Special conditions
Portfolio management service

THESE SPECIAL CONDITIONS APPLY TO CLIENTS WHO SIGN THE PORTFOLIO MANAGEMENT AGREEMENT FROM DECEMBER 9TH 2019. FOR CLIENTS WHO SIGN THE PORTFOLIO MANAGEMENT AGREEMENT BEFORE DECEMBER 9TH 2019, THEY WILL ENTER INTO FORCE ON DECEMBER 24TH 2019 AND WILL REPLACE THE PREVIOUS VERSION FROM MARCH 2017

> Article 1. Implementation of the portfolio management service - payments - withdrawals

The portfolio management service (hereinafter the "Service") is subject to the Portfolio management agreement (hereinafter the «Agreement») being signed and will be implemented when the Bank receives the initial payment amount from the Client, provided that the Bank accepts the application for the Service from the Client.

If the Bank does not agree to provide the Service to the Client and the Client has already made the initial payment, the Bank will refund them the amount paid into the original account.

Once the Service is implemented, the Client may decide, at any time, to make additional payments. Once a month, the Client may request a partial cash withdrawal of at least EUR 2,500 via the Transaction Site, as long as the value of the Portfolio does not fall below EUR 15,000. The withdrawal amount will be transferred into the current account linked to the Account immediately after the following monthly rebalancing.

> Article 2. Composition and allocation of portfolio

1. The management objective referred to in Article 2 of the Agreement is an objective which the Bank will strive to achieve, when setting up the initial Portfolio and throughout its management of the Portfolio, based on changes on the financial markets and the characteristics of the financial instruments chosen.

2. Every month, the Bank may alter the composition of the Portfolio within the limits of the Client's risk profile. In exceptional circumstances, the Bank may make changes before the end of the month. It will immediately notify the Client of them.

3. If, due to changes in market conditions, the level of risk of certain categories of assets changes, the Bank may change the overall allocation of the assets, so that this continues to match the Client's risk profile. In this case, the Client will be informed through the periodic report referred to in Article 4 of the Special Conditions.

4. The information provided by the Client in the Banking Relationship Application and in the Client Profile Questionnaire (hereinafter the "Questionnaire") is truthful and accurate. Any change to the Client's situation which renders this information inaccurate will be notified to the Bank by the Client by e-mail. The Bank will be bound by these changes and implemented during the following monthly rebalancing.

Based on the risk profile, the Client will be asked to update their details by the Bank.

> Article 3. Financial instruments and associated risks

1. The Portfolio will be made up exclusively of cash and Trackers (ETF, ETN or ETC) selected by the Bank. The definition of these financial instruments are stated in the Document entitled "Overview of the principal characteristics and risks of financial instruments" (hereinafter the "Overview"), which is available on the Bank's website (www.keytradebank.be). The list of Trackers used is available in the periodic report referred to in Article 4 of the Special Conditions.

2. The Client is aware of the risk factors described in the Overview referred to in the previous paragraph.

> Article 4. Reporting

1. At any time, the Client may consult the composition of their Portfolio, which is based on the Agreement, by visiting the Transaction Site of the Bank (www.keytradebank.be).

2. By the 10th business day of each month at the latest, the Bank will make a Portfolio statement available to the Client on their Transaction Site.

This report will include a cash statement, along with a description and valuation of each financial instrument in the Portfolio. This monthly valuation will be calculated at the closing price of the corresponding instruments.

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The report will also show the Portfolio's results during the reporting period, and, for comparison purposes, the performances of the reference indicators, as referred to in Article 3 of the Agreement and specified in Article 10 of these Special Conditions.

3. The Portfolio performance will be calculated using the Time-Weighted Rate of Return ("TWRR") method. This return is not influenced by decisions to make additional payments or withdrawals, which makes it possible to easily assess the Client's investment and make a fair comparison with other investments.

Furthermore, the report will show the total amount of dividends, interest and other payments received during the period covered in conjunction with the Portfolio, along with the total amount of fees, taxes and charges paid over the period covered.

> Article 5. The bank's responsibility

1. The Bank will implement the required resources for properly managing the Portfolio, as per the management objective and investment strategy defined in Article 2 of the Agreement. The Client acknowledges that the Bank is only bound by a obligation of means, as the Agreement does not include any performance obligation, performance guarantee or specified or guaranteed profits. Under no circumstances will the Client intervene in managing the Portfolio.

2. Furthermore, the Bank may not be held responsible for any loss or failure in fulfilling its obligations caused by an event of force majeure, which is understood as any event beyond the Bank's control affecting its capacity to fulfil its obligations, particularly in the event of disruption to the methods for transmitting transaction instructions, whether this disruption occurs between the Bank and the Client, between the Bank and another provider, or between the Bank and the market on which the order has been submitted.

