

## GENERAL TERMS AND CONDITIONS

Applicable commencing 1 July 2007 in respect of

LARSSON Investment Funds Ltd (the "Issuer")  
LARSSON Fund Management Ltd (the "Yield Guarantor")

As soon as a deposit is received by the Issuer on the Issuer's deposit account(s) for Savings Products, these General Terms and Conditions, together with the Special Product Terms and Conditions for each Savings Product, shall automatically apply as the contract terms and conditions between the Investor and the Yield Guarantor and, where applicable, the Issuer.

### 1. Certain Definitions

Investor:	The natural person or legal person who acquires shares in the Issuer and, concurrently therewith, enters into an agreement with the Yield Guarantor regarding a certain return on the Nominal Amount.
The Issuer:	The Issuer is a Bahamian-registered "Investment Fund" which invests in different types of securities in order to hold a diversified securities portfolio. The terms and conditions for the Issuer are described in detail in a separate prospectus. The Issuer is under the supervision of the Bahamas Securities Commission and is registered under number 141402B.
Administrator:	The Issuer is administered by Butterfield Fund Services Ltd, which calculates the value of shares in the Issuer, issues the Issuer's annual report, administers the redemption of shares, and handles the Issuer's expenses for services such as management, advice, and accounting.
Yield Guarantor:	The Yield Guarantor is a Bahamian-registered International Business Company which in part provides customer service such as conducting purchase and sale of shares in the Issuer upon engagement by the Investor, holding the Investor's shares on deposit during the contract period, preparing contract notes and account statements, and handling contact with the Investor via website, e-mail, telephone and fax, and in part enters into agreements with the Investor in respect of Savings Products.
Share Value:	The Share Value is the value at which the Administrator has valued the Issuer on the Valuation Day, divided by the number of outstanding shares in the Issuer.
Nominal Amount:	Consists of the net sum for which the Investor has purchased shares in the Issuer after deduction for commission.
Valuation Day:	The Valuation Day is the day on which the Administrator values the Issuer, i.e. the last bank day of each calendar month.
The Prospectus:	The Prospectus refers to the prospectus registered with the Bahamas Securities Commission in January 2006 in respect of the Issuer. The prospectus can be retrieved at <a href="http://LarssonFunds.com">http://LarssonFunds.com</a> or ordered by telephone +357 22 551 314 or by fax 357 22 498592.

Custodian Institution:	SEB, Bohusbanken, and Fisher Partners Fondkommission are the Custodian Institutions. The Custodian Institutions hold, inter alia, the Issuer's assets and, in a separate account in the Yield Guarantor's name, the shares in the Issuer pledged by the Investor to the Yield Guarantor.
Savings Product:	The product or products which the Yield Guarantor from time to time offers to the Investor for subscription.
Special Product Terms and Conditions:	The Special Terms and Conditions which, in addition to these General Terms and Conditions, apply to each Savings Product and which, together with the General Terms and Conditions, shall apply as the contract between the Investor and the Yield Guarantor.
Return ( -amount):	The return on the Nominal Amount as agreed between the Investor and the Yield Guarantor pursuant to the Special Product Terms and Conditions by subscription for a Savings Product.

## 2. Investing

### Procedure

An investment is made when an Investor subscribes for a certain amount in a Savings Product in the manner directed by the Yield Guarantor. Subscription means that the Investor enters into two agreements concurrently: the first is in respect of acquisition in shares in the Issuer for an amount which is equivalent to the payment after deduction for commission and other costs incurred, the second entails an agreement with the Yield Guarantor regarding the return on the Nominal Amount in accordance with the Special Product Terms and Conditions for the chosen Savings Product.

### Time for Acquisition

Acquisition of shares in the Issuer shall occur on the Valuation Day subsequent to receipt of the Investor's deposit by the Issuer. Where the deposit is received by the Issuer on a Valuation Day, acquisition of shares shall occur on the same day.

### Contract Note

In conjunction with each acquisition of shares in the Issuer, the Yield Guarantor shall issue a contract note which confirms the number of acquired shares in the chosen Savings Product.

