or, where applicable, your principal(s)) may be subject.

10. Privacy Statement

In the course of providing the Services, we may process information about you and your Representatives that may constitute personal data under the GDPR. For further information on our processing of such personal data, please refer to our privacy statement on our Website.

11. Feedback and Complaints

11.1 Feedback

We welcome any feedback on the quality of the Services provided to you. If you do have any feedback, please discuss this with your usual representative.

11.2 Complaints

You may submit a complaint to us in writing if you are dissatisfied with our Services. See our Complaints Handling Procedure on our Website for further information.

12. Miscellaneous

This document and any non-contractual obligations arising out of or in relation to it will be governed by and construed in accordance with the laws of the Netherlands.

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Annex 1 – Contact Information

1. Our Information

Legal and commercial name	Van Lanschot Kempen N.V.
Company type	a public company with limited liability (<i>naamloze vennootschap</i>) incorporated and operating under the laws of the Netherlands
Statutory seat (<i>statutaire zetel</i>)	's-Hertogenbosch, the Netherlands
Insolvency (<i>faillissement</i>) regime	Dutch law. You may request us to provide you with further information in this regard.
Registered office	Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands
Business address	Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands
Website	www.vanlanschotkempen.com
Complaints Handling Procedure	www.vanlanschotkempen.com/en-nl/contact/complaints-procedure
Conflicts of Interest Policy (Summary)	https://www.vanlanschotkempen.com/-/media/files/documents/corporate/who-we-are/compliance/summary-conflict-of-interest-policy.ashx
Privacy Statement	www.vanlanschotkempen.com/media/3602/privacy-statement-vanlanschot-kempen-english.pdf
Registration number with the Dutch Chamber of Commerce (<i>Kamer van Koophandel</i>) in the Dutch Commercial Register (<i>handelsregister</i>)	16038212
LEI	724500D8WOYCL1BUCB80
Value added tax (VAT) identification number	NL001145770B01
Contact details	Set out in the Client Agreement.

2. Our Regulators' Information

Regulator	Contact Details
AFM	Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>) P.O. Box 11723 1001 GS, Amsterdam The Netherlands
DNB	Dutch Central Bank (<i>De Nederlandsche Bank</i>) P.O. Box 98 1000 AB Amsterdam The Netherlands

The AFM's and the DNB's supervision of us should not be considered as an endorsement of the Services or any Financial Instruments by either of them.

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Annex 2 – Definitions and Interpretation

Term	Definition
Affiliate	with respect to a person, a person directly or indirectly, solely or jointly, Controlling, or Controlled by, such person, or which is directly or indirectly, solely or jointly, under common Control with such person;
AFM	Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>);
Ancillary Services	ancillary services (<i>nevendiensten</i>) as contemplated in MiFID II;
Client Agreement	the binding agreement entered into, or to be entered into, by you and us (and, if applicable, other persons) (or as otherwise agreed in writing by you and us);
Control	the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise;
Depository Receipts	Depository receipts (American Depository Receipts (ADRs), Global Depository Receipts (GDRs), etc.);
DNB	Dutch Central Bank (<i>De Nederlandsche Bank</i>);
E-Commerce Directive	the rules and regulations in the Netherlands implementing Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society service;
Engagement	our engagement by you, pursuant to the Client Agreement;
ECP	eligible counterparty (<i>aanmerking komende tegenpartij</i>) as contemplated in MiFID II;
Financial Instruments	financial instruments (<i>financiële instrumenten</i>), as defined in MiFID II;
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
Investment Advice	investment advice (<i>beleggingsadvies</i>) as contemplated in MiFID II;
Investment Research	investment research and financial analysis or other forms of general recommendation relating to transactions in Financial Instruments (<i>onderzoek op beleggingsgebied en financiële analyse of andere vormen van algemene aanbevelingen in verband met transacties in financiële instrumenten</i>);
Investment Service	investment service (<i>beleggingsdiensten</i>) as contemplated in MiFID II;
Law	applicable law and regulation;
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;
MiFID II	the rules and regulations in the Netherlands implementing Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (together with such rules and regulations as well as any relevant delegated regulations), in the Netherlands, being the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>) and the Decree on Supervision of Market Conduct Financial Firms FMSA (<i>Besluit Gedragstoezicht financiële ondernemingen Wft</i>);
MiFID II Delegated Regulation	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II;
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
Non-Professional Client	retail client (<i>niet-professionele belegger</i>) as contemplated in MiFID II
Non-complex Financial Instruments	non-complex products that are described in MiFID II and, very broadly, includes (subject to certain exceptions): (i) ordinary/ common shares in companies admitted to trading on a regulated market; (ii) ordinary preference shares in companies admitted to trading on a regulated market; (iii) subscription rights/nil-paid rights to acquire shares that are automatically non-complex; (iv) money market instruments that do not embed a derivative; and (v) bonds that do not embed a derivative; and (vi) units (or "shares") in any undertakings for collective investment in transferable securities (UCITS);

