

PARTICIPATION AGREEMENT

This participation agreement is made this (day) of(month)(year)

THE UNDERSIGNED:

(1) **STICHTING DQS CUSTODIAN**, a foundation (*stichting*) having its statutory seat (*statutaire zetel*) in Voorburg, with its offices at Park Vronesteyn 24A, 2271 HS in Voorburg and listed in the Commercial Register of the Chamber of Commerce of Haaglanden, The Netherlands under number 27285331 (the “**Custodian**”);

(2) **DQS INVESTMENT MANAGEMENT B.V.**, a private limited company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its statutory seat (*statutaire zetel*) in Voorburg, with its offices at Park Vronesteyn 24A, 2271 HS in Voorburg and listed in the Commercial Register of the Chamber of Commerce of Haaglanden, The Netherlands under number 27285330 (the “**Fund Manager**”); and

(3)

Name:

Address:

Place establishment:

(the “**Participant**”).

CONSIDERING THAT:

- (a) the Custodian pursuant to the Terms and Conditions (as defined below) of the DQS Absolute Return Fund (the “**Fund**”) holds the Fund Estate (as defined in the Terms and Conditions) for the purpose of management and custody on behalf of the participants of the Fund;
- (b) the Participant wishes to participate in the Fund; and
- (c) the relevant requirements of the Terms and Conditions in relation to the participations are fulfilled.

HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS AND SCOPE OF APPLICATION OF THE TERMS AND CONDITIONS

The terms used in this agreement (this agreement including the schedule thereto: the “**Participation Agreement**”) have, unless provided otherwise, the same meaning as set out in the terms and conditions of management and custody attached as Schedule 1 of the prospectus of the Fund dated (date) (the “**Terms and Conditions**”).

All relations between the Participant, the Fund Manager and the Custodian are governed by this Participation Agreement and the Terms and Conditions as referred to above.

2. TOTAL SUBSCRIPTION AMOUNT

2.1 The Participant hereby undertakes to pay the Total Subscription Amount, in accordance with the provisions of the Terms and Conditions and this Participation Agreement, on (the “**Subscription Date**”) by paying the Custodian a Total Subscription Price of(number in words) Euro (EUR.....) in consideration for Participations in the Fund to the bank account number 3736.54.073 at Rabobank, Vlietstreek-Zoetermeer, The Netherlands on the name of “Stichting DQS Custodian”, Voorburg, The Netherlands;

2.2 The Total Subscription Amount shall be received no later than 12:00 hours CET on (date). The Participant may be charged for the costs of late payment of (any part of) the Total Subscription Amount on the basis of statutory interest (*wettelijke rente*) as from such date.

3. ACCEPTANCE SUBSCRIPTION, ISSUE PARTICIPATIONS

3.1 *For subscriptions during the Initial Offer Period*

Subject to the terms and conditions of this Participation Agreement, in consideration for the Total Subscription Amount, the Custodian hereby agrees to issue to the Participant a number of Participations equal to the Total Subscription Price referred to under 2.1 (a) above divided by one hundred (100) Euro.

3.2 *For subscriptions after the Initial Offer Period*

Subject to the Terms and Conditions, in consideration for the Total Subscription Price referred to under 2.1 (a) above, the Custodian hereby agrees to issue to the Participant a number of Participations equal to the Total Subscription Price referred to under 2 above divided by the Net Asset Value per Participation, *i.e.* after deduction of the Management and the Performance Fee of a single Participation as lastly calculated prior to the date hereof. In addition, an equalisation adjustment may apply, if applicable.

3.3 The Fund Manager shall enter the Participant’s name, address and number of Participations in the Register in accordance with Article 9 of the Terms and Conditions. Such registration shall be conclusive evidence of the entitlement of the Participant.

