



Disclosure - Article 38(6) CSDR

July 2024

Introduction

This disclosure ("**CSDR Disclosure**") should be read in conjunction with the Terms of Equities Services of Van Lanschot Kempen N.V. (the "**Terms**"), as published on the Website. Unless the context requires otherwise, capitalized terms not defined herein shall have the meaning ascribed to them in the Terms.

In the event that Van Lanschot Kempen provides Custody Services, Van Lanschot Kempen maintains one or more Securities Accounts for its Clients in the Netherlands in which it holds Financial Instruments, such as equities and equity like instruments ("**Financial Instruments in Custody**") for the Client. Van Lanschot Kempen may engage intermediary custodians to hold Financial Instruments in sub-custody.

These Financial Instruments may be deposited by Van Lanschot Kempen (or by an intermediary custodian in the relevant market acting at the instructions of Van Lanschot Kempen) at central securities depositories ("**CSDs**").

Under Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories ("**CSD Regulation**"), the accounts opened by the Van Lanschot Kempen with a CSD can be set up in two ways:

1. as an omnibus securities account ("**OSA**"); or
2. as an individual securities account ("**ISA**").

The CSD determines the set-up of the OSA's and ISA's. With this document, Van Lanschot Kempen would like to inform the Client about these two options and explain to the Client which levels of protection are associated with an OSA or an ISA, respectively.

Levels of protection concerning OSA's and ISA's

In general

If Van Lanschot Kempen goes into insolvency, Dutch law is applicable to the insolvency proceedings. The Clients' Financial Instruments in Custody are protected in the insolvency of Van Lanschot Kempen.

Clients have the benefit of this protection pursuant to the Dutch Securities Giro Administration and Transfer Act (*Wet giraal effectenverkeer*; "**SGATA**"). This is explained in more detail below.

Entitlement of the Client to its Financial Instruments in Custody

The SGATA is based on the concept of co-ownership. This means that Client, together with other Clients who hold Financial Instruments of the same type, jointly own these Financial Instruments in Custody. Each type of Financial Instrument in Custody constitutes a so-called collective deposit (*verzameldepot*) that is administered by Van Lanschot Kempen. The interest of the Client in this deposit and the interest of the other Clients is administered in the records of Van Lanschot Kempen. All Clients jointly own the Financial Instruments in Custody in the collective deposit. This collective deposit is segregated from Van Lanschot Kempen's assets by law.

Insolvency of the Van Lanschot Kempen

Because the collective deposit does not form part of the assets of Van Lanschot Kempen, the Financial Instruments in Custody will not be included in the bankruptcy estate and are protected in the event of insolvency of Van Lanschot Kempen. In the event of insolvency an insolvency trustee will be appointed. The insolvency trustee will, on the basis of the records of Van Lanschot Kempen, first determine who is entitled to which Financial Instruments in Custody and then proceed to return the Financial Instruments in Custody to their legitimate owner.

If Van Lanschot Kempen is insolvent, it makes no difference whether its Clients have opted for Van Lanschot Kempen to hold the Financial Instruments in Custody in an OSA or an ISA. In both cases, Clients have the benefit of the protection of the SGATA. However, additional costs are associated with an ISA, among other reasons because Van Lanschot Kempen must open additional accounts with the CSDs.

Shortfalls in a collective deposit

The SGATA includes an arrangement for the situation that the number of Financial Instruments in Custody of a particular type for which Van Lanschot Kempen has credited its Clients exceeds the number of Financial Instruments in Custody of that type for which Van Lanschot Kempen is credited in the books of the relevant CSD. This is the arrangement for shortfalls in a collective deposit. The arrangement for shortfalls is relevant when the collective deposit must be split-up, for example in the event of insolvency of Van Lanschot Kempen. If there is a shortfall, the Client will not receive all its Financial Instruments in Custody, but only part thereof, in proportion to its share in the collective deposit. This arrangement applies regardless of whether the Financial Instruments in Custody are administered in an OSA or an ISA at a CSD level.

Determination of holdings of Financial Instruments in Custody

The holding of Financial Instruments in Custody in an ISA at CSD level could entail that in the event of insolvency of Van Lanschot Kempen it would be easier to determine to whom the Financial Instruments in Custody in the collective deposit belong. However, this does not necessarily mean that an insolvency trustee will be able to release the Financial Instruments in Custody more quickly if they are administered in an ISA. The insolvency trustee will also have to take into account the arrangement for shortfalls in a collective deposit under the SGATA and the interests of other account holders.

Insolvency of a CSD

This document does not concern the situation that a CSD goes into insolvency. The CSD itself will publish an information document about the levels of protection associated with an OSA or an ISA. The CSD will also inform the Client about the consequences of the CSD going into insolvency and whether an OSA or ISA offers advantages for the Client in this situation.

Charges

Opting for an ISA will give rise to additional charges. This is, amongst others, because Van Lanschot Kempen must open additional accounts with the CSDs and must perform additional administrative services. The initial charges will include:

- a. A setup fee for every ISA that has to be opened;
- b. Migration and settlement fees in order to migrate current Client Financial Instruments in Custody from the OSA to the ISA.

Any additional third-party charges in relations to the ISA will be charged on to the Client. In the event of large scale or complex transactions extra charges may be applicable. If this is the case, Van Lanschot Kempen will contact the Client.

The Client's costs associated with an OSA will be included in the fees, costs and expenses communicated to the Client in relation to the Custody Agreement.

For the costs associated with an ISA, the Client should contact its relationship manager at Van Lanschot Kempen.



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