

## General Terms and Conditions C&S INVESTMENT (T&C)

### 1. Scope of operation

- 1.1. By Customer's signature of the Agreement, the T&C shall have the force of agreement between Customer and C&S INVESTMENT.
- 1.2. The provisions of the T&C shall apply to all relations, including future relationships, between C&S INVESTMENT and the Client, insofar as they do not deviate from these provisions in the Agreement or other terms and conditions applicable to investment services provided by C&S INVESTMENT.

### 2. Definitions

- 2.1. In addition to the terms defined in the Agreement, the following terms shall have the meaning in the T&C as set out below
  - a. Identification code: the (combination of) security code (s) through which the Customer can access information about the Account via the Website, including the user name and password and/or any other means made available to the Customer by C&S INVESTMENT or a third party for this purpose;
  - b. ' Market' means any trading facility anywhere in the world where the relevant financial instruments and/or other securities are traded and/or where a Transaction is intended to be executed;
  - c. Regulations: the regulations and conditions, as they may be from time to time, of (i) the Market, (ii) the third party or parties responsible for clearing on that Market, (iii) the third party or parties engaged by C&S INVESTMENT in the execution of Transactions and/or (iv) the Depository; and
  - d. Website: the website of C&S INVESTMENT: [www.c-s-investment.li](http://www.c-s-investment.li).

### 3. Client's information obligations

- 3.1. The Customer shall, at C&S INVESTMENT's request, provide C&S INVESTMENT with information relating to its financial position and/or other matters within the framework of C&S INVESTMENT and demonstrate to the satisfaction of C&S INVESTMENT that he is still in a position to bear or produce evidence of a loss which may result from Transactions.

### 4. Information and communication

- 4.1. Personal information relating to the management of C&S INVESTMENT, including (periodic) reports, may, from time to time, be provided to the Client on paper or on another durable medium. In such cases, the Customer shall periodically, or at least once a week check the details provided via the other durable data carrier or website (including those of 3<sup>rd</sup> parties) as the case may be.
- 4.2. Non-personal information concerning the management of C&S INVESTMENT is provided through the Website. C&S INVESTMENT will ensure that it ensures that its information is current and accessible.
- 4.3. An extract from its records, signed by C&S INVESTMENT, shall serve as full evidence against the Customer, except in the case of client provide evidence to the contrary.

- 4.4. The communication between the Client and C&S INVESTMENT may be made verbally or in writing. By 'written' means any C&S INVESTMENT Accepted sustainable data carrier. Communication takes place in English, unless C&S INVESTMENT consents to communication in another language.
- 4.5. The Customer must always have an e-mail address at its disposal and must inform C&S INVESTMENT of the e-mail address to which it is assigned where documents should be sent. The Customer must inform C&S INVESTMENT in writing of any change of address (including changes to the e-mail address).
- 4.6. Instructions, notifications and communications from the Client to C&S INVESTMENT should be addressed to C&S INVESTMENT related to (periodic) reporting.
- 4.7. The Customer shall ensure that instructions, notification and communications to C&S INVESTMENT are clear and accurate. Where appropriate the Client must complete forms in full. 4.8. C&S INVESTMENT is authorised not to carry out the assignments or not to transact on requests or notifications where forms of not approved communication methods were used C&S INVESTMENT may require that assignments, notifications and communications be made in a particular form may require written confirmation before execution.
- 4.8. If in the communication between the Client and C&S INVESTMENT the fax, e-mail or the Internet is used, C&S INVESTMENT can't guarantee its contents is received as intended. C&S INVESTMENT shall not be liable for the consequences of differences in the content arising in this way.
- 4.9. An oral notification of any irregularity (such as e-mail hack or digital attack) must be confirmed by the Customer to C&S INVESTMENT in writing immediately.
- 4.10. C&S INVESTMENT is authorised to make a recording of every telephone call and to store this and any other form of communication between it and the Client on a (digital) data carrier. C&S INVESTMENT is authorized to use these data as evidence.
- 4.11. At the Client's request, C&S INVESTMENT shall provide the information referred to in this article on paper.

## 5. Proxies

- 5.1. Communications from or to an authorised representative or contact person designated by the Client unconditionally count as communications from or to Client. If the Customer is a legal person, C&S INVESTMENT shall at all times have the right, without being obliged to check, to classify these communications, as done by the Customer, and interpret these communications or orders from the directors and persons connected to the Customer (appointed by those directors and/or identified as the authorised contact person), that they were entitled to make the communications or give the instructions.
- 5.2. Changes in the authority of the Client, its representatives or authorised representatives, even where the Client has registered the change in public registers, shall be made in writing vis-à-vis C&S INVESTMENT and will only be enforced once C&S INVESTMENT has confirmed in writing the processing of the change.

## 6. Transactions

- 6.1. Orders for Transactions may only be given to C&S INVESTMENT in writing, by email or by telephone by the Customer.
- 6.2. C&S INVESTMENT will record the date and time of receipt immediately upon receipt of a Transaction order as well as the content of the contract.
- 6.3. Assignments given by telephone or related calls can be recorded on a permanent basis on data carrier. These recordings serve as proof between C&S INVESTMENT and the Client. After a period of one month after the Transaction has been confirmed to the Client in writing, the Transaction will be deemed to have been executed in accordance with the Client's telephone instruction and the Client accepts its accuracy.
- 6.4. Written orders for Transactions must be unambiguous and contain at least the following information: the name, the address and domicile of the Client, the number

of the Account, the financial instruments or other values involved and the amount or number that the Client wishes to buy and/or sell. C&S INVESTMENT may at any time impose further requirements with regard to the information to be provided to it in respect of a Transaction.

- 6.5. In the absence of a clear instruction, C&S INVESTMENT may return it with the request for clarification. C&S INVESTMENT may execute only after receipt of a clear order, advise or instruction.
- 6.6. The Client may revoke an order given by him, provided that the withdrawal reaches C&S INVESTMENT in sufficient time to enable C&S investment so they can reasonably revert the instruction in the market or cancel the transaction.
- 6.7. Any fractions in financial instruments and/or other securities, such as units in an investment institution, shall be administered, with the proviso that the administration of the Depository Depository shall prevail. Where the Agreement refers to Transaction, this also includes transactions in fractions.
- 6.8. The settlement of the Transactions will take place through the Account, unless the parties have agreed otherwise.
- 6.9. If the Customer has not contested the content of (periodic) reports or other C&S INVESTMENT reports or other information within one week of the date on which C&S INVESTMENT's report is submitted. The Transaction and the underlying underlying transaction shall reasonably be deemed to have reached the Client and appropriate. Management as well as the content of those reporting documents, will be considered equal to having thus discharged C&S INVESTMENT and transactions approved by the Customer.