4. REPRESENTATIONS AND WARRANTIES OF PARTICIPANT

The Participant represents and warrants (*garandeert*) to the Custodian and the Fund Manager that:

- (i) the execution and performance of the Participation Agreement do not contravene, or constitute a default under any provision of law applicable to the Participant;
- (ii) the Participant has the knowledge and expertise in business and financial matters to make it capable of assessing and evaluating the merits and risks associated with investing in the Fund;
- (iii) the Participant has independently assessed, evaluated and verified the merits and risks associated with investing in the Fund and the transactions contemplated there under;
- (iv) the Participant is willing to assume and will be able to bear the full financial and economic risk of its subscription, while maintaining adequate means of providing for its current needs and foreseeable contingencies, even in the event of a loss of its entire investment in the Fund;
- (v) the Custodian nor the Fund Manager, nor any other person acting on behalf of the Custodian or the Fund Manager respectively, have provided any warranties or guarantees for the benefit of the Participant. Regarding its own financial position (including the tax consequences) the Participant did not rely on an advice of the Custodian or the Fund Manager, respectively or other individuals acting on behalf of the Custodian or the Fund Manager with respect to this investment;
- (vi) the Participant has the legal capacity and competence to enter into and execute this Participation Agreement and to take all actions required pursuant hereto and if the Participant is a corporation, it has been validly and duly incorporated subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its competent body or competent bodies have been given to authorize execution of the Participation Agreement on behalf of the Participant;
- (vii) the signing and the performance of this Participation Agreement fall within the object clause of the articles of association and within the competence of the Participant and are in the interest of the Participant;
- (viii) the Participant is authorized to sign this Participation Agreement and to fulfil all obligations arising from this agreement. For this purpose the Participant does not have to register or otherwise perform acts with any public authority or independent supervisory authority, as all registrations or acts in respect of such public authority or independent supervisory authority (in so far as necessary) have taken place;
- (ix) the signing and the performance by the Participant of this Participation Agreement does not conflict with and will not result in any claim for default (*ingebrekestelling*) against the Participant under (i) any provision of law applicable to the Participant, or (ii) any directive, rule or instruction of any public authority or independent supervisory authority which supervises the business of the Participant, or (iii) the articles of association or other organizational documents of or regarding the Participant, or (iv) any participation agreement, judgement, judicial ruling or order, verdict, decree or other instrument binding on the Participant; and
- (x) the Participant agrees that the above representations and warranties in this section will be true and correct both as of the execution date of the Participation Agreement and the issue of the Participations.

5. **REDEMPTION, WINDING UP AND BANKRUPTCY**

By signing the Participation Agreement the Participant has not intended, for any purpose, to enter into a partnership (*maatschap* or *vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*) or public partnership (*openbare vennootschap*) or silent partnership (*stille vennootschap*) within the meaning of Title 7:13 of the Dutch Civil Code (*Burgerlijk Wetboek*) pending with the present Participants or the Custodian. If notwithstanding the explicit intentions of the parties involved, the existing legal relationship between them is qualified by any authorized judicial body as such a partnership, the Participant agrees, in so far as necessary, that (i) in case of a redemption of any or of all the Participations by the Participant in case of its liquidation, or in case of any other occurrence requiring under the rules of Dutch law such a partnership be dissolved, the other Participants have the right to continue and are deemed to continue the partnership and (ii) the payment of the value attributable to the redeemed Participations on the basis of the Value per Participation on the redemption date is considered to be the full and final settlement of the share in the joint ownership, if and as far as present, of such a partnership.

6. **ADDITIONAL SUBSCRIPTION**

If the Participant desires to acquire additional Participations in accordance with Article 11 of the Terms and Conditions, the issue thereof will be governed by the Notices of Subscription and, *mutatis mutandis*, by the provisions of this Participation Agreement, except Articles 2 and 3.

7. **INDEMNITY**

The Participant indemnifies the Custodian and the Fund Manager and persons connected to them, including the board of management, employees and advisers, without requesting or receiving any compensation therefore, against any claim, loss, damage, liability or costs, including the costs of legal advisers, to the extent that these are incurred by any of the Custodian and the Fund Manager and the persons mentioned above as a result of an incorrect representation of the facts by the Participant or by any act or omission of the Participant in breach of the Participation Agreement.

8. **RECOURSE**

In case the Participant does not fulfil its obligations under the Participation Agreement, the Custodian and the Fund Manager reserve all rights and legal remedies available to them under this Participation Agreement under Dutch law and otherwise. If the Custodian or the Fund Manager does not exercise a right or a legal remedy available to it under the Participation Agreement, this should not be interpreted as a waiver of the right to exercise such right or any other right or legal remedy in the future. The exercise of any right or legal remedy by the Custodian or the Fund Manager available to them under this Participation Agreement does not prejudice the exercise by the Custodian or the Fund Manager of the other rights available to them under this Participation Agreement under Dutch law or otherwise.

