

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Agreement means the agreement formed by the Parties executing a Label Subscription Form, which incorporates by reference these General Terms and Conditions.

Agreement Effective Date is the date the Agreement becomes effective, as specified in the relevant Label Subscription Form.

Applicant Fundraising Stage is a category available for each of the LuxFLAG labels that LuxFLAG may grant to an early-stage fund or financial product to highlight its Sustainability/ESG/Impact credentials, including to boost the marketing effort in the initial subscription phase.

Background means information, techniques, know-how, software, materials, data and Intellectual Property Rights held by a Party before, or developed independently of, the Agreement and that is not a result of the Agreement.

Confidential Information means:

(a) all information and data (regardless of its material form) disclosed by a party (“Disclosing Party”) to the other Party (“Recipient”) for or in connection with the Disclosing Party and/or any of its Related Parties for or in connection with the Agreement, and any material developed or created by the Recipient and/or its Related Parties, which is based on, derived from, which includes or refers to any of that information; and

(b) any information which, by its nature or the circumstances surrounding its disclosure, is or could reasonably be expected to be regarded as confidential to the Disclosing Party, but in either case does not include any information which:

- i. is in or becomes part of the public domain other than by reason of a breach of this agreement or any other obligation of confidentiality owed by the Recipient to the Disclosing Party;
- ii. the Recipient can prove, via documentation, was already known to the Recipient at the time of disclosure by the Disclosing Party; or
- iii. the Recipient acquires from a third party entitled to disclose it on a non-confidential basis.

Conflict of Interest means a situation where a Party’s ability to act impartially in relation to the Agreement or the objective execution of the Services is compromised or could be perceived as compromised due to personal, financial, professional or other interests, including but not limited to relationships, affiliations or investments that could improperly influence a Party’s judgement or actions.

Force Majeure means an unforeseeable and extraordinary event or circumstance beyond the reasonable control of a Party, which prevents that Party from performing its obligations under the Agreement. Such events are not due to the fault or negligence of either Party and could not have been avoided

Formally Notify means notify in writing by registered mail or email, which provides the sender with substantive evidence that the notification was delivered to the specified recipient.

Intellectual Property Rights means all rights related to authorship, trademarks, designs, patents, inventions, know-how and trade secrets and any other forms of intellectual property rights which are capable of protection, whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

Intermediary Reviews are the annual reviews that occur during the Label Validity Period for the relevant Label Applicant, other than the Label Application Review and/or any Supplementary Review. The objective of this review is to determine to what extent the Labelled Product continues to meet the applicable Label Eligibility Criteria throughout the Label Validity Period (including without limitation compliance with any applicable special conditions, general policies, procedures and documents).

Label means a label granted by LuxFLAG to a financial product recognising its sustainability-related characteristics, investments and governance.

Label Application means the application and supporting information required to be submitted with respect to a Label in order for the Label Application Review to commence.

Label Applicant refers to an eligible financial product applying for a LuxFLAG Label. A reference to Label Applicant in the Agreement includes a reference to the Label Applicant Authorized Representative, where applicable. A Label Applicant will become a Labelled Product upon grant of the relevant Label.

Label Applicant Authorized Representative means any party acting or purporting to act on behalf of a Label Applicant in respect of a Label Application, including but not limited to any asset manager, management company, portfolio manager or insurer.

Label Application Review refers to the process underlying the review of an application for a label, from the submission of the requested application documents by the Label Applicant to the final decision.

Label Eligibility Criteria is a predefined, label-specific set of criteria which a Label Applicant must meet to be granted the use of the Label.

Labelled Product means that the Label Applicant has been granted the right to use the Label.

Label Subscription Form means the label subscription form entered into by the Parties in relation to a specific Label or Labels.

Label Validity Period is a period of three (3) years throughout which the label can be validly used by the Labelled Product(s).

Parties means the parties to the Agreement.

Preliminary Review means an initial review of Label Applicant documentation performed by LuxFLAG at the Label Applicant's request to conduct a preliminary assessment of the Label Applicant's conformity with the relevant Label Eligibility Criteria.

