

# OBAM / Prospectus

1 July 2020



# Addendum

This document is an addendum to the Prospectus of OBAM N.V. from 1 July 2020 and is an integral part of the Prospectus with effect from 10 March 2021. Where the text of the Prospectus conflicts with the text of this addendum, the text of this addendum prevails.

**Concerning:**

I.	Amendment to chapter: “Investment objective and investment policy” .....	3
II.	Addition new Annex D: “Sustainable investment policy” .....	4

The Management Company (OBAM Investment Management B.V.) declares that OBAM N.V. and the Prospectus, including this addendum, comply with applicable laws and regulations.

Schiphol, 10 March 2021

OBAM Investment Management B.V.

## I. Amendment to chapter: “Investment objective and investment policy”

After the section: “Investment restrictions”, a new section: “Sustainability policy” will be added to the chapter: “Investment objective and investment policy. The new section: “Sustainability policy” reads as follows:

Sustainability is an integrated part of OBAM’s investment process. OBAM established a sustainable investment strategy not only from a social conviction but also from a strategic perspective. OBAM is of the opinion that sustainability issues impact the value and reputation of entities in which OBAM invests.

OBAM promotes environmental and social characteristics, considering good governance practices, but does not have sustainable investment as its main objective.

The environmental and social characteristics that are promoted by OBAM are integrated in the sustainable investment strategy. The sustainable investment strategy consists of three pillars:

1. Companies in which OBAM invests should comply with OBAM’s sustainable investment principles;
2. OBAM is of the opinion that sustainability risks could negatively impact the value of a company; and
3. OBAM endorses the importance of all 17 SDGs. OBAM has selected 4 SDGs to which OBAM proactively wants to make a positive contribution: quality of work (SDG 4), decent work and economic growth (SDG 8), responsible consumption and production (SDG 9) and climate action (SDG 13).

Further reference is made to Annex D of this Prospectus that outlines the sustainable investment strategy in more detail.

## II. Addition new Annex D: “Sustainable investment policy”

A new annex D: “Sustainable investment policy” will be added to the Prospectus which reads as follows:

OBAM promotes environmental and social characteristics provided that the companies in which the investment are made follow good governance practices. OBAM does not have sustainable investment as its main objective. OBAM has not designated a reference benchmark for the purpose of the attainment of the environmental and social characteristics promoted by OBAM.

The environmental and social characteristics that are promoted by OBAM are integrated in the sustainable investment strategy. This Annex outlines the sustainable investment strategy. Further reference is made to the Sustainable Investment Policy that describes the sustainable investment strategy in more detail. The Sustainable Investment Policy is published on the website of the Management Company and will also be made available free of charge by the Management Company upon request.

### What environmental and/or social characteristics are promoted by OBAM?

The sustainable investment strategy consists of three pillars:

#### 1. *Companies in which OBAM invests should comply with OBAM’s sustainable investment principles*

The sustainable investment principles form the foundational layer of OBAM’s sustainable investment strategy. Non-compliance with the sustainable investment principles provides reputational and therefore financial risk to (potential) portfolio companies. Companies that do not comply with these principles and that are unable or unwilling to improve their behavior are excluded from OBAM’s portfolio.

The sustainable investment principles are based on the UN Global Compact Principles. The UN Global Compact is a global sustainability initiative that call on companies to adhere 10 principles in the areas of human rights, labor, environment, and anti-corruption.

OBAM assesses whether (potential) portfolio companies comply with the sustainable investment principles based on the compliance status. The compliance status reflects whether a (potential) portfolio company is violating, or is at risk of violating, one or more sustainable investment principles. OBAM distinguishes three type of compliance stages: Non-Compliant, Watchlist and Compliant. The compliance status will be assessed considering a set of issue indicators. An overview of the indicators is included in the Sustainable Investment Policy as published on the Management Company’s website.

#### 2. *OBAM is of the opinion that sustainability risks could negatively impact the value of a company*

OBAM identifies, assesses, and monitors the sustainability risk of (potential) portfolio companies. When the sustainability risk of a (potential) portfolio company exceeds the risk appetite of OBAM, additional control measures will be considered. As an ultimate measure, OBAM could consider excluding a company from the portfolio.

The sustainability risks will be assessed using an ESG-risk score. The ESG-risk scores are a measure of unmanaged risk, which is defined as material ESG risk that has not been managed by a (potential) portfolio company. A higher ESG-risk score could mean that OBAM requires a higher potential return from a (potential) portfolio company.

The ESG-risk score is composed of three building blocks:

- **corporate governance:** reflects OBAM’s conviction that poor corporate governance poses material risks for (potential) portfolio companies. The corporate governance score as a weighted average of six pillars: (i) management quality and integrity, (ii) board structure, (iii) ownership and shareholder rights, (iv) remuneration,

(v) financial reporting and (vi) stakeholder governance.

- **material ESG issues:** material ESG issues have the potential to have a significant impact on the financial value of a (potential) portfolio company and, hence, the financial risk and return profile of an investment in the (potential) portfolio company. The materiality and weighting of a material ESG issues depend on the subindustry in which the (potential) portfolio company is active. Further reference is made to the Sustainable Investment Policy, as published on the website of the Management Company, that outlines an overview of the material ESG issues that OBAM considers during the sustainability risk assessment.
- **idiosyncratic ESG issues** are ESG issues are unpredictable or unexpected in the sense that they are unrelated to the specific subindustry. It could happen at any company across all sectors.

### 3. OBAM endorses the importance of all 17 SDGs.

OBAM endorses the importance of all 17 SDGs. During the investment selection and monitoring process, OBAM identifies whether (potential) portfolio companies violate one or more SDGs. By assessing the compliance of a (potential) portfolio company with the sustainable investment principles, OBAM indirectly assesses the compliance of a (potential) portfolio company with the SDGs. When a (potential) portfolio company complies with the sustainable investment principles no SDGs are violated. OBAM excludes companies that violate one or more SDGs and that are unable or unwilling to improve their behavior from the portfolio.

OBAM has selected 4 SDGs to which OBAM proactively wants to make a positive contribution: quality of work (SDG 4), decent work and economic growth (SDG 8), responsible consumption and production (SDG 9) and climate action (SDG 13). These SDGs are OBAM's focus SDGs. OBAM strives to select portfolio companies who will provide a positive contribution to one of these SDGs. OBAM also intends to encourage portfolio companies to improve their contribution to these SDGs according to the Voting and Engagement Policy.

OBAM assesses the contribution of a (potential) portfolio company to the focus SDGs based on the contribution status. OBAM distinguishes three stages:

- **positive contribution:** (potential) portfolio companies who report about their contribution to the focus SDGs and are transparent about the metrics used to measure the contribution;
- **non contribution:** (potential) portfolio companies who do not report about their contribution to the focus SDGs and/or are not transparent about the metrics used to measure a reported contribution; and
- **negative contribution:** (potential) portfolio companies who are violating one or more sustainable investment principles that are related to the focus SDGs.

### What investment strategy does OBAM follow?

OBAM has integrated the sustainable investment strategy within the investment process by a mix of instruments. The instruments can be divided into three categories according to the objective of the instruments:

- **Screening and exclusion:** selection refers to the choice to include or exclude (potential) portfolio companies from the investment universe. OBAM distinguishes the following sustainability inclusion and exclusion approach:
  - *exclusion of jurisdictions:* OBAM will not invest in (potential) portfolio companies who are domiciliated and/or have their primary business activities within a jurisdiction for which sanctions has been ordained by the Netherlands, the European Union, the United Nations or the United States of America;
  - *exclusion of industries:* OBAM will not invest in controversial industries. Within this context, OBAM will not invest in the following (sub)industries: (i) conventional weapons, (ii) palm-oil (non-RSPO certified), (iii) tobacco, (iv)

nuclear energy, (v) tar sand, coal, fossil energy and (vi) adult entertainment. The extent to which (potential) portfolio companies in these industries are excluded from the investment universe depends on the exclusion levels set by OBAM.

- *exclusion of individual (potential) portfolio companies*: OBAM excludes (potential) portfolio companies that do not comply with the sustainable investment principles and that are unable or unwilling to improve their behavior; and
  - *positive selection*: OBAM proactively select (potential) portfolio companies who contribute to the four focus SDGs. OBAM would only select such (potential) portfolio companies in case the (potential) portfolio companies will not violate one of our sustainable investment principles and the sustainability risk of these (potential) portfolio companies is in line with OBAM's risk appetite.
- **Sustainability risk assessment**: OBAM assesses the sustainability risks of a (potential) portfolio company. The sustainability risk assessment is part of:
    - *the overall risk assessment that will be performed before executing a potential investment*: the overall risk assessment is part of the investment case that will be created by the Portfolio Management team of the Management Company as part of the selection process. During the selection process the outcome of the overall risk assessment will be weighed against the potential investment return.
    - *the ongoing first line risk monitoring activities*: the first line risk monitoring activities will be performed by the Portfolio Management team of the Management Company. Within this context the Portfolio Management team of the Management Company monitors also the ESG-risk score of the portfolio companies. When the ESG-risk score increases the Portfolio Management team considers, in cooperation with the CFRO of the Management Company, whether additional mitigation measures should be implemented.
  - **Active ownership**: voting and engagement are two instruments that allow OBAM to promote good entrepreneurship. This commitment is an integral part of our investment process. This section high-level describes OBAM's voting and engagement policy. Further reference is made to the Voting and Engagement Policy as published on the website of the Management Company.

As a shareholder of a portfolio company, OBAM has the right to vote at Annual General Meetings or Extraordinary General Meetings. OBAM established voting guidelines that forms the basis for voting decisions, considering sustainability, internationally recognized best practice guidelines and material themes for investments. OBAM will normally vote in favor of proposals aimed at improving the portfolio company's governance and encouraging the portfolio company to implement policies and measures that may prevent a violation of our sustainable investment principles and/or reduce the portfolio company's sustainability risk.

Via engagements, OBAM intends to enhance the long-term value of our shareholdings and to foster corporate governance best practices, social responsibility, and environmental stewardship. OBAM conducts two different forms of engagement:

- *responsive engagements*: responsive engagements are a direct response to the action or omissions of a portfolio company making the portfolio company: (i) violates one of the focus SDGs and/or violates the sustainable investment principles. The aim of the engagement is not only to resolve the incident, but also to improve the portfolio company's future sustainability performance and risk management to ensure incidents don't occur again; and
- *proactive engagements*: proactive engagements focus on the opportunities to improve the corporate governance of the portfolio companies. For example, when the portfolio company's compliance status, contribution status or ESG-risk score negatively changed.

The annual and semi-annual reports outline an overview of the voting and engagement behavior in the relevant reporting period. Every quarter, a more detailed report is published on the website of the Management Company.

**What is the asset allocation planned?**

OBAM strives to invest as much as possible in accordance with the sustainable investment strategy, with which OBAM invests in principle in line with the ecological and social characteristics that OBAM promotes. OBAM reserves the right to deviate from the sustainable investment strategy in special circumstances, at the discretion of the Management Company. In the event of a deviation from the sustainable investment strategy, the Management Company ensures that investments do not conflict with OBAM's exclusion policy.

Part of the sustainable investment strategy is a positive selection of potential portfolio companies that can make a positive contribution to achieving one of the four focus SDGs. OBAM only selects such companies if these companies do not violate any of the sustainability principles and / or other SDGs and the sustainability risk of these companies is in line with OBAM's risk appetite.

**Does OBAM take into account principal adverse impacts on sustainability factors?**

OBAM takes into account the principal adverse impacts of its investment decisions on sustainability factors.

**Can I find more product specific information online?**

More information regarding the sustainable investment strategy can be found on the website of the Management Company ([www.obam.nl](http://www.obam.nl)). All the policies as referred to in this Annex are also published on the website of the Management Company.

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# Definitions

*In this Prospectus, the terms and abbreviations written with capital letters have the meanings as given below. Where a term is written in the singular, it may also be read as a plural, and vice versa.*

**Administrator:** BNP Paribas Securities Services S.C.A. acting through its branch in Amsterdam (BNP Paribas Securities Services Amsterdam) appointed as Administrator charged among other things with calculating the net asset value, conducting the financial administration and preparing the interim and annual accounts of the Company

**Affiliated Party:** a party affiliated to the Management Company and the Depositary as set out in Article 1 BGfo

**AFM (Stichting Autoriteit Financiële Markten):** the Netherlands Authority for the Financial Markets

**Articles of Association:** the Articles of Association of the Company

**Auditor:** an auditor as set out in Section 393, subsection 1 of Book 2 of the Dutch Civil Code

**BGfo:** Dutch Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (*Besluit Gedragstoezicht financiële ondernemingen Wft*)

**Class of Shares:** a series of ordinary shares designated with the letters 'Classic' and Class 'X', respectively

**Company:** the investment company with variable capital OBAM N.V. ('OBAM')

**Cut-off Time:** the time before which orders must have been submitted to the Company in order to be executed on the next Valuation Day

**Depositary:** BNP Paribas Securities Services S.C.A. acting through its branch in Amsterdam (BNP Paribas Securities Services Amsterdam) appointed as depositary as set out in Section 1:1 of the Wft

**Emerging Markets:** non OECD countries prior to 1 January 1994 together with Turkey and Greece

**FATCA:** the Foreign Account Tax Compliance Act

**FII:** fiscal investment institution within the meaning of Section 28 of the Dutch Corporate Income Tax Act 1969

**Fund Agent:** ING Bank N.V., appointed as Fund Agent and charged among other things with assessing and accepting or rejecting sale and purchase orders in respect of the Shares in Classic Class, as entered in the stock market order book on behalf of the Company

**Fund Assets:** all assets of the Company less all obligations of the Company

**General Meeting:** general meeting of Shareholders of the Company

**Investment Institution:** an investment institution as set out in Section 1:1 of the Wft

**KIID:** Key Investor Information Document – an abridged prospectus containing the essential information concerning the nature, principal risks and costs of an investment in (a Class of Shares of) the Company

**Listing Agent:** ING Bank N.V., appointed as Listing Agent and charged among other things with all activities related to the listing of the Shares of the Company

**Management Board:** the management board of the Company, OBAM Investment Management B.V.

**Management Company:** OBAM Investment Management B.V., the management company of the Company with a license as set out in Section 2:69b of the Wft

**Paying Agent:** ING Bank N.V., appointed as Paying Agent and charged among other things with the payment of dividends on behalf of the Company

**Prospectus:** the most recent version of the prospectus of the Company including the Registration Document of the Management Company and all annexes

**Registration Document:** the registration document of the Management Company containing information about the Management Company, the UCITS which the Management Company manages or proposes to manage and the Depository

**Share:** a share in the capital of the Company, excluding the priority shares. The Shares are subdivided into two Classes of lettered shares, designated with the letters 'C' (or 'Classic') and 'X', respectively

**Shareholder:** a holder of one or more Shares

**Stock Connect:** a program which aims to achieve mutual stock market access between mainland China and Hong Kong. Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"). Hong Kong and overseas investors, through their Hong Kong brokers and subsidiaries established by The Stock Exchange of Hong Kong Limited ("SEHK"), may be able to trade certain predefined eligible shares listed on SSE/SZSE by routing orders to SSE/SZSE. It is expected that the list of eligible shares and stock exchanges in mainland China in respect of Stock Connect will be subject to review from time to time. Trading under Stock Connect will be subject to a daily quota ("Daily Quota"). The trading quota rules may be subject to review

**Terms and Conditions:** the terms and conditions applying between the Company and the Shareholders, as set out in the Prospectus and the Articles of Association

**Trade Register:** trade register of the Chambers of Commerce in Amsterdam

**Transaction Price:** the net asset value of a Share Class plus a premium (in the event of a net issue involving both Classes of Share) or less a discount (in the event of a net repurchase involving both Classes of Share)

**UCITS:** Undertaking for Collective Investment in Transferable Securities, as defined in Section 1:1 of the Wft

**Valuation Day:** a day on which the stock exchange of Euronext Amsterdam is open

**Website:** the website of the Company ([www.obam.nl](http://www.obam.nl))

**Wft** (Wet op het financieel toezicht): Dutch Financial Supervision Act

# Important information

Investors in Shares of any Class of OBAM N.V. are explicitly advised that an investment entails financial risk. They should therefore take careful note of the entire contents of this Prospectus and annexes.

In certain jurisdictions, the issue and distribution of this Prospectus and the offer, sale and delivery of the Company's Shares may be restricted, either by law or otherwise. Persons who receive this Prospectus are requested by the Management Company to inform themselves of and comply with these restrictions. This Prospectus does not constitute an offer of any nature or an invitation to make such an offer to a person in any jurisdiction where this is not permitted pursuant to the provisions of any applicable legal regulations. Neither the Company nor the Management Company accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Shares, of any such restrictions.

The Shares in the Company will not be registered under the United States Securities Act 1933, as amended (the 'Securities Act'), nor will the Company be registered under the United States Investment Company Act 1940 of the United States of America, as amended. The Shares in the Company may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories or possessions, in any state of the United States or the District of Columbia unless this is in compliance with Regulation S of the Securities Act or is the result of an exemption from the registration obligation contained in the aforementioned Act. Subject to certain limited exceptions, the Company will therefore not accept subscriptions from persons residing in the United States of America or acting on behalf of or for the benefit of persons residing in the United States of America.

With respect to all references in this Prospectus to actual or expected returns, the value of a Share in the Company may fluctuate and past performance offers no guarantee for future returns. By their nature, any statements relating to the future necessarily involve risks and uncertainties since they relate to events and are dependent on circumstances that may or may not materialise in the future.

With the exception of the Company and its Management Board (as defined hereinafter), no party is authorised to provide information or issue declarations that have not been included in this Prospectus. If such information is provided or such declarations are made, these should not be relied upon as having been provided or issued by the Company or its Management Board.

The issue of this Prospectus, as well as the purchase, sale, issue and repurchase of ordinary Shares in the Company, do not in any circumstances mean that the information provided in this Prospectus will remain correct beyond the date on which these documents were issued. The Company and the Management Company will update the information in this Prospectus as soon as there is reason for doing so.

A KIID has been prepared for each active Class of Shares in the Company, containing information on the product, the costs and the risks involved. Given that currently only Class 'Classic' has been issued and placed with third parties, a KIID has only been prepared for this Class. The KIID is accessible via the Website. Do not take any unnecessary risks, read the KIID before purchasing this product.

This Prospectus is governed by the law of the Netherlands.

# General

## **The Company**

OBAM N.V.

*Visiting address:*

Schiphol Boulevard 313  
1118BJ Schiphol

## **Management Board**

OBAM Investment Management B.V.

## **Supervisory Board OBAM N.V.**

R.W.F. van Tets

A.H. Lundqvist

M. Tiemstra

For the purpose of this Prospectus, the members of the Supervisory Board elect domicile at the offices of the Company.

## **Management Company**

OBAM Investment Management B.V.

Schiphol Boulevard 313  
1118BJ Schiphol

## **Depository**

BNP Paribas Securities Services S.C.A.

Amsterdam branch

Herengracht 595

1017CE Amsterdam

## **Auditor**

Ernst & Young Accountants LLP

Wassenaarseweg 80

2596CZ The Hague

## **Administrator**

BNP Paribas Securities Services S.C.A.