## 7. **Market rules and supervisors**

- 7.1. The Client's rights and obligations are related to and co-defined by the Regulations.
- 7.2. With regard to the position and exercise limits, margin and collateral requirements and other regulations to be observed by the Customer with regard to derivatives, C&S INVESTMENT refers to the Regulation and the information disseminated by the parties involved in this respect, as well as any further rules to be established by C&S INVESTMENT.
- 7.3. The Customer hereby gives C&S INVESTMENT irrevocable permission, mandate and power of attorney to act in the name and/or on behalf of the Customer:
- a. report positions and trades to the Market or regulators and provide such other information in respect of Transactions as C&S INVESTMENT, the Market or regulators may deem necessary or desirable for the detection or prevention of regulatory violations and/or abuses of the financial markets;
  - b. observing limits, closing positions, exercising options and selling option and/or futures contracts or related securities, and otherwise doing all other things C&S INVESTMENT is entitled to do on the basis of the Regulation or the T&C and/or what is necessary to bring Client's positions into line with the Regulation.

## 8. **Control documents of C&S INVESTMENT**

- 8.1. If C&S INVESTMENT finds that it provided (periodic) reports that may have been incorrect or incomplete to Client, C&S INVESTMENT shall inform Client as soon as possible.
- 8.2. Client is obliged to immediately upon receipt check the (periodic) reports or other information provided to it by C&S INVESTMENT. Furthermore, Client must verify that Transactions by C&S INVESTMENT have been executed correctly and fully. If any inaccuracy or incompleteness is found, Client shall be obliged to notify C&S INVESTMENT as soon as possible.
- 8.3. In the cases referred to in this Article, C&S INVESTMENT shall be required to remedy its deficiencies, without prejudice to take measures to minimize damages. The Client is obliged to cooperate with C&S INVESTMENT reasonably to ensure risk and damage controls can be implemented as proposed by C&S INVESTMENT.

**9. Fees and charges**

- 9.1. C&S INVESTMENT is authorised to charge fees and charges to Client in respect of the Management.
- 9.2. If the level of fees and charges has not been agreed in advance between the Client and C&S INVESTMENT, C&S INVESTMENT shall submit to Client the details of the commonly applied fees and charges. And, if applicable, pass on the costs of third parties engaged, with a possible surcharge for time spent by C&S INVESTMENT.
- 9.3. All taxes, duties, levies and the like - under whatever name and by whomsoever levied - relating to the the relationship between Client and C&S INVESTMENT, such as VAT, shall be for Client's account; unless agreed otherwise in writing or in case a provision of mandatory (local) law prescribes otherwise.
- 9.4. C&S INVESTMENT is always irrevocably authorized, but not obliged, to pay its due fees and expenses; and, in general, is authorised to collect the amounts associated with Transactions and positions held for Client, by debiting the Account directly.
- 9.5. C&S INVESTMENT has the right to unilaterally modify the fees and costs, without prejudice to the Client's right to terminate the relationship within the terms of the contract. C&S INVESTMENT will announce such a change to Client. The amendment shall normally take effect immediately, unless C&S INVESTMENT specifies a different effective date. The amendment cannot take effect retroactively.
- 9.6. C&S INVESTMENT may always offset against what it may or may not claim from Client, whether or not due and payable or subject to Client's or counter-claims payable on account of Client. Regardless of the currency in which the claims and counterclaims are denominated. If C&S INVESTMENT's claim on Client or Client's counterclaim against C&S INVESTMENT is not yet due and payable, C&S INVESTMENT - assuming the claim of C&S INVESTMENT and Client's counterclaim are in the same currency - shall not exercise its right of off-set, unless the counterclaim is seized or the counterclaim is subject to a limited right, Client transfers its counterclaim under special title, Client is declared bankrupt or goes into bankruptcy protection suspension of payments, or any other insolvency regulation or other statutory debt rulings that apply to Client. Receivables in foreign currency are settled at the exchange rate on the day of settlement. Where possible, C&S INVESTMENT shall notify Client prior to settlement.

**10. Involvement of third parties**

- 10.1. C&S INVESTMENT is authorised to use the services of third parties in the management. C&S INVESTMENT will exercise due care when choosing third parties.
- 10.2. C&S INVESTMENT is authorised to carry out Transactions by third parties or with itself as counterparty.

**11. Processing of personal data**

- 11.1. Client agrees to include his personal data in the administration of C&S INVESTMENT. This personal data includes the name, address, place of residence, telephone number, e-mail and other contact or information provided with or in connection with the Agreement. The Personal Data Protection Act applies to the processing of Client's personal data.
- 11.2. All telephone calls are recorded and at least all recordings and e-mail communications between C&S INVESTMENT and Client that relate to a Transaction or the preceding phase are recorded on a (digital) data carrier and stored in accordance with the law for the duration of at least 5 years and can be retrieved by Client.
- 11.3. C&S INVESTMENT will treat and process the personal data carefully and store them in such a way that Client's privacy is as much protected and guaranteed as reasonable.

- 11.4. The processing of the personal data will take place in the context of an efficient and effective business operation. The following objectives will be taken into account:
- a. assessing and accepting (potential) clients, entering into and executing agreements with clients;
  - b. analyses for statistical and scientific purposes;
  - c. the performance of (directed) marketing activities to establish and/or maintain and/or extend a relationship, by C&S INVESTMENT, by group companies of C&S INVESTMENT or intermediaries engaged by the Customer or C&S INVESTMENT, for which personal data may also be transferred;
  - d. security and integrity of the financial sector, including the combating, prevention and detection of (attempts to) (criminal) conduct against the financial sector, C&S INVESTMENT and its group companies, Clients and employees, as well as the use of, and participation in warning systems;
  - e. to the extent necessary for the performance of Transactions under the Agreement; and
  - f. to the extent that data must be made available pursuant to a statutory provision or regulation.
- 11.5. If Client does not wish to be approached by C&S INVESTMENT group companies with information about products and services, then Customer may report this in writing to the C&S INVESTMENT compliance officer using [compliance@c-s-investment.li](mailto:compliance@c-s-investment.li).