Relevant Due Dates means any dates set by LuxFLAG by which various actions or steps in the Label Application Review and/or the Label Validity Period must be completed.

Representative means any agent, manager, employee, auditor, legal or financial adviser, contractor, sub-contractor or officer of a Party.

Related Party means with respect to a Party (i) any other entity that directly or indirectly controls, is controlled by or is under common control with that entity; (ii) any entity to which the Party has delegated a portion of their services or management of a financial product; (iii) any entity from which the Parties obtain data for internal use.

Services means the services provided by LuxFLAG, including: (i) the Label Application Review and required preliminary reviews (if any), (ii) granting and managing the use of the Label throughout the Label Validity Period, (iii) support services including recommendations based on the Label Application Review; and/or (iv) any other related products or services delivered by LuxFLAG.

Supplementary Review means any additional review, other than a Label Application Review or Intermediary Review, conducted by LuxFLAG pursuant to clause 6.5.

2. PURPOSE AND PERFORMANCE OF THE AGREEMENT

2.1 Subject to the Label Applicant's payment of relevant fees and its compliance with the Agreement, LuxFLAG will provide the Services to the Label Applicant in accordance with these General Terms and Conditions.

- 2.2 The Agreement starts on the Agreement Effective Date and ends on the conclusion of the Label Validity Period, other than the surviving provisions which continue to apply in accordance with clause 21.
- 2.3 Each Label is valid for the Label Validity Period, which is subject to Intermediary Reviews.
- 2.4 Each Party agrees to perform and shall ensure its Representatives and/or Related Parties perform, their obligations under the Agreement to the highest professional standards, exercising reasonable care and skill and diligence.
- 2.5 Each Party represents and warrants that the person executing the Label Subscription Form and/or the Agreement on behalf of that Party has full power and authority to enter into this Agreement and that the Parties are authorized by law to perform under this Agreement. In the event that a Label Applicant Authorized Representative enters the Agreement on behalf of the Label Applicant, the Label Applicant Authorized Representative shall be bound by the Agreement as if it was a Party to the Agreement and shall be responsible for ensuring the performance of the Agreement by the Label Applicant.
- 2.6 The Label Applicant is prohibited from using the Label until LuxFLAG has formally granted approval and Formally Notified the decision to the Label Applicant.
- 2.7 By applying for the Label, the Label Applicant agrees to comply with the applicable Label Eligibility Criteria for the duration of the Label Validity Period.

3. LABEL APPLICANT INFORMATION OBLIGATIONS

- 3.1 The Label Applicant must promptly provide LuxFLAG access to all information requested by LuxFLAG, including without limitation any documents that are required to accompany the Label Application and any additional information or evidence requested by LuxFLAG.
- 3.2 The Label Applicant is responsible for ensuring that all information provided in relation to the Label Application and Label Applicant, or otherwise in relation to the Agreement, is accurate and complete, including data extracted from the Label Applicant's Records. This includes but is not limited to information provided during any Intermediary Review or Supplementary Review.
- 3.3 If the Label Applicant becomes aware of any non-compliance or suspected non-compliance with any applicable Label Eligibility Criteria or applicable laws, the Label Applicant must immediately inform LuxFLAG in writing.

4. LABEL APPLICATION, APPLICANT FUNDRAISING STAGE AND PRELIMINARY REVIEWS

Label Application

- 4.1 LuxFLAG will promptly (i) provide the Label Applicant with information regarding the applicable Label Eligibility Criteria, the Label Application Review process, associated fees or any other information reasonably requested by the Label Applicant; and (ii) submit any information requests to the Label Applicant.
- 4.2 The Label Applicant must submit to LuxFLAG a fully completed Label Application (with all required supporting information) by the Relevant Due Dates and ensure that, to the best of its knowledge, the Label Applicant meets the relevant Label Eligibility Criteria.

Preliminary Reviews

- 4.3 The Label Applicant may, prior to submitting the Label Application, request LuxFLAG to perform a Preliminary Review which LuxFLAG will provide subject to availability of resources. The aim of the Preliminary Review is to give the Label Applicant an assessment as to their conformity with the relevant Label Eligibility Criteria. The Label Applicant must provide LuxFLAG with access to all information requested by LuxFLAG in relation to this review, including but not limited to any investment policy. LuxFLAG reserves the right to request the Label Applicant to pay a fee for a Preliminary Review that will be set off against the relevant Label Application fee.