Amsterdam branch

Herengracht 595

1017CE Amsterdam

## **Paying Agent, Listing Agent and Fund Agent**

ING Bank N.V.

Bijlmerplein 888

1102MG Amsterdam

# Risk factors

## General

Investing in securities involves financial risks. Potential investors in the Company are requested to take careful note of the following. There is a possibility that - due to the investment policy - your investment will increase in value; however, it is also possible that your investment will generate little or no income and that you may lose all or part of your initial investment in the event of a negative performance. Results obtained in the past offer no guarantee for the future.

The various risks associated with an investment in OBAM are described below. The Management Company monitors the risks among other things on the basis of the periodic reports from the Administrator and the other service-providers.

## Market risk

Market risk is the risk of fluctuations on the financial markets, or fluctuations in share prices, interest rates, exchange rates, commodity prices and derivatives linked to these products.

### *Price risk*

The value of the investments fluctuates with changes in the prices of the shares in which the Company invests. This risk increases when the spread of shares in portfolio is narrowed to a specific region, sector and/or individual stock selection.

OBAM's policy is intended to reduce the potential negative effect of price fluctuations on the Company's net asset value as far as possible, among other things through judicious selection and diversification. By investing in various investment instruments, sectors and countries, an attempt is made to ensure that there is sufficient diversification in the portfolio. OBAM accordingly manages the value risk primarily through diversification of the investment portfolio.

The risks may increase further where use is made of futures and (written) option positions or where investments are funded with borrowed money.

No guarantees are given that the investment targets will be achieved. This can result in the increase or the decrease of the net asset value of OBAM Shares. This implies that investors may receive less money back than they have invested.

### *Market disruption risk*

A market disruption in the form of an economic or financial crisis can have major economic consequences, possibly also affecting the international credit markets, and can result in a slowdown or downturn in the global economy in general, including the market or markets in which OBAM invests or may invest. In the short, medium and long term, these market disruptions may have negative consequences (among other things) for the results, the assets and the value of the investments of OBAM. A continuing or worsening recession worldwide or in regional or national markets may further negatively influence the results, assets or value of OBAM's investments.



#### *Risk of investing in Emerging Markets*

The risk may be considerably greater in Emerging Markets. This will be the case particularly in countries where there is for example an authoritarian regime, political instability or high taxes. Compared with mature markets, the equity markets in these countries may be characterised by greater volatility, lower liquidity and higher transaction costs, while the investment information may be incomplete or unreliable.

#### *Derivatives risk*

OBAM may make use of financial derivatives. This may involve a leverage effect, which may cause the volatility of the Company to increase. Certain derivatives give rise to losses that are greater than the costs of those derivatives. Some derivatives, especially derivatives traded over the counter ('OTC'), may be valued in different ways. A derivative may have a weaker than expected correlation with the underlying securities and may therefore appear to be ineffective or even have an adverse effect on the value of the Company. OBAM can make use of OTC options. These options are agreed upon by parties. The risk to which OBAM is exposed if the other party cannot fulfil its obligations is limited to the positive net asset value of the relevant OTC contracts.

#### *Currency risk*

OBAM may invest in securities or other instruments that are denominated in a currency other than the euro. As a result, OBAM's performance may be affected by movements in exchange rates. These currency fluctuations can have both a positive and a negative effect on the return.

The Management Company may choose (within the scope of the investment policy) to hedge the currency risks by using financial derivatives.

#### *Inflation risk*

As inflation in a given country rises, the purchasing power of that country's currency reduces. OBAM's investments are not specifically designed to provide protection against the risks of inflation.

#### *Interest rate risk*

Interest rate risk is the risk of the impact of interest rate fluctuations on the value of the assets and liabilities of OBAM.

#### *Concentration risk*

Although spreading risk is an important factor in the determination of the policy, a relatively large proportion of the assets may be invested in a relatively small number of companies.

#### *Liquidity risk*

The degree of marketability of the securities in which the Company invests influences the actual sale and purchase prices. To limit the liquidity risks, the Company invests mainly in highly marketable listed securities. The high degree of liquidity also forms the basis for timely payment in the event of a repurchase of Shares by OBAM.

The degree of (non)liquidity of the securities in OBAM's portfolio is expressed in the values of the relevant positions.

#### *Country risk*

Market risks can be greater in certain countries, in particular those with such characteristics as political instability, lack of complete or reliable information, market irregularities or high taxation.

Risks related to investments in mainland China

Investing in the People's Republic of China (PRC) carries a high degree of risk. Apart from the usual investment risks, investing in the PRC is also subject to certain other inherent risks and uncertainties, like government intervention and restrictions imposed by government, political, economic and social risks, government control of currency, different accounting and reporting standards and the risk of changes in taxation in the PRC (this list is not exhaustive).

*Risks related to Stock Connect*

Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors will be able to trade certain stocks listed on the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") markets. The usage of Stock Connect may lead to additional risks resulting from differences in trading time, quota limitations, clearing and settlement differences and differences in regulatory regimes (this list is not exhaustive).

Operational risk

The operational infrastructure which is used by OBAM carries the risk of potential losses due among other things to processes, systems, staff and external events. Operational risk management aims to control these operational risks (including the risk of non-compliance with laws and regulations and the consequential risk that the Company will be held liable). Procedures and control measures are developed, described and monitored in order to control these risk aspects.

Pandemic risk

The outbreak of a pandemic may, also depending on the severity and duration of the pandemic, have negative impact on the activities that the Management Company performs for the Company. The outbreak of a pandemic among employees of the Management Company, employees of any outsourcing party and/or employees of other service providers, may negatively impact the quality and continuity the activities of the Management Company, despite the measures of the Management Company regarding its business continuity and crisismanagement, and despite any restrictive (quarantine) measures.

The Management Company tests its business continuity and crisisplan on a periodical basis, or more frequent if the Management Company deems this necessary. Subsequently, the Management Company updates its business continuity and crisisplan based on its test assessment, in order to adequately reduce any negative impact on the quality and continuity of its activities.

Counterparty risk

The Company may suffer losses if an issuer or counterparty proves unable to meet its contractual obligations.

In so far as investments are made in other UCITS or investment institutions, there is a risk that the repurchase or issue of units will be suspended in whole or in part.

Outsourcing risk

The risk of outsourcing activities is that this third party may not comply with its obligations, notwithstanding existing agreements. The Management Company, which remains responsible for the activities it outsources, will periodically test compliance with the existing agreements and will take any actions it deems necessary.

#### Custody risk

The Depositary has outsourced safekeeping tasks to entities in countries where it has no local presence. Assets may be lost due to e.g. insolvency and negligence of or fraud at the Depositary or of/at the entities to which the Depositary has outsourced safekeeping tasks. The Depositary is in principle liable towards the Company for the loss of any financial instruments in its custody.

#### Risk of investing with borrowed money

Investments made using borrowed money can generate a higher yield, but the downside risks are also greater.

#### Settlement risk

It is possible that settlement through a payment system cannot take place as expected because payment or delivery of the financial instruments by a counterparty does not take place on time, does not take place at all or does not take place as expected.

#### Erosion risk

Payments made lead to erosion of the fund assets. The Company has opted for the status of FII. In order to retain this status, the taxable profit must be distributed to the Shareholders in its entirety. The taxable profit in a given year may under certain circumstances exceed the investment return and/or the profit as calculated pursuant to the rules applying when the financial statements were prepared. The repurchase of Shares also leads to erosion of the fund assets and therefore to a decline in the liquidity position.

#### Risks associated with techniques for efficient portfolio management

Techniques employed for efficient portfolio management and in particular relating to the quality of the collateral instruments received/reinvested, may give rise to various risks, such as liquidity risks and counterparty risks, which can have an impact on the results of the Company.

#### Risk of conflicts of interest

The Management Company has formulated a policy on conflicts of interest. In order to identify and manage conflicts of interest in an appropriate manner, the Management Company applies a policy consisting of:

- a method for establishing potential conflicts of interest; and
- standards for organisational arrangements intended to prevent, manage in an appropriate manner or report conflicts of interest.

The Management Company maintains a register containing the details of established or potential conflicts of interest.

#### Risks relating to legislation and regulations

Possible changes in the (tax) legislation and regulations as well as the interpretation thereof may have a positive or negative influence on the tax position of (a Shareholder in) OBAM. As a result of changes in the (tax) legislation and regulations, OBAM may be faced with charges or levies that were not anticipated at the time of drafting this Prospectus or at the moment that investments were bought, valued or sold.

#### Risk associated with the segregation of assets

The assets attributable to different OBAM Classes are not legally separated from each other. This means that obligations relating to one Class could be met from the assets that are attributable to another Class. Currently, only Class 'Classic' has been issued and placed with third parties, therefore this risk is not current.

#### Model risk

The Company may make use of models when making investment decisions. There is a risk that these models may not adequately meet the purpose for which they are used.

The above risk factors are shown in their order of importance, based on forecasts for the longer term.

# Fund structure

## The Company

The Company is an investment company with variable capital as referred to in Section 76a of Book 2 of the Dutch Civil Code, incorporated under Dutch law by deed dated 20 November 1936 as Onderlinge Beleggings- en Administratie Maatschappij 'OBAM' N.V.

The articles of association were most recently amended by deed dated 1 July 2020, executed before (a deputy of) M.J.C. Arends, , civil-law notary in Amsterdam. The Company has its registered office in Amsterdam and is entered in the Trade Register under number 33.049.251. The Articles of Association of the Company are attached to this Prospectus as Annex A. OBAM Shares have been listed on Euronext Amsterdam since 1954. The Company is a UCITS.

## Management Board and Management Company

OBAM Investment Management B.V. acts as Management Board of the Company. OBAM Investment Management B.V. has been appointed as the Company's Management Company within the meaning of Article 1:1 of the Wft. The shares in OBAM Investment Management B.V. are held by REX1936 Holding B.V. and BNP Paribas Asset Management Nederland N.V.

The Registration Document included as Annex B to this Prospectus includes the following information:

- the activities of the Management Company and the type of undertakings for collective investments that it manages or intends to manage;
- the persons who (jointly) determine the (day-to-day) policy of the Management Company or the Depositary;
- the persons who form part of a body that is charged with the supervision of the policy and the general conduct of affairs of the Management Company or the Depositary.

The name of the UCITS managed by the Management Company may be found on the Website.

The responsibilities of the Management Company include the management of the Fund Assets in accordance with the investment policy, conducting the administration of the Company and the marketing and distribution of the Company.

### Remuneration policy of the Management Company

The Management Company applies a sound, effective and sustainable remuneration policy in line with the strategy, risk tolerance, goals and values of the UCITS under management.

The Supervisory Board of the Management Company is responsible for the design, approval, implementation and oversight of the remuneration policy. The Supervisory Board decides on the remuneration package of the Management Board, which subsequently is submitted for approval to the shareholders of the Management Company. The Management Board submits for approval a proposal to the shareholders of the Management Company for the remuneration package of each member of the Supervisory Board.

The remuneration policy is in line with and contributes to sound and effective risk management and doesn't encourage taking more risk than appropriate within the investment policy and terms and conditions of the UCITS.

The key principles of the remuneration policy are:

- Deliver a market-competitive remuneration policy and practice to attract, motivate and retain best performing employees;
- Avoid conflicts of interest;
- Achieve sound and effective remuneration policy & practice, avoiding excessive risk-taking;
- Ensure long-term risk alignment, and reward of long-term goals;
- Design and implement a sustainable and responsible remuneration strategy, with pay levels and structure which make economic sense for the business.

The details of the up-to-date remuneration policy can be found on the Website and will also be made available free of charge by the Management Company upon request.

#### *Outsourcing of the Management Company*

OBAM and the Management Company may outsource activities to (non) Affiliated Parties. OBAM and the Management Company have decided to outsource the administration and the internal audit function.

##### *Administrator*

OBAM and the Management Company have appointed BNP Paribas Securities Services S.C.A., acting through its branch in Amsterdam as Administrator of the Company. BNP Paribas Securities Services is charged among other things with calculating the net asset value, conducting the financial administration and preparing the interim and annual accounts of the Company. BNP Paribas Securities Services is an Affiliated Party. BNP Paribas Securities Services outsources the preparatory activities relating to the calculation of the net asset value to BNP Paribas Global Securities Operations Private Limited, India, also an Affiliated Party.

##### *Internal Audit function*

The Management Company has appointed KPMG Advisory N.V. as internal auditor for the Management Company. The internal auditor is, amongst others, responsible for the preparation and execution of internal audits, setting up an audit report containing findings and improvement proposals, and for safeguarding and reviewing improvement actions that follow from the internal audits.

Other service providers contracted by the Management Company:

##### *Paying Agent, Listing Agent and Fund Agent*

OBAM and the Management Company have appointed ING Bank N.V. as Paying Agent, Listing Agent and Fund Agent of the Company. As Paying Agent, ING Bank N.V. is charged among other things with the payment of dividends on behalf of the Company and adjustment of the global share certificate which embodies the Classic Class Shares. As Listing Agent, BNP Paribas Securities Services Paris is charged among other things with all activities related to the listing of the Classic Class Shares of the Company. As Fund Agent, ING Bank N.V. is charged with acting on behalf of the Company to assess, accept or reject sale and purchase orders in respect of the Shares in OBAM, as entered in the stock market order book on behalf of the Company. After closure of the order book, ING Bank N.V. communicates the balance of the sale and purchase orders to the Company. The Transaction Price at which these sale and purchase orders are settled on the following Valuation Day will be communicated through ING Bank N.V. to Euronext Amsterdam.

##### *IT services*

The Management Company has contracted Operator Group Delft B.V. for the supply of ICT products and services.

##### *Corporate governance services*

The Management Company has contracted Sustainalytics B.V., an external supplier of corporate governance services, for the execution of voting rights. Based on the voting policy of the Management Company, this provider delivers an analysis for each agenda point of shareholders meetings and provides a voting advice. Furthermore, Sustainalytics can facilitate the casting of the votes on behalf of the Company on the respective shareholders meetings.

#### *Bloomberg Finance L.P.*

The Management Company has contracted Bloomberg Finance L.P., which enables it to use a platform that gives real-time access to data, research and in which the Management Company can place orders.

#### Depositary

The assets of OBAM are held in deposit by BNP Paribas Securities Services S.C.A. acting through its branch in Amsterdam.

The Depositary is a European provider of, among other things, safekeeping services for financial institutions and has branches in 32 countries on 5 continents. BNP Paribas Securities Services S.C.A., a wholly-owned subsidiary of BNP Paribas S.A., is a licensed bank established in France as a *Société en Commandite par Actions* (Partnership limited by shares). BNP Paribas Securities Services S.C.A. holds a licence from the *Autorité de Contrôle Prudenciel et de Résolution* (ACPR) and is under the supervision of the *Autorité des Marchés Financiers* (AMF).

The Company, the Management Company and the Depositary have entered into a Depositary Agreement. Pursuant to this agreement, the Depositary performs the following main tasks in the interests of the Shareholders:

- supervising the Management Company by verifying that the Management Company performs its tasks in conformity with the Prospectus, Articles of Association and applicable laws and regulations. Under its oversight duties, the Depositary shall:
  - ensure that the sale, repurchase, subscription, redemption and cancellation of the Shares are conducted in conformity with the Prospectus, Articles of Association and applicable laws and regulations;
  - ensure that the value of the Shares is calculated in conformity with the Prospectus, Articles of Association and applicable laws and regulations;
  - carry out the instructions of the Management Company, unless they conflict with the Prospectus, Articles of Association and applicable laws and regulations;
  - ensure that in transactions involving the Company's assets, any consideration is remitted to the Company within the usual time limits;
  - ensure that the Company's income is applied in conformity with the Prospectus, the Articles of Association and applicable laws and regulations;
- monitoring and checking the Company's cash flows;
- holding the Company's assets in safekeeping.

#### *Conflicts of interest*

The Depositary shall not carry out activities with regard to the Company or the Management Company, on behalf of the Company, that may create conflicts of interest between the Company, its Shareholders, the Management Company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks.

The overriding objective of the Depositary is to protect the interests of the Shareholders, which always prevail over any commercial interests.

Conflicts of interest may arise due to the fact that, in addition to appointing of the Depositary, the Management Company and the Company have also outsourced activities to other branches of BNP Paribas Securities Services S.C.A.

The Depositary has drawn up a policy for conflicts of interest. In order to detect and manage conflicts of interest in an appropriate manner, the Depositary applies a policy mainly aimed at:

- identifying and analysing possible situations of conflicts of interest;
- recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines and insider lists for staff members; or;
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
- mapping of the conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
- setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

#### ***Outsourcing by the Depositary***

The Depositary is responsible for the safekeeping of the Company's assets. In order to provide safekeeping services in a large number of countries allowing the Company to achieve its investment objective, the Depositary has outsourced certain custody functions to (non) Affiliated Parties. A list of entities to which the Depositary has outsourced certain custody functions is available on the website of BNP Paribas Securities Services S.C.A. and will also be made available free of charge by the Depositary upon request. Such list may be updated from time to time. A complete list of all entities to which activities have been outsourced may be obtained, free of charge, from the Depositary.

The process of appointing and supervising such entities is carried out according to the highest quality standards, including the management of any possible conflict situations that may arise from such an appointment in accordance with the principles set out in the previous paragraph.

In the event that conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

#### ***Independence requirement***

The selection of the Depositary by the Management Company is based on robust, objective and pre-defined criteria and warrants the sole interest of the Company and the Shareholders. Details about this selection process can be provided to Shareholders by the Management Company upon request.



## Supervisory Board

The Supervisory Board of OBAM consists of:

- R.W.F. van Tets (since 1 June 2011), Partner at Laaken Asset Management N.V., retiring by rotation at the General Meeting at which the financial statements for the year 2022 will be discussed;
- A.H. Lundqvist (since 20 November 2012), Chairman of Holland High Tech, retiring by rotation at the General Meeting at which the financial statements for the year 2020 will be discussed; and
- M. Tiemstra (since 19 November 2013), Chairman Board of Directors at Univé Noord-Holland, retiring by rotation at the General Meeting at which the financial statements for the year 2021 will be discussed.

Reference is made to the Articles of Association for the duties of the Supervisory Board.

## Priority shareholder

At the time of publication of this Prospectus, 60 priority shares had been placed with the Stichting Keizerberg foundation. The board of this foundation consists of Mr. J.C. Kragt, Mr. L. Meijaard and Mr. C.J.M. Janssen, the latest of which is employed at BNP Paribas.

The priority shares carry a number of special rights. The most important of these rights are:

- proposing binding nominations for the (re)appointment of the Management Board and the members of the Supervisory Board;
- the right to give prior consent with respect to amendment of the articles of association, legal mergers, legal splits and winding up of the Company.

The remaining rights vested in these shares are described in the Articles of Association.

## Capitalisation

The authorised capital of OBAM has a nominal value of EUR 56,353,000 and is divided into 80,500,000 ordinary Shares each having a nominal value of EUR 0.70 and 60 priority shares each having a nominal value of EUR 50.00.

The rights attaching to ordinary and priority shares are described in the Company's Articles of Association, which are attached to this Prospectus as Annex A.