## **12. Liability of C&S INVESTMENT**

- 12.1. To the extent that this is not already provided for by law or the Agreement, C&S INVESTMENT shall in any event not be liable for direct damage if a shortcoming of C&S INVESTMENT is due to (i) international conflicts; (ii) violent or armed actions; (iii) measures taken by any domestic, foreign or international government; (iv) measures taken by a regulatory body; (v) boycott actions; (vi) labour disturbances in third parties or among its own personnel; (vii) power supply, communications connections or hardware or software failures of C&S INVESTMENT or third parties; (viii) natural disasters; (ix) cyberattacks; or (x) delays in the processing and/or execution of Transactions in trading systems to which C&S INVESTMENT is connected or are used by the C&S INVESTMENT Depositories which could be stressed related to unusually large inflows of orders and/or unusual busy trading.
- 12.2. If a circumstance as referred to in the previous paragraph arises, C&S INVESTMENT shall - in order to limit adverse consequences for the Customer - take measures that can reasonably be expected of it.
- 12.3. C&S INVESTMENT shall also not be liable for: (i) direct damage resulting from failure to pass on and/or late processing and/or processing of the data. (ii) direct damage as a result of misuse or unauthorised or incorrect use of the Identification Codes, forms, information carriers and means of communication in the period up to the moment of first notification as referred to in Article 4.12.
- 12.4. C&S INVESTMENT is not liable for any indirect and/or consequential damages of any kind whatsoever.
- 12.5. C&S INVESTMENT shall not be liable for any shortcomings of the third parties engaged by it if (i) it demonstrates that, at the time of its selection, it selected the third party with due care or (ii) these third parties have been engaged at the request of Client. If the Customer has suffered damage as a result of the engagement of third parties, C&S INVESTMENT shall assist the Customer in remedying or minimizing this damage to great extent.
- 12.6. The Client's rights are related to and co-defined or influenced by Regulations. C&S INVESTMENT hereby warns the Client in advance that special circumstances may arise in the Markets and/or that decisions and measures that may be taken on the basis of the Regulation may affect Client's financial instruments and/or other securities positions. Among other things, trading may be suspended due special circumstances, in whole or in part. Exceptional circumstances include: unusually large inflows of orders on the Market, malfunctions or capacity failures in computer,

communications, or other systems, lines or equipment, and total or partial suspension or hindrance in trading in the market of the underlying securities. C&S INVESTMENT is not liable for the adverse consequences of the special circumstances referred to in this article.

- 12.7. The Customer acknowledges responsibility and accepts its obligation to limit financial damage where possible and shall do everything reasonable in its power to ensure that any damage minimized through communication with C&S Investment. In case a Client fails to limit his damage in time (including but not limited to the example that the client has 2 or more asset managers acting on his behalf with same or similar positions or use of leverage where inappropriate), then Client acknowledges and accepts that all damage from the moment that he could have mitigated his damage is for his own account and risk. C&S INVESTMENT shall not be obliged, at the time that Customer is to ensure to limit its damage, to remind Customer once again of its obligation to act and limit financial damage.

### **13. Death of Client**

- 13.1. C&S INVESTMENT must be notified in writing of the death of the Customer as soon as possible. As long as C&S INVESTMENT has not been notified of the death of the Client, it may (continue to) execute orders and Transactions given by or on behalf of the Client. C&S INVESTMENT may (continue to) carry out orders given to it before or shortly after C&S INVESTMENT has been notified of the death of the Customer if it cannot reasonably prevent such execution or if C&S INVESTMENT deems the execution of transaction appropriate.
- 13.2. After the death of the Client, the Custodian may require the person (s) who claim(s) to be authorised to take (legal) actions in relation to the Client's estate, to submit a certificate of succession to C&S INVESTMENT, issued by a notary and/or other documents authorising successoin deemed acceptable by C&S INVESTMENT.

### **14. Disputes between Client and C&S INVESTMENT**

- 14.1. The relationship between Client and C&S INVESTMENT shall be governed by Liechtenstein law.
- 14.2. Complaints about the management of C&S INVESTMENT must be made in writing, with the name, address and place of residence of the Customer and must be clearly stated in writing. A filing of a complaint, has to be submitted to C&S INVESTMENT for the attention of the compliance officer at [compliance@c-s-investment.li](mailto:compliance@c-s-investment.li).
- 14.3. If, in the opinion of the Customer, C&S INVESTMENT is not acting timely to the complaint or the resolution is not to the Customer's satisfaction, then the Client may submit a dispute to a mediator:

Liechtensteinische Schlichtungsstelle  
 Dr. Peter Wolff, Rechtsanwalt  
 Postfach 343  
 Mitteldorf 1  
 9490 Vaduz  
 Telefon +423 238 10 30  
 Fax +423 238 10 31  
[info@schlichtungsstelle.li](mailto:info@schlichtungsstelle.li)

The mediator is not a court but will encourage communication and will try to provide a recommendation to solve the dispute. This recommendation is not binding, so parties will have the option to decline the solution and proceed to further legal action.

### **15. Disputes between Client and a third party**

- 15.1. The costs incurred by C&S INVESTMENT in and out of court, if C&S INVESTMENT is involved in proceedings or disputes of a Client, shall be for Client's account.
- 15.2. Without prejudice to the provisions of the previous article, all costs incurred by C&S INVESTMENT as a result of the relationship with the Customer reasonably incurred by C&S Investment shall be for the Client's account.

## **16. Settlement and termination of the relationship**

- 16.1. If the relationship is terminated by the Customer, C&S INVESTMENT shall not be obliged to refund, in whole or in part, any of the fees and charges already paid to C&S INVESTMENT, further the Client remains due fees and charges payable applicable to the termination period.
- 16.2. Upon termination of the relationship, existing obligations between the Customer and C&S INVESTMENT shall be settled as soon as reasonably possible taking into account applicable deadlines and restrictions. The T&C remain in force during the settlement of the relationship until termination has been effected.

## **17. Contract or Company Acquisition**

- 17.1. As a result of the T&C, the Customer shall, in the event of a (partial) transfer or sale of the business from C&S INVESTMENT, agree and cooperate in advance that the legal relationship with C&S INVESTMENT in the context of that (partial) transfer may (partly) transfer to a third party and that such transaction can be effected without further permission request from the Customer. However in such a case of (partial) transfer or sale, C&S INVESTMENT shall inform the Client accordingly.