Applicant Fundraising Stage

- 4.4 The Label Applicant may apply for Applicant Fundraising Stage with respect to a Label on the following conditions:
 - (a) If granted, the Applicant Fundraising Stage will be valid until the completion of the first Intermediary Review.
 - (b) At the time of the first Intermediary Review, LuxFLAG may, at its sole discretion, extend the Applicant Fundraising Stage for one (1) additional year, provided that no material changes have occurred to the development of the Labelled Product since the date of the Label Application.
 - (c) By no later than the commencement of the second Intermediary Review, (i) the Labelled Product must have a fully developed portfolio; and (ii) the Label Applicant must submit the relevant information relating to such portfolio to LuxFLAG for the purpose of conducting a portfolio analysis.

5. GRANTING OF THE LABEL

- 5.1 Upon completion of the Label Application Review, LuxFLAG will Formally Notify the Label Applicant if the Label has been granted and, if applicable, any applicable special conditions which must be accepted by the Label Applicant in writing.
- 5.2 The Label shall take effect on the first day of the quarter following the Formal Notification referred to in clause 5.1. It shall not be applied retroactively to any Label Applicant for any period prior to that date.
- 5.3 If the use of the Label is contingent on the fulfilment of certain predefined requirements or special conditions to be met within specified timeframes. The Label Applicant shall not use, display or reference the Label until all such requirements or special conditions have been duly fulfilled and confirmed as met by LuxFLAG in writing. LuxFLAG, and as the case may be the LuxFLAG Board of Directors, may extend the timeframe, refuse to grant, or terminate, any Label and/or Label Application where these requirements or conditions are not met. In cases where all requirements or conditions are duly met, the Label shall take effect on the date LuxFLAG provides written confirmation to that effect.

6. LABEL VALIDITY PERIOD AND ANNUAL INTERMEDIARY REVIEWS

Label Validity Period

- 6.1 Once the Label has been granted, the Label Applicant will become a Labelled Product. LuxFLAG may publish on its website, information (other than Confidential Information) relating to the Labelled Product(s), including without limitation the name, logo and classification under the Sustainable Finance Disclosure Regulation.
- 6.2 The Labelled Product must ensure compliance with the Label Eligibility Criteria for the Labelled Product for the entire duration of the Label Validity Period.
- 6.3 If the Labelled Product fails, or ceases, to comply with the relevant Label Eligibility Criteria, or if there are any changes to the Labelled Product that could affect compliance, the Labelled Product must immediately notify LuxFLAG in writing. LuxFLAG may require additional verification to assess continued eligibility, and this may give rise to a Supplementary Review.

Intermediary and Supplementary Reviews

- 6.4 LuxFLAG will perform annual Intermediary Reviews during the Label Validity Period to ensure that the Labelled Product remains compliant with the relevant Label Eligibility Criteria. These reviews may include without limitation a verification of the investment policy, a portfolio sampling and analysis, as well as the request of evidence premised on the product's portfolio composition. Intermediary Reviews will generally commence no later than three (3) months after the relevant anniversary of the grant of the Label.

- 6.5 In addition to the Intermediary Reviews, LuxFLAG may conduct ad-hoc Supplementary Reviews including in the event of a material change to the Labelled Product's portfolio, governance or investment policies, or in case LuxFLAG becomes aware of any information that it considers may impact the Labelled Product's compliance with the Label Eligibility Criteria or the Agreement.
- 6.6 The Labelled Product must respond to any request for information from LuxFLAG promptly and in compliance with clause 3.
- 6.7 In the event of any adverse findings during an Intermediary Review, Supplementary Review or otherwise, LuxFLAG may decide to take further action including but not limited to revoking or suspending the use of the Label, requiring additional compliance measures to be taken by the Labelled Product, imposing additional conditions (which may be subject to specified timeframes). Any such decision will be Formally Notified to the Label Applicant.