The ordinary Shares in OBAM are subdivided into two Classes of lettered shares, designated with the letters 'C' (or 'Classic') and 'X', respectively. As at the date of this Prospectus, only 'C' or 'Classic' Class Shares had been issued and placed with third parties. The Classic Class Shares are quoted on Euronext Amsterdam. Classic Class Shares are listed on the Website as OBAM N.V., share category 'Classic Distributie', with ISIN code NL0006294035. A second Class may also be introduced. The specific features of this Class will be incorporated in an adapted Prospectus.

The Shares in each Class constitute a separate category of Shares. Each Share of the same Class confers the right to a proportionate Share in the capital of the Company.

The Articles of Association allow the Management Board to amend the distribution of the authorised capital among the different Classes, provided a copy of the decision to that effect is filed with the Trade Register. The Management Board may convert Shares held by the Company in one Class into Shares of another Class.

The Class Classic Shares in are bearer shares and are embodied in one global share certificate which cannot be converted into single or multiple share certificates. This global share certificate has been placed in the custody of Euroclear Netherlands.

## Distributions and dividend policy

Pursuant to the Articles of Association, a dividend of EUR 3.00 per share (6% of the nominal amount) will be distributed to priority shareholders. The Management Board, subject to the approval of the Supervisory Board, what proportion of the profit is to be added to the reserves, subject to the proviso that the element of the profit that must be distributed in order to satisfy the FII-criteria (see chapter 'Taxation', under 'Corporate Income Tax') must be paid out within eight months from the end of the financial year.

The General Meeting subsequently decides in accordance with proposals formulated by the Management Board, with the approval of the Supervisory Board, on the distribution of the profit that is not added to the reserves.

That profit is distributed to the holders of ordinary Shares in proportion to the number of Classic Class Shares held by them.

Subject to the approval of the Supervisory Board, the Management Board of the Company may also make interim profit distributions, with due observance of the provisions of the Articles of Association of the Company. The share premium reserve makes it possible to make tax-free distributions charged to this reserve.

Distributions may be made in cash or in Shares of the Company, or a combination of the two. Profit distributions and other distributions will be made payable on a date to be set by the Management Board of the Company at the latest two weeks following determination or the decision to make the distribution.

The making payable of distributions to Shareholders, the composition of the distributions as well as the method by which dividend is made payable will be announced by means of an advertisement in a national Dutch daily newspaper as well as on the Website. Dividend which has not been claimed within five years of being made payable will revert to the Company.

## General Meetings

The annual General Meeting will be held within six months of the end of the financial year (as stated in the chapter 'Reporting'). The agenda of this meeting will include the following items among others:

- except where a postponement has been granted, the discussion and adoption of the annual accounts and, in so far as prescribed by law, the discussion of the annual report and the other information within the meaning of Section 392 of Book 2 of the Dutch Civil Code;
- the adoption of the proposed profit appropriation;
- discharge of the members of the Management Board in respect of their management activities
- discharge of the members of the Supervisory Board in respect of the supervision of the policy pursued by the Management Board and the general course of business within the Company.

Extraordinary General Meetings are held either as frequently as the Management Board or Supervisory Board deems desirable or as required by provisions of the law. A notice convening a General Meeting will be served no later than the forty-second day before the date of the meeting and will be announced by means of an advertisement in a national Dutch daily newspaper as well as on the Website. In the General Meeting each registered full ordinary Share gives the right to cast one vote. Resolutions will be passed by simple majority of votes, unless a larger majority is explicitly required by law or pursuant to the Articles of Association.

## DUFAS Asset Manager Code

The Management Company is a member of DUFAS, the Dutch Fund and Asset Management Association. DUFAS adopted the Asset Manager Code in 2014, setting out ten General Principles for asset managers. The main focus of the General Principles is on putting the interests of asset management clients first, good governance on the part of asset managers and investment funds and a high degree of transparency in respect of returns and costs. The Management Company endorses these principles and renders account annually on how it has applied them.

The DUFAS Asset Manager Code, as well as the ten General Principles and the report of the Management Company on the most recently ended financial year, may be found (in Dutch) on the Website.

### Fund governance

The Management Company has formulated Principles of Fund Governance in respect of the requirements concerning sound business operations as set out in the Wft. Those Principles have been published (in Dutch) on the Website.

### Guarantee of equal treatment

The Terms and Conditions as described in this Prospectus, the Articles of Association and all other documentation relating to the Company apply equally to all Shareholders, regardless of the size of their investments.

The Management Company will inform all Shareholders simultaneously and fully concerning the Company.

The Management Company may pay a fee or commission to parties provided that (i) the Management Company is permitted to pay such fee or commission, and (ii) the parties concerned are permitted by law to accept such fees or commission. In addition the Management Company may, in so far as it is permitted to do so, provide additional information relating to the Company if a Shareholder in the opinion of the Management Company has a justifiable interest therein, for example in the context of supervisory reporting obligations. The provision of such additional information may generally speaking not lead to material disadvantage for the other Shareholders in the Company.

### Voting policy

In the interests of good fund governance the Management Company has a policy concerning voting behaviour. The principles applied by the Management Company with regard to voting behaviour are stated (in English) on the Website. For information on the voting behaviour, reference is made to the OBAM fund page on the Website.

### Class Action Policy

As a matter of policy, the Management Company:

- does, in principle, not participate in active class actions (i.e. the Management Company does not initiate, act as a plaintiff or otherwise takes an active role in a class action against an issuer);
- may participate in passive class actions in jurisdictions where the Management Company considers, at its sole discretion, that (i) the class action process is sufficiently effective (e.g. where the anticipated revenue exceeds the predictable cost of the process), (ii) the class action process is sufficiently predictable and (iii) the relevant data required for the assessment of eligibility to the class action process are reasonably available and can be efficiently and robustly managed<sup>1</sup>;
- transfers any monies which are paid to the Management Company in the context of a class action, net of external costs, to OBAM N.V.

The Management Company may at any time amend its Class Actions Policy and may deviate from the principles set out therein in specific circumstances.

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<sup>1</sup> As at June 2018, BNPP AM considers that the following jurisdictions meet the aforementioned conditions: the United States, Canada, Australia and the Netherlands.

The for the Company relevant Class Action Policy is available on the Website.

#### Winding up and liquidation

The General Meeting may resolve to wind up the Company at the proposal of the meeting of holders of priority shares. Liquidation of the Company's assets will be carried out by the Management Board, under the supervision of the Supervisory Board, if and in so far as the General Meeting does not resolve otherwise. The balance of the Company's assets remaining after payment of all debts will first be used to pay the nominal amount of the priority shares to the holders of those shares.

The balance remaining thereafter will be distributed to the holders of ordinary Shares in proportion to the Shares held by them in Classic Class.

# Investment objective and investment policy

## Investment objective

OBAM invests in listed equities worldwide with the aim of generating a return that is higher than the reference benchmark over the medium term through active management. The benchmark used is the MSCI AC World (NR).

## Investment policy

The Company seeks to build a balanced international portfolio of listed securities, with holdings in the United States, Europe, Japan, Australia and/or Emerging Markets worldwide with sufficient liquidity. Investments are made primarily in leading international companies with unique product and/or market positions as well as a strong and shareholder-driven management, although shares in smaller companies may also be found in the portfolio.

Key selection criteria for the core of the portfolio are: leading high-quality companies which are active in attractive and growing sectors and which combine stable performance in terms of returns and profits with attractive valuation levels. Whilst spreading risk is an important factor in determining the policy, a relatively large part of the assets may be deliberately concentrated in well-managed high-quality companies. The quality of individual companies is more important for OBAM's investment policy than the economy in general. The performance of companies and stock exchanges is not always in line with macroeconomic developments. Smaller companies and equity markets which in OBAM's opinion are undergoing fundamental long-term changes, may also be included in the portfolio. In principle, investments will be held in the Company's portfolio for an extended period. In general, more than 50% of the assets are invested in companies which show long-term stable growth in sales, return on invested capital and operating results. Given this policy, OBAM's performance may deviate substantially from the reference benchmark.

## Who may want to invest in OBAM?

OBAM may be suitable as a core or supplemental investment for investors:

- who are interested in a convenient way of investing in the worldwide stock markets;
- who have experience with the risk and rewards of investing in equities.

## Investment restrictions

The Company is a UCITS. This means that the Company observes the investment restrictions applying for a UCITS within the Company's portfolio as established by or pursuant to the Wft. The investment restrictions applicable to a UCITS are contained in the BGfo. The provisions of this Decree applicable on the prospectus date are included in this Prospectus as Annex C.

The implementation of the investment policy is also subject to the following restrictions:

- A maximum of 15% of the Company's net assets may be held as cash and cash equivalents at any time, barring exceptional circumstances.

- The Company may make use of derivatives, such as options, forward currency transactions, warrants and futures. These instruments will be used to hedge the risks in the investment portfolio and/or to generate extra profit.
- The Company may take out loans up to a maximum of 10% of the Company's net assets; these loans must be temporary in nature and have a term of no more than three months.
- No more than 10% of the assets of the Company may be invested directly or indirectly in shares of other UCITS or investment institutions.
- The Company's investments into "China A-Shares" via Stock Connect may reach up to 25% of its net assets.

The aforementioned restrictions will be taken into account at the moment of transaction. The Management Company will monitor the investment portfolio using its risk management system.

#### Risk management

Risk management forms an important part of the activities of the Management Company. As part of the risk assessment process, risk assessments are carried out at several levels. The initial assessments are carried out within the investment team.

Subsequently the CFRO performs assessments among others with respect to investment risk and investment compliance. These assessments are carried out in close liaison with the investment team in order to ensure that the level of risk of the investment portfolio is within acceptable limits.

To manage investment risks, the risk team uses Bloomberg for VaR calculation and to manage investment compliance risks. After a risk profile assessment, the Management Company decides whether to use the commitment approach or the VaR approach (95%, 1 month) to determine the market risk exposure. For OBAM, the commitment approach is used to measure and monitor the total exposure.

If restrictions are exceeded as a result of events outside the control of OBAM, future sales transactions will as a priority be focused on reversing these excesses, taking Shareholders' interests into account.

#### Affiliated Parties

OBAM may invest in other UCITS and investment institutions. OBAM may enter into transactions with Affiliated Parties. These transactions may include investment transactions and securities custody agreements. Such transactions will take place under conditions that the Management Company deems to be on a par with or better than the normal market conditions. Where a transaction is effected with an Affiliated Party outside a regulated market, stock exchange or other regulated, regularly functioning, recognised open market, the transaction will be based on an independent valuation or the valuation will be carried out by one or more of the parties involved in the transaction.

#### Techniques for efficient portfolio management

Pursuant to the Terms and Conditions and within the limits of (i) the applicable legislation and regulations and (ii) the investment policy and associated investment restrictions, the Company may make use of derivative instruments (such as options, futures and swaps) to facilitate efficient portfolio management, to hedge currency and market risks and to further the achievement of its investment objectives. The techniques and instruments used meet the following criteria:

- they are economically sound in the sense that they are realised in an economically viable manner;
- the transactions are concluded with a view to one or more of the following specific objectives:
  - risk reduction;
  - cost reduction;
  - the generation of additional assets or income for the Company at a level of risk that is, consistent with the risk profile and investment restrictions applying for the Company;
- the risks associated with them have been adequately hedged by means of the Company's risk management process.

Techniques and instruments which meet the above criteria and which relate to money market instruments will be regarded as techniques and instruments that relate to money market instruments in the context of efficient portfolio management. The techniques and instruments used will not lead to a change in the investment objective of the Company, nor will they give rise to material additional risks compared with the original risk policy of the Company.

The direct and indirect operational costs arising from the techniques used for efficient portfolio management may be deducted from the income of the Company. Those costs will not comprise hidden income.

The following information will be provided in the annual report of the Company:

- the position attained through the use of techniques for efficient portfolio management;
- the identity of the counterparty/counterparties of those techniques for efficient portfolio management;
- the type and amount of the collateral received by the Company to mitigate the exposure to counterparty risk; and
- the income generated by the techniques for efficient portfolio management for the entire reporting period, as well as the direct and indirect operational costs and fees charged.

All income generated by techniques for efficient portfolio management will return to the Company after deduction of direct and indirect operational costs.

#### Collateral for OTC derivatives transactions and techniques for efficient portfolio

All assets received in this context will be considered as collateral and will comply with the below criteria.

All collateral instruments that are used to mitigate the exposure to counterparty risk will at all times meet the following criteria:

- Liquidity - all collateral instruments received other than in cash will be highly liquid and able to be traded on a regulated market or multilateral trading facility with transparent pricing, enabling them to be sold quickly at a price that approximates their valuation prior to the sale. The collateral instruments received will also comply with the Articles 140 and 141 BGfo Wft.
- Valuation - collateral instruments received will be valued at least once per day and assets which exhibit wide price fluctuations will not be accepted as collateral unless appropriate conservative haircuts are applied.
- Risks associated with the management of collateral instruments, such as operational and legal risks, will be identified, managed and mitigated by the risk management process.
- Where there is transfer of ownership, the collateral instruments received will be held in custody by the Depository. For other types of collateral agreements, the collateral may be held in custody by an external custodian that is subject to prudential supervision and that has no ties with the party providing the collateral.
- Collateral instruments received may be enforced at any time without requiring the prior approval of the counterparty.

Reinvested collateral in the form of cash instruments will be spread in accordance with the diversity requirements applying for non-cash collateral instruments. If collateral instruments are received for at least 30% of the assets of the Company, the Management Company will formulate a suitable stress test policy for the performance of regular stress tests under normal and exceptional liquidity conditions in order to assess the liquidity risk attaching to the collateral instruments in question. The Management Company will formulate a clear haircut policy that is geared to each category of assets received as collateral.

The collateral instruments received by the Company must have been issued by an entity that is independent of the counterparty and which is not expected to show a high correlation with the results of the counterparty. Non-cash collateral instruments may not be sold, reinvested or pledged. Collateral instruments received in the form of cash may only:

- be placed on deposit with a credit institution provided that the deposit is repayable or can be withdrawn on demand and is maturing in no more than 12 months and provided that the credit institution has its registered office in a Member State

of the European Union or falls under the prudential supervision of a supervisory body that can be regarded as equivalent to the supervisory regime in the country where the Company has its registered office;

- be invested in government bonds of high quality;
- be invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market funds.

All collateral instruments must be sufficiently diversified in terms of country, market and issuing institution. It is assumed that the criterion of sufficient diversification in respect of the issuing institutions has been complied with if the Company receives a portfolio of collateral instruments from a counterparty in transactions for efficient portfolio management and OTC derivatives with a maximum exposure to one specific issuing institution of 20% of its net asset value. If the Company is exposed to several counterparties, the different portfolios of collateral instruments must be added together in order to calculate the exposure limit of 20% to a single issuing institution.

Contrary to this point, the Company may be fully collateralized in the form of different securities and money market instruments issued or guaranteed by a Member State of the European Union, one or more of its public bodies, a third party that is a member of the OECD, Brazil, PRC, India, Russia, Singapore and South Africa, or international institutions of a public nature of which one or more Member States of the European Union forms part. In such case, the Company must receive securities from at least six different issues, but securities from one single issue may in that case not amount to more than 30% of the net asset value of the Company. The Company will effect transactions with counterparties that are creditworthy in the opinion of the Management Company. These counterparties may be Affiliated Parties. Important criteria in the selection of counterparties are: a healthy financial situation, the ability to offer products and services that meet the needs of the Management Company, the ability to react quickly to operational and legal developments, the ability to offer competitive prices and the quality of the execution. The selected counterparties have no authority whatsoever concerning the composition or management of the Company's investment portfolio or concerning the underlying assets of the financial derivatives, and their approval is not required in respect of transactions in the Company's investment portfolio.

The Company's annual report will contain more detailed information on:

- the identity of the issuing institution if the collateral instruments received amount to more than 20% of the Fund Assets;
- whether the Company is fully collateralized.

The exposure to the counterparty risk of a transaction involving OTC derivative instruments may, bearing in mind the collateral received, not amount to more than 10% of the net assets of the Company in the event that the counterparty is a credit institution having its registered office in a Member State of the European Union or falling under the prudential supervision of a supervisory body that can be regarded as equivalent to the supervisory regime in the country where the Company has its registered office.

In all other cases, bearing in mind the collateral received, the exposure to the counterparty risk of a transaction involving OTC derivative instruments may not amount to more than 5% of the net assets of the Company.

## Leverage

Leverage is a method whereby the Management Company increases the position of the Company, for example by borrowing money or securities through derivatives transactions, thereby creating leverage, or in some other way.

The investments are funded almost entirely from shareholders' equity. The Company may take out loans to a value of up to 10% of its assets. Where necessary, the Company may commit a portion of the Fund assets as security for the payment of the amount due in respect of these loans.



## Securities Lending

No securities are lent from the portfolio of the Company.

## Commission sharing agreements

Commission sharing agreements with brokers are used. Transaction costs, charged by brokers consist of two components: a fee for the actual execution of an order and a fee for the research supplied by the relevant broker for the purpose of the Company. In a commission sharing agreement, it is agreed with the broker that the fee with respect to the purchase of research is separated from the fee with respect to the actual execution of the transaction. The compensation for research is then booked separately on the relevant broker's account as a credit. OBAM may decide to transfer (a part of) this compensation to another broker or research provider for the provision of research. By separating the execution from the purchase of research, the best brokers in both fields can be identified.

# Net asset value

## Determination of net asset value

The net asset value per Classic Class Share is determined in euros each Valuation Day and published on the Website. This will not take place on days on which the repurchase and issue of Shares is suspended (see chapter 'Issue and repurchase of Shares and pricing').

The value of a Classic Class Share is determined by dividing the value of the Class by the number of Shares of the Class in issue (not held by the Company). The net asset value is calculated after processing of costs and fees. The value of Classic Class is determined with due observance of the generally accepted valuation principles described below. The value of the Shares in Classic Class is ultimately based on the value of the investments (see chapter 'Valuation principles').

## Compensation for incorrectly calculated net asset value

Shareholders who have suffered loss as a result of communication by the Company or the Management Company of an incorrect net asset value of a Share, as a result of a calculation error or any other cause, will only have an entitlement to compensation vis-à-vis the Company or the Management Company, in the form of compensation to the Classic Class, if:

- the difference between the reported net asset value and the actual net asset value amounts to more than 100 basis points;
- the compensation for the Shareholder in question or the Class amounts to at least EUR 30;
- it is not or no longer possible to reverse the relevant transactions; and
- the calculation error is reported within six months of the relevant Valuation Day.

# Issue and repurchase of Shares and pricing

## Issue, repurchase and Transaction Price

The Company operates as an open-end fund. The Company is prepared to buy its own Shares or issue new Shares at the prevailing Transaction Price. The Transaction Price of Classic Class will be determined in euros on each Valuation day and published on the Website.

In the event of a net increase in the Fund Assets due to the repurchase and/or issue of Shares on a Valuation Day, the net asset value will be increased by a premium; in the event of a net decrease in the Fund Assets due to the repurchase and/or issue of Shares, the net asset value will be reduced by a discount. The price set in this manner is the Transaction Price.