## **18. Changes**

- 18.1. C&S INVESTMENT is authorized at all times to modify or supplement the T&C and/or the Agreement in whole or in part. C&S INVESTMENT shall notify Client in writing of any changes or additions or publish (and possibly explain) them on the Website [www.c-s-investment.li](http://www.c-s-investment.li). Changes and additions to the T&C by C&S INVESTMENT shall be binding on both C&S INVESTMENT and the Customer, one month after C&S INVESTMENT has communicated the changes and additions to Clients known (communication) or (e-mail)address.
- 18.2. Amendments or additions may be made with immediate effect or by a specified date, which means that any amendments or additions to the detriment of the Customer shall not be effective against the Customer until one month after the Customer has been notified of such amendments or additions. In the event of such changes, they shall be deemed to have the Client's consent if the Client has not acted against such changes or additions within that month.
- 18.3. Insofar law imposes further requirements on the Agreement and/or the T&C, which require adjustment thereof, notwithstanding the provisions of Clause 18.2, these shall be deemed implemented with immediate effect and neither the Customer or C&S INVESTMENT shall need to provide consent.
- 18.4. If the relationship between the Customer and C&S INVESTMENT is terminated at a time prior to the date on which any additions are made to the T&C or agreement, the agreement and/or the T&C as applicable at the termination date remain in force during the settlement and closure of the relationship.
- 18.5. The current text of the T&C will be available on the Website.

General information on investment services

### **A. General**

General information on investment services

Below is a brief summary of relevant general information on the investment services provided by Cura & Senectus Investment ("C&S INVESTMENT"). More information on the following topics is available on the C&S INVESTMENT website: [www.c-s-investment.li](http://www.c-s-investment.li) . In addition, C&S INVESTMENT can be contacted for more information.

Changes to this general information on investment services are announced from time to time on the C&S INVESTMENT website. C&S INVESTMENT shall notify the Client of any material changes to this general investment services information. The most recent version of this general information on investment services and the C&S INVESTMENT General Terms and

Conditions ("T&C") are available on the C&S INVESTMENT website or can be obtained from C&S INVESTMENT.

#### Supervision

C&S INVESTMENT holds a licence under the Financial Supervision Act Liechtenstein to provide the investment services offered under C&S INVESTMENT Asset Management. C&S INVESTMENT is supervised by and is included in the registers of (Finanzmarktaufsicht) Financial Markets Authority  
FMA Finanzmarktaufsicht Liechtenstein  
Heiligkreuz 8  
Postfach 684  
LI-9490 Vaduz  
([www.fma-li.li](http://www.fma-li.li))

In principle, C&S INVESTMENT communicates with Clients in English, unless C&S INVESTMENT agrees to communicate in another language. Assignments, enquiries, questions or communications from the Customer to C&S INVESTMENT should be addressed to the address stated on the periodic reports or to the address indicated on the periodic reports:

Cura & Senectus Investment  
Hintergass 19  
FL 9490 Vaduz  
Liechtenstein  
Tel: +423 368 368 36 00  
[info@c-s-investment.li](mailto:info@c-s-investment.li)

Personal information relating to the management of C&S INVESTMENT, including periodic reports, shall in principle be provided by C&S INVESTMENT rather than on paper on another durable medium, e. g. by e-mail or the electronic environment provided to Clients. Non-personal information concerning the management of C&S INVESTMENT is provided by C&S INVESTMENT through its website. C&S INVESTMENT will ensure that the information on its website is up to date and accessible. All telephone calls are recorded and at least all recordings and e-mail communications between C&S INVESTMENT and the Client that relate to a transaction or the preceding phase are recorded on a (digital) data carrier and stored for a period of at least 5 years. These recordings and e-mail communications can be requested by the Client from C&S INVESTMENT.

The Customer has provided C&S INVESTMENT with information to help C&S INVESTMENT achieve a Client and Investment Profile, and has provided C&S INVESTMENT with additional information that may be relevant to services to be provided by C&S INVESTMENT, such as Customer's contact details. In this context, it is important that the Client ensures that these data are always up to date. The Customer must therefore immediately inform C&S INVESTMENT of any changes in this respect.

C&S INVESTMENT is available on all Liechtenstein banking days.

#### Reports

In accordance with the Wft, C&S INVESTMENT shall provide the Customer with a statement of its portfolio at its known address, in principle once a quarter. The report contains the following information:

- the composition according to financial instruments and/or other values, including their value calculated as much as possible according to the last known market value;
- the portfolio result for the current reporting year;
- a breakdown of all costs charged for the current year; and

An extensive overview of all changes in the reporting period.

The portfolio is valued at market value. The market value is determined on the basis of the last known (or made) valuation of a financial instrument or other value on a regulated market or any other place of execution. If no valuation is available, C&S INVESTMENT determines the market value. For more information, please contact C&S INVESTMENT.



In addition to quarterly reports from C&S INVESTMENT, the Client may receive ad hoc reports from C&S INVESTMENT or the Custodian.

#### **Client information and qualification**

At the start of the relationship, C&S INVESTMENT obtains information relevant to the execution of its services about the financial position of the Client, his knowledge and experience with investing in financial instruments, his investment objectives and risk appetite. It is the Customer's responsibility to provide C&S INVESTMENT in full and in sufficient detail with the information requested by C&S INVESTMENT and - unsolicited - with that information which is or may be relevant in the context of the services provided by C&S INVESTMENT. Insofar as changes occur in the tripartite relationship between the Customer, C&S INVESTMENT and the C&S INVESTMENT Depository Institution (Bank) where an Account may be held, which may be relevant to the services to be provided to the Customer, such as the advice to be provided or the individual asset management to be carried out, the Customer shall immediately inform C&S INVESTMENT thereof in writing. Such changes shall in any event include changes in any credit agreement concluded between the Client and the Custodian (partly) for the benefit of the investments, in particular for the purpose of providing any collateral for margin obligations and changes to applicable limits.

C&S INVESTMENT hereby warns the Customer in advance that incorrect and/or incomplete information may result in C&S INVESTMENT providing advice and/or managing that does not fit or even harm the Customer.

C&S INVESTMENT has a policy regarding the qualification of its Clients. C&S INVESTMENT confirms in the Agreement how each Client is qualified. This qualification is important for the level of protection and the provision of C&S INVESTMENT information to Clients. In this way, retail investors enjoy the highest level of protection. The account manager can be contacted to change the qualification. C&S INVESTMENT will warn the Customer in advance of the consequences of changing the qualification and the associated possibility of reduced protection and information provision.