Label Renewals

- 6.8 To ensure the continued right to use the Label, prior to the end of the Label Validity Period, and no later than three (3) months before its expiration, the Label Product can apply for a renewal of the Label. Each Label renewal is subject to a newly submitted Label Application.

7. USE OF THE LABEL

- 7.1 The use of the Label is non-transferable and can only be used by the Labelled Product for which it was granted. The Labelled Product must not allow any other product, manager, adviser, custodian or service provider to use or associate with the Label and must comply with clauses 2.5 and 2.6.
- 7.2 The Label may be used globally, subject to the terms and conditions outlined in the Agreement.
- 7.3 Continued use of the Label is contingent upon the timely payment of fees and the Labelled Product's ongoing compliance with the applicable Label Eligibility Criteria and the terms of the Agreement.
- 7.4 The logo of the Label must be displayed in all marketing communications related to the Labelled Product and use of the Label and its logo must at all times comply with LuxFLAG's Label Award Communication Guidelines, as amended from time to time, found here: [Label Award Communication](#).
- 7.5 When referencing the Label in any marketing documents or communications, the Labelled Product must include a disclaimer stating that the Label does not provide investor protection and that LuxFLAG is not liable for the financial performance nor any default of the Labelled Product.

- 7.6 The Labelled Product's right to use the Label terminates at the end of the Label Validity Period or upon the termination of the Agreement. The Labelled Product must cease all use of the Label immediately upon termination.

8. SWITCH TO ANOTHER LABEL

- 8.1 If the Labelled Product wishes to switch to another LuxFLAG Label during the Label Validity Period, the switch will be treated as a new Label Application and, subject to the confirmation by LuxFLAG, the Labelled Product will be released from its obligations in relation to the original Label. This may involve switching to an existing Label or transitioning to a new label established by LuxFLAG. Any amendments to the Agreement arising from the switch, including any incremental costs relating to additional due diligence, shall be documented in writing and agreed upon by both Parties.
- 8.2 The Labelled Product may initiate a switch to another LuxFLAG Label at any time during the Label Validity Period by Formally Notifying LuxFLAG. Upon receiving such notice, LuxFLAG will conduct a new Label Application Review in accordance with the applicable eligibility criteria and Label Validity Period. The Intermediary Review scheduled under the original Label will be replaced by the new Label Application Review.

9. LIABILITY

- 9.1 Each Party is liable for any direct loss or damage caused to the other Party in the performance of their obligations under the Agreement due to delay, non-performance, incorrect performance, wilful misconduct and/or gross negligence provided that neither Party shall be liable for any indirect, special, consequential, incidental, or exemplary damages including but not limited to loss of profit loss of revenue, loss of business or loss of goodwill, whether in contract or tort (including negligence), or otherwise. The total liability of either Party under the Agreement shall not exceed three (3) times the total amount of fees payable under the relevant Label Subscription Form.
- 9.2 Each Party is responsible for the actions of its Representatives and Related Parties involved in the performance of the Agreement. In the event that a Representative or a Related Party fails to meet its obligations under the Agreement, the responsible Party must promptly replace them upon request of the other Party.
- 9.3 LuxFLAG and its Representatives do not assume any liability for the accuracy or validity of the Confidential Information provided by the Label Applicant or Labelled Product.
- 9.4 LuxFLAG is not liable for any loss or damage incurred by any third party resulting from the Confidential information provided by the Label Applicant or Labelled Product.

10. CONFLICT OF INTERESTS

Each Party shall take all necessary measures to prevent any Conflict of Interest. Should a Conflict of Interest arise before or during the term of the Agreement, the affected Party must promptly notify the other Party in writing. The Parties shall work together to resolve such conflicts within a mutually agreed timeframe.

11. PAYMENTS AND INVOICING

11.1 The Label Applicant shall pay all fees for Services as specified in the relevant Label Subscription Form. Fees are payable in euros, unless otherwise agreed in writing, and are exclusive of any applicable VAT or taxes.

11.2 LuxFLAG will issue invoices in the following instalments:

- (a) **Initial Payment:** 50% of the total fee during the Label Application Review.
- (b) **First Interim Payment:** 25% of the total fee during the first Intermediary Review.
- (c) **Second Interim Payment:** 25% of the total fee during the second Intermediary Review.