The purpose of the discount and premium is to protect the incumbent Shareholders and is added to the Fund Assets. The premium and discount is used by OBAM to cover the costs of the entry and withdrawal of Shareholders. This concerns the purchase and sale costs of the underlying investments and any market impact and taxes. The Management Board has capped the premium and discount at a maximum percentage. This maximum percentage is mentioned in the 'Expenses and fees' chapter. The Management Company will always publish the actual percentage on the Website.

## Purchase and sale

In principle, Classic Class Shares may be purchased and sold on any Valuation Day on the stock exchange of Euronext Amsterdam through the agency of a bank or other financial firm.

As at the date of this Prospectus, the Shares of the Company are offered for sale exclusively in the Netherlands. If the Management Company decides to offer the Shares for sale in other countries, this will be announced in (an addendum to) the Prospectus.

## Settlement of orders

Orders will be executed once each Valuation day at the Transaction price determined by the Management Company. Orders placed with the Company before the Cut-off Time (16.00 hrs) will be executed on the next Valuation Day ('T') at approximately 10.00 hrs at the Transaction price announced by the Management Company for that day. Orders placed after the Cut-off Time will be executed on the following Valuation Day.

Shares will only be issued if the Transaction Price has been paid into the Fund Assets within the prescribed period.

## Suspension of issue and repurchase of Shares

The repurchase or issue of Shares may be wholly or partially suspended, in view of the interests of the Shareholders, in the following special circumstances:

- (i) if one or more stock exchanges or markets on which securities are listed or traded which form part of the assets of the Company or the assets of an UCITS or investment institution in which the Company invests directly or indirectly, are closed on days other than the usual closing days, or transactions on those stock exchanges have been suspended or subjected to unusual restrictions and the Management Company is of the opinion that it is not possible to provide an accurate estimate of the price of the (listed) securities;
- (ii) circumstances in which the means of communication or calculation facilities that are normally used to determine the assets of the Company or the assets of an UCITS or investment institution in which the Company invests directly or indirectly, no longer function or for some other reason the value of an investment that forms part of the assets of the Company or the assets of an UCITS or investment institution in which the Company invests directly or indirectly, cannot be determined with the speed or accuracy required by the Management Company;
- (iii) circumstances in which the technical resources needed for the Company to repurchase or issue Shares are unavailable due to a technical problem;
- (iv) factors relating among other things to the political, economic, military or monetary situation over which the Management Company has no influence and which prevent the Management Company from determining with sufficient accuracy the value of the assets of the Company and the assets of an UCITS or investment institution in which the Company invests directly or indirectly.
- (v) circumstances in which the Company is unable in practice to meet the number of requests to repurchase or issue Shares immediately;
- (vi) circumstances in which a maximum limit may temporarily be set for the issue and/or repurchase of Shares, provided the limit set is in relation to the number of Shares in issue and is related to the characteristics of the Company, the Class or the investment policy;
- (vii) circumstances in which the tax status of the Company is jeopardised. This is the case, for example, where the issue or repurchase of Shares would mean that the Company would no longer meet the criteria for a fiscal investment institution (see chapter 'Taxation', under 'Corporate Income Tax'); or
- (viii) if the AFM issues a direction obliging the Management Company to suspend the issue or repurchase of Shares in the general interest or in the interests of the Shareholders.

In the event of suspension, the Management Company will inform the AFM – with the exception of the situation mentioned under (viii) – and the Supervisory Board without delay and the measure will be reported and explained on the Website.

Since the Company invest directly or indirectly primarily in negotiable and/or listed securities, there are sufficient guarantees that, subject to statutory provisions and barring special circumstances, it will be possible to comply with the obligation to repurchase and redeem Shares.

## Refusal of orders

OBAM reserves the right to refuse a purchase or sale order if a settlement instruction deviating from the standard is being requested. The standard settlement instruction at this moment is:

- settlement through LCH.Clearnet: administrative and financial settlement and guaranteeing of securities transactions. The guarantee issued by LCH.Clearnet minimises the counterparty risk;
- settlement term of two trading days after the Valuation Day;
- settlement through Euroclear Nederland: the final settlement of securities transactions.

# Valuation principles

## Valuation of the investments

The valuation of investments is carried out on the basis of the following criteria:

- The regularly traded listed securities are valued at the closing prices which are fixed after the Cut-off Time. For OBAM's investments in Asian markets, the most recently known market prices will be taken into account consistently for the time of valuation;
- On days when one or more stock exchanges or markets on which a substantial part of the underlying investments is traded is or are closed for the usual reasons, the listed investments may be valued on the basis of an appraisal by the Management Board which it deems advisable for such investments.
- Listed securities that are not traded or are traded irregularly are valued at the discretion of the Management Board at an (estimated) market value taking into account all criteria which it deems advisable for such investments.

## Valuation of derivatives

Derivatives are derived financial instruments such as forward contracts, futures and options. The value of derivatives depends on the value of the underlying variables and these financial instruments need relatively little or no net initial investment and are settled at a certain moment in the future.

Forward contracts, futures and options which have not yet been settled are stated at fair market value. Realised and unrealised results on these contracts are accounted for in the results on investments in the profit and loss account.

## Valuation of other assets and liabilities

Other assets and liabilities are stated at nominal value. Where necessary, provisions are formed for irrecoverability.

The following basic principles are applied by the Company for the conversion of currency:

- Assets and liabilities in foreign currencies are converted into euros at the rate prevailing on the date of valuation;
- Currency exchange differences are recognised in the results;
- Income and expenditure in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

# Principles of determination of result

The results are determined by the proceeds from the dividend received during the reporting period, the interest over the reporting period and other income after deduction of the costs attributable to the reporting period.

The buying and selling costs of investments are capitalised and included under movements in value. Selling costs of investments are deducted from the realised price result.

The realised price results on investments during the reporting period are determined by subtracting the purchase value from the sale proceeds. The unrealised price results on investments during the reporting period are determined on the basis of the sale proceeds or balance sheet value at the end of the reporting period minus the sale proceeds or balance sheet value at the beginning of the reporting period, where applicable increased by the purchase price of the purchases made during the reporting period. In the case of a sale, the cumulative value of unrealised price results which are already recognised as results, will be counter-booked. These price results, as well as gains and losses on foreign exchange, are recognised as income.

Interest charges in respect of loans or bank debts taken out in the context of the investment policy are disclosed under income from investments.

The premiums and discounts for the issue or the redemption of shares are accounted for under other income.

# Fees and expenses

## Management fee

The Management Company charges the Classic Class a management fee of 0.5%.

The management fee is calculated on a daily basis on the basis of the assets of the Class and charged to the result of the Class exclusive of VAT.

## Depositary fees

OBAM is required to pay the Depositary a:

- fee for the performance of its depositary tasks – excluding the safekeeping of securities in the OBAM investment portfolio – equal to a maximum of 0.006%. The fee is calculated on a daily basis on the basis of the assets of the Class; and
- a safekeeping fee whose size depends on the countries in which OBAM invests. The safekeeping of the securities in the OBAM investment portfolio as well as the placement of liquid assets in deposits by OBAM take place at normal market rates.

Both of the above fees are charged – plus VAT wherever applicable – on a monthly basis to the result of the Class.

## Administration fee

OBAM pays BNP Paribas Securities Services Amsterdam a monthly administration fee amounting to 0.01247%, with a minimum of EUR 150,000 per year. The administration fee is calculated on a daily basis on the basis of the assets of the Class. No VAT is charged on the administration fee. The fee is charged to the results of the Class.

## Paying Agent, Listing Agent and Fund Agent fees

OBAM pays ING Bank N.V. a monthly fee for its services as Paying Agent, Listing Agent and Fund Agent amounting EUR 20,000 per year, increased by market practice transaction fees. This fee is calculated on a daily basis on the basis of the assets of the Class. No VAT is charged on this fee. The fee is charged to the results of the Class.

## Supervisory Board remuneration

The Supervisory Board of OBAM is entitled to remuneration at the Company's expense for its activities. This remuneration is a maximum of EUR 23,000 per annum for the chairman of the Board. For the other members of the Supervisory Board, the annual remuneration is a maximum EUR 20,000 per person. VAT will be added to all aforementioned amounts if applicable. These costs are charged directly to the results of OBAM.

## Other expenses

### OBAM

Other general expenses borne by the Company include expenses related to the organisation of annual General Meetings, reporting, marketing, listing on the stock exchange, external consultants, auditors as well as the cost of supervision by the AFM pursuant to the Wft.

In addition, other costs directly related to the management of investments, such as settlement costs as well as corporate actions costs and transaction costs relating to OBAM's investments will be borne by the Company.

OBAM does not employ any staff.

### Investor

Any buying and selling expenses and/or custody fees charged to the investor by a bank or other financial firm for the purchase and/or sale of a Classic Class Share will depend on the bank or financial firm where the transaction and/or custody takes place.

### Premiums and discounts

For reasons of transparency and simplicity, the Management Board of OBAM has determined a maximum percentage of 0.30% of the net asset value for the premium or discount. This premium or discount is used by OBAM to cover the costs of the entry and withdrawal of Shareholders, in the form of the purchase and sales costs of the underlying investments and any market impact and taxes. The actual level is determined on the basis of actual sale and purchase costs with respect to the securities in which OBAM invests. The Management Board may adjust this percentage if the long-term average changes due to market circumstances. The actual applicable premium/discount percentage will always be available on the Website. No VAT is charged on the premium or discount.

### Transaction costs

Transaction costs are the direct costs incurred by the Company for the purchase or sale of the underlying investments of the Company. These costs are explained in the annual report. The turnover rate of the portfolio is also stated in the annual report, to give an indication of the transaction costs. The transaction costs are in line with the market and are charged to the assets of the Company.

### Total costs

The 'ongoing charges' are stated in the KIID. This costs ratio provides an insight into the (estimated) total costs that will be deducted from the assets of the Classic Class during the course of a year. The costs of investment transactions, interest charges and any costs associated with derivatives (e.g. margin calls) are left out of consideration. The KIID containing details of the on-going charges contained therein are updated at least once a year.



Table of fees and expenses

	<b>Classic Class</b>
Name on Website	OBAM N.V. Share category: Classic-Distributie
ISIN code	NL0006294035
Management fee	0.5%
Depository fee	Maximum 0,006% plus safekeeping fees
Administration fee	0.01247%, with a minimum of EUR 150,000 per year
Paying Agent, Listing Agent and Fund Agent fees	EUR 20,000 per year increased with transaction fees
Supervisory Board remuneration and Other expenses	These costs are charged directly to the assets of OBAM
Premium and discount to net asset value	Maximum premium: 0.30% Maximum discount: 0.30%

# Taxation

The most relevant fiscal aspects of investing in the Company are described in broad outline below, based on present Dutch tax legislation and case law, with the exception of provisions introduced with retroactive force after the date of this Prospectus.

## The Company

### Corporate Income Tax

The Company has opted for the status of FII. This means that, provided a number of conditions are met, no Corporate Income Tax is levied on the Company. One of these conditions is that the profit available for distribution is distributed to Shareholders within eight months of the end of the financial year. Price gains on securities are incorporated in the assets via the reinvestment reserve and therefore do not need to be distributed. A portion of the costs associated with administering the investments must be deducted from the reinvestment reserve.

### Dividend tax and foreign withholding tax

#### *Dividends received*

Dutch dividend tax is in principle deducted from dividends received which are paid by entities established in the Netherlands. Foreign withholding tax is generally deducted from dividends paid by entities established in other countries. Where the amount of withholding tax deducted exceeds the amount to which the country in question is entitled pursuant to double taxation treaties, this withholding tax can in principle be reclaimed from the tax authorities in the country concerned.

#### *Dividends to be distributed*

The Company is in principle required to deduct dividend tax at the rate of 15% from dividends to be distributed. Distribution of dividend in the form of Shares charged to the fiscally recognised share premium reserve is not subject to dividend tax. A distribution from the reinvestment reserve can in principle be made free of dividend tax.

The dividend tax payable by the Company as deducted from dividends it has distributed may under certain conditions be reduced by the amount of Dutch dividend tax and a proportion of the foreign withholding tax (remaining after application of double taxation treaties) (up to a maximum of 15% of the foreign dividend concerned) that has been deducted from dividends paid to the Company, provided the Company is the ultimate beneficiary of these dividends. The foreign withholding tax (remaining after application of double taxation treaties) cannot be deducted from the dividend tax payable by the Company pro rata the number of Shares held in the Company by Shareholders that are not themselves liable to pay tax (Dutch and foreign exempt pension funds, exempt foundations, associations, etc.) or that have the right (based on a taxation treaty) to reduction or reclaim of withheld Dutch dividend tax.

## Shareholders

### General

This section is not intended to provide a summary of all fiscal consequences for every Shareholder in relation to the acquisition, holding and disposal of Shares in the Company. Those consequences will depend on the personal circumstances of the Shareholder and on the legislation and jurisprudence in the country where the Shareholder resides or is established.

Shareholders should seek the advice of their own tax advisor with regard to all fiscal aspects in relation to the acquisition, holding and disposal of Shares in the Company based on their particular situation.

#### Private individuals residing in the Netherlands

It is assumed in this summary of Dutch taxation aspects for private Shareholders residing in the Netherlands that the Shares in the Company are not (required to be) classed as part of the assets of an enterprise. It is also assumed that the Shares do not qualify as a substantial interest, that the Shareholder does not receive any income from other activities in respect of the Shares and that the Shares are not held as part of a life-course savings scheme, an annuity investment scheme or an investment-backed mortgage repayment scheme. Finally, the rules set out below may apply to a private individual who resides in the Netherlands if the Shares have been placed in a protected personal assets construction that is attributed to that private individual.

#### *Income tax*

Taxable income from investments ('Box 3' income) is set at a notional yield on the value of the assets invested at the start of the calendar year (reference date). This notional yield is taxed at a rate of 30%. The value of the assets invested is calculated as the net assets invested (assets less liabilities, where these exceed a certain threshold and are not included in 'Box 1' or 'Box 2' on the Dutch income tax return) less a tax-free allowance. The general tax-free allowance for the tax year 2020 is EUR 30,846 for individual taxpayers (EUR 61,692 for partners jointly), plus any applicable surcharges. As of tax year 2020 the notional yield applicable on the amount above the tax-free allowance is 1.789% on the first EUR 72,797, 4.185% on the amount between EUR 72,797 and EUR 1,005,572 and 5.28% on the amount exceeding EUR 1,005,572. The notional yield is calculated on the value of the assets invested at the start of the calendar year, regardless of the return actually realised.

#### *Dividend tax*

The dividend tax withheld by the Company can in principle be set off entirely against the income tax liability, or reclaimed from the tax authorities provided the recipient of the dividend is the ultimate beneficiary.

#### Taxable entities established in the Netherlands

It is assumed in this summary of Dutch taxation aspects for entities established in the Netherlands that those entities are subject to Corporate Income Tax, do not hold the status of FII and do not have a shareholding of 25% or more in the Company.

#### *Corporate Income Tax*

Except in the case of dividend distributed from the profit reserves that were present when the Shares were purchased ('purchased dividend'), dividends received are taxable. If the Shares in the Company are sold, the difference between the proceeds and the book value is taxable. The 'substantial holdings exemption' cannot be applied to Shares of the Company.

#### *Dividend tax*

The Dutch dividend tax withheld by the Company can in principle be set off against the Corporate Income Tax payable or reclaimed where applicable, provided the recipient of the dividend is the ultimate beneficiary.

#### Non-taxable entities established in the Netherlands

#### *Dividend tax*

Certain exempt institutional investors (e.g. pension funds, associations and foundations established in the Netherlands and exempt from Dutch corporate income tax) are able in principle to reclaim all the dividend tax deducted from dividend payments by the Company from the Dutch tax authorities, provided the recipient of distributed dividends is the ultimate beneficiary of those dividends.

Entities with the status of exempt UCITS or Investment Institution cannot reclaim the dividend tax deducted from dividend payments by the Company from the Dutch tax authorities.

## FATCA

The purpose of the Act is to gather information, with the cooperation of financial institutions, on US taxpayers with financial assets held outside the United States, and to report this information to the US tax authorities (Internal Revenue Service – IRS) with a view to preventing tax evasion. Failure to cooperate with FATCA carries the risk that US withholding tax will be applied at the rate of 30% to sales proceeds or income deriving from a US source. Any US tax withheld may not be refunded by the IRS.

The Netherlands has signed an Intergovernmental Agreement ('IGA') with the United States, which provides for the automatic sharing of information relating to US taxpayers. Pursuant to this Agreement, Dutch legislation has been amended, following which the Company is required to pass details relating to US taxpayers to the Dutch tax authorities. The Dutch tax authorities will subsequently pass these details to the US tax authorities.

## AEOI

The Multilateral agreement to automatically exchange financial information worldwide (Automatic Exchange of Information; 'AEOI') has been enacted into Dutch law. To comply with the requirements of the Dutch law, the Company may need to collect and disclose information about its investors to the Dutch tax authorities. The Dutch tax authorities will subsequently transmit the received information to the relevant jurisdictions. The transmitted information may include (but is not limited to) the identity of investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. An investor will therefore be required to comply with any reasonable request from the Company for such information, to allow the Company to comply with its reporting requirements to the Dutch tax authorities.

# Amendments to the Terms and Conditions

The Articles of Association may be amended by decision of the General Meeting on the proposal of the meeting of priority shareholders. A (proposal for) amendment of the Terms and Conditions applicable between the Company and the Shareholders will be published in a Dutch national daily newspaper as well as on the Website. Any amendment or proposed amendment of the Terms and Conditions will also be explained on the Website.

Amendments of the Terms and Conditions applying between the Company and the Shareholders which result in the loss of Shareholders' rights or guarantees or the imposition of charges on Shareholders, or which result in amendment of the investment policy, will not be invoked in respect of those parties who are Shareholders at the time of the notification as referred to below until one month has elapsed after notification of the amendment in the manner referred to above. During this period Shareholders may have their Classic Class Shares repurchased by the Company on the usual terms, without prejudice to the relevant provisions in the Prospectus, the Articles of Association of the Company and the other Terms and Conditions applying between the Company and the Shareholders.

# Reporting

The financial year of the Company runs from 1 January up to and including 31 December.

Within four months of the end of each financial year, the Management Board of the Company will prepare the annual accounts for that financial year, in accordance with Title 9 of Book 2 of the Dutch Civil Code, the Investment Institutions Directive (Richtlijn Beleggingsinstellingen) of the Directive for annual reporting (Richtlijnen voor de Jaarverslaggeving) and requirements for the annual accounts pursuant to the Wft. The financial statements at least consist of a balance sheet, a profit and loss account and notes to the accounts. The General Meeting may instruct a chartered auditor or other expert within the meaning of Section 393, subsection 1 of Book 2 of the Dutch Civil Code to audit the annual accounts. The Auditor will issue a report on his findings to the Management Board and the Supervisory Board of the Company and will present the outcome of his audit in the form of an auditor's report, which will be added to the annual accounts. The Company's annual accounts are currently audited by Ernst & Young Accountants LLP.

