

Safe Custody Regulations

A. General provisions

Art. 1 Scope

These Safe Custody Regulations apply to the crediting, debiting, custody, booking and administration by the Bank of securities, intermediated securities, valuables and other items (hereinafter referred to as "Safe Custody Assets"). These Safe Custody Regulations shall apply in conjunction with the General Terms and Conditions. These Safe Custody Regulations shall apply in addition to any particular agreements or specific regulations in force for special deposits.

Art. 2 Acceptance of Safe Custody Assets

At its head office, branches and agencies in Switzerland the Bank shall, as a rule:

- a) accept in principle securities and uncertificated securities for custody and booking in open safekeeping accounts;
- b) credit intermediated securities in open safekeeping accounts;
- c) accept in principle precious metals for custody in open safekeeping accounts;
- d) accept money- and capital-market investments in forms other than securities and intermediated securities for booking and administration in open safekeeping accounts;
- e) accept in principle documentary evidence for custody in open safekeeping accounts;
- f) accept in principle valuables and other items suitable for custody as sealed safekeeping accounts.

The Bank may refuse to accept Safe Custody Assets without stating its reasons for doing so.

The Bank may block Safe Custody Assets at any time without the Client's authorisation or recharge an amount/Safe Custody Asset credited to the Client's account/custody account if an asset has been booked without justification (due to a booking error, a violation of the law, etc.). The Bank shall inform the Client of the block or recharge promptly in the appropriate manner.

Art. 3 Verification of Safe Custody Assets

The Bank may without incurring liability verify, or ask third parties in Switzerland or abroad to verify, the authenticity of assets deposited by the Client and any pending requests to block them. Such verification shall be carried out on the basis of documents and information available to the Bank.

The Bank shall only execute sell and delivery orders and perform acts of administration once the verification is complete and the asset has been rebooked. The Client shall bear the costs of any damage resulting from delays or failure to carry out tasks or orders, except if the Bank is in breach of its due diligence obligation.

In the case of intermediated securities being held for safekeeping abroad, the Bank shall credit the rights received from the place of custody abroad to the Client. The Bank is not required to verify whether the items held in safekeeping abroad meet Swiss legal requirements for classifying the crediting of such items as intermediated securities.

Art. 4 Rights with the same function as securities

Securities and non-securitised rights with the same function shall be treated in the same way. In particular, the rules pertaining to Commission contract (articles 425 ff of the CO) shall apply between the Client and the Bank.

Art. 5 The Bank's obligation of due diligence

The Bank shall handle Safe Custody Assets with the usual due diligence in the course of business.

Art. 6 Return/delivery

Subject to any notice periods or mandatory legal provisions, the issuers' articles of association or any liens, rights of retention or other rights of the Bank, the Client may request that the Safe Custody Assets be returned or made available to him/her at any time. The assets shall be delivered to him/her within the standard timeframe for the location of the branch where the account is maintained.

Collection in person is only possible if permitted by the issuer.

If the Bank agrees to deliver the Safe Custody Assets by post, it shall do so at the expense and risk of the Client. Unless otherwise instructed by the Client, the Bank shall stipulate the level of insurance and complete the customs declaration at its own discretion.

Art. 7 Client instructions

Upon express and timely orders or specific instructions from the Client, the Bank shall:

- a) buy and sell Swiss and foreign securities and intermediated securities subject to the conditions applicable to transactions in transferable securities;
- b) buy, sell or exercise option rights on terms other than those proposed by the Bank;
- c) exercise conversion and option rights;
- d) act as an intermediary for payments relating to securities which are not fully paid up;
- e) perform acts of administration for mortgage securities.

The Bank may make its execution of instructions conditional on being able to prove the legitimacy of the person issuing the instructions, on compliance with the provisions of public law and on the requisite level of coverage being in place. If measures to verify the legitimacy, coverage and compliance with proper law cause a delay in executing the order, the Bank shall be absolved of liability.

The Client may only revoke his/her instructions regarding intermediated securities until they are debited to the custody account. Any instructions concerning intermediated securities shall cease to be valid upon the Client's death or legal incapacity, or if insolvency proceedings are brought against the Client.

The Bank is entitled to exclude markets and currencies from trading at any time.

Art. 8 Reporting, tax and contributory obligations

The Client shall be responsible for meeting any reporting, tax or contributory obligations vis-à-vis companies and authorities with regard to the Safe Custody Assets. The Bank is not required to inform the Client of his/her obligations. The Bank is entitled not to perform acts of administration, either in full or in part, which relate to Safe Custody Assets and entail reporting or tax and contributory obligations for the Bank, provided it informs the Client.

In consequence of agreements between Switzerland and other countries and organisations, the Bank may withhold and/or pay taxes and exchange any information permitted by law.

Art. 9 Bank fees and rewards

The Bank shall charge fees and/or commissions at its current rates. The rates may be altered at any time. Clients shall be informed of any changes by appropriate means and/or via the Bank's website.

Any payments or other monetary benefits, and any discounts, rebates or indemnities (hereinafter "rewards") which the Bank receives from third parties (directly or indirectly) in relation to the sale of investment products (e.g. collective investment schemes or structured products) or other services (wealth management, stock exchange services, etc.) shall be due wholly to the Bank as reimbursements and/or as part of its compensation for the services it provides to the Client.