> Article 6. Management fee

The Bank's management fees will be 0.9075% per year (inclusive of transaction fees and VAT, but exclusive of taxes). They will be calculated as follows:

Assets under management * (number of days/365) * management fee

Assets under management are calculated at the close of the last day of the month. Should the Agreement be terminated, the assets under management are calculated on the day that the Service ends.

Number of days: a pro rata calculation of the number of calendar days that the Service was used that month.

If the banking relationship is blocked for legal, judicial or contractual reasons, including deaths and seizures, the Bank will continue to execute its mandate of managing the portfolio and to collect the management fee, as per this article. However, the bank reserves the right to suspend the Service, which will lead to the charging of fees connected with this Service being suspended.

The Bank will not receive any other direct or indirect remuneration for managing the Portfolio.

> Article 7. Duration - termination of the agreement

1. The Agreement is made for an indefinite period and remains valid until it is terminated by one of the parties.

2. The Agreement may be terminated at any time by the Client, without justification, and with immediate effect.

Any request for assets to be fully withdrawn from the Portfolio will result in the Agreement being terminated.

Furthermore, the Client will provide notification of their intention to bring the Agreement to an end by completing an account closure form, available in the Document Centre/Keyprivate section on the Bank's website. The financial instruments in the Portfolio will be sold as soon as possible by the Bank.

3. The Agreement may also be terminated by the Bank, through an e-mail sent to the Client giving one month's notice, barring a serious breach on the part of the Client or if trust in the Client is significantly damaged. A serious breach will be understood as, among other things, failure by the Client to comply with security procedures, failure to fulfil any substantial obligation incumbent on the Client, any improper use of the Bank's services and a constant failure to respond to the Bank's notifications.

The Bank also reserves the right to terminate the Agreement at any time and to close the Account at no cost and without warning, by simple notification to the Client by e-mail, if the Client

- has not made the initial payment within three months of the Bank accepting the Client's application for the Service;
- has notified the Bank that they do not accept the amended special conditions, under Article 8 of the Special Conditions.

4. Should the Agreement be terminated, the Client will pay all taxes associated with selling the financial instruments and, where applicable, closing the Account. The Client will also pay all accumulated costs on the termination date or, where applicable, the Bank will refund the costs paid in advance on a pro rata basis. The Bank may deduct any amounts it is owed, by deducting them from the resulting sums from the Portfolio's liquidation. It will report this to the Client.

5. Death - By way of derogation from Article 2003 of the Civil Code, it is expressly agreed that the Agreement will not come to an end upon the death of the Client (or death of one of the Clients if there are several Account holders). Consequently, in this case, the Bank is authorised to continue executing the Agreement based on the risk profile that had been established and accepted, subject to the tax obligations imposed upon the Bank upon the Client's death and until the assets being managed are liquidated, dependent on the estate to the extent that the tax provisions in force for the matter allow and unless otherwise instructed by all entitled parties and/or other Account holders (if there are several Account holders).

> Article 8. Amendment of the special conditions

The Bank may amend these Special Conditions at any time, provided that the Client is informed with a Notice Period of fifteen (15) days. The Client has the right to accept or reject the proposed amendments before the proposed date that they come into force. If the Client does not Notify the Bank that they do not accept the amendments before they come into force, the Client will be deemed to have accepted them. Clients who do not accept the new Special Conditions may terminate the Agreement under Article 7.2 of the Special Conditions up until the date that amended conditions come into force. Under Article 7.3 of the Special Conditions, up until the date that the amended conditions come into force, the Bank has the right to end the Agreement with the Client when they have Notified the Bank that they do not accept the new amended Special Conditions.

> Article 9. General provisions

1. Unless stated otherwise in the Agreement or in these Special Conditions, the Agreement is subject to the General Terms and Conditions, the Tariffs and the Interests of the Bank, which are available on the Bank's website (www.keytradebank.be) under "Support/Document Centre", as well as the Privacy Policy available on www.keytradebank.be.

The Client's attention is drawn in particular to the following clauses of the General Terms and Conditions relating to the conclusion of distance contracts: the Client has a 14-day cancellation period.

2. Order execution

The Bank always undertakes all the necessary steps to ensure that orders are executed perfectly (Best Execution principle). This is detailed in the 'Order Execution Policy' available on the Bank's website under "Support/Document Centre/Trading & investing". Please note that the implementation of the Service implies the explicit and unreserved acceptance of this policy.

3. Managing conflicts of interest

The Bank does its utmost to identify, prevent and manage conflicts of interest as part of providing the Service. This is detailed in our 'Conflicts of interest policy – investment services' available on the Bank's website under "Support/Document Centre/Trading & investing".