The Management Board will also submit a report to the Shareholders within four months of the end of the financial year on its management activities, which together with the annual accounts will constitute the annual report. The annual report will be published by posting it on the Website. The annual General Meeting will be held within six months of the end of the financial year. The agenda for this meeting will include the adoption of the annual accounts. Within eight days of adoption of the annual accounts, the Management Board of the Company will file the annual accounts with the Trade Register and notify the Shareholders of where the annual accounts, the annual report and the other information are available. If an annual report has also been adopted this notification will also state that the annual report together with the relevant Auditor's report will be made available by the Company to the Shareholders free of charge.

Within nine weeks of the end of the first half of each financial year the Management Board of the Company will draw up the interim accounts for the first half of that financial year with due observance of the provisions under or pursuant to the Wft. At the same time that the interim report is published (of which the interim accounts form part), the Management Board of the Company will notify all Shareholders of the location where that report may be obtained free of charge.

The annual accounts and the interim-accounts are presented in euros.

The annual accounts of the Company for the past three financial years together with the associated auditor's reports and, if applicable, the published interim reports will be made public and be available on application at the Company offices and will be published on the Website. These documents will be mailed out on request free of charge.

# Provision of information

The Company will make announcements and periodically provide information by means of publication in a national Dutch daily newspaper as well as on the Website.

The Company will provide information on the Management Company, the Depositary and the Company which must be entered in the Trade Register pursuant to any statutory provision free of charge to any party on request.

The Articles of Association and the three most recent annual and interim reports of the Management Company (to the extent available) are available to any party (in Dutch) on the Website and may also be obtained free of charge from the Management Company.

The most recent information about the Depositary related to the subjects covered in the Fund Structure chapter / Depositary section will be made available to the Shareholders by the Management Company on request.

The annual accounts of the Depositary are consolidated in those of BNP Paribas S.A. The most recent annual report of BNP Paribas S.A. may be consulted by any interested party on the Website under 'Wettelijke informatie'.

A copy of the agreement between the Company, the Management Company and the Depositary will be provided by the Management Company to any interested party free of charge on request.

The Management Company of the Company will provide the following documents to any interested party free of charge on request:

- a copy of the Management Company's licence pursuant to Sections 2:69b of the Wft;
- the Company's Prospectus, including annexes;
- the KIID as compiled for each Class of Shares;
- the three most recent annual and interim reports of the Company.
- a copy of the description of the Management Company's current remuneration policy.
- a copy of any decision by the AFM granting exemption to the Management Company, the Depositary or the Classes from compliance with the provisions under or pursuant to the Wft (if applicable);
- a copy of the monthly statement with notes concerning the total value of OBAM's the investments, a statement of the composition of OBAM's investments, the number of Classic Class Shares in issue and the most recent net asset value of the Shares of the Class, within the meaning of article 50 paragraph 2 BGfo.

This information, as well as all other relevant information, is also available on the Website.

## Complaints procedure

Shareholders may submit complaints in writing to the Management Company.

If the Shareholder's complaint is not resolved satisfactorily, the Shareholder may submit the complaint to the Financial Services Ombudsman at the Dutch Financial Services Complaints Institute (KiFiD). The Ombudsman will mediate between the Management Company and the Shareholder. The Shareholder will not incur any costs in calling in the Ombudsman.

If the dispute has not been resolved satisfactorily through the mediation of the Ombudsman, the complaint may be submitted to the Financial Services Disputes Committee at KiFiD. The Shareholder must do this within three months of being notified of the opinion of the Ombudsman. Costs will be incurred when submitting complaints to the Financial Services Dispute Committee.

An appeal may be submitted to the Appeals Committee within six weeks of the ruling of the Financial Services Disputes Committee. This appeal is only admissible if:

- it concerns an appeal against a binding advice of the Financial Services Dispute Committee; and
- the complaint relates to a financial interest of EUR 25,000 or more.

Costs will be incurred when submitting an appeal.

The address of KiFiD is:

P.O. Box 93257

2509 AG THE HAGUE

[www.kifid.nl](http://www.kifid.nl)



# Supervision

Both the Management Company and the Company fall under the supervision of the AFM. A licence pursuant to Sections 2:69b Wft has been issued to the Management Company. OBAM is registered with the AFM under the Management Company's licence.

# Declaration by the Management Company

The Management Company declares that the Company, the Management Company, the Depositary and the Prospectus comply with the rules applying by virtue of or pursuant to the prevailing legislation and regulations.

Schiphol, 1 July 2020

OBAM Investment Management B.V.

# Assurance report of the independent auditor

To: The Management Board of OBAM N.V.

## Engagement and responsibilities

We have performed an assurance engagement concerning the contents of the prospectus dated 13 November 2019 of OBAM N.V. In this context, we examined whether the prospectus dated 1 July 2020 of OBAM N.V. in Amsterdam ('Prospectus'), contains at least the information required by or pursuant to the Dutch Financial Supervision Act for a prospectus of an undertaking for collective investment in transferable securities ('UCITS').

Unless explicitly stated otherwise in the Prospectus, we have not audited the information included in the Prospectus.

The responsibilities are as follows:

- OBAM Investment Management B.V., the Management Company of OBAM N.V. ('Management Company') is responsible for preparing the Prospectus that contains at least the information required by or pursuant to the Dutch Financial Supervision Act for a prospectus of a UCITS.
- Our responsibility is provide a statement as referred to in Section 4:49, subsection 2, under c, of the Dutch Financial Supervision Act.

## Scope

We conducted our examination in accordance with Dutch law, including Dutch Standard 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This requires that we plan and perform our examination to obtain reasonable assurance about whether the Prospectus contains at least the information required by or pursuant to the Dutch Financial Supervision Act for a prospectus of a UCITS.

Pursuant to Section 4:49, subsection 2 under a of the Dutch Financial Supervision Act, a prospectus of a UCITS contains the information which investors need in order to form an opinion on the UCITS and the costs and risks attached to it. Dutch law does not require the auditor to perform additional procedures with respect to Section 4:49, subsection 2 under a of the Dutch Financial Supervision Act.

We are independent of the Management Company and OBAM N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accounts, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We apply the 'Nadere voorschriften accountantskantoren ter zake van assurance opdrachten (RA)'. Based on that, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

Our opinion has been formed on the basis of the scope outlined above. In our opinion, the Prospectus contains, in all material respects, at least the information required by or pursuant to the Dutch Financial Supervision Act for a prospectus of a UCITS.

Amsterdam, 1 July 2020

Ernst & Young Accountants LLP

signed by M.J. Knijnenburg

# Annex A-Articles of association of the Company

Text as at 1 July 2020

## Definitions

### Article 1.

In these articles of association, the following terms will have the following meanings:

- a. the Company: The legal person to which these articles of association apply, namely the public limited liability company (investment company with variable capital) **OBAM NV**;
- b. the Board of Directors: The Board of Directors of the Company;
- c. the Supervisory Board: The supervisory board of the Company;
- d. the General Meeting: The general meeting of the Company;
- e. the Priority: The body composed of the priority shareholders;
- f. the shares / shareholders: The shares of all categories (ordinary shares, or all Classes and priority shares respectively) or the holders of all categories of shares respectively, unless the text indicates otherwise;
- g. Wge: The Dutch Securities Giro Act of 8 June 1977 (*Wet giraal effectenverkeer*), Dutch Bulletin of Acts and Decrees 333, as this reads from time to time, or the act replacing the aforementioned Act;
- h. Central Institute: The Netherlands Central Securities Depository within the meaning of the Wge;
- i. Collective Depository: Collective depository within the meaning of the Wge;
- j. Participant: Participant within the meaning of the Wge;
- k. Intermediary: An intermediary within the meaning of the Wge;
- l. Class: A series of ordinary shares;
- m. Central Intermediary: By the Board of Directors appointed (i) Intermediary or (ii) foreign institution as referred to in article 8 paragraph 1 sub clause b of the Dutch Securities Giro Act (*Wet giraal effectenverkeer*) or (iii) foreign legal entity (a) to which the authority is granted, on the grounds of the laws that are applicable to that legal entity, to administrate securities accounts on behalf of clients and (b) which deposits a bearer certificate or registered shares on behalf of the beneficial owner or on behalf of an Intermediary.

## Name and registered office

### Article 2.

- 2.1. The Company's name is: **OBAM N.V.**
- 2.2. The Company's registered office is in Amsterdam.
- 2.3. The Company is an investment company with variable capital.

## Object

### Article 3.

- 3.1. The Company's object is the investment of assets, whilst spreading of the risks so that the Company's shareholders can share in the profits.
- 3.2. Within the framework prescribed in section 1 of this Article, the Company is authorised to perform all that which is

related to or deemed conducive to the aforementioned object in the broadest sense.

## **Capital**

### **Article 4.**

- 4.1 The Company's share capital amounts to fifty six million three hundred fifty three thousand euros (EUR 56,353,000) and is represented by sixty (60) priority shares each having a nominal value of fifty euros (EUR 50.00), eighty million (80,000,000) ordinary shares in Class C and five-hundred thousand (500,000) ordinary shares in Class X, each having a nominal value of seventy eurocents (EUR 0.70).
- 4.2 A Class of shares is indicated by the letter of the respective Class. Each Class constitutes a different category of shares. Where reference is made in these articles of association to shares and shareholders, this shall be understood to mean the shares of each category or the holders of shares of each category, respectively, unless the text explicitly provides otherwise. Where reference is made in these articles of association to ordinary shares, these shall be understood to mean the ordinary shares of each Class unless the text explicitly provides otherwise.
- 4.3. The amounts paid on the shares of a Class up to the par value of the respective shares in each Class shall be held by the Company in an account for each Class. The amounts paid on the shares of a Class over and above the par value of those shares shall be entered per Class in a share premium account held by the Company for each Class. The share account, share premium account and the reserve as referred to in Article 31, paragraph 2, for a given Class shall be administrated separately. The amounts in these accounts shall be jointly invested for both Classes for the benefit of holders of both Classes.
- 4.4 The Board of Directors may resolve to redistribute the ordinary shares that are Class X.
- 4.5 In the event of a redistribution as referred to in paragraph 4 of this article, the Board of Directors shall determine:
- a. the number of ordinary shares to be redistributed between the Classes;
  - b. the number of ordinary shares by which the numbers of ordinary shares in Class C and Class X, respectively, is increased or decreased respectively; and
  - c. the redistribution of Class C and Class X.
- 4.6 A decision to redistribute ordinary shares as referred to in paragraph 4 may only be taken under the condition precedent that a copy of the decision concerned is filed immediately with the Trade Register.
- 4.7 The Board of Directors may decide to convert shares held by the Company in a given Class into shares in the other Class. Upon conversion, each share in a Class to be converted shall be converted into one share in the other Class. In the conversion resolution, the Board of Directors shall determine: (i) which Class of shares are to be converted, and (ii) the number of shares to be converted. Conversion within the meaning of this paragraph may not take place if restricted rights are vested in the shares in question. In so far as a resolution to convert shares would lead to more shares in a given Class being in issue than the number of shares of that Class, as provided for in the authorised capital, the provisions of paragraphs 4 to 6 inclusive shall apply mutatis mutandis.
- 4.8. The net asset value of a share shall be determined as follows: the total value of assets invested in securities at the most recently known stock market prices and exchange rates attributed to the Class in question (A), plus the cash and cash instruments present within the Company, including receivables and liabilities, as attributed to the Class in question (B), divided by the number of shares of the Class in question in issue at the time that the net asset value is determined (C); that is to say:  $(A + B) : C$ .

## **Shares**

### **Article 5.**

- 5.1. The ordinary shares take the form of either bearer or registered shares.  
The priority shares are registered shares.  
The registered shares shall be numbered and may be provided with letters in a manner to be determined by the Board of Directors.  
Share certificates shall not be issued for registered shares.

- 5.2. When subscribing to ordinary shares to be issued, the shareholder shall receive an ordinary bearer share in the manner prescribed below.
- 5.3. All ordinary bearer shares shall be embodied in one share certificate per Class.
- 5.4. The Company shall assign custody of the share certificates as referred to in the foregoing paragraph on behalf of the person(s) entitled to the Central Institute or, if the Board of Directors so decides to with respect to a specific Class, by a Central Intermediary.
- 5.5. The Company shall grant entitled persons a right with respect to the ordinary bearer shares because (a) Central Institute or Central Intermediary respectively, enables the Company to add shares to the share certificate and (b) the person entitled appoints an Intermediary which credits him as Participant in its Collective Depository accordingly.
- 5.6. Administration of the share certificate has been assigned irrevocably to the Central Institute or Central Intermediary, respectively, and the Central Institute or Central Intermediary, respectively, is irrevocably authorised to do all that which is necessary, on behalf of the person(s) entitled with respect to the relevant ordinary shares, such as acceptance, delivery and assistance in the entry on and striking off the share certificate.
- 5.7. Exchange of one or more ordinary bearer shares for one or more ordinary registered shares shall be possible, subject to the provisions of the law.
- 5.8. A holder of an ordinary registered share may at any time exchange this for a bearer share by (a) delivering this share by contract to the Central Institute or Central Intermediary, respectively, (b) the Company recognising this delivery, (c) the Central Institute or Central Intermediary, respectively, enabling the Company to enter or arrange entry of the ordinary share onto the share certificate, (d) an Intermediary appointed by the entitled person crediting the entitled person accordingly as a Participant in its Collective Depository and (e) the Company striking the person entitled from the register of shareholders as holder of the share in question.
- 5.9. The Company may not charge a shareholder who wishes to exchange his ordinary shares for bearer shares pursuant to paragraph 8 of this Article more than the cost of this exchange.
- 5.10. A Participant with a title to part of the Collective Depository of ordinary shares in the custody of an Intermediary shall also be considered to be a shareholder for the purposes of these articles of association.

### **Registered shares in community**

#### **Article 6.**

In the event that registered shares or a limited right attached thereto form part of a community, the Participants may only be represented in the Company by one person jointly appointed by them in writing. The joint Participants may appoint more than one person.

The joint Participants may unanimously determine, at the time of appointment or thereafter, that, if one of the joint Participants wishes, a number of votes corresponding to his appointment will be cast in proportion to his proportion of the community.

### **Shareholders' register**

#### **Article 7.**

7.1. The Board of Directors shall maintain a register containing the names and addresses of all holders of registered shares, stating the date of acquisition of the shares, the number and category of shares held, the date of recognition or notice as well as the amount paid for each share. The register shall also contain the names and addresses of all parties with a right of usufruct or pledge on registered shares, stating the date on which they acquired this right and the date of recognition and notice, and also stating the rights to which they are entitled pursuant to Article 11 sections 4 to 6 inclusive.

Every entry or note in the register shall be signed by or on behalf of the Board of Directors.

7.2. Every holder of one or more registered shares and each usufructuary or pledgee of one or more registered shares shall communicate their address and any change thereof to the Board of Directors in writing. This address will remain valid to the Company as long as the party concerned has not communicated any other address to the Board of

Directors in writing. All consequences of not communicating the correct address or any changes thereof shall be borne by the person involved.

- 7.3. Upon request, the Board of Directors shall provide the shareholder, usufructuary or pledgee free of charge with an extract from the register with respect to their right to the registered share. If this share is encumbered with a right of usufruct or pledge, the extract shall state the owner of such rights pursuant to Article 11 sections 4 to 6 inclusive.
- 7.4. The Board of Directors shall deposit the register at the Company's office for inspection by the shareholders and usufructuaries or pledgees with voting rights but only to the extent of their right to a registered share.
- 7.5. All entries or notes in the register and copies or extracts from the register shall be signed by or on behalf of the Board of Directors.

### **Issuing of shares**

#### **Article 8.**

- 8.1. Shares shall be issued by the Board of Directors; the Board of Directors shall determine the issue price and conditions. If the amount to be placed in an issue has been announced and it proves possible only to issue a lower amount, the latter amount shall only be issued if this is expressly laid down in the terms and conditions.
- 8.2. Section 1 of this Article shall apply mutatis mutandis to the granting of rights to buy shares but shall not apply to the issue of shares to anyone who is exercising an already acquired right to buy shares.
- 8.3. Shares may not be issued below par, subject to the provisions of Section 80(2) of Book 2 of the Dutch Civil Code.
- 8.4. When buying a share, the nominal amount shall be transferred as well as, if the share is bought at a higher price, the difference between these two amounts, subject to the provisions of Section 80(2) of Book 2 the Dutch Civil Code.
- 8.5. Subscription to shares shall be effected in cash, if no other contribution has been agreed upon.
- 8.6. Payment in foreign currency may only be made with the Company's consent.
- 8.7. The Board of Directors is authorised, without prior consent of the General Meeting, to perform any legal acts with respect to contributions for shares in a form other than cash and to perform the legal acts as referred to in Section 94(1) of Book 2 of the Dutch Civil Code.
- 8.8. Unless stipulated otherwise in the decision to issue shares, shareholders have no preferential rights in the issue.

### **Own shares**

#### **Article 9.**

- 9.1. The Board of Directors may authorise the Company to acquire its own shares paid in full for valuable consideration. The issued capital less the capital represented by the shares held by the Company itself must be at least one tenth of the share capital.
- 9.2. The Board of Directors may authorise the Company to alienate the shares it holds in its own capital.

### **Capital reduction**

#### **Article 10.**

- 10.1. At the proposal of the Priority and in compliance with the relevant statutory provisions, the General Meeting may resolve to reduce the issued capital by withdrawing shares or by reducing the share value by amending the articles of association.
- 10.2. If less than fifty percent (50%) of the issued capital is represented at the meeting, the decision to reduce the capital can only be taken by a majority of two thirds of the cast votes.
- 10.3. The capital may be reduced with respect to a certain category of shares. The capital shall be reduced in the proportion of all shares involved, unless all shareholders agree that this proportionality should be deviated from.
- 10.4. The notice of convocation to the General Meeting which is to resolve on a capital reduction shall state the purpose of the capital reduction and the manner of execution. The decision to reduce the capital shall state the shares to which the decision applies as well as the manner of implementation of this decision.
- 10.5. The Company shall file the decision to reduce the capital at the offices of the Commercial Register and announce



the deposit in a Dutch national newspaper.

A decision to reduce the issued capital shall not enter into force as long as the term for objections, as laid down in Section 100(3) of Book 2 of the Dutch Civil Code, has not elapsed.

If an objection has been lodged in a timely manner, the decision shall not enter into force until the objection has been withdrawn or resolved irrevocably. The deed amending the articles of association necessary for capital reduction cannot be executed prior to this moment.

10.6. The provisions of section 5 of this Articles shall not apply if the Company withdraws lawfully acquired own shares.

### **Delivery of registered shares. Usufruct and pledge on shares**

#### **Depository receipts for shares**

##### **Article 11.**

11.1. Delivery of registered shares shall be effected by legal instrument, as well as written acknowledgment of the delivery by the Company, unless the Company itself is a party to this transaction.

The acknowledgment shall be effected in the legal instrument or a dated declaration with acknowledgment on the instrument or by copy or extract authenticated by a civil-law notary or transferee or taking into account the provisions set out below.

Service of a copy or extract to the Company shall be deemed to be its acknowledgment.

11.2. Section 1 of this Article shall apply mutatis mutandis to the creation, waiver and delivery of a right of usufruct and the creation, waiver and delivery of a right of pledge on registered shares provided that the acknowledgment is entered in the shareholders' register with a note.