#### **Prevention and management of conflicts of interest policies**

C&S INVESTMENT has drawn up a policy to prevent conflicts of interest and manage the associated risks in order to be able to best serve the interests of the Client. These include an internal code of conduct, a staff regulations (including rules for private investment transactions) and a policy document on preventing conflicts of interest. C&S INVESTMENT's policy extends to its directors, employees, any tied agents, persons directly or indirectly linked by control, C&S INVESTMENT's group companies and Clients. C&S INVESTMENT is part of a group. In addition, such persons as the indirect shareholders of C&S INVESTMENT may also be involved in other companies providing financial services and managing (alternative) investment vehicles. C&S INVESTMENT and/or the parties described above may themselves have investments and participations in financial instruments and/or securities in which (other) clients of C&S INVESTMENT also have a position and/or transactions. C&S INVESTMENT may also invest, in the context of individual asset management, in units of investment vehicles managed by a company affiliated to C&S INVESTMENT or one of the parties described above, if this is in accordance with the Client's Investment Profile. C&S INVESTMENT warns the Customer in advance of these possible conflicts of interest. Otherwise, to the best of C&S INVESTMENT's knowledge, there are no existing or potential conflicts of interest between C&S INVESTMENT and the Client and/or between C&S INVESTMENT's Clients, other than those described in the policy on preventing and dealing with conflicts of interest. If a conflict of interest proves to be inevitable, C&S INVESTMENT will inform the Customer about this. For more information, please contact the account manager.

#### **Order execution policy**

C&S INVESTMENT has an order execution policy. This policy provides that when executing an order, C&S INVESTMENT shall take all reasonable steps to obtain the best possible result for

the Customer. Client orders are processed as soon as possible in accordance with the execution policy. In some cases, orders are aggregated with orders from other Clients. The aggregation of orders is done according to a predetermined allocation policy. In case of partial execution of an aggregated order, allocation will be made in accordance with the allocation policy. C&S INVESTMENT shall pass on the orders it has received or is to issue on behalf of the Customer to the relevant Depository or broker. From the moment the order is passed on to that Depository or broker, the order execution policy of that Depository or broker shall apply. If C&S INVESTMENT substantially changes the execution policy, the Customer shall be notified accordingly.

#### **Outsourcing policy**

C&S INVESTMENT has formulated a policy on outsourcing. C&S INVESTMENT may use third parties to carry out various activities, such as carrying out transactions. Third parties engaged by C&S INVESTMENT in this way are carefully selected on the basis of criteria relating to the specific outsourced work. Periodically, C&S INVESTMENT assesses whether the services provided by third parties meet C&S INVESTMENT's agreements and expectations.

#### **Custody of financial instruments and funds**

C&S INVESTMENT does not itself hold any cash accounts and/or investment accounts for Clients. These accounts are held with one of the cooperating Custodians and are in the name of the Client. This has resulted in a strict separation between the provision of investment services and the safekeeping of funds, financial instruments and/or other securities.

C&S INVESTMENT Customer refers to the tripartite agreement and/or the applicable conditions and information of the Custodian Depositories for the manner in which these Custodian Depositories interpret and protect the way in which funds, financial instruments and/or other values are stored and protected. Foreign law may apply to funds, financial instruments or other securities held abroad, which may affect the manner in which the rights attached to them may be exercised.

#### **General preventive measures**

C&S INVESTMENT has taken the necessary measures to prevent fraud, insider trading and emergency management. Awareness of, among other things, directors and employees regarding controls and compliance within C&S INVESTMENT is high and requires the highest degree of integrity. Procedures, including those used when hiring personnel, are designed to ensure this highest level of integrity.

C&S INVESTMENT has set up its administrative organisation and internal control procedures by means of segregation of duties in such a way that fraud can be prevented as much as possible. In addition, C&S INVESTMENT compliance procedures and rules of conduct apply within C&S INVESTMENT to prevent the use of insider information within C&S INVESTMENT. In the context of emergency management, C&S INVESTMENT has a Business Continuity Plan. As a result, C&S INVESTMENT is able to continue its activities and Client Management as quickly and as effectively as possible at the time of a disaster.

#### **Condition overview**

The Agreement contains an overview of the fees and costs that C&S INVESTMENT uses for its management. In consultation with C&S INVESTMENT, it is possible to make different arrangements with C&S INVESTMENT regarding the fees and costs of the Management.

#### **Questions and complaints**

For questions or complaints about C&S INVESTMENT's management, please contact the account manager. If the account manager has not dealt with the question or complaint satisfactorily or on time, you are requested to report your dissatisfaction to this account manager as soon as possible. The account manager will then take the necessary action to reach a satisfactory solution in consultation with you. In the unlikely event that this should fail, a complaint can be submitted to C&S INVESTMENT in writing by letter or e-mail (compliance@c-s-investment.li) with the name, address and residence of the Customer and a clear description

of the complaint for the attention of the compliance officer. If, in the opinion of the Customer, C&S INVESTMENT has not dealt with a complaint submitted to the compliance officer satisfactorily or on time, the Customer may bring a dispute before the

**Liechtensteinische Schlichtungsstelle**

Dr. Peter Wolff, Rechtsanwalt

Postfach 343

Mitteldorf 1

9490 Vaduz

Telefon +423 238 10 30

Fax +423 238 10 31

[info@schlichtungsstelle.li](mailto:info@schlichtungsstelle.li)

**B. Individual asset management**

Individual asset management gives the Client access to C&S INVESTMENT's expertise. A team of experts in the field of investing particularly in equities, fixed-income securities, commodities, real estate and alternative investments is ready to manage the Assets for the Client. These financial instruments generally involve a higher risk than other investment opportunities. That is why it is wise to use professional assistance.

C&S INVESTMENT cannot guarantee that each asset manager has and transfers the same vision of the financial markets in general and/or of individual financial instruments.

Furthermore, an individual advice to the Client does not have to correspond with advice or opinions of other institutions. An advice does not imply any warranty or promise of price increase or decrease, nor any other warranty or promise, except that C&S INVESTMENT believes in the advice in good faith.

However, investing in any form whatsoever entails risks. The level of risk is partly determined by the investment profile agreed between the Client and C&S INVESTMENT. The higher the expected return, the higher the risk. In addition, past performance does not guarantee the future and the possibility of full loss of your invested capital is always present.

