

## B. Safe Custody Regulations.

### 1. General conditions

#### 1.1 Purpose and scope

The Safe Custody Regulations shall apply to the safekeeping and administration of securities, intermediated securities, assets and property (hereinafter referred to as “Safe Custody Assets” where not named individually) by GKB.

The Safe Custody Regulations shall apply in addition to the General Terms and Conditions of Business and except as otherwise provided in any special agreements.

#### 1.2 Acceptance and crediting of Safe Custody Assets

GKB shall in particular:

- a) accept securities and uncertificated securities, where the issue of certificates has been deferred, for safekeeping and entry, ordinarily in an open custody account;
- b) credit intermediated securities in an open custody account;
- c) accept precious metals for safekeeping, ordinarily in an open custody account;

- d) accept money and capital market investments which are not in securities form and are not intermediated securities for deposit and administration in an open custody account;
- e) accept certificates and documentary evidence for safekeeping, ordinarily in an open custody account;
- f) accept valuables and other suitable items for safekeeping, ordinarily in a sealed custody account.

GKB may refuse to accept Safe Custody Assets and to credit intermediated securities and insist that Safe Custody Assets accepted are withdrawn immediately without indicating any reason. This specifically applies when the Client does not meet the applicable investor restrictions.

GKB reserves the right to only credit Safe Custody Assets once they have been received in the custody account.

Where Safe Custody Assets do not meet the standard quality or are otherwise defective, the Client shall be liable to GKB for the resultant loss.

GKB is authorised to check that Safe Custody Assets deposited by the Client or third parties are genuine and whether they are subject to any blocking notification, without accepting any liability. The check is carried out on the basis of documents and information available to GKB. Foreign Safe Custody Assets, with the exception of intermediated securities, shall be delivered to the depositary for checking. In this case, GKB shall only execute sale and delivery orders and perform any administrative acts after having completed its verification of any necessary re-registration. If, as a result, such orders or administrative acts are delayed or not carried out, any loss shall be borne by the Client, provided that GKB has exercised normal due care and diligence.

For intermediated securities held in safekeeping abroad, GKB shall assign the Client the rights which it receives from the foreign depositary. GKB is not obliged to verify whether securities held in safekeeping abroad meet the requirements of Swiss law for any credit of such securities to qualify as intermediated securities.

### 1.3 Obligation of due care and diligence

GKB shall hold and administer the Safe Custody Assets with normal due care and diligence.

### 1.4 Conversion and delivery

The Client shall solely have a claim against the issuer for the issuance of securities of the same value and type in respect of the Safe Custody Assets that have been credited to the Client's custody account, to the extent provided by the terms and conditions of issue or the articles of association.

The Client may request at any time that the Safe Custody Assets be delivered or made available and that securities of the same type and quality as the intermediated securities credited to the Client's custody account be delivered, provided:

- a) that securities have been deposited with GKB or a third-party depositary or
- b) the Client is entitled to the issuance of securities.

This is subject to the customary time allowed for delivery and any notice periods, obligatory statutory provisions, the rights of lien and security interests of third parties and the rights of lien, security interests and other retention rights in favour of GKB.

### 1.5 Transport insurance

The consignment of Safe Custody Assets shall be made on behalf of the Client and at their expense and risk. In the absence of explicit instructions, GKB shall arrange the necessary insurance and make such declaration of value as it sees fit.

### 1.6 Reporting obligations and restrictions for transactions in Safe Custody Assets

The Client must independently comply with any reporting, notification and other obligations (e.g. to disclose shareholdings or launch a takeover bid) to companies, stock exchanges, authorities and other market participants when it acquires, holds, sells or enters into other legal transactions involving Safe Custody Assets. The relevant Swiss or foreign law applies.

GKB has the right to refuse to perform, either fully or partially, administrative actions and

execute other transactions related to the Safe Custody Assets that could result in disclosure or reporting obligations for GKB.