11.3 The Label Applicant must pay each invoice promptly within thirty calendar (30) days of the invoice date, independently from the cycle review process progress. Payments are considered made on the date LuxFLAG's bank account is credited.

11.4 If the Label is not granted, the Label Applicant shall pay fees in proportion to the Services provided up to the date of the decision.

11.5 LuxFLAG reserves the right to adjust the fees based on factors such as inflation, or other relevant considerations related to the Label Application Review's process.

11.5 Additional fees may apply for on-site review conducted during the Label Application Review or the Label Validity Period and shall be charged on a reimbursement basis in accordance with clause 12.

12. REIMBURSEMENTS

12.1 The Label Applicant shall reimburse all reasonable travel and subsistence expenses incurred by LuxFLAG in connection with the provision of the services, including on-site review during the Label Application Review or Label validity Period.

13. INTELLECTUAL PROPERTY RIGHTS

- 13.1 Each Party retains exclusive ownership of its Background.
- 13.2 Neither Party may use, disclose, or distribute any proprietary content belonging to the other Party without prior written consent, except as required for fulfilling the obligations under the Agreement.

14. CONFIDENTIALITY

- 14.1 Each Party acknowledges that Confidential Information may be disclosed in connection with the Agreement.
- 14.2 The Recipient agrees to:
- (a) use the Confidential Information only for the purpose of the Agreement and not to use it for its own benefit or any other purpose without the prior written consent of the Disclosing Party;
 - (b) treat all Confidential Information with the same degree of care as it accords to its own Confidential Information and not disclose Confidential Information to any third party without the Disclosing Party's prior written consent, except to Representatives who need access for the Agreement's performance;
 - (c) ensure that any Representatives accessing Confidential Information agree to maintain its confidentiality;
 - (d) promptly return or destroy all Confidential Information (including copies and derivatives) upon written request of the Disclosing Party.
- 14.3 These confidentiality obligations shall remain in effect throughout the duration of the Agreement and five (5) years after its expiration or termination.

15. FORCE MAJEURE

- 15.1 If a Force Majeure event prevents or delays the performance of a Party's obligations under the Agreement, that Party shall Formally Notify the other Party, including a description of the event and its impact. The Parties shall work to minimize any negative effects and may agree to suspend or adjust the Agreement's terms as needed.
- 15.2 Neither Party shall be considered in breach of this Agreement if unable to fulfill obligations due to a Force Majeure event. Payment for Services already rendered shall remain due and payable.
- 15.3 If the Force Majeure event persists for more than sixty (60) days, either Party may terminate the Agreement or suspend performance, with notice to the other Party.

16. TERMINATION AND EFFECTS OF TERMINATION

16.1 The Agreement may be terminated in the following cases:

- (a) in the event that the use of the Label is not granted to a Label Applicant;
- (b) the Label Validity Period expires;
- (c) in the event that the Labelled Product under the Applicant Fundraising Stage fails to submit a fully developed portfolio by the commencement of the second Intermediary Review;
- (d) the Parties agree to terminate by mutual consent;
- (e) either Party may terminate for cause, including material breach of the Agreement, which cause has not been remedied within thirty (30) days after written notice from the non-defaulting Party or immediately if the nature of the breach is such that it cannot be remedied;
- (f) either Party may terminate during the Label Validity Period by no less than thirty (30) days' written notice to the other Party for reasons related to:
 - i. the Labelled Product's life cycle including termination, liquidation, splitting, soft closure, suspension, merging and/or transferring of the Labelled Product; and/or
 - ii. a change to the eligibility criteria for the Label during the Label Validity Period which the Labelled Product cannot or elects not to, comply with, in which case the termination will be effective as at the next Intermediary Review;
- (g) any of the Parties may terminate the Agreement due to Force Majeure in accordance with clause 15.