C&S INVESTMENT will carry out individual asset management in good faith and to the best of its ability in accordance with the mandate. C&S INVESTMENT's individual asset management comprises all management and decision making actions relating to the portfolio, taking the utmost account of the Client's and C&S INVESTMENT's agreed client and investment profile. Please note that C&S INVESTMENT may, if necessary, in deviation from the Investment Profile and the associated or associated investment restrictions and investment restrictions below, if C&S INVESTMENT deems this appropriate in the interest of the Client. These management and disposal acts also include disposition, purchase, purchase, encumbrance, investment and reinvestment, storage and all that C&S INVESTMENT may deem useful or necessary in connection therewith; writing of options and other transactions giving rise to or likely to give rise to obligations on behalf of the Customer, exercising option contracts, collecting coupons, dividends and bonds redeemable, as well as all other actions resulting therefrom. In principle, there are no restrictions on the management of financial instruments or categories of financial instruments, other values and/or markets. Also, C&S INVESTMENT will not, in principle, invest with borrowed money unless provided for in the Agreement. The Custodian where the account is held may, however, grant credit on the Client's portfolio. C&S INVESTMENT warns the Customer against investing with borrowed money.

C&S INVESTMENT will provide a benchmark for periodic reporting in the context of individual asset management. The return achieved is shown in the current reporting year of the mentioned measure of comparison and should be interpreted in combination with the Investment Profile. The Client must take into account that the comparison measure used is based on gross profit excluding any taxes and costs. C&S INVESTMENT is in no way obliged to strive for the same or a better result than the comparison price, unless this has been explicitly agreed with the Client as an investment objective.

If and in so far as C&S INVESTMENT carries out individual asset management in which there may be an uncovered open position, C&S INVESTMENT will in principle apply a loss threshold equal to the maximum credit facility applicable to the Client's account. C&S INVESTMENT has

set up its procedures in such a way that the Customer will be informed immediately if this loss threshold is exceeded.

### **C. Characteristics of financial instruments and risks**

#### **General risks of investing**

There are risks associated with all forms of investment. These risks depend on the type of investment. An investment may be speculative to a greater or lesser extent. Therefore, the value of investments may fluctuate and past performance may not be a guarantee for the future. The possibility of full loss of the invested capital is always present. Every financial instrument has to a greater or lesser extent to do with risks. The following general risks can be distinguished:

- market risk is linked to the general economic situation. It is a risk to which all investments are subject. The fluctuations in the markets are also generally attributed here (change rate volatility);
- Price risk is specific to a particular company, authority or Issuing Institution. Examples include a new competitor making the same product, a strike or a technological innovation that renders an existing product worthless. This risk can be limited by spreading the investments;
- currency risk arises if invested in a currency other than euro. There is a good chance that the exchange rate of that currency on the euro. at the time of purchase and sale or redemption of the investment is not the same. This impact can be both negative and positive. The currency risk can be fully or partially hedged; .
- when investing in foreign financial instruments or securities, the government policy in the country concerned and the government authorities may applicability of foreign law affect the value of the investment;
- reinvestment risk arises during the period in which an investment is held, and is shown to exist when the investment is not sold at a sale price. The same conditions can be reinvested;
- Interest rate risk is the result of movements in interest rates. The value of certain investments, e. g. bonds, depends on interest. If market interest rates rise, the value of such an investment will generally fall to a level at which the return will equal the return on a new investment issued on the primary market;
- liquidity risk is linked to the marketability of investments due to circumstances, it may happen that the liquidity risk associated with marketability of investments may arise. investments cannot or can hardly be traded. This is possible, for example, because things are going so badly with a company, authority or Issuing Institution that nobody wants to buy the shares or bonds of them, so that the investments cannot be sold. The lack of market maintenance is also included;
- default risk is linked to the risk of a company or Issuing Institutions failing to meet their obligations. Usually this is due to a poor financial situation or bankruptcy of the debtor in question;
- tax risk is the risk that the tax treatment of investments changes as a result of changes in the applicable tax legislation, or their interpretation.

The characteristics of the most common financial instruments in which clients can trade and the specific investment risks associated with them are briefly discussed.

#### **Shares**

Shares are holdings in the share capital of a company. From an economic point of view, the shareholder may consider himself to be the owner of part of a company's assets. Shares may be registered or bearer shares. Equities are risk capital. In the event of bankruptcy, the value may fall to zero. The development of value depends mainly on the realised and expected operating results and the dividend policy of the company concerned. Shareholders will only be eligible for dividend once all other providers of capital have received the return to which they

are entitled. The risks of investing in equities can therefore be very different, depending on developments at the company and the quality of the management.

### **Certificates of shares**

Depository receipts for shares are financial instruments representing shares. The shares themselves are usually managed by an administrative office. Holders of depository receipts are economically entitled to the underlying shares. Not all rights attached to shares also apply to depository receipts for shares (often, for example, voting rights attached to shares are limited). The risks are in principle the same as those of ordinary shares.

### **Bonds**

Bonds are debt securities of a loan issued by a (government) institution. The debt is generally remunerated by the bond issuing institution at a pre-agreed interest rate. Virtually all bonds are redeemable. Bonds belong to the so-called loan capital (loan money) of a company, authority or Issuing Institution. There are special forms of bonds. These special forms may relate to the manner in which interest is paid, the manner of repayment, the manner in which it is issued and special loan terms and conditions. The return on the bond may, for example, be (partly) dependent on the prevailing interest rates (e. g. surplus bonds and interest rate index-linked bonds) or on the profit of the institution that issued the bond (e. g. profit-sharing bonds and income bonds). There are also bonds on which no interest is paid (zerobonds). The yield on these bonds is obtained from the difference between the issue price and the subsequent redemption price. An investment in bonds also involves risks. The price of a bond is generally primarily dependent on interest rates, so that price fluctuations can occur. The prosperity of the Issuing Institution is also important. In the event of bankruptcy of the Issuing Institution, the bondholders shall be considered uninsured uninsured uninsured creditors of the Issuing Institution, unless a special security has been agreed on behalf of the bondholder.

### **Convertible bonds**

The convertible bond (also referred to as convertible) is a bond that can be exchanged at the conversion price during the so-called conversion period under certain conditions (usually at the investor's request). can be exchanged for shares. A convertible bond has characteristics of both a bond and a share. For the characteristics and risks, therefore, reference is made to the risks and characteristics associated with these financial instruments.