The Client shall be solely responsible for complying with any applicable restrictions in Swiss or foreign law, observing any conditions or seeking any necessary authorisations when executing or arranging transactions in Safe Custody Assets.

The Client shall be responsible for obtaining information in connection with such disclosure and reporting obligations and restrictions, etc.

### 1.7 Trading in own name

GKB may trade on stock exchanges in its own name.

### 1.8 Proxy voting rights

GKB shall not exercise any proxy voting rights on behalf of the Client.

### 1.9 Fees, taxes and duties

The fees that GKB charges for the safekeeping and administration of Safe Custody Assets are based on the currently valid list of

charges. These are published at [gkb.ch/gebuehren](http://gkb.ch/gebuehren) and may be obtained in hard copy from GKB. GKB reserves the right to change its fees or introduce new ones at any time, specifically in the event of changed market conditions or other objective circumstances.

The Client will be notified of any such changes in writing or another appropriate manner. They shall be deemed approved unless the Client gives notice of termination for the product or service in question within 30 days of notification. Any notice or withdrawal periods specified in special conditions or agreements are reserved.

GKB may pass on to the Client any expenses incurred and the cost of any special work performed (deliveries of precious metals and securities, transfers, verifications, physical deliveries of securities, investigations with regard to intermediated securities, etc.).

GKB may make additional charges in respect of other fees, taxes and duties.

### **1.10 Distribution fees and other pecuniary benefits**

GKB may receive distribution fees from third parties in connection with the distribution of collective investments and other financial

instruments. GKB periodically passes on the distribution fees received to its clients.

Further information can be found in the information sheet “Distribution fees and other pecuniary benefits from investment business”, the latest version of which is published at [gkb.ch/vertriebsentschaedigungen](http://gkb.ch/vertriebsentschaedigungen) or obtained in hard copy from GKB.

### **1.11 Market offers and conflicts of interest when using the bank's own financial instruments**

GKB offers investment advice and asset management for financial instruments from the investment universe defined and regularly updated by GKB. This investment universe comprises both financial instruments developed or controlled by GKB as well as financial instruments from third-party providers. It is published at [gkb.ch/investmentuniversum](http://gkb.ch/investmentuniversum) and is available in hard copy from GKB.

If the Client issues buy and/or sell orders without the advice or contrary to the investment recommendation of GKB (“execution only” orders), they may also choose financial instruments that are not part of the investment universe; the Client is responsible for checking whether such orders correspond to their investment needs. For purchase and sales transactions that the Client commis-

sions without investment advice from GKB, GKB does not carry out an appropriateness check or suitability test unless required by law. This information is only provided here and will not be repeated at the time of such transactions. The sending of advertising materials and the like does not qualify them as an offer.

The use of own financial instruments may lead to potential conflicts of interest. GKB shall take reasonable steps to ensure that no conflicts of interest arise or that unavoidable conflicts of interest do not disadvantage the Client.

Further information on conflicts of interest can be found in the information sheet “Information on dealing with potential conflicts of interest”, the latest version of which is published at [gkb.ch/interessenkonflikte](http://gkb.ch/interessenkonflikte) or can be obtained in hard copy from GKB.

### **1.12 Risks involved in trading financial instruments**

Trading financial instruments can involve considerable risks. Not only can it result in the total loss of the investment, but in some cases it may entail an obligation to make further payment.

Before a Client issues an order to GKB or completes a buy transaction, they must inform themselves on the basis of the brochure “Risks involved in trading financial instruments” published by the Swiss Bankers Association and the product-specific information about the conditions and risks associated with trading financial instruments. They acknowledge that GKB may execute their orders and conclude the corresponding buy transactions without further clarification regarding the general or specific risks of the relevant financial instrument.

The brochure and product information are published at [gkb.ch/risiken-im-handel-mit-finanzinstrumenten](http://gkb.ch/risiken-im-handel-mit-finanzinstrumenten) and [gkb.ch/produktinformationen](http://gkb.ch/produktinformationen) and are available in hard copy from GKB.