### Failure to choose a Savings Product or unknown sender, etc.

Where a Savings Product is not designated in conjunction with a deposit, or where the deposit pertains to a Savings Product which is closed for deposit or for which the terms and conditions have changed in respect of the application form used by the Investor, no shares in the Issuer shall be acquired and no agreement regarding a Savings Product shall be entered into. Instead, the depositor shall be asked to identify the Savings Product to which the deposit relates or the desired Savings Product. Following confirmation, the Investor shall acquire shares in the Issuer on the Valuation Day subsequent to the confirmation. In the event such confirmation has not been received within 14 days, the deposit shall be refunded. Where, in respect of the depositor, such information as would enable payment is lacking, the amount shall be placed into a separate account at the Custodian Institution. Amounts for which claims are made within 12 months from deposit thereof and which clearly belong to the claimant shall be paid to such claimant. Otherwise, the amount accrues to the Yield Guarantor.

## 3. Deposit and Sale/Redemption of Fund Shares

In subscribing for a Savings Product, the Investor contracts with the Yield Guarantor that:

- the Investor's right to payment from the Yield Guarantor shall only include the Nominal Amount and the Return Amount in accordance with the Special Terms and Conditions for the subscribed Savings Product;
- the Investor shall pledge its shares in the Issuer to the Yield Guarantor for the proper execution of its undertakings in respect of the Yield Guarantor, and that only the Yield Guarantor shall hold the Investor's shares on deposit for the term of the chosen Savings Product;
- the Yield Guarantor, following the expiry of the term, shall have the exclusive right to sell/redeem shares on behalf of the Investor and that the Yield Guarantor shall pay the Nominal Amount and the Returns Amount to the Investor in accordance with the Special Product Terms and Conditions. Any amount paid for shares in the Issuer in excess of the Nominal Amount shall accrue to the Issuer. Where the Special Product Terms and Conditions provide that the only part of the Nominal Amount shall be repaid, the Issuer is entitled to the portion of the Nominal Amount which shall not be repaid;
- the Investor unconditionally and irrevocably assigns all dividends on the shares to the Yield Guarantor;
- the Investor shall not be entitled to sell/redeem the shares without the Yield Guarantor's consent. A transfer without the consent of the Yield Guarantor is invalid pursuant to the Investor's agreement with the Yield Guarantor and is inapplicable in respect of the Yield Guarantor;
- the Yield Guarantor shall have no liability to pay the Nominal Amount and the Return where the shares are not pledged to and held on deposit at the Yield Guarantor for the term of the Savings Product, or where, due to reasons attributable to the Investor, the Yield Guarantor cannot sell/redeem the shares at the expiry of the term.

#### 4. Premature Redemption of a Savings Product

Redemption of a Savings Product normally takes place only at the expiry of the term of each product. For certain Savings Products, premature redemption can be offered pursuant to the provisions of the Special Product Terms and Conditions. In conjunction with premature redemption, the terms and conditions in respect of a guaranteed return shall not apply, and the amount which can be paid to the Investor may be less than the Nominal Amount.

#### 5. Payment and Share Owner Register

The Yield Guarantor is engaged by the Issuer to maintain a register of the Investors' holdings of shares and the identity of their Savings Products. All payments to the Investor shall be made to the person who is registered in the Yield Guarantor's register. A payment which is made to the registered person shall be deemed to have been made to the correct person and the Yield Guarantor shall thereby be deemed to have paid in full. It is the Investor's responsibility to report ownership and address changes as well as deposit account changes, etc.

#### 6. Change in Ownership

Neither shares nor Savings Products are intended for general trading or shall be registered on a market place for such trading. Shares in the Issuer may not be transferred individually but an Investor may transfer his rights in the Savings Products such that ownership rights to the shares are transferred simultaneously. Neither the Yield Guarantor nor the Issuer maintains a register of sellers and buyers of Savings Products but, rather, it is incumbent upon the Investor to report to the Yield Guarantor, in a manner prescribed by the latter, that the Savings Product and shares appurtenant thereto shall be registered to another party in the Yield Guarantor's share ownership register. The Yield

Guarantor reserves the right to approve the re-registration. Such approval shall normally be forthcoming, but may be refused in the event of impediments thereto arising under law or orders of governmental authorities, as well as upon suspicion of money laundering or financing of terrorist activities. Transfers of ownership which the Yield Guarantor does not approve for registration in the share ownership register may not be asserted in respect of the Yield Guarantor and the Issuer.

#### 7. Administrative Fees

The Yield Guarantor and the Issuer each reserve the right to charge an annual fee for administration and customer service pursuant to that which is decided by the Yield Guarantor and the Issuer respectively. Such fee shall be deducted from the agreed return.