11.3. Section 1 of this Article shall apply mutatis mutandis to the alienation and transfer of registered shares by the pledgee or the remainder of the registered shares in the possession of the pledgee provided that the pledgee exercises all rights and performs all obligations related to such alienation and transfer.

11.4. The shareholder holds the voting rights of shares which are pledged or the right of usufruct of which has been transferred to a third person. Contrary to the foregoing, the voting rights are held by the usufructuary or pledgee, as the case may be, if this is stipulated at the moment of vesting of the right of usufruct or pledge, as the case may be.

11.5. A shareholder without voting right and the usufructuary or pledgee with voting rights have the rights granted by law to holders of depository receipts issued with cooperation of the Company.

11.6. Usufructuaries or pledgees without voting rights do not have the rights granted by law to holders of depository receipts issued with cooperation of the Company.

11.7. The Company is not authorised to cooperate in the issue of depository receipts for shares.

### **Transfer of priority shares**

#### **Article 12.**

12.1. Priority shares may only be transferred with the Priority's prior consent.

12.2. Priority shares may only be transferred at the nominal value of the transferred priority shares.

12.3. If a shareholder, hereinafter in this Article referred to as "petitioner", wishes to transfer one or more priority shares, the Priority's consent shall be sought by the Board of Directors or, failing this, by the petitioner himself.

12.4. Consent shall be deemed to be given if:

a. the decision is not communicated in writing to the petitioner within three months of receipt of the written request;

b. the petitioner has not been informed in writing at the same time as a refusal of which prospective buyer(s) are willing to buy all relevant priority shares for cash.

12.5. The Company may only be a prospective buyer with the petitioner's consent.

12.6. The transfer shall be completed within three month of consent, whether given or deemed to have been given.

12.7. The stipulations of this Article shall not apply if a shareholder is obliged by law to transfer his priority share to another

shareholder.

### Valuation methods

#### Article 13.

To determine the extent of the Company's assets, valuation methods which are deemed acceptable in business in general shall be applied. Costs and profit are accounted for in the period to which they relate.

### Board of Directors.

#### Article 14.

- 14.1. The Company shall be managed by a Board of Directors, consisting of one or more legal or natural persons. The number of members of the Board of Directors shall be determined by the Priority taking into account the aforementioned stipulation.
- 14.2. Board of Directors members shall be appointed by the General Meeting upon a binding proposal by the Priority. The binding proposal shall be drawn up within three months of the day on which the vacancy arises. If the Priority does not use its right to draw up a binding proposal, the General Meeting may appoint at its discretion. The General Meeting may at all times remove the binding character of a binding proposal by resolution carried by two-thirds of the cast votes representing more than fifty percent (50%) of the issued capital. In this respect, the provisions of Section 120(3) of Book 2 of the Dutch Civil Code cannot be used to convene a new meeting within the meaning of the said Article. If the General Meeting has rejected the proposal, the appointment shall be placed on the agenda of another meeting, again subject to the stipulations of this Article.
- 14.3. The General Meeting may suspend or dismiss Board of Directors members at any time. A decision to suspend or dismiss Board of Directors members may be taken by the General Meeting by a majority of two-thirds of the cast votes only, representing more than fifty percent (50%) of the issued capital, unless a proposal to dismiss or suspend is brought forward by the Priority. In this respect, the provisions of Section 120(3) of Book 2 of the Dutch Civil Code cannot be used to convene a new meeting in the meaning of this Article.
- 14.4. The Supervisory Board may suspend directors at any time.
- 14.5. A suspension may not last longer than six months in total, including one or more extensions. If after this period no decision has been taken regarding suspension or dismissal, the suspension shall lapse.
- 14.6. Upon proposal of the Supervisory Board, the General Meeting shall determine the remuneration policy for the Board of Directors.
- 14.7. The remuneration of the Board of Directors members shall be fixed by the Supervisory Board in accordance with the aforementioned policy.

#### Article 15.

- 15.1. The Board of Directors is charged with the Company's management subject to the limitations laid down in these articles of association.
- 15.2. A member of the Board of Directors shall not participate in the consultation and decision-making in the event of a direct or indirect conflict of interest between the Company and its associated enterprise and that member of the Board of Directors. For the purpose of application of the provisions in these articles of association relating to decision-making of the Board of Directors regarding subjects as referred to in the previous sentence, a member of the Board of Directors with a conflict of interest shall be deemed not to hold office. If, as a consequence, a decision by the Board of Directors cannot be taken, it shall be taken by the Supervisory Board.
- 15.3. The Board of Directors may make decisions outside board meetings if all Board of Directors members have been consulted and none have objected to the manner in which this decision is taken.
- 15.4. The Board of Directors and the Supervisory Board may decide by mutual agreement that certain decisions by the Board of Directors members are subject to the Supervisory Board's prior consent. These decisions shall be clearly described and determined in writing.

15.5. Lack of consent as described in section 3 of this Article cannot be invoked by or against third parties.

#### **Article 16.**

In the absence of one or more Board of Directors members, the management shall rest with the remaining member or the sole remaining member.

In the absence of all Board of Directors members or the sole member, management of the Company shall rest temporarily with a person appointed by the Supervisory Board, from amongst its members or otherwise.

#### **Representation**

##### **Article 17.**

The Company shall be represented by the Board of Directors.

The Company may therefore be represented by the Board of Directors as well as each Board of Directors member individually, without prejudice to the authority of the Board of Directors members to appoint one or more proxy to represent the Company within the limits set by the Board of Directors.

The titles of the proxies will be determined by the Board of Directors.

#### **The Supervisory Board**

##### **Article 18.**

18.1. The Company has a Supervisory Board comprising three or more natural persons.

The number of supervisory directors shall be fixed by the Priority.

18.2. The Supervisory Board shall supervise the policy of the Board of Directors and the general course of events in the Company and its affiliated enterprises.

It shall advise the Board of Directors.

In the performance of its task, the Supervisory Board shall take into account the best interests of the Company as well as its affiliated enterprises.

18.3. The Board of Directors shall provide the Supervisory Board with the information it requires to perform its task. The Board of Directors shall inform the Supervisory Board in writing at least once a year on the outlines of the strategic policy, the general and financial risks and the management and control system of the Company. The Supervisory Board shall also perform all that with which it is charged pursuant to these articles of association or by law.

18.4. Members of the Supervisory Board shall be appointed by the General Meeting upon a binding proposal by the Priority. Members of the Supervisory Board shall be appointed for a maximum of four (4) years.

The binding proposal shall be drawn up within three months of the day on which the vacancy arises.

If the Priority does not use its right to draw up a binding proposal, the General Meeting may appoint at its discretion.

The General Meeting may at all times remove the binding character of a binding proposal by resolution carried by two-thirds of the cast votes, representing more than fifty percent (50%) of the issued capital. In this respect, the stipulations of Section 120(3) of Book 2 of the Dutch Civil Code cannot be used to convene a new meeting within the meaning of this Article.

If the General Meeting has rejected the proposal, the appointment will be placed on the agenda of another meeting, again subject to the provisions of this Article.

18.5. The General Meeting may suspend or dismiss Supervisory Board members at any time. A decision to suspend or dismiss Supervisory Board members may be taken by the General Meeting only by a majority of two-thirds of the cast votes, representing more than fifty percent (50%) of the issued capital, unless a proposal to dismiss or suspend is brought forward by the Priority. In this respect, the stipulations of Section 120(3) of Book 2 of the Dutch Civil Code cannot be used to convene a new meeting within the meaning of this Article.

18.6. A suspension may not last for longer than six months in total, including one or more extensions. If after this period no decision has been taken regarding suspension or dismissal, the suspension shall lapse.

18.7. Supervisory Board members shall stand down periodically according to a rotation to be determined in advance by the Supervisory Board. Each Supervisory Board member standing down may be re-appointed on a maximum of two

- occasions, subject to the provisions of the second sentence of the fourth section of this Article.
- 18.8. The Supervisory Board shall have access to all of the Company's buildings and premises in use at all times, as well as the right to inspect all corporate documents, records and other data carriers of the Company as well as the right to inspect all assets of the Company.  
The Supervisory Board may appoint one or more persons from amongst its members or a specialist to exercise these competences.
- 18.9. The Supervisory Board shall appoint a chairman from amongst its members.
- 18.10. The Supervisory Board shall meet whenever one or more members so request, upon request of the Board of Directors, or if so required pursuant to these articles of association.
- 18.11. Every Supervisory Board member shall have one vote.  
The Supervisory Board shall decide by absolute majority of the cast votes.  
Abstentions shall not be counted as votes.  
The Supervisory Board may only decide lawfully if the majority of all Supervisory Board members are present or represented.
- 18.12. Supervisory Board members may only be represented on the Supervisory Board by other Supervisory Board members.
- 18.13. A Supervisory Board member shall not participate in the consultation and decision-making in the event of a direct or indirect conflict of interest between the Company and its associated enterprise and that Supervisory Board member. For the purpose of application of the provisions in these articles of association relating to decision-making of the Supervisory Board regarding subjects as referred to in the previous sentence, a member of the Supervisory Board with a conflict of interest shall be deemed not to hold office. If, as a consequence, a decision by the Supervisory Board cannot be taken, it shall be taken by a joint meeting of the Board of Directors and the Supervisory Board. The provisions of this Article 18 concerning the method of meeting and decision-making shall apply mutatis mutandis to the joint meeting of the Board of Directors and the Supervisory Board.
- 18.14. The Supervisory Board may take decisions outside board meetings on the condition that all Supervisory Board members have been consulted and none have objected to the manner in which the decision is taken.
- 18.15. The signature of one Supervisory Board member shall serve as evidence these are the shareholders or Board of Directors members of a decision taken by the Supervisory Board.
- 18.16. The General Meeting shall determine the remuneration of the members of the Supervisory Board upon proposal of the Priority.

## **General Meeting**

### **Article 19.**

- 19.1. The General Meeting shall be convened within six months of the end of the financial year.
- 19.2. During the annual General Meeting, the report on the Company's business and management of the past financial year shall be discussed.
- 19.3. The following matters shall also be dealt with by the annual General Meeting:
- a. Adoption of the annual accounts;
  - b. declaring dividends and other profit appropriation;
  - c. other proposals placed on the agenda by the Board of Directors, the Supervisory Board or the shareholders;
  - d. any other business assigned to the General Meeting by law or the articles of association.

### **Article 20.**

- 20.1. General Meetings shall be held in Amsterdam.
- 20.2. They shall be chaired by the chairman of the Supervisory Board or his deputy.  
In their absence, the General Meeting shall appoint its chairman.
- 20.3. Every shareholder and every usufructuary or pledgee of shares with voting right shall be entitled to attend the meeting in person or by written proxy.

If a shareholder or a usufructuary or pledgee of shares with voting right is represented at the meeting, he shall still be entitled to attend in person.

20.4. Members of the Board of Directors and Supervisory Board shall have the right to attend and speak at the General Meeting.

In this capacity, they shall have an advisory vote.

20.5. The General Meeting may be attended by persons who have been invited by the Board of Directors, the Supervisory Board or the Priority.

#### **Article 21.**

21.1. The Board of Directors, the Supervisory Board and the Priority shall be equally authorised to convene a General Meeting.

21.2. Convocation shall be effected in compliance with the legal convocation term.

21.3. Convocation shall be effected in a lawful manner (including a public announcement through electronic means of communication) as well as in compliance with the prescriptions of a regulated market where the Company's shares have been admitted upon request of the Company. The convocation shall state the agenda items as well as all information prescribed by law or these articles of association.

21.4. Items not included in the convocation in compliance with the legal convocation term may not be decided upon lawfully unless the decision is taken unanimously at a meeting in which the whole issued capital is represented.

The convocation shall clearly state that each shareholder or usufructuary or pledgee of shares with voting right is entitled to be represented at the meeting by a representative who does not necessarily have to be a shareholder and who exercises his voting right.

21.5. The power of attorney or other proof of proxy or an officially or notarially authenticated copy of such proxy or other piece of evidence shall be deposited at the latest on the third working day prior to the date of the meeting at the Company's office or at such other location as stated in the convocation.

21.6. Only in cases where a fixed time of registration is not prescribed by law, the Board of Directors shall determine the time of registration of the General Meeting in compliance with legal regulations. Those who have a right to vote or attend the meeting at the time of registration and are recorded in a register indicated by the Board of Directors shall be entitled to vote and attend the meeting irrespective of those who have a right to vote or attend at the moment of the General Meeting if a time of registration within the meaning of this article had not been determined. In the notice of convocation of the meeting, the time of registration shall be stated as well as the manner in which the persons with the right to vote or attend can be registered and exercise their rights.

21.7. The Supervisory Board shall be authorised to determine that those who have the right to attend the General Meeting must sign an attendance list prior the meeting.

21.8. Disputes regarding whether or not a shareholder, person entitled to attend or a proxy has provided sufficient proof of legitimacy to attend a General Meeting and exercise the right to vote and all other matters regarding the good course of the meeting, shall be settled by the chairman of the meeting.

#### **Article 22.**

With respect to the annual General Meeting within the meaning of Article 19 as well as extraordinary General Meetings, agenda items the discussion of which has been requested in writing by one or more shareholders who hold this right by law, shall be included in the convocation or announced in the same way provided the Company has received this reasoned request or proposal for decision no later than the sixtieth day prior to the meeting.

Written requests within the meaning of Article 23 section 2 and this Article may not be communicated electronically.

#### **Article 23.**

23.1. Apart from the annual General Meeting, extraordinary General Meetings shall be held if and when convened by the Board of Directors, the Supervisory Board or the Priority, subject to the provisions of Section 108a of Book 2 of the Dutch Civil Code and the next section of this Article.

23.2. If one or more shareholders jointly representing at least one tenth of the issued capital request the Board of Directors or the Supervisory Board, in writing and with a detailed summary of the items to be discussed, to convene

a General Meeting and neither the Board of Directors nor the Supervisory Board have followed up on this request so that the General Meeting can be held within six weeks of such request, the petitioners may be authorised by the judge hearing applications for interim relief to convene such meeting.

For the purposes of this section, the term 'shareholders' shall include usufructuaries and pledgees of shares with voting right.

- 23.3. If the Board of Directors or the Supervisory Board fails to convene a General Meeting as prescribed by the articles of association, every shareholder, usufructuary or pledgee of shares with voting right may be authorised by the judge hearing applications for interim relief to convene such meeting.

#### **Article 24.**

- 24.1. Decisions by the General Meeting shall be taken by absolute majority of the cast votes unless the law or the articles of association prescribes a larger majority. Abstentions shall not be counted as votes.
- 24.2. All ballots shall be verbal unless the General Meeting requests a written ballot.
- 24.3. In the event of equality of votes on issues concerning matters other than persons, the proposal shall be rejected.
- 24.4. In the event of equality of votes on matters concerning persons, the decision shall be taken by the drawing of lots.
- 24.5. In determining how many shareholders vote, are present or represented or which proportion of the share capital is present or represented, shares which by law do not confer shall not be a voting right are not taken into account.
- 24.6 With respect to decisions taken during and after the General Meeting, the Company shall act as prescribed by law.

#### **Article 25.**

Each ordinary share shall confer the right to one (1) vote. Each priority share shall entitle the holder to as many votes as the number of ordinary shares comprised in the value of the priority share; partial votes shall be ignored.

#### **Article 26.**

Shares belonging to the Company or a subsidiary shall not carry a right to vote in the General Meeting.

Usufructuaries or pledgees of shares belonging to the Company or its subsidiaries shall, however, not be excluded from their right to vote if the right of usufruct or pledge was established before the bare ownership of the share was transferred to the Company or its subsidiary.

The Company or its subsidiary shall not be entitled to vote on the basis of shares of which it holds a right of usufruct or pledge.

#### **Article 27.**

All items discussed in all meetings shall be minuted by a person appointed for that purpose by the chairman, unless the meeting is held before and minuted by a civil-law notary. The minutes shall be approved at the next meeting.

### **Meeting of holders of a certain category of shares**

#### **Article 28.**

- 28.1 Meetings of holders of a certain category of shares shall be convened as often as the Board of Directors, the Priority or the Supervisory Board deem necessary.
- 28.2 In contravention with the provisions of article 21, convocations for the meeting of holders of priority shares shall be made by letter sent to the address stated by the holders of priority shares.
- 28.3 The provisions of Articles 20, 21, 22, 24, 25, 26 and 27 shall apply mutatis mutandis if possible with respect to meetings as referred to in this article.

### **Financial year, annual accounts, annual report and publication**

#### **Article 29.**

- 29.1. The financial year of the Company is concurrent with the calendar year.
- 29.2. Within nine weeks of the end of the first half of the financial year, the Board of Directors shall prepare the Company's interim report and deposit it at the Company's office for inspection by shareholders.
- 29.3. Each year, within the term determined by law, the Board of Directors shall prepare the following documents: the annual accounts, the annual report, the auditors' report and all other information which should in general be made available by law together with the annual accounts.

- 29.4. The annual accounts shall be signed by all members of the Board of Directors and Supervisory Board; if one or more signatures are missing, the reason must be stated in the accounts.  
The Supervisory Board shall report to the General Meeting regarding the annual accounts.
- 29.5. The Company ensures that the prepared annual accounts, the annual report, the report of the Supervisory Board and the other information referred to in section 3 of this Article are present at the Company's office from the day of notice of convocation of the General Meeting at which they are to be discussed.  
The shareholders and usufructuaries and pledgees of shares with voting right may inspect these at the Company and obtain a free copy thereof.
- 29.6. Adoption of the annual accounts by the General Meeting shall not imply discharge of liability of the Board of Directors in respect of its management activities or of the Supervisory Board in respect of its supervisory activities in the past financial year. Discharge of the members of the Board of Directors or the members of the Supervisory Board in this respect may only be effected by a specific resolution there to of the General Meeting.  
If the General Meeting has not had an opportunity to become acquainted with the auditors' report as referred to in the next article, the annual accounts may not be adopted unless the legal grounds for the lack of that report are communicated in the other information, as referred to in section 3 of this Article.
- 29.7. The Board of Directors is obliged to deposit a full copy of the annual accounts as well as a copy of the associated auditors' report, within eight days of adoption of the annual accounts, open for public inspection at the office of the Commercial Register.  
If and in so far as required by law, the annual report and the other information referred to in section 3 of this Article shall be made public at the same time and in the same manner as the annual accounts.

#### **Auditor**

##### **Article 30.**

- 30.1. The Company shall charge the auditor as referred to in Section 393 of Book 2 of the Dutch Civil Code with the audit of the annual accounts in compliance with the stipulations of section 3 of this Article.
- 30.2. The assignment of this task belongs to the competences of the General Meeting. In the event the General Meeting fails to do so, the Supervisory Board will be authorised, or in lack thereof the Board of Directors.  
The assignment can be withdrawn at any time by the General Meeting as well as by whoever has assigned the auditor with his task: if the assignment was done by the Board of Directors, it can be withdrawn by the Supervisory Board.
- 30.3. The auditor as meant in section 1 reports to the Supervisory Board and the Board of Directors with respect to his inspection and reports the results of his inspection in a statement regarding the truthfulness of the annual accounts.