9. **VALIDITY OF WARRANTIES**

The statements, guarantees (*garanties*), acknowledgements and warranties made by the Participant remain in full force and effect after the Subscription Date. If there is any change in a thing stated, guaranteed, warranted or acknowledged by a Participant at the time of participation in the Fund, it shall notify the Custodian thereof without delay.

10. **REDEMPTION**

The Participant can resign by giving notice to the Custodian and the Fund Manager in the format set out in Schedule 2.

11. **TERMINATION**

This Participation Agreement can only be terminated with the written consent of the Custodian and the Fund Manager. This Participation Agreement may be terminated forthwith by the Custodian and the Fund Manager in the event the Participant has acted in material breach of the provisions of this Participation Agreement. Upon such termination the Custodian shall promptly redeem all Participations of the Participant in accordance with the Terms and Conditions.

12. **STATEMENTS**

All statements, including requests, offers, notices of consent, reports and other communications, shall be made in the form of e-mail, telex or fax, or by mail, post-paid. All messages shall be sent to the address of the relevant party as described in the preamble of this Participation Agreement.

Statements may also be sent to the address, e-mail address or telex or telefax number as notified by a party according to its last message to the other parties. A message is effective as from its receipt.

13. **ONE PARTICIPATION AGREEMENT; AMENDMENTS**

The Participation Agreement fully describes the existing agreement between parties with respect to the present subject and replaces any preceding participation agreement with respect to this same subject.

14. **NOTICES**

- 14.1 Any notices, consents, resignations, requests, demands, offers, reports and other communications under this Participation Agreement required to be given hereunder shall be in writing and shall be addressed or directed as follows:

To the Custodian: Park Vronesteyn 24A
2271 HS Voorburg
The Netherlands

To the Fund Manager: Park Vronesteyn 24A
2271 HS Voorburg
The Netherlands

To the Participant Name:

Address:

- 14.2 Either party may change their address and/or facsimile number for the purposes of all notices or communications required pr permitted to be given pursuant to their Participation Agreement by notice to the other parties.

15. **DIVISIBILITY**

Should any provision of the Participation Agreement, or the application thereof with regard to any party or circumstance, be held void or entirely or partially unenforceable by any authorized judicial body, the Participation Agreement shall in all other respects, handing the applicability of any other provision than the provision held void or entirely or partially unenforceable, be fully valid and enforceable.

16. **CHOICE OF LAW; COMPETENT COURT**

- (a) This Participation Agreement shall be governed by the laws of The Netherlands, and shall be interpreted accordingly.
- (b) The Participant hereby irrevocably agrees that any action or proceeding relating in any way to this Participation Agreement may be brought to the competent courts of Amsterdam and its appellate courts and irrevocably submits to the non-exclusive jurisdiction of such courts.

IN WITNESS WHEREOF, the parties hereto have executed this Participation Agreement as of the day and year first written above.

STICHTING DQS CUSTODIAN

By:

Title:

By:

Title:

DQS INVESTMENT MANAGEMENT B.V.

By:

Title:

By:

Title:

PARTICIPANT

By:

Title:

By:

Title:

Schedule to the Participation Agreement

NOTICE OF REDEMPTION

Stichting DQS Custodian
Park Vronesteyn 24A
2271 HS Voorburg
The Netherlands

Dear Sir, Madam,

..... (name participant) holds (number) Participations in the DQS Absolute Return Fund.

We kindly request you, as per the next date available therefore under the terms and conditions of management and custody of the DQS Absolute Return Fund:

- (c) to redeem all Participations held by the undersigned;*
- (d) to redeem the following number of Participations held by the undersigned:(number); *
- (e) to redeem for a sum of Euro (number)*

The Custodian shall pay such amount or deliver assets with an equivalent value in accordance with the provisions of Article 13 to:

.....
.....
.....(name participant) by transferring to bank account number.....
or securities account number

Yours faithfully,

PARTICIPANT

By:

By:

Title:

Title:

Date:

Date:

* please strike through as applicable and complete information if applicable