#### 8. Verification

The Yield Guarantor shall comply with the applicable legal regulations for prevention of money laundering and financing of terrorist activities. This means that the Yield Guarantor must, among other things, verify the Investor's identity and credibility. In the event that the Investor is not previously known to the Yield Guarantor, prior to execution of the transaction the information provided on the application form shall be reviewed and, if necessary, the Investor shall be contacted. The Yield Guarantor reserves the right, without explanation, to deny an Investor acquisition of shares in the Issuer and execution of an agreement regarding Savings Products. In such cases, the deposit shall be refunded and the provisions of Section 2 regarding "Unknown Sender" shall apply.

#### 9. Risks

Each Savings Product entails an individual risk for the Investor and which relates to the development of the circumstances upon which the return is based such as, for example, changes in a share index. The risks in respect of shares in the Issuer are reported in the prospectus in respect of the Issuer.

Neither the Yield Guarantor nor the Issuer assumes liability for changes in the expected results of the Savings Products over time as a result of changes in tax regulations which affect the individual Investor.

Through subscription for the Savings Product, the Investor declares himself to have read the prospectus, information about the subscribed Savings Product, the Special Product Terms and Conditions, and these General Terms and Conditions as well as the Yield Guarantor's reminder, if the Investor feels uncertain, to seek advice from an investment advisor, accountant, or other knowledgeable expert in the field prior to investing.

#### 10. Disclaimer of Liability

The Yield Guarantor bears the risk of changes in valuation of the shares in the Issuer as a result of ordinary changes in the market value of the Issuer and the Issuer's assets. However, the Yield Guarantor shall under no circumstances be liable to pay the Investor a Nominal Amount which exceeds the amount represented by shares in the Issuer in conjunction with redemption thereof where the Issuer's property has diminished because the Issuer has cancelled the payments, has been placed in insolvent liquidation, or has become the subject of another insolvency proceeding pursuant to Bahamian law. The aforesaid shall apply when the Issuer's property is diminished because the Issuer has cancelled the payments, has been placed in insolvent liquidation, or has become the subject of another insolvency proceeding pursuant to law of the country applicable to such person.

## 11. Taxation

Capital gains and wealth shall be taxed pursuant to the regulations of the country where the Investor has its tax domicile. Neither the Yield Guarantor nor the Issuer shall send a statement of earnings and deductions to the tax authorities and it is the responsibility of the individual Investor to provide information concerning investments in his or her declaration.

## 12. Limitation of Liability and Force Majeure

The Yield Guarantor shall have no liability to compensate for loss which the Investor may suffer either in respect of purchases or sales of shares in the Issuer or otherwise through agreement with the Yield Guarantor, where the failure to execute certain obligations pursuant to this agreement is due to circumstances beyond the control of the Yield Guarantor and which circumstances impede execution of the Yield Guarantor's obligations ("force majeure event"). A force majeure event shall always be deemed to exist as a result of natural disasters, war, civil unrest, terrorist acts, enactments, actions by governmental authorities, labour disputes or defects in electrical, telephonic, or computer support. The reservation in respect of labour disputes shall apply notwithstanding that the Yield Guarantor takes part in or is the subject of the dispute. The Yield Guarantor shall also have no liability for loss caused by agents engaged by the Yield Guarantor with sufficient care or as directed by the Investor. The Yield Guarantor shall under no circumstance be liable for indirect loss.

As soon as the impediment is removed, the Yield Guarantor shall, unless the investment has been withdrawn, execute the purchase of the Savings Product together with shares in the Issuer, whereby acquisition occurs on the Valuation Day subsequent to removal of the impediment or, in the alternative, pay the agreed return. Should the chosen Savings Products no longer be available, the provisions of Section 2 in respect of "Failure to Choose a Savings Product" shall apply.

The Yield Guarantor shall have no liability to pay interest on late payments to the extent that the Yield Guarantor, pursuant to this section, is released from its obligation to execute its obligations.

## 13. Jurisdiction and Dispute Resolution

Disputes arising under these General Terms and Conditions, as well as under the Special Product Terms and Conditions, shall be adjudicated pursuant to the law of the Bahamas and such disputes shall, regardless of choice of law rules, be determined exclusively by a court in the Bahamas. Disputes in respect of these General Terms and Conditions, as well as the Special Product Terms and Conditions, shall, firstly, be resolved with the help of a mediator selected jointly by the parties. Where the parties do not jointly select a mediator, the mediator shall instead be selected by the Issuer's auditor. Mediation shall take place in the Bahamas and the proceedings shall be regulated pursuant to the laws thereof.