### **Reverse convertible**

A reverse convertible is a bond that can be redeemed, at the debtor/issuing Institution's discretion, against the principal or a number of shares specified in the terms of the loan. This is the reverse of an ordinary convertible where the choice lies with the investor.

A reverse convertible is a high-risk investment because the investor has in fact written a put option. He bears the downside risk of the share, without taking advantage of an increase in the share price. On the other hand, there is often a relatively high interest rate. For the other characteristics and risks, reference is therefore made to the risks and characteristics of the convertible bond.

### **Options**

An option is a contract under which the party providing the option (the "writer") grants his other party the right to buy or sell an underlying asset, for example a package of shares or a fixed quantity of gold, during or at the end of an agreed period (a "call option") or a "put option", at a price determined in advance or agreed upon in what manner it will be determined. The other party usually pays a premium for this right to the writer. The premium is only a fraction of the underlying asset. As a result, a fluctuation in the price of the underlying asset leads to greater gains or losses for the holder of an option (so-called leverage effect). The price fluctuation depends mainly on the value development of the underlying asset (the "price") of the option. Usually the option is tradable in the interim: both call options and put options can be bought and sold. A buyer's counterparty for a call option is the writer of the call option and a buyer's counterparty for a put option is the writer of the put option. The premium to be paid depends, among other things, on the price of the underlying asset.

### **Buying options**

An option (contract) gives the buyer the right (not the obligation) during or at the end of a certain period of time to buy or sell a certain quantity of an underlying (e. g. bonds or a fixed quantity of dollars) at a pre-agreed price (a 'call option'). The buyer therefore does not have to make use of the option. The purchaser pays a premium for the right acquired by the purchaser of an option.

The buyer of an option runs the risk that the premium paid will be lost (the loss is limited to the premium and cannot be higher).

### **Writing (selling) options**

A writer of an option assumes the obligation (no right) to deliver the underlying asset (writer of the call option) or to purchase (writer of the put option) at the agreed price. He therefore has an obligation to deliver or receive, for which the writer receives a premium.

When writing options, a distinction is made between covered and uncovered option writing.

Covered writing is understood to mean writing a call option on the underlying asset that the writer possesses and can therefore deliver. In the case of uncovered writing, these documents are not in possession and will still have to be bought and delivered at the then prevailing price. Writing put options is always considered as unsecured (i. e. it is mandatory to buy the underlying asset if the buyer wishes to exercise the option). In order to ensure that a writer can fulfil his obligations, the writer must satisfy a security (the "margin").

The writer of an option may face (unlimited) losses, which can be many times greater than the premium received. A distinction must be made between covered and uncovered options.

Covered writing of a call option, for example, can protect a portfolio against depreciation of the portfolio. In case of uncovered options writing, losses may, in principle, be unlimited. The Customer must carefully consider whether such transactions are suitable for it, also in view of the Customer's financial position and the purpose of its investment.

### **Warrant**

A warrant represents the right to purchase a certain number of (depository receipts for) shares or bonds (or in some cases a certain quantity of foreign currency) during a specified period of time at a predetermined price of the company that made it available. A warrant resembles an option with the proviso that a warrant represents a right. The risks associated with warrants are similar to those associated with the purchase of call options.

### **Forward or futures contracts**

A forward contract is the obligation (no right) to buy or sell a certain quantity of a particular underlying asset, such as currency, goods or commodities, at a fixed price with forward delivery. Therefore, there is in fact an investment in the value change of a product. A forward contract can be bought or sold. The buyer of a forward contract (also referred to as the holder of a long position) assumes the obligation to accept and pay the agreed quantity.

The seller (holder of a "short" position) has an obligation to deliver. It is generally not the intention to actually receive or deliver the lot of goods or financial assets. Depending on the type of futures contract, the price difference will be settled on the expiry date or the actual delivery will take place. Forward contracts are traded as a margin product, which means that use is made of a leverage by borrowing money from, for example, the Depository where the Account is held. However, only a small part of the actual value is required to be paid when concluding a forward contract. A limited price fluctuation in the underlying can therefore lead to large losses (or profits). The risks associated with forward contracts are similar to the risks associated with the underlying assets, except that forward contracts involve margin trading using leverage. As a result, relatively small negative or positive market movements in the underlying asset can have a significant impact on your investment. Investing in forward contracts therefore entails a relatively high risk. As a result, both the profit and the loss potential are quite large, even with a relatively small deposit amount. If your total margin trading exposure exceeds your deposit amount, you risk losing one or more than your deposit amount. Therefore, investing in forward contracts may result in a debt to the Depository where

the Account is held. The Client must carefully consider whether such transactions are suitable for him, also in view of the Client's financial position and investment objective.

**Foreign exchange trading or foreign exchange trading (FOREX)**

In the case of currency trading, a contract speculates on the evolution of the exchange rate between currencies, where one currency is sold from one currency and the other is bought. Currencies are traded as a margin product, which means that leverage is used by borrowing money from the Depository where the Account is held. Currency trading can take place via FX Spot, FX Forward or FX Options. With FX Spot, one currency is bought and the other is sold, with direct delivery. Transactions in the form of FX Forward and FX Options are settled on an agreed date in the future (counter payment date) at rates agreed on the trade date. FX Forward trading involves an obligation to execute the transaction at the agreed price on the settlement date. The buyer of FX Options has the right to make a transaction in the underlying FX Spot currency pair on the maturity date if the price is more favourable than the market price at that time. On the other hand, the seller of options is obliged to enter into a transaction with the buyer on the settlement date if the buyer so wishes. Purchased options therefore involve a limited risk in the form of a premium paid when the contract is entered into, while options sold involve unlimited risk in the form of changes in the price of the underlying FX Spot currency pair.

Currency trading involves margin trading using a lever. As a result, relatively small negative or positive market movements in the underlying currencies can have a significant impact on your investment. Currency trading therefore involves a high risk. As a result, both the profit and the loss potential are quite large, even with a relatively small deposit amount. If your total margin trading exposure exceeds your deposit amount, you risk losing one or more than your deposit amount. Currency trading can therefore result in a debt to the Depository where the Account is held. The Client must carefully consider whether such transactions are suitable for him, also in view of the Client's financial position and investment objective.