Term	Definition
OTC	over-the-counter contract;
Placing	placing of Financial Instruments on a firm commitment basis or without a firm commitment basis;
Portfolio Management	portfolio management (<i>vermogensbeheer</i>) as contemplated in MiFID II;
Professional Client	professional client (<i>professionele belegger</i>) as contemplated in MiFID II;
Representatives	a person's, their Affiliates and that person's and their Affiliates respective (supervisory and management) board members, directors, officers, managers, employees, agents and partners;
Rules	the Law and our internal policies and procedures;
Services	our service(s) to be provided under the Engagement;
Trading Venue	trading venue as defined in MiFID II, being a regulated market, a multilateral trading facility or an organised trading facility;
Transaction	the transactions contemplated by the Engagement;
Underwriting	underwriting of Financial Instruments;
you and derivatives	you, our (prospective) client and your Affiliates; and
we and derivatives	Van Lanschot Kempen N.V. and our Affiliates.

In this document: (a) any reference to a **person** includes a body corporate, unincorporated association of persons (including a partnership, joint venture or consortium), government, state, agency, organisation and any other entity whether or not having separate legal personality, and an individual, their estate and personal representatives; (b) the words **including** and **include** mean including without limitation and include without limitation, respectively; (c) any reference importing a gender includes all genders; (d) any reference to a time of day is to Amsterdam time; (e) any reference to € is to euro; (f) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this document or that document; (g) any reference to a Section, subsection, Annex or Schedule is to a section, subsection or annex of or to this document, and any reference to a Paragraph or subparagraph is to a paragraph of a Schedule; (h) the Annexes and Schedules form part of this document; and (i) the headings will be ignored in construing this document.

In this document, any reference, express or implied, to an enactment (which includes any legislation in any jurisdiction) includes: (a) that enactment as amended, extended or applied by or under any other enactment (before, on or after execution of this document); (b) any enactment which that enactment re-enacts (with or without modification); and (c) any subordinate legislation made (before or after execution of this document) under that enactment, including (where applicable) that enactment as amended, extended or applied as described in subparagraph (a), or under any enactment referred to in subparagraph (b), provided that no modification subsequent to the date of this document increases or extend the liability of any Party.

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Annex 3 – Risk Disclosures

Risk warning: There are certain risks involved in entering into transactions in Financial Instruments and/or procuring Services. This Annex provides guidance on selected risks in Financial Instruments and the Investment Services of Underwriting and Placing. You should also read any specific disclosures that are included in the Client Agreement or any other documentation provided to you. This Annex and any additional risk disclosures cannot disclose all the risks and other significant aspects. These and other risks may occur simultaneously and/or may compound each other. Any such risk disclosures are not to be relied upon as Investment Advice or Investment Research, nor as a recommendation to enter into any Service or transaction or invest in any Financial Instrument. We do not accept any responsibility for any loss, liability or cost which you might suffer or incur in relying on such information.

Prior to taking a decision to request us to provide a Service or to enter into any transaction in connection with a Service, you should make an independent assessment of its suitability for you. **You should seek appropriate professional advice in advance of any decision.**

1. General Risks Factors

When receiving Investment Services of Underwriting or Placing, you may encounter several general risks. These risks can vary depending on factors such as the nature of the Investment Services you receive as well as the involved Financial Instruments, market conditions, and your financial position. Below are a list of typical risks you may face (in no particular order).

1.1 Market Risk

Market risk refers to the potential risk associated with changes in market conditions that may impact the value of the Financial Instrument and the success of any offering. Market risk arises from various factors that influence the overall market sentiment such as fluctuations in interest rates, exchange rates or the overall performance of the market as well as investor behaviour. Markets can experience periods of volatility, characterised by rapid and significant price fluctuations. Market volatility can be influenced by factors such as economic conditions, geopolitical events, changes in investor sentiment, or shifts in industry dynamics. Higher market volatility can result in increased price fluctuations of the Financial Instruments, potentially impacting the success of any offering. If the market conditions are unfavourable, it may be challenging to find subscribers or buyers for the Financial Instruments or to issue or sell them at the desired price or volume.

Managing market risk involves thorough market analysis, understanding investor behaviour, and implementing strategies to navigate potential fluctuations. Issuers and sellers often collaborate with financial institutions, such as underwriters and placement agents, to assess market conditions and tailor their offerings to align with prevailing market dynamics.