> Article 10. Reference indicators

The following reference indicators will be published in the periodic report referred to in Article 4 of the Special Conditions:

AEX, BEL20, European Corporate Bonds, European High Yield Bonds, European Government Bonds, Dow Jones, Euribor 3M, MSCI EM (Emerging Markets), MSCI PACIFIC ex JAPAN, MSCI WORLD, MSCI JAPAN, Nasdaq 100, GOLD LINGOT 1kg (EUR), CAC40, Euro Stoxx 50

> Article 11. Investment profiles - calibrated maximum loss under normal market conditions

The management mandate is based on one of the ten investment profiles set out in the table below. The financial model of the Bank is set up in such a way that under normal market conditions, a maximum loss per year is not exceeded in 95% of cases. For each of the investment profiles, the Bank has assigned a calibrated maximum loss per year percentage under normal market conditions. Under extreme market conditions, the loss could be more than the maximum calibrated loss under normal market conditions as set out in the table below.

Investment profile	Description	Calibrated maximum loss under normal market conditions
1 – Very defensive	Are you looking for a greater return than a standard savings account, but, most importantly, want to avoid risks as much as possible? Then the «very defensive» investment portfolio is best for you. This portfolio mainly invests in liquidities and bonds. The percentage of shares in the portfolio is restricted to a maximum of 15%.	1%
2 – Defensive	Are you looking for a greater return than a standard savings account, but, most importantly, want to avoid risks as much as possible? Then the «defensive» investment portfolio is best for you. This portfolio mainly invests in liquidities and bonds. The percentage of shares in the portfolio is restricted to a maximum of 25%.	1,5%
3 – Very moderate	Are you looking to and are able to take a bit more of a risk with your profile? Then the «very moderate» investment portfolio is best for you. This portfolio mainly invests in bonds, up to a maximum of 85%. The percentage of your portfolio in shares would be a maximum of 35%.	2%
4 – Moderate	You are willing to take more of a risk in your investment portfolio, but only within certain limits. Then a diversified «moderate» investment portfolio which mainly focuses on bonds (80% maximum) and shares (45% maximum) is best for you.	3%
5 - Balanced	You are willing to take more of a risk in your investment portfolio, but only within certain limits. Then a diversified "balanced" investment portfolio which mainly focuses on bonds (75% maximum) and shares (50% maximum) is best for you.	4%
6 – Growth	You are able to properly assess the risks of investing in shares and are also aware of the opportunities of doing this. You are prepared to take more of a risk. With the «growth» portfolio, your portfolio would be investing more of your assets in shares (55% maximum) than in bonds. The share weighting may be temporarily reduced to 0%.	6%
7 - Dynamic	Achieving a high return is important to you. With the «dynamic» portfolio, you would have a portfolio which focuses more on shares (65% maximum) and less on bonds (65% maximum). You know that seeking higher returns goes hand in hand with greater risk. The share weighting may be temporarily reduced to 0%.	8%
8 – Very dynamic	Achieving a high return is important to you. With the very «dynamic» portfolio, you would have a portfolio which focuses more on shares (75% maximum) and less on bonds. You know that seeking higher returns goes hand in hand with greater risk. The share weighting may be temporarily reduced to 0%.	11%
9 – Aggressive	Aiming to achieve a high return is your priority. With the aggressive portfolio, you would be investing nearly all of your assets in shares (85% maximum). In the long term, you can achieve a higher return, but you know that you will be exposed to major risks. The share weighting may be temporarily reduced to 0%.	15%
10 – Very aggressive	Aiming to achieve a high return is your priority. With the very aggressive portfolio, you would be investing nearly all of your assets in shares (95% maximum). In the long term, you can achieve a higher return, but you know that you will be exposed to major risks. The share weighting may be temporarily reduced to 0%.	20%

> Article 12. Choice by the client of an investment profile that does not correspond to the investment objectives resulting from the client profile questionnaire

When the Agreement is signed, the Bank proposes an investment portfolio which is suited to the Client's situation by taking into account their answers to the Questionnaire, under Article 2 of the Agreement.

If the Client opts for a more defensive profile than the profile established based on the Questionnaire, or the Client amends their profile to a more defensive profile during the term of the Agreement, the Bank assumes that this implies a change to the Client's investment objectives, including their tolerance to risk. Choosing a more defensive profile would potentially have a negative impact on the average return achieved and, therefore, on the chances of achieving the investment objective.

The Bank would like to draw the Client's attention to the fact that the investment objectives associated with an investment profile are also associated with a time scale, and that amending the profile during the term of the Agreement may negatively affect the performance of the Portfolio. The Bank cannot be held responsible for this.

Keytrade Bank, Belgian branch of Arkéa Direct Bank SA (France)
Vorstlaan 100 Boulevard du Souverain - 1170 Brussels, BE 0879 257 191
Insurance Intermediary authorized to carry on activities in Belgium (ORIAS 07008441)
T +32 2 679 90 00 - F +32 2 679 90 01 - info@keytradebank.com - keytradebank.be