### **1.13 Transparency and diligence in client orders**

GKB executes client orders diligently and in the best interests of its clients in accordance with the execution policy of GKB. The principles according to which GKB executes its clients’ orders are summarised in the Best Execution Policy. These are published at [gkb.ch/ausfuehrungsgrundsaeetze](http://gkb.ch/ausfuehrungsgrundsaeetze) and may be obtained from GKB.

### 1.14 Processing, changing and rejecting client orders

Stock market orders are not processed and posted around the clock. They may be delayed, for example, by technical processing, public holiday regulations or the trading hours or days of the exchange concerned.

The Client acknowledges that a stock exchange order can only be changed or revoked if it has not already been executed, either fully or in part, by the competent trading partner or system. If the trading partner or system is unable to process the change or revocation in time with the customary level of care on the part of GKB, it shall be deemed to have been received too late by GKB.

GKB may postpone the execution of a client order in order to clarify the reasons behind it. If there are indications of market abuse or other unlawful conduct, the Client's order will not be executed.

GKB accepts no liability for orders that are not executed on time or for loss or damage (in particular exchange rate losses), provided it has exercised due diligence.

### 1.15 Statements

GKB shall provide to the Client an annual statement of custody account holdings. The Client may also request to receive such statements more than once a year. The value of the custody account holdings are based on approximate prices obtained from the sources of information that are common in the banking industry. The values shown are guidelines and are not binding on GKB.

The custody account statement shall also be deemed to be a statement of the intermediated securities credited to the securities account in accordance with Article 16 of the Swiss Federal Act on Intermediated Securities. It is deemed to be approved unless the Client raises a complaint immediately upon receipt, but no later than 30 days from the date it was sent.

### 1.16 Amendments to the Safe Custody Regulations

GKB may amend these Regulations at any time. Such amendments shall be announced in writing or in other suitable form and deemed to have been approved unless written notification to the contrary is received within one month of the date of announcement.

If the Client objects, they may terminate the business relationship with immediate effect. Any notice or withdrawal periods specified in special conditions or agreements are reserved.

The latest version of the Safe Custody Regulations is available on the internet ([gkb.ch/rechtlichehinweise](http://gkb.ch/rechtlichehinweise)).

## **2. Special conditions for open custody accounts**

### **2.1 Safekeeping**

#### **2.1.1 Collective and third-party safekeeping**

GKB shall have the right to hold Safe Custody Assets according to type both in Switzerland or internationally in its own name but for the account and at the risk of the Client, to give them to a third party of its choice for safekeeping or have them held at a collective depository, and to maintain proprietary and third-party holdings of intermediated securities in collective accounts. This shall not apply to Safe Custody Assets which, on account of their nature or for other reasons, must be kept separately.

Where a third-party depository is used, GKB shall be liable only for appropriate due care

and diligence in the selection and instruction of the third-party depository, but not where the Client has demanded that the assets be deposited with a depository not recommended by GKB.

For assets held in collective custody, global certificates and uncertificated securities in Switzerland, the Client shall have a right of co-ownership of the holdings in collective custody in proportion to the value of the assets deposited in the Client's custody account or be entitled to the corresponding number of intermediated securities.

If lots are drawn for Safe Custody Assets held by type, the drawn lots will be distributed among the depositors by GKB, using a method which guarantees all participants the same chance of consideration in the second drawing as under the primary drawing. When securities are delivered from a collective custody account, there shall be no entitlement to a specific number or denomination. For gold bars and coins there shall be no entitlement to specific years or mints.

#### **2.1.2 Safekeeping abroad**

Safe Custody Assets that are traded exclusively or primarily abroad are usually also held there and, if necessary, are transferred at the expense and risk of the Client. The

Safe Custody Assets are subject to the laws and practices of the country in which they are held.

If foreign legal provisions or extraordinary political events make it difficult or impossible for the GKB to return Safe Custody Assets held in safekeeping abroad or to transfer the proceeds of a sale, GKB shall only be required to procure a proportionate claim for the return of assets or the payment of proceeds for the Client at the location of the foreign depository, insofar as such a claim exists and is transferable.