1.2 Liquidity Risk

Liquidity may be an issue if Financial Instruments are not listed or traded on a Trading Venue, or if they are listed but traded infrequently, for example, due to a lack of market demand or limited market access. Various factors can influence liquidity, including market conditions, investor sentiment, and the characteristics of the Financial Instruments themselves. Liquidity risk can manifest in several ways, such as under-subscription and price volatility. A lack of liquidity can make it challenging to issue and/or dispose of Financial Instruments, potentially requiring a discount that could make it difficult for the issuer to raise capital or result in a loss for the seller of these Financial Instruments.

1.3 Currency Risk

Currency risk arises when you are exposed to fluctuations in exchange rates that can impact the value of your Financial Instruments or, if applicable, the cost of your operations, especially in international capital markets transactions. Exchange rates are linked to a host of economic, social and political factors and can fluctuate greatly. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency.

To manage exchange risk, you can employ hedging strategies, such as using Financial Instruments like forward contracts or options. These hedging strategies, however, carry risk. See Section 2.4 (*Derivatives*) for certain risk in relation to these Financial Instruments

1.4 Regulatory/Legal/Structural Risk

All Financial Instruments, and transactions in them, could be exposed to regulatory, legal or structural risk. Legal changes could even have the effect that a previously acceptable Financial Instrument, and transaction in them, becomes illegal. You must ensure compliance with securities laws and regulations governing the offering of Financial Instruments. Failure to comply with these requirements can result in legal actions, penalties, or even the suspension of the offering. Regulatory risks include issues related to registration, disclosure, reporting, and compliance with specific rules and regulations set by regulatory bodies.

You have a responsibility to provide accurate, complete, and timely information to investors. The level of your disclosure obligations are determined by applicable law and regulation. Failure to fulfil disclosure obligations can lead to legal and regulatory consequences, including potential lawsuits from investors or regulatory enforcement actions. Regulatory and legal risks arise if you fail to provide relevant and material information, misrepresents facts, or omits important details regarding the Financial Instrument or the issuer's financial condition.

If you are involved in cross-border Financial Instrument offerings, you face additional regulatory and legal risks. Compliance with foreign securities laws and tax laws can be complex and challenging. Failure to comply with these regulations can result in legal and financial consequences, including fines, sanctions, or restrictions on future cross-border activities.

Regulatory and legal risks arise if you engage in fraudulent activities, misrepresentation, or other deceptive practices that harm investors. Non-compliance with investor protection laws can lead to legal actions, compensation claims, and reputational damage.

1.5 Counterparty Risk

The bookrunning syndicate plays an important role in an offering. You will mandate the bookrunning syndicate to procure investors for the Financial Instruments. This involves several risks. In a Placing without a firm commitment, the bookrunning syndicate may not procure investors for all the Financial Instruments being offered. On the other hand, in Underwriting or Placing on a firm commitment basis, the syndicate members have an obligation to subscribe for, or purchase, the Financial Instruments. Some or all of them may fail to do so. In each case, this could leave you with unsold Financial Instruments, which could impact the financial success of the offering and the intended use of proceeds.

1.6 Operational Risk

Operational risk in the context of Investment Services like Underwriting or Placing involves the potential for loss or disruption arising from inadequate or failed internal processes, systems, people, or external events within the issuer's, the seller's or counterparty's operations. Dealing in Financial Instruments involves various operational processes, including trade execution, documentation, and settlement. Operational failures or errors can result in financial losses, transactional delays and/or other complications.

To manage operational risk, issuers and sellers typically implement internal controls, conduct risk assessments, and invest in technological infrastructure. The measures may, however, not be appropriate and/or adequate for a particular risk and do not address the operational risk in a counterparty.

2. Individual Risks Factors

2.1 Equity Instruments

2.1.1 Ordinary Shares

Ordinary shares are issued as primary means of raising capital through the equity capital markets. Ordinary shares have additional risks (in no particular order).

Firstly, they have risk associated with **supply**. The issuance of ordinary shares may impact the share price of the ordinary shares. Should the market perceive an issuance as a negative or should there be an oversupply of ordinary shares, it can result in a significant decline in share price. This may impact any offering of ordinary shares.

Secondly, they have risk associated with their **dividend obligation**. The issuer has no obligation to repay the original cost of the ordinary share, or the capital, to the shareholder until the issuer is wound up (in other words, the issuer ceases to exist). In return for the capital investment in the ordinary share, the issuer may make discretionary dividend payments to ordinary shareholders, which typically take the form of cash or additional shares. Should the ordinary shares carry dividend rights, while there is no obligation, the issuer may be under pressure to pay dividends to shareholders, even during periods of financial difficulty. This can put a strain on the issuer's cash flow and financial resources.