#### **Profit, profit distribution and distribution charged to the reserves**

##### **Article 31.**

- 31.1. Profit means the positive balance of the adopted profit and loss account. From the profits, made in any financial year, shall be paid first of all, if possible, a dividend equal to six percent (6%) of their par value. No further payments shall be made to the priority shares, nor shall the priority shares participate in any reserve.
- 31.2. The Company shall maintain a reserve account per Class.
- 31.3. The income from the capital allocated to each of the Classes, insofar these are not allocated to share price differences, shall be determined on the basis of the profit shown in the adopted annual accounts following deduction of the share of the general costs and expenses of the Company.  
In the adopted annual accounts is shown per Class (i) the costs and taxes relating to the amounts paid into the share account or the share premium account in question, (ii) other costs relating to this Class (including the administrative expenses). The Board of Directors shall determine, with approval of the Supervisory Board, for each Class the proportion of the amount referred to in the previous sentence to be allocated to the reserve account kept for the Class in question. The amount remaining after the allocation referred to in the previous sentence shall, without prejudice to the provisions of article 32, paragraph 1, be placed at the disposal of the General Meeting, on the

understanding that the distribution of dividend may only take place in accordance with the proposals made by the Board of Directors for each Class.

If the balance of income and expenses referred to above is negative, this amount will be debited from the reserve account of the Class in question. Share price differences concerning the capital of a Class shall be taken directly to the reserve account of the Class in question. Reserve accounts can have a positive as well as negative balance.

- 31.4. The general costs and expenses of the Company as referred to in paragraph 3 are allocated on a pro rata basis to the capital of each of the Classes.
- 31.5. Only the holders of shares in the Class in question and on a pro rata basis of each person's ownership of shares in the Class in question are entitled to the capital of a Class.
- 31.6. Insofar the Board of Directors has not (yet) decided to the subdivision of ordinary shares into Classes, the provisions of paragraph 2 up to and including paragraph 5 shall not be applicable and the profits that remain after the provisions of paragraph 1 of this article have been applied, shall be at the disposal of the General Meeting, at the proposal of the Board of Directors and subject to the approval of the Supervisory Board.

#### **Article 32.**

- 32.1. Profit distributions and other distributions may only be made in so far as the shareholder's equity of the Company is greater than the amount of the paid-up and called up part of the capital plus the reserves that must be held pursuant to the law or the articles of association. If, and in so far as the Company has to form or increase statutory reserves in any given year, this shall be done in direct proportion for the account of the reserve accounts of the Classes in which the shares are placed. If and in so far as a statutory reserve is released, the amounts released shall be credited to the reserve accounts of the Classes for the account of which the statutory reserve was formed or increased. All payments will be made proportionally to the number of shares held in a given Class.
- In calculating the amount of any profit distribution on shares, shares held by the Company shall be disregarded.
- 32.2. Distributions charged to a share premium account and/or a reserve account and a full discontinuation of a share premium account and/or a reserve account can, with due observance of the provisions of paragraph 1, at all times take place by virtue of a resolution of the General Meeting, but exclusively on the proposal of both the Board of Directors – which proposal is subject to the approval of the Supervisory Board - and the meeting of shareholders in the Class in question. Distribution to the account of a reserve account may only take place up to the amount of the positive balance of the reserve account.
- 32.3. On the proposal of the Board of Directors – which proposal is subject to the approval of the Supervisory Board - the General Meeting may decide that distributions may be made fully or partially in the form of a number of shares to be determined by the Board of Directors. That which accrues to a shareholder from the distribution referred to in the foregoing sentence shall be made available to him in cash or in shares, or partly in cash and partly in shares, if so determined by the Board of Directors, at the shareholder's option.
- 32.4. In so far as the Board of Directors has not (yet) resolved to subdivision of ordinary shares into Classes, the provisions of the paragraphs 1 up to and including 4 of this article shall be amended in such way that the General Meeting, on the proposal of the Board of Directors - which proposal is subject to the approval of the Supervisory Board – is authorised to resolve that a distribution of dividend or any other distribution with respect to ordinary shares may not be, in whole or in part, made in cash, but by means of ordinary shares in the capital of the Company.

#### **Article 33.**

The Board of Directors, with the prior approval of the Supervisory Board, may decide to distribute one or more interim distributions provided the condition laid down in article 2:105 paragraph 4 of the Dutch Civil Code is met.

#### **The making payable**

#### **Article 34.**

- 34.1. Profit distributions and other distributions shall be made payable at a date to be determined by the Board of Directors within four weeks of the date of their determination.
- 34.2. The making payable of a distribution to shareholders, the composition of the distribution and the manner in which



they are made payable shall be published in a manner to be determined by the Board of Directors in compliance with legal requirements.

- 34.3 All distributions that have not been taken up within five years of their being payable will revert to the Company in favour of the Class in question.
- 34.4 In so far the Board of Directors has not (yet) resolved to subdivision of ordinary shares into Classes, the provision of paragraph 3 of this article shall be amended in such way that distributions that have not been taken up within five years of their being payable will revert to the Company in favour of the ordinary shares.

#### **Amendment of the articles of association, winding up, legal merger and split**

##### **Article 35.**

- 35.1 Exclusively upon proposal of the Priority, the General Meeting may decide to amend the articles of association, to merge, split or wind up the Company.
- 35.2 If a proposal within the meaning of section 1 of this Article is put to the General Meeting, this proposal shall be stated in the notice of convocation to the General Meeting.
- 35.3 Persons who have proposed amendment of the articles of association shall deposit a copy of the proposal stating the proposed amendment verbatim at the Company's office for inspection by every shareholder and usufructuary or pledgee of shares with voting right until the end of the meeting.  
Without such deposit, a decision on the proposal may only be taken unanimously at a meeting at which the whole of the issued capital is represented.
- 35.4 The Board of Directors shall provide the shareholders and the usufructuaries and pledgees of shares with voting right with a free copy of this proposal upon request.

#### **Liquidation**

##### **Article 36.**

- 36.1 In the event of a decision to wind up the Company, liquidation shall be effected by the Board of Directors under supervision of the Supervisory Board, unless decided otherwise by the General Meeting.
- 36.2 The General Meeting shall determine the remuneration of the liquidators.  
The liquidation shall be carried out in compliance with these articles of association and all relevant legal provisions.
- 36.3 During the liquidation process, the articles of association shall remain in force as far as possible.

##### **Article 37.**

After payment of the creditors, the remaining capital of the liquidated Company shall be distributed as follows:

- a. in the first place to the holders of priority shares in proportion to the amount paid in on their priority share, on the proviso that the priority shares do not entitle their holders to any other distribution;
- b. the remaining capital shall be distributed to the holders of ordinary shares. If the ordinary shares are subdivided into Classes, the remaining capital shall be distributed to the holders of shares in each Class of shares of which they are holder, if possible, the sum of the amounts in the share accounts, the share premium accounts and the reserve accounts of each Class of shares of which they are holder, after deduction of the share in the costs for the account of the reserve account in question, including the costs as referred to in article 31, paragraph 3 and liquidation costs and expenses of the Company, which shall be allocated in the manner determined in article 31, paragraph 4.
- c. all distributions made pursuant to this article to holders of ordinary shares or to holders of shares of a given Class respectively, are – if there are more holders of the shares in question – made in proportion to the number of ordinary shares held or the number of shares in the Class in question, respectively.

#### **Concluding article**

##### **Article 38.**

In all cases not provided for by these articles of association or the law, the General Meeting shall decide by absolute majority of votes.



# Annex B-Registration Document

## Definitions

*In this Registration Document, the terms and abbreviations written with capital letters have the meanings as given below. Where a term is written in the singular, it may also be read as a plural, and vice versa*

**AFM** (Stichting Autoriteit Financiële Markten): the Netherlands Authority for the Financial Markets

**Depository:** BNP Paribas Securities Services S.C.A. acting through its branch in Amsterdam (BNP Paribas Securities Services Amsterdam) appointed as depository as set out in Section 1:1 of the Wft

**Investment Institution:** an investment institution as set out in Section 1:1 of the Wft

**Management Company:** OBAM Investment Management B.V., the Management Company of a Dutch UCITS with a licence as set out in Sections 2:69b of the Wft

**UCITS:** Undertaking for Collective Investment in Transferable Securities, as set out in Section 1:1 of the Wft

**Website:** [www.obam.nl](http://www.obam.nl)

**Wft** (Wet op het financieel toezicht): Dutch Financial Supervision Act

## I Particulars concerning the activities of the management company of a UCITS

### a Activities of the management company of a UCITS

OBAM Investment Management B.V. has been granted a licence by the AFM pursuant to Section 2: 69b of the Wft.

The Management Company furthermore acts as:

- Director of a Dutch UCITS.

The Management Company is responsible among other things for determining and implementing the investment policy of the UCITS, as well as for conducting the administration and the marketing and distribution activities.

### b The type of UCITS that the management company of a UCITS manages or intends to manage

The Management Company manages an open-end UCITS, aimed at both professional and non-professional investors in the Netherlands. The UCITS is registered with the AFM and is engaged in the investment of assets in securities and other asset classes, in principle subject to the spreading of risk, in order to allow the shareholders to share in the proceeds from the investments.

The investments may consist directly or indirectly of shares, fixed-income securities, currencies, commodities, property (direct and indirect), cash and derivative instruments such as options, futures and swaps, as well as other investment objects in the broadest sense.

The UCITS has the possibility to invest in other Investment Institutions and UCITS.

## 2 Particulars concerning the persons who (jointly) determine the (day-to-day) policy of the management company of the UCITS and any depositary of the UCITS or who are part of a supervisory body of the management company of the UCITS and any depositary of the UCITS

### 2.1.a Persons who determine the day-to-day policy of the management company of a UCITS and of any depositary of a UCITS

The board of the Management Company comprises the following persons:

- **Mr. S.H.W. Zondag:** CEO of OBAM Investment Management B.V. since 2020. Employed at BNP PARIBAS ASSET MANAGEMENT Nederland N.V. from 2011 up to 2020 and CIO of OBAM N.V. (formerly: BNP Paribas OBAM N.V.) since 2013. Previously employed by, amongst others, APG Investments and ING Investment Management.
- **Mr. E.T. Hoekstra:** COO of OBAM Investment Management B.V. since 2020. Employed at (predecessors of) Synchrotron Inc. from 2012 up to 2017 as consultant and since 2017 as independent consultant. Previously employed by, amongst others, BNP Paribas Securities Services, KPMG Advisory N.V. and Optiver in a variety of positions.
- **Mr. I. Habets:** CFRO of OBAM Investment Management B.V. since 2020. Employed at several entities within Coöperatieve Rabobank U.A. from 2001 up to 2016 and as an advisor within KPMG Advisory N.V. from 2016 up to 2020.

The day-to-day policy of the Depositary is determined by:

- **Mr P. Colle:** General Manager/CEO of BNP Paribas Securities Services S.C.A. since May 2010 Previously employed in various other roles at BNP Paribas since 2006.
- **Mr A. Pochet:** Since 2017 Head of Client Delivery at BNP Paribas Securities Services S.C.A. and previously since 1987

employed in various positions at (predecessors of) BNP Paribas, including as Global Head of Clearing, Custody and Corporate Trust Services.

### **2.1.b The persons who (jointly) determine the policy of the management company of a UCITS and of any depositary of a UCITS**

BNP PARIBAS ASSET MANAGEMENT Nederland N.V. and REX1936 Holding B.V. are direct shareholders of the Management Company and are regarded as joint co-policymakers.

BNP PARIBAS ASSET MANAGEMENT NL Holding N.V., BNP PARIBAS ASSET MANAGEMENT BE Holding S.A., BNP PARIBAS ASSET MANAGEMENT Holding and BNP Paribas S.A. are the direct and indirect shareholders of BNP PARIBAS ASSET MANAGEMENT Nederland N.V. and Stichting Administratiekantoor REX1936 is shareholder of REX1936 Holding B.V.

BNP Paribas S.A. is the (in)direct shareholder of the Depositary and is regarded in this capacity as a joint policymaker of the Depositary.

### **2.1.c The persons forming part of a body charged with the supervision of the policy and the general conduct of affairs of the management company of the UCITS and of any depositary of the UCITS**

The Management Company has a Supervisory Board comprising:

- **Mr J.C. Kragt** (since inception): lecturer at Tilburg University;
- **Mr L. Meijaard** (since inception): former Executive Committee member of BlackRock;
- **Mr C.J.M. Janssen** (since inception): Head of European Institutional Sales at BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

The Supervisory Board of the Depositary consists of the entities Klequatorze, Antin Participation 5, Alt-S2 and Opera Express, as well as of the independent members Mr H.M.J. Guyon de Montlivault and Ms C.B. Mazzacurati. The Depositary has no Supervisory Board at the level of the Amsterdam branch.

### **2.2 Main activities of persons referred to under 2.1 in relation to activities of the management company of the UCITS and/or the UCITS managed by the management company and any depositary of a UCITS**

The Management Company engages in no such activities.

The Depositary engages in no such activities.

## **3 General information concerning the management company of the UCITS and the depositary of the UCITS**

### **3.1 The name and legal form of the management company of the UCITS, the registered office and location of the head office of the management company of the UCITS if this differs from the location of the registered office and the date of incorporation and the period for which the legal entity that fulfils the role of management company of the UCITS was set up if this was not for an indefinite period**

OBAM Investment Management B.V. was incorporated on 17 September 2019 as a private company with limited liability, with its registered office in Amsterdam and its place of business at Schiphol Boulevard 313, 1118BJ Schiphol.

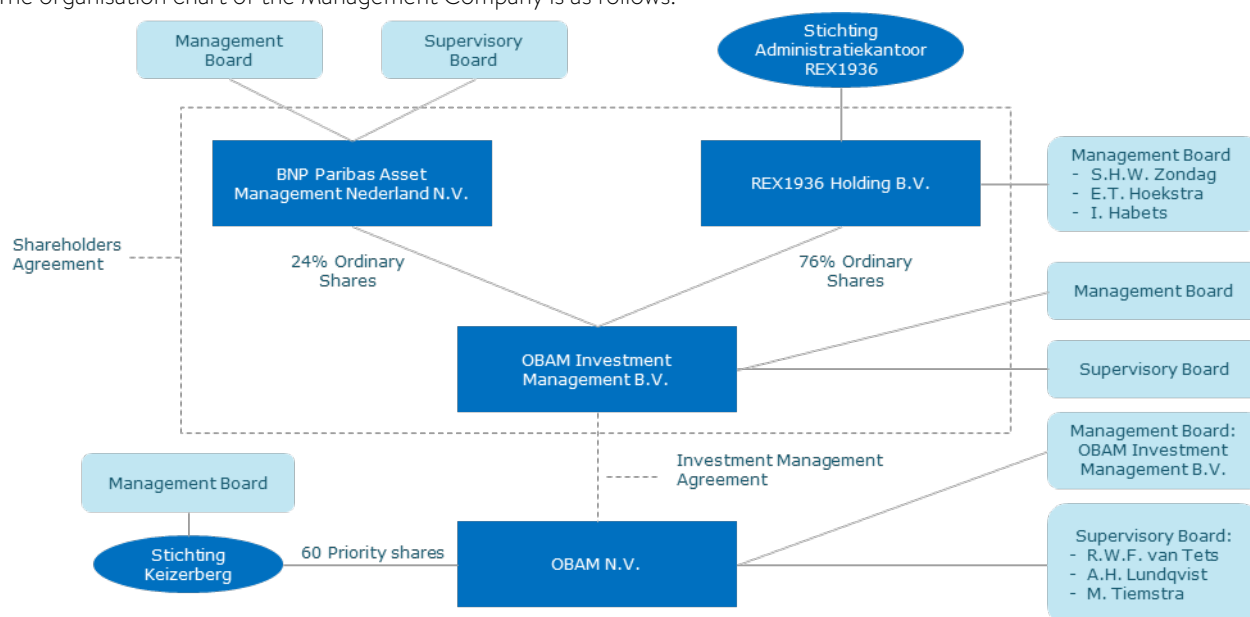
### **3.2 The company registration number of the management company of the UCITS in the trade register and the place of registration**

OBAM Investment Management B.V. is entered in the trade register of the chamber of commerce in Amsterdam under number 75849925.

### 3.3 A description of the formal or actual control structure in which the management company of a UCITS is affiliated with other persons

The shares in OBAM Investment Management B.V. are held by REX1936 Holding B.V. and BNP PARIBAS ASSET MANAGEMENT Nederland N.V.

The organisation chart of the Management Company is as follows:



The members of the boards of management of the above legal entities may be found on the Website (in Dutch).

### 3.4 The name and legal form of any depositary of the UCITS, the registered office and location of the head office of any depositary of the UCITS if this differs from the location of the registered office and the date of incorporation and the period for which the legal entities that fulfil the role of depositary of the UCITS were set up if this was not for an indefinite period

The assets of the UCITS are held in deposit by the Depositary. The Depositary is a European provider of, among other things, depositary services for financial undertakings with a registered office in Paris, France. BNP Paribas Securities Services S.C.A. was set up on 1 September 1955.

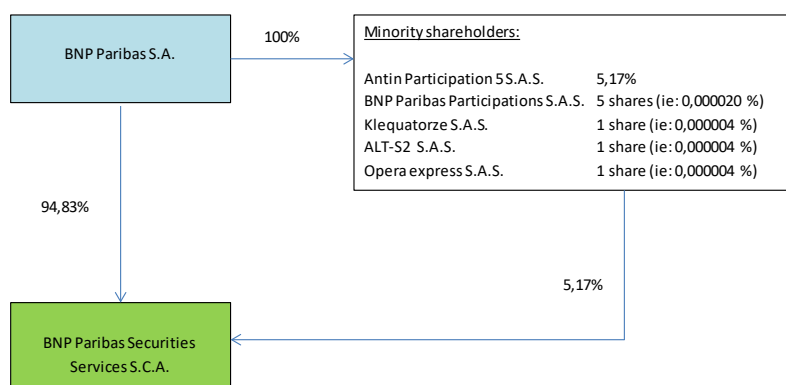
### 3.5 The company registration number of the Depositary of a UCITS in the trade register and the place of registration

The Depositary is entered in the trade register of the chamber of commerce under number 57473250.

### 3.6 A description of the formal or actual control structure in which each depositary of the UCITS is affiliated with other persons

The Depositary is a wholly-owned subsidiary of BNP Paribas S.A.

### 3.7 The organisational structure of the depository of the UCITS that holds the assets of the UCITS in safekeeping



## 4 Financial particulars concerning the management company of the UCITS and the depository of the UCITS

### 4.1 An auditor's report confirming that the provisions of Sections 3:53 and 3:57 of the law have been met

The capital and reserves of the Management Company meet the requirements as set out in Section 3:53 of the Wft. The solvency of the Management Company meets the requirements as set out in Section 3:57 of the Wft. The most recent report from the external auditor in this respect can be found on the Website.

The capital and reserves of the Depository meet the applicable laws and regulations as well as the applicable prudential capital requirements. The most recent report from the external auditor in this respect can be found on the Management Company's Website.

### 4.2 An auditor's report confirming that the annual accounts of the management company of the UCITS and any depository of the UCITS have been audited

A copy of the auditor's report confirming that the Management Company's annual accounts have been audited is available on the Website and can be inspected at the Management Company's office. If the auditor's report is qualified or contains a disclaimer of opinion, the reasons for this are set out in the text of the report.