### 2.1.3 Registration

Safe Custody Assets held in registered form may be entered in the name of the Client in the relevant register (e.g. share register), provided that authorisation has been granted.

GKB may also register the Safe Custody Assets in its own name or in the name of a third party, but always at the expense and risk of the Client.

## 2.2 Uncertificated securities

GKB shall be authorised:

- a) to have existing securities converted into uncertificated securities;
- b) to carry out the necessary administrative actions while GKB remains administrator;
- c) to give the necessary instructions to and seek the necessary information from the issuer;
- d) to insist that the issuer prints and delivers securities where possible.

In all other respects the provisions of the Swiss Intermediated Securities Act are reserved.

## 2.3 Administration

### 2.3.1 Administrative actions without specific instructions

In the absence of an explicit order or instruction, GKB shall:

- a) collect or realise interest due, dividends and capital repayments as well as other distributions;



- b) monitor drawings, redemptions, subscription rights, amortisations of securities etc. on the basis of information at its disposal;
- c) obtain new coupon sheets.

For registered shares without a coupon administrative actions shall only be carried out if the delivery address for dividends and subscription rights is that of GKB.

### 2.3.2 Administrative actions with specific instructions

If the Client issues a special order or a special instruction in good time, GKB shall:

- a) buy and sell domestic and foreign securities and intermediated securities in accordance with the conditions valid for securities transactions;
- b) buy, sell or exercise subscription rights other than in accordance with the recommendations of GKB;
- c) exercise conversion rights and options;
- d) accept or decline public takeover offers;
- e) arrange for payments on securities that have not been fully paid up.

If the Client's instructions do not arrive on time, GKB has the right, but not the obligation, to take such action as it deems appropriate. Unless otherwise agreed, the instructions do not have to be submitted in any particular form. GKB may make execution of the instruction subject to proof of the identity of the party issuing the instructions, the availability of sufficient funds and compliance with regulatory rules.

Client instructions regarding intermediated securities may only be revoked by the Client prior to their being debited from the custody account. Instructions regarding intermediated securities shall expire upon the Client's death or incapacity to act as well as upon the bankruptcy of the Client.

It is the Client's sole responsibility to assess the tax consequences of specific Safe Custody Assets and the impact on their overall tax situation, or have a tax specialist undertake such assessment.

### 2.3.3 Safeguarding the rights accruing from Safe Custody Assets

In the absence of any contractual agreement to the contrary, it shall be the responsibility of the Client to take all other measures to safeguard the rights accruing from the Safe Custody Assets. This applies, for example,

to class actions, instructions to obtain conversions, special instructions in connection with imminent spin-offs etc.

In the case of the liquidation of a third-party depository, GKB is responsible only for the announcement of the separation of assets and shall provide the Client with the documents required as evidence of their entitlement.

GKB does not accept any responsibility with regard to compliance with capital market restrictions under foreign law. Clients are required to inform themselves regarding applicable legal regulations and to comply with such regulations.

### **3. Special conditions for sealed custody accounts**

#### **3.1 Contents**

Sealed custody accounts may not contain any flammable, hazardous, fragile or other objects that are unsuitable for storing in a bank building. The Client shall be liable for any loss or damage arising from failure to observe this rule.

#### **3.2 Right of inspection**

GKB shall be entitled to request from the Client proof of the nature of the deposited items and to inspect the contents of the sealed custody account.

#### **3.3. Liability**

GKB shall only be liable to the extent that it has not exercised normal due care and diligence. The liability of GKB shall be limited to the demonstrable value, although this shall not exceed the declared value.

If the Client removes contents from the sealed custody account, any complaints regarding damage caused to the packaging must be made immediately. The Client's return receipt releases GKB from all liability.

#### **3.4 Insurance**

Responsibility for insuring the items deposited lies solely with the Client.