2.1.2 Preference Shares

Preference shares are typically issued for the purpose of raising capital without diluting the ownership and control of ordinary shareholders. Preference shares have additional risks (in no particular order).

Firstly, they also have risks associated with their **dividend obligation**. Preference shares typically come with a fixed dividend rate or a predetermined dividend formula. Some preference shares may have variable dividend rates that are tied to interest rates. If interest rates increase, the dividend payments on these shares may also increase, potentially straining the issuer's cash flow. If the issuer experiences financial difficulties or fails to generate sufficient profits, meeting these dividend obligations may put a strain on the issuer's cash flow and financial resources.

Secondly, they also have **redemption risk**. Preference shares often have a maturity date or a redemption feature that allows the issuer or holder to repurchase the shares at a predetermined price. If the issuer is unable to redeem the preference shares at the specified time or price, it may need to finance such redemption using external sources. That may put a strain on the issuer's cash flow and financial resources.

Lastly, they also have risks associated with their **limited voting rights**. Preference shareholders may have limited or no voting rights, which means they have less influence over the decision-making process of the issuer. However, if the issuer fails to fulfil dividend obligations or faces certain specified events, preference shareholders may have the right to exercise voting power, which may impact the issuer's governance.

2.2 Warrants

A warrant is a time-limited right to subscribe for Financial Instruments and is exercisable against the issuer. Warrants are typically issued in order to provide the issuer with flexibility in raising capital, and managing dilution. Warrants have additional risks (in no particular order).

Firstly, they also have **dilution risk**. When warrants are exercised, it typically leads to the issuance of additional shares, which can dilute the ownership and earnings per share for existing shareholders. This dilution risk may impact issuer's governance. An oversupply of shares can also result in a decline in share price. This may impact any offering of shares.

Secondly, they also have **market and price risk**. The market value of the issuer's shares can fluctuate, and the exercise price of the warrants may not align with the prevailing market price. If the market price of the shares is lower than the exercise price, warrant holders may choose not to exercise their warrants, resulting in potential loss of anticipated capital for the issuer.

Lastly, they also have **cash flow and funding risk**: If a significant number of warrant holders exercise their warrants, the issuer may face increased cash outflows to fulfil the share issuance at the predetermined price. This can put pressure on the issuer's cash flow and funding requirements, especially if the exercise occurs during a period of financial strain or limited access to capital.

2.3 Debt Instruments/Bonds/Debentures

Debt instruments have additional risks (in no particular order).

Firstly, they also have **default and refinancing risk**. Debt instruments typically have a maturity date, and issuers need to repay the principal at that time. Refinancing risk arises when the issuer needs to refinance the debt at maturity but faces challenges in obtaining new financing. This risk can be heightened if market conditions or the issuer's financial position deteriorate. If the issuer is unable to refinance or repay the debt when it matures, it may face challenges in meeting its financial obligations, it may need to negotiate extensions or additional financing at less favourable terms, it can damage its credit rating and reputation in the market (making it more difficult and expensive to raise future capital) and it may face bankruptcy.

Lastly, they also have **interest rate risk**. Issuers are exposed to interest rate risk, which refers to the potential impact of changing interest rates on the cost of servicing the debt. If interest rates rise, the issuer may have to pay higher interest expenses, which can strain its financial position. Conversely, if interest rates decline, the issuer may have an opportunity to refinance the debt at a lower cost.

2.4 Derivatives

Issuers may choose to issue derivatives for various reasons. A derivative is a Financial Instrument, the value of which is derived from an underlying asset's value. Rather than trade or exchange the asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the underlying asset. A premium may also be payable to acquire the derivative instrument. There are many types of derivatives, but options, futures and swaps are among the most common. Derivatives allow issuers to hedge against risks, manage specific risks associated with their business, speculate on market movements, create customised Financial Instruments, and achieve capital efficiency. By utilising derivatives, issuers can protect themselves from potential losses, stabilise costs and revenues, cater to specific investor demands, and optimise capital allocation. However, derivatives have high risk connected with them, predominantly as their value is dependent on the future value of underlying assets, while a certain change in value of the underlying asset over a period of time may result in an amplified change in the value of the derivative. This exposes issuers to market risk, which can result in potential losses or reduced profitability if such exposure is not offset by another position. In addition, derivatives involve entering into contractual agreements with counterparties. There is a risk that the counterparty may default on their obligations, leading to financial losses for the issuer. Specific risk associated with issuing different types of derivatives may arise.