16.2 Upon termination in any of the cases mentioned at clause 16.1, the Labelled Product's right to use the Label ceases. The Labelled Product must remove all references to the Label in all communications and notify investors that the Label is no longer in use. Evidence of such notification shall be submitted by the Labelled Product to LuxFLAG. Any outstanding payment obligations remain in effect, subject to proportionality based on Services rendered.

16.3 If the Agreement is terminated due to a rejected label application, payment is due to Services performance up to the date of rejection. If the Agreement ends upon expiration, the Labelled Product may apply for a renewal of the Label or a new Label, subject to a newly submitted Label Application.

17. REVOCATION OF THE USE OF THE LABEL

17.1 LuxFLAG and as the case may be LuxFLAG Board of Directors, reserves the right to revoke the use of the Label during the Label Validity Period if the Labelled Product no longer satisfies the applicable Label Eligibility Criteria at any time during the Label Validity Period.

17.2 If the Label is revoked, LuxFLAG shall Formally Notify the Labelled Product. The Labelled Product must immediately cease using the Label, and all obligations outlined in clause 16 shall apply.

17.3 Following revocation, if the Labelled Product would like again to use the Label, then the Labelled Product must submit a new Label Application for the Label.

18. DATA PROTECTION

Any personal data relating to the performance of the Agreement shall be processed pursuant to applicable EU law and regulations. Such data shall be processed solely for the purposes of the Agreement and in line with the LuxFLAG Privacy Policy available at <https://luxflag.org/en/privacy-notice/>.

19. GOVERNING LAW – JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg. Any dispute arising from this Agreement shall be subject to the exclusive jurisdiction of the courts of the Grand Duchy of Luxembourg.

20. COMMUNICATION DETAILS

All notices or communications required under the Agreement must be sent by email or registered mail to the address specified in the Label Subscription Form for the relevant Party. A Party must notify the other party of any changes to its address in writing and such changes shall take effect upon receipt.

21. SURVIVING CLAUSES

Clauses 9 (Liability), 11 (Payments and Invoicing), 13 (Intellectual Property Rights), 14 (Confidentiality), 16 (Termination and Effects of Termination), 19 (Governing Law), 23 (Miscellaneous) survive any termination or expiration of the Agreement.

22. UPDATE OF TERMS AND CONDITIONS

LuxFLAG may make changes to these Terms and Conditions (including any additional LuxFLAG terms and conditions, policies or procedures referenced herein) from time to time by providing the Label Applicant with sufficient notice prior to the effective date of such changes, by posting the revised terms and conditions on the LuxFLAG website and notifying the Label Applicant by email or otherwise in writing. Such changes will not apply to any dispute between the Parties that arose before the date LuxFLAG posted on the LuxFLAG website, the revised terms and conditions incorporating such changes or otherwise notified the Label Applicant of the changes in writing. By continuing to use the LuxFLAG Services after any changes to these Terms and Conditions have been made, the Label Applicant is deemed to accept those changes. The effective date at the top of the said document indicates when these Terms and Conditions were last modified.

23. MISCELLANEOUS

- 23.1 The Agreement, together with any appendix and schedule hereto attached, constitutes the entire agreement between the Parties and supersedes all proposals, letters of intent, memoranda of understanding, or discussions, whether written or oral, between the Parties.
- 23.2 No Party may transfer its rights or obligations under this Agreement without the prior written consent of the other Party.
- 23.3 If any provisions of this Agreement are invalid or unenforceable, the validity of the remaining provisions shall not be affected. The Parties shall replace the invalid or unenforceable provision by a valid and enforceable provision that will meet the purpose of the invalid or unenforceable provision as closely as possible.
- 23.4 The provisions set forth in the Agreement may only be modified or waived by a separate writing by the Parties hereto, expressly modifying or waiving such agreement.
- 23.5 No failure or delay by the Parties and/or their Representatives in exercising any right, power or privilege under the Agreement shall operate as a waiver nor shall any single or partial exercise preclude any further exercise of any right, power or privilege under this Agreement or otherwise.
- 23.6 For the avoidance of doubt, LuxFLAG does not advise upon any legal, tax, accounting, financial or regulatory matters in any jurisdiction. LuxFLAG together with its Representatives should independently evaluate the label applicant(s) and the Confidential Information with these matters in mind.