The annual accounts of the Depository are consolidated in those of BNP Paribas S.A. A copy of the auditor's report confirming that these annual accounts have been audited is available on the Website and can be inspected at the Depository's office. If the auditor's report is qualified or contains a disclaimer of opinion, the reasons for this are set out in the text of the report.

## **5 Particulars concerning provision of information**

### **5.1 Way in which the management company of the UCITS provides periodic information**

The following documents can be consulted on the Website. The Management Company will make available copies of these documents free of charge on request:

- the Management Company's licence;
- the Management Company's articles of association;
- a copy of any decision by the AFM granting exemption from compliance with the provisions of or pursuant to the Wft to the Management Company, the Depositary or an Investment Institution or UCITS managed by the Management Company;
- the prospectus, including the articles of association of the UCITS managed by the Management Company;
- the KIID for (the subfunds or share classes of) the Investment Institutions for non-professional investors and UCITS, managed by the Management Company;
- the three most recent interim and annual reports (including the interim or annual accounts), to the extent available, of the Management Company and of the UCITS managed by the Management Company;
- a copy of the description of the Management Company's current remuneration policy;
- the monthly statement by the Management Company as required pursuant to Article 50, paragraph 2 of the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft in respect of the UCITS managed by the Management Company.

The Management Company will make available to holders of shares in the UCITS managed by the Management Company, on request and at no cost, the information concerning the Management Company and the company for collective investment in transferable securities managed by the Management Company which must be entered in the trade register pursuant to any statutory provision.

### **5.2 The date on which the annual and interim accounts of the management company of the UCITS must be closed pursuant to its articles of association or Title 9 of Book 2 of the Netherlands Civil Code**

The financial year of the Management Company is concurrent with the calendar year. The Management Company is obliged pursuant to Section 4:52, subsection 1 of the Wft to publish within four months of the end of the financial year the adopted annual accounts or, if the annual accounts have not (yet) been adopted, the annual accounts prepared simultaneously with the annual report and other information as referred to in Section 392 of Book 2 of the Netherlands Civil Code. The Management Company is also obliged to publish an interim report pursuant to Section 4:52, subsection 2 of the Wft within nine weeks of the end of the first half of the financial year.

### **5.3 The date on which the annual accounts of any depositary of the UCITS must be closed pursuant to its articles of association or Title 9 of Book 2 of the Netherlands Civil Code**

The financial year of the Depositary is concurrent with the calendar year. The annual accounts of the Depositary are consolidated in those of BNP Paribas S.A. Under French laws and regulations, BNP Paribas S.A. is obliged to publish its adopted annual accounts within four months after the end of each financial year.

### **5.4 Statement of the fact that the articles of association, the annual accounts and board reports of the management company of the UCITS and of any depositary of the UCITS and the interim accounts of the management company of the UCITS are available on the Website and that copies of these documents can be obtained free of charge by the shareholders from the management company of the UCITS**

The articles of association, the financial statements and board reports of the Management Company and of the Depositary



and the interim accounts of the Management Company are available on the Website and copies of said documents can be obtained free of charge by all shareholders from the Management Company.

## **6 Particulars about a replacement of the management company of the UCITS or the depositary of the UCITS**

### **6.1 The regulations and conditions applying to a replacement of the management company of the UCITS or the depositary of the UCITS**

As the UCITS is a company for collective investment in transferable securities, the Management Company, which is also (a member of) the Management Board, may at all times be suspended or dismissed by the General Meeting of Shareholders. The procedure for this is described in the articles of association of the UCITS.

The Management Company can dismiss the Depositary and the Depositary can terminate its services with due regard to the agreement concluded between the Management Company, the UCITS or Investment Institution and the Depositary. The Management Company will then select and appoint a new depositary. The existing Depositary will continue to provide depositary services until a new depositary has been selected and appointed.

### **6.2 Notification of request to withdraw licence**

A request to the AFM pursuant to Section 1:104 subsection 1a of the Wft to withdraw the licence will be advertised in a nationally distributed Dutch daily newspaper or at the address of every shareholder as well as on the Website.

Schiphol, 1 July 2020

# Annex C-UCITS restrictions

Overview of the key investment restrictions applying to UCITS at the date of this prospectus as stated in the Dutch Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (BGfo).

*The BGfo has been drawn up in the Dutch language. This overview is an unofficial translation of the key investment restrictions into the English language. In the event of differences between the English and the Dutch versions, the latter will prevail.*

## Article 130

The assets under management of a UCITS as intended in Article 4:61, first paragraph, of the law are only invested in:

- a. securities and money market instruments admitted to listing or trading on a regulated market or multilateral trading facility;
- b. securities and money market instruments admitted to listing or trading on a system comparable to a regulated market or multilateral trading facility in a country that is not a Member State, to the extent that the articles of association or the fund regulations of the UCITS permit investment in these financial instruments;
- c. securities which are likely within one year of issue to be admitted to listing or offered for trading on a regulated market, a multilateral trading facility or a system comparable to a regulated market or multilateral trading facility in a country that is not a Member State, to the extent that the articles of association or the fund regulations of the UCITS permit investment in these financial instruments;
- d. rights of participation in UCITS for which a license has been granted pursuant to Article 2:65 of the law or in UCITS that are permitted in accordance with the Investment Institutions Directive in another Member State, if under their articles of association or fund regulations the UCITS in question invest not more than ten per cent of their assets under management in rights of participation in other investment institutions;
- e. rights of participation in investment institutions domiciled in a designated state or in UCITS subject to supervision that in the opinion of the supervisory agencies in other Member States is equivalent to the Investment Institutions Directive and with respect to which cooperation between the supervisors and the supervisory agencies is adequately assured, if:
  - 1°. the rights of participation in the investment institutions or UCITS are repurchased or redeemed directly or indirectly at the expense of the assets at the request of the participants;
  - 2°. the purpose of the investment institutions or UCITS as specified in their regulations or articles of association is exclusively to invest in securities, money market instruments, deposits or financial derivatives, following the principle of diversification of risk;
  - 3°. the regulations applying to the investment institutions or UCITS regarding segregation of assets, taking out and granting loans and sale of securities and money market instruments with an uncovered position are equivalent to the provisions of the Investment Institutions Directive; and
  - 4°. under their articles of association or fund regulations, the investment institutions or UCITS invest not more than ten per cent of their assets under management in rights of participation in other investment institutions or UCITS;

f. deposits at a bank having its seat in a Member state or in a country that is not a Member State, provided that the Dutch National Bank has determined that the prudential supervision in that country that is not a Member State provides sufficient guarantees towards the interests that the law aims to protect;

g. derivative financial instruments admitted to listing or trading on a regulated market, a multilateral trading facility or a system comparable to a regulated market or multilateral trading facility from a state that is not a Member State, to the extent that the value depends on the financial instruments and deposits, financial indices, interest rates, exchange rates or currencies mentioned in this article in which the UCITS may invest pursuant to its articles of association or regulations;

h. derivative financial instruments that are not traded on a regulated market, a multilateral trading facility or a system comparable to a regulated market or multilateral trading facility from a state that is not a Member State, if:

1°. the value depends on the financial instruments and deposits, financial indices, interest rates, exchange rates or currencies mentioned in this article in which the UCITS may invest pursuant to their articles of association or regulations;

2°. the counterparty is an institution subject to prudential supervision and belongs to the categories recognized by the Authority for the Financial Markets or a supervisory agency in another Member State; and

3°. it is subject to reliable and verifiable daily valuation and at all times can be sold at its economic value on the initiative of the UCITS, liquidated or closed by means of an offsetting transaction; or

i. money market instruments that are not traded on a regulated market, a multilateral trading facility or a system comparable to a regulated market or multilateral trading facility from a state that is not a Member State, if the issue or the issuer of these instruments is itself subject to regulation designed to protect investors and their savings, and these instruments:

1°. are issued or guaranteed by a central, regional or local government authority, the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a state that is not a Member State, a sub-state of a federal state or an international public-law institution in which one or more Member States participate;

2°. are issued by a company whose securities are traded on a regulated market, a multilateral trading facility or a system comparable to a regulated market or multilateral trading facility from a state that is not a Member State;

3°. are issued or guaranteed by an institution subject to prudential supervision in a Member State or by an institution that is subject to prudential supervision that in any case is equivalent to the prudential supervision applying under EC law; or

4°. are issued by other institutions to which equivalent investor protection applies as established in this subsection, opening remarks and items 1°, 2° and 3°, if the issuer is a company whose capital and reserves amount in total to at least EUR 10,000,000 and presents and publishes its financial statements in accordance with the Financial Statements Directive, or is a legal entity belonging to a group comprising one or more companies whose shares are admitted to listing on a regulated market, a multilateral trading facility or a system comparable to a regulated market or a multilateral trading facility from a state that is not a Member State, with the specific purpose of funding the group, or is a legal entity with the specific purpose of funding securitization instruments for which a banking liquidity line has been provided.

## Article 131

1. Contrary to Article 130, the assets under management of a UCITS may:
  - a. be invested for no more than ten percent in securities and money market instruments not admitted to or traded on a regulated market or another market in financial instruments;
  - b. in case of a company for collective investment in transferable securities: be invested in business directly required for the operation of its activities; or
  - c. be offered in ancillary liquid assets.
2. Contrary to Article 130 the assets under management of a feeder UCITS may, up to a maximum of fifteen percent:
  - a. be invested in financial derivatives, as referred to in Article 130, parts g and h, that are used for the sole purpose of hedging risk;
  - b. in case of a company for collective investment in transferable securities: be invested in business directly required for the operation of its activities; or
  - c. be offered in ancillary liquid assets.

## Article 132

The assets under management of UCITS, as intended in Article 4:61, first paragraph, of the law, are not invested in precious metals or in certificates representing these metals.

## Article 133

1. The UCITS as referred to in Article 4:61, first paragraph, of the law reports at least once a year to the Authority for the Financial Markets on the types of financial derivatives encompassed by its assets, the underlying risks, the quantitative limitations and the methods chosen to assess the risks related to the transactions in these financial instruments.
2. The Authority for the Financial Markets evaluates the frequency and completeness of the information, as referred to in the first paragraph.
3. The total risk of a UCITS is calculated daily.
4. To calculate the total risk in financial derivatives of a feeder UCITS, the proprietary direct risk in financial derivatives, as referred to in Article 131, second paragraph, part a, of the feeder UCITS is combined with:
  - a. the market risk in financial derivatives of the master UCITS in proportion to the investment of the feeder UCITS in rights of participation in the master UCITS; or
  - b. the potential total maximum risk in financial derivatives that the master UCITS may incur in accordance with its fund regulations or articles of association, in proportion to the investment of the feeder UCITS in rights of participation in the master UCITS.
5. The total risk the UCITS bears does not amount to twice the total net asset value. The total risk of an investment institution is increased by no more than ten percent of the total net value of its portfolio by short-term loans, in which case the total risk of the UCITS amounts to no more than 210 percent of the total net value of its portfolio.

6. The total risk the UCITS bears in financial derivatives does not exceed the total net asset value. To calculate the risk, the market value of the underlying assets, the counterparty risk, future market trends and the time required to liquidate positions must be taken into consideration.

7. The assets under management of the UCITS may be invested, within the framework of investment policy and the limitations stated in Article 137, in financial derivatives insofar as the risk relating to the underlying assets does not exceed in total the limitations stated in Articles 134, 135, 136, first paragraph, and 137. If the assets under management of the UCITS are invested in index-based financial derivatives, then these investments are for the purpose of the upper limitations stated in Articles 134, 135, 136, first paragraph, and 137 not combined.

8. The Authority for the Financial Markets may draw up rules relating to calculating risk, the method for establishing the market value of underlying assets, the types of obligation that lead to counterparty risk, the inclusion of future market trends, and the methods used to calculate risk that are partially dependent on the nature of the financial instrument invested in.

#### **Article 134**

1. The assets under management of the UCITS, as referred to in Article 4:61, first paragraph, of the law, are invested for no more than ten percent in securities and money market instruments issued by the same body. A UCITS invests no more than twenty percent of assets under management in deposits at a single bank.

2. The counterparty risk of the UCITS for a transaction in financial derivatives not traded on a regulated market or another market in financial instruments, amounts to no more than:

a. ten percent of its assets when the counterparty is a bank having its seat in a Member state or in a country that is not a Member State, provided that the Dutch National Bank has determined that the prudential supervision in that country that is not a Member State provides sufficient guarantees towards the interests that the law aims to protect; or

b. five percent of its assets in other cases.

3. The total value of the securities and money market instruments the UCITS holds in issuing bodies, in which it invests more than five percent per body, amounts to no more than forty percent of the assets under management of the UCITS. This limitation does not apply to deposits and transactions in financial derivatives that are not traded on a regulated market or another market in financial instruments, at respectively with bodies subject to prudential supervision.

4. Notwithstanding the individual limitations stated in the first and second paragraphs, the assets under management of the UCITS are invested for no more than twenty percent in a single body in a combination of:

a. securities and money market instruments issued by that body;

b. deposits at that body; or

c. risks resulting from transactions in financial derivatives not traded on a regulated market or another market in financial instruments, in relation to that body.

5. When calculating the risk exposure of the UCITS on investments as referred to in the first to the fourth paragraphs, the risk is determined using the maximum loss for the UCITS in the event of counterparty default. The Authority for the Financial Markets may draw up further rules relating to the calculation of counterparty risk and the associated collateral to be taken into consideration as a limit on the counterparty risk borne by the UCITS.

#### **Article 135**

1. Contrary to Article 134, the assets under management of a UCITS may be invested for up to twenty-five percent in registered covered bonds of a given issuing bank.

2. If the assets under management of a UCITS is invested in bonds (as referred to in the first paragraph) of a single issuing body for more than five percent, then the total value of these investments may not exceed eighty percent of the assets of the issuing body.

#### **Article 136**

1. Contrary to Article 134, first paragraph, the assets under management of a UCITS may be invested for up to thirty-five percent in securities and money market instruments issued or guaranteed by a Member State, a public body with statutory powers in a Member State, a non-Member State, or an international organization in which one or more Member States participate.

2. The Authority for the Financial Markets may grant a UCITS an exemption from the first paragraph if:

a. it has in its portfolio securities and money market instruments from at least six different issues of an issuing state, public body or international organization as referred to in the first paragraph;

b. the financial instruments of one and the same issue do not exceed thirty per cent of the assets under management of the UCITS;

c. the issuing state, public body or international organization is stated in the articles of association or the fund regulations of the UCITS; and

d. the participants in the UCITS enjoy protection that is equivalent to the protection described in the first paragraph and Articles 134, 135 and 137.

#### **Article 137**

1. The financial instruments referred to in Articles 135 and 136, first paragraph, are not subject to the intended limit of forty percent as stated in Article 134, third paragraph.

2. Investments made in accordance with Articles 134, 135, and 136, first paragraph, in securities and money market instruments of a single issuing body or deposits in or financial derivatives of that body, must never exceed thirty-five percent of the assets under management of the UCITS.

3. To calculate the stated limits referred to in Articles 134, 135, and 136, first paragraph, companies belonging to a group for the purposes of consolidated financial statements, in accordance with the Directive on Consolidated Accounts or other recognized international financial reporting guidelines, are together considered as one body, on the understanding that the investments, as referred to in Article 134, first paragraph, first full sentence, in the separate companies belonging to that group do not exceed twenty percent of the assets under management of the UCITS.

4. The assets of investment institutions in whose rights of participation the UCITS invests are not added to the investments of the UCITS when establishing the limits as referred to in Articles 134, 135, 136, first paragraph, and 137.

### **Article 138**

1. Contrary to Article 134, first paragraph, the assets under management of a UCITS may be invested for no more than twenty percent in equities and bonds of the same issuing body if the fund regulations or the articles of association of the UCITS state that the investment policy of the UCITS aims to follow the composition of a certain equity or bond index, and if said index meets the following conditions:

- a. the composition of the index is diversified;
- b. the index is representative of the market to which it relates; and
- c. the index is published appropriately.

2. Article 134, third paragraph, is not applicable.

3. The Authority for the Financial Markets may grant exemption to the first paragraph on request if exceptional market conditions give sufficient cause. In that case, the assets under management of the UCITS may be invested for no more than thirty-five percent in equities and bonds of a single issuing body.

### **Article 139**

1. The assets under management of the UCITS, as referred to in Article 4:61, first paragraph, of the law, are invested for no more than twenty percent in rights of participation in investment institutions or UCITS as referred to in Article 130, parts d or e, that are issued by the same investment institution or UCITS.

2. The investments in rights of participation in investment institutions or UCITS as referred to in Article 130, part e, do not exceed a total of thirty percent of the assets under management of the UCITS.

### **Article 140**

1. A manager of a UCITS obtains on behalf of the UCITS he manages, as referred to in Article 4:61, first paragraph, of the law jointly, no more than twenty percent of the shares with voting rights in the same issuing body.

2. The assets under management of a UCITS as referred to in Article 4:61, first paragraph, of the law are not invested in more than:

- a. ten percent of the shares without voting rights of the same issuing body;
- b. ten percent of the bonds of the same issuing body;
- c. twenty-five percent of the rights of participation in an investment institution or UCITS of which the rights of participation are at the request of the participants repurchased or redeemed directly or indirectly at the expense of the assets from the same investment institution or UCITS; or
- d. ten percent of the money market instruments of the same issuing body.

3. The limitations, as referred to in the second paragraph, introduction and parts b, c and d, do not apply if the gross value of the bonds or money market instruments or the net value of the rights of participation in an investment institution or UCITS cannot be calculated at the point of purchase.

#### **Article 141**

Article 140, first and second paragraph, does not apply to the purchase of or investment in:

- a. securities and money market instruments issued or guaranteed by a Member State, a public body with regulatory authority in a Member State, a state that is not a Member State or an international organization in which one or more Member States participate;
- b. shares in the capital of a legal entity domiciled in a state that is not a Member State which subject to the limitations stated in Articles 134, 135, 136, first paragraph, 137, 139 and 140 chiefly invests its assets in securities of issuers domiciled in that state, if under the laws of that state such participation is the only possibility for the UCITS to invest in the securities of issuers in that state; or
- c. shares in the capital of a subsidiary of the company for collective investment in transferable securities that provides certain management, advisory or trading services exclusively on behalf of the company for collective investment in transferable securities in the state in which the subsidiary is domiciled with the purpose of repurchasing rights of participation at the request of participants.

#### **Article 142**

1. Articles 134 to 139 are not applicable during six months after the first offer of the rights of participation in a UCITS. During that period, the UCITS will ensure that its investments comply with the risk diversification principles.
2. Articles 134 to 139 are not applicable to an acquiring UCITS during six months after a merger. During that period, the acquiring UCITS will ensure that its investments comply with the risk diversification principles.

#### **Article 143**

1. The limitations set in this section are not applicable in the event of the exercise of pre-emptive rights that are attached to securities and money market instruments that form part of the assets of the UCITS.
2. If the limitations set in this section are exceeded against the will of the UCITS or due to the exercise of pre-emptive rights, the UCITS will take all necessary steps, with due regard to the interests of the participants, to rectify this situation as quickly as possible.



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