2.4.1 Futures/Forwards/Forward Rate Agreements (FRAs)

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. Futures, Forwards, and FRAs have additional risks (in no particular order).

Firstly, they also have additional **market risk**. Since futures and forwards are derivative contracts whose value is tied to future price or interest rate of an underlying asset, they are subject to market risk, including fluctuations in the price of the underlying asset or changes in interest rates. This risk is particularly significant for issuers who take speculative positions, as they are exposed to potential market fluctuations.

Secondly, they also have additional **liquidity risk**. Futures, forwards, and FRAs may have varying degrees of liquidity. If the market for these instruments becomes illiquid, it can be challenging for the issuer to enter or exit positions at favourable prices, potentially leading to financial losses or limitations in achieving their desired outcomes.

Thirdly, they also have additional **counterparty risk**: When entering into futures, forwards, or FRAs, you are exposed to the risk that the counterparty may default on their obligations. If the counterparty fails to fulfil their contractual obligations, you may face financial losses or difficulties in achieving their intended objectives.

Lastly, they also have **interest rate**. FRAs, in particular, are used to manage interest rate risk. However, if your interest rate expectations do not align with the actual movements in interest rates, you may face financial losses or not realise potential hedging benefits.

2.4.2 Options

Options have additional risks (in no particular order).

Firstly, they also have additional **market risk**. The value of options is influenced by the underlying asset's price movements. If the market moves unfavourably, you may face losses, especially if you have sold options and are obligated to buy or sell the underlying asset at a predetermined price.

Options are sensitive to changes in market volatility. Higher volatility can increase the value of options, but it also introduces greater uncertainty. If the market experiences unexpected volatility, you may face challenges in managing your options positions effectively.

Secondly, they also have additional **liquidity risk**. Options may have varying degrees of liquidity. If the market for options becomes illiquid, it can be challenging for you to enter or exit positions at favourable prices, potentially leading to financial losses or limitations in achieving your desired outcomes.

Lastly, they also have additional **counterparty risk**. Options involve a counterparty who buys or sells the option. If the counterparty fails to fulfil their obligations, you may face financial losses or difficulties in achieving your desired outcomes.

2.4.3 Swaps

A swap agreement is a derivative where two counterparties exchange one stream of cash flows against another stream, calculated by reference to an underlying (such as securities' indices, bonds currencies, interest rates or commodities, or more intangible items). A swap agreement may also be combined with an option. Such an option may be structured in two different ways. On the one hand, swaptions are transactions that give the purchaser of the swaption the right, against payment of a premium, to exercise or not to exercise, until the agreed maturity date, its right to enter into a pre-agreed swap agreement. On the other hand, caps, floors and collars enable a party, against payment or receipt of a premium, to protect itself against, or to take an exposure on, the variation on the value or level of an underlying. Swaps have additional risks (in no particular order).

Firstly, they also have additional **market risk**. Swaps are sensitive to market fluctuations, such as changes in interest rates, exchange rates, or other underlying variables. If the market moves unfavourably, you may face losses or miss out on potential benefits.

Secondly, they also have additional **liquidity risk**. Swaps may have varying degrees of liquidity. If the market for a particular swap becomes illiquid, it can be challenging for you to enter or exit positions at favourable prices, potentially leading to financial losses or limitations in achieving your desired outcomes.

Thirdly, they also have additional **counterparty risk**. You are exposed to the risk of the counterparty defaulting on their payment obligations. If the counterparty fails to make the agreed-upon payments, you may suffer financial losses or face difficulties in achieving your desired objectives.

Lastly, they also have **basis risk**. Basis risk arises when the cash flows of the swap do not perfectly align with the cash flows of the underlying exposure being hedged. This mismatch can result in imperfect hedging and expose you to potential financial losses.

2.4.4 Combined Financial Instruments (Packaged Transactions)

Any combined Financial Instruments, such as a bond with a warrant attached, is exposed to the risk of both of those Financial Instruments and so combined Financial Instruments may contain a risk that is greater than those of its components individually. These combined Financial Instruments have additional risks (in no particular order).

Firstly, they also have additional **counterparty risk**. The combined Financial Instruments may involve complex counterparty arrangements. You are exposed to the risk of the counterparty defaulting on their payment obligations or failing to fulfil their contractual obligations. This can result in financial losses or difficulties in achieving your intended objectives.

Lastly, they also have **valuation risk**. Determining the fair value of combined Financial Instruments with complex features can be difficult. You may face challenges in accurately valuing these instruments, which may impact financial reporting, risk management and decision-making.

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