### **Contract for Difference (CFD)**

A Contract for Difference (CFD) is speculated on future gains in value through a contract. If speculation works out well, the difference in value minus costs is the difference in value, but if speculation turns out wrong, the difference in value plus costs must be paid. Since a CFD is linked to an underlying asset, the value of a CFD depends on that underlying asset.

The risks associated with CFDs are similar to the risks associated with the underlying assets, except that CFDs are margin trading based on leverage. As a result, relatively small negative or positive market movements in the underlying asset can have a significant impact on your investment. Investing in CFDs therefore entails a very high risk. As a result, both the profit and the loss potential are quite large, even with a relatively small deposit amount. If your total margin trading exposure exceeds your deposit amount, you run the risk of losing more than your deposit amount. Therefore, investing in CFDs can result in a debt to the Depository where the Account is held. Specific risks when investing in CFDs are leverage risk, counterparty risk and execution risk. The Client must carefully consider whether such transactions are suitable for him, also in view of the financial position of the Client and the Client's investment objective.

### **EFTs or trackers**

EFT's or trackers are investment products that follow the price movements of a certain underlying asset almost one on one after deduction of management expenses. The advantage is that with one transaction you are invested in, for example, the equities included in an index, or that you are simply invested in securities that are difficult to access. There is no active management. An investment in trackers carries risks equivalent to those of the underlying asset. For example, a tracker on an equity index has the same risks as investing in equities. In addition, the risk of an underperformance of the underlying asset (tracking error risk) is particularly important for a tracker.

### **Investment institutions**

Investment institutions, also known as investment funds, are a form of professionally collectively managed assets. This collective capital is combined by a large number of investors to invest in financial instruments such as equities, bonds, alternative investments and money

market instruments. Collective investment makes it easier to spread investments and risks, which would otherwise require a considerably larger capital. It can also be used to invest in financial instruments that are generally not available to private investors. Investment institutions can also apply leverage by (incidentally) borrowing a limited portion of the fund's assets. The manager of an investment institution invests on behalf of the investment institution in order to realise profits. The investment income, such as silvered price gains, unrealised returns, dividends and interest, benefit the price of the investment institution and thus the participants in the investment institution. Losses and costs, such as exchange rate losses and administrative expenses, are charged to the price of the investment institution and therefore to the participants in the investment institution. The value of units in an investment institution, also referred to as net asset value, is determined periodically on the basis of, among other things, the total value of the financial instruments and funds held by the investment institution and the total of the outstanding units. The risk of an investment institution is highly dependent on its objective. The way in which a manager of an investment institution compiles the investment portfolio is described in detail in the relevant prospectus.

Open-end and closed-end investment funds can be distinguished. In principle, an open-end investment institution has the possibility to buy and issue rights of participation and in principle are traded at and around the net asset value. In principle, a closed-end investment institution does not have the possibility to buy or issue units and is in principle traded at a price based on supply and demand. An investment in investment vehicles carries risks similar to those of the underlying assets. For example, an investment institution that invests exclusively in equities has the same risks that apply to investment in equities. However, on the understanding that an investment institution can make use of a leverage by, for example, investing with borrowed money or by investing via margin trading. As a result, relatively small negative or positive market movements can occur at the lower end of the market. As a result, relatively small negative or positive market movements in the underlying asset can have significant consequences for your investment in an investment institution. Investing in such investment institutions therefore entails a relatively high risk. As a result, both the profit and the loss potential are quite large, even with a relatively small deposit amount. Depending on the conditions of the investment institution, the losses may be greater than the deposit. Specific risks are described in the prospectus of the relevant investment institution.

### **Alternative investment funds**

Alternative investment vehicles, also called hedge funds, are a collective term for a certain type of investment vehicles. Alternative investment institutions generally invest in equities, bonds, currencies and various derivative financial products such as options and futures, as do asset managers. However, they do so without or with fewer restrictions than traditional asset managers. Alternative investment vehicles use a variety of trading strategies such as short selling of shares. By hedging, financial experts often mean hedging a price or price risk of a particular investment position. Hedge techniques are available for each type of risk. There are therefore many different types of hedge funds. Nevertheless, this group shares a number of common characteristics. The starting point of hedge funds, for example, is to achieve positive returns in both ascending and descending markets. Furthermore, many hedge funds have a tight buying and selling discipline. Hedge funds can make use of leverage as an investment institution, for example by investing with borrowed money or by investing via margin trading. Contrary to what the name 'hedge fund' suggests, such funds may be exposed to market risk. As mentioned above, hedge funds can invest with borrowed money or use options or other derivatives, which can cause large fluctuations in value. Investments in a hedge fund are also often less liquid. In addition, some hedge funds cannot be kept with or transferred to another financial institution. Apart from the specific risks associated with the structure of an alternative investment institution, the Client should be aware that any alternative investment fund, like equities, may be subject to changes in value as a result of, among other things, changes in interest rates, exchange rates, economic changes, political and business (bankruptcy and other debtor risks), changes in interest rates, exchange rates, economic changes, political and business developments (bankruptcies and other debtor risks), time lag and sudden large differences in supply and demand on the financial markets. Specific risks are described in the prospectus of the relevant alternative investment fund.



**Investing with borrowed money**

If the Client (partly) invests with borrowed money, this creates extra risks. Among other things, the risk that if the collateral value of his securities becomes insufficient due to a fall in prices, the Client may be forced to provide additional securities, cash and/or repayment of the credit. If such redemption takes place from the proceeds of the sale of securities, there is a risk that a debt will remain after liquidation of its securities.

**Other**

This Annex cannot describe all the characteristics of all financial instruments and the associated risks. In addition to this appendix, C&S INVESTMENT refers to the information that the depository has also made available to the Customer. In the event that the characteristics of the financial instruments described above (and in which investments are made) differ, the Client may be informed in writing of these different characteristics and specific investment risks on request. In the event that the Client is trading in financial instruments not described above, the Client may also, upon request, be informed in writing of the characteristics of these financial instruments and the specific risks associated with them. C&S INVESTMENT also refers to the key investor information and/or the (short) prospectus available for many financial instruments. For questions, please contact C&S INVESTMENT.

When selecting investments, a proper consideration must be given to which financial instruments fall within the investment objective and/or risk profile. All forms of investment involve risks to a greater or lesser extent. In particular, the writing of unsecured options, forward contracts (and forward options) can be highly risky. Risky investments should only be made if the loss (if any) can be sustained and it is a conscious choice to take and bear the risks.