The size of rewards varies according to the product and the provider. Rewards are usually based on the total amounts committed to investment instruments (i.e. the volume of investment) or on the Client's volume of transactions. Additionally or alternatively, the Bank may also receive rewards calculated on the basis of the issue price of particular investment instruments.

The rewards may fluctuate within the limits set out below.

Any exceptions to these limits will be notified in the information provided for specific products.

- Collective investment schemes:
 - Money market funds: 0%-1.25%
 - Bond and real-estate funds: 0%-1.25%
 - Balanced/flexible/equity funds: 0%-1.90%
- Structured products: 0%-2%
- Issuing/structuring/securitising: 0%-5%

Maximum rewards for Clients are calculated by multiplying the value of the investment volume by the maximum percentage of the relevant product.

If the investment instrument is returned or sold before it matures or is renewed, the Bank shall retain all of the rewards received regardless of such early return.

The Bank reserves the right to adjust rewards in accordance with article 11 of these Safe Custody Regulations. Clients may view an updated list of the Bank's rewards on its website at any time.

Upon request, the Bank shall provide the Client with more detailed information on the precise amount of rewards from third parties that concern him/her, provided the allocation of the rewards to the Client's account entails a reasonable fee.

The Client acknowledges and agrees that rewards from third parties may cause conflicts of interest, particularly when such rewards may provide an incentive to choose or recommend investment products for which the Bank receives rewards from third parties (e.g. investment funds, structured products, shares or bonds) or receives greater rewards from third parties (e.g. products from specific providers or categories of products subject to higher rewards from third parties). However, the Bank shall take measures to defend the Client's interests as far as possible.

In setting its fees, the Bank has taken and shall continue to take into account the fact that it receives rewards from third parties for the services it provides. The Client explicitly agrees that the Bank receives and retains rewards from third parties. In cases where the rewards may be subject to a delivery obligation vis-à-vis the Client, or where the Client may have a claim, he/she agrees that the rewards shall be due wholly to the Bank and expressly waives all delivery rights and/or claims. This shall not affect any specific agreements between the Bank and the Client. The Client's waiver shall remain in force without alteration, even if the limits relating to rewards are adjusted.

Art. 10 Term of agreement

These Regulations shall generally remain in force for an unlimited duration. Any legal relationships arising herefrom shall not be terminated upon the Client's death, legal incapacity or insolvency.

Art. 11 Amendments

The Bank may amend these Safe Custody Regulations at any time. Such amendments shall be notified to the Client by circular letter or by any other suitable means of communication and, if no objection is raised, shall be deemed accepted after one month.

Art. 12 Proper law and jurisdiction

All legal relationships between the Client and the Bank shall be governed by Swiss law. The place of performance, the jurisdiction for performance and bankruptcy for clients residing abroad and the exclusive jurisdiction for all proceedings shall be the place of the Bank's branch where the account is maintained. However, the Bank may also bring proceedings in the Courts of the client's place of residence or in any appropriate jurisdiction.

B. Special provisions for open safekeeping accounts**Art. 13 Terms of custody**

The Bank is expressly entitled to place Safe Custody Assets with third-party depositaries at the expense and risk of the Client. Unless otherwise instructed, the Bank may hold Safe Custody Assets in custody according to their type, deliver them to third parties for safekeeping, have them delivered for safekeeping to correspondent banks, depositary banks, clearing organisations or centres for joint custody accounts and keep stocks of intermediated securities belonging to the Bank and third parties in joint accounts. This shall not include Safe Custody Assets which must be kept separately due to their nature or for any other reason.

In respect of collective custody, global certificates and uncertificated securities in Switzerland, the Client shall be co-owner of the respective contents of the joint custody accounts in proportion to the assets booked in his/her safe custody account, or shall be entitled to the number of corresponding intermediated securities.

The Bank shall select depositaries with the diligence required by commercial agreements. If the Client stipulates a depositary not recommended by the Bank, the Bank shall accept no liability whatsoever for the actions or omissions of such depositary.

In respect of custody abroad, the Safe Custody Assets shall be subject to the laws and agreements in force in the place of custody. The Bank shall only administer the rights received from the other country.

Should legal grounds (e.g. foreign rights) present difficulties or prevent the return of Safe Custody Assets, the Bank shall grant the Client a proportional return claim vis-à-vis the depositary, provided said claim exists and can be transferred.

Registered assets are generally registered in the Client's name. The Client agrees that his/her name will be disclosed to the third-party depositary. If it is not customary or possible to register assets in the Client's name, the Bank may register them in its own name or in the name of a third party but at the expense and risk of the Client.

Safe Custody Assets which can be drawn by lot may also be held in safekeeping according to their type; the Bank shall allocate the drawn lots among the depositors and shall undertake to use a method which guarantees all depositors the same chance of inclusion in the sub-draw as under the main draw.

Art. 14 Deferred printing of securities

With reference to Safe Custody Assets are certificated or whose certification can be deferred, the Bank is expressly authorised:

- a) to require the cancellation of existing securities when they are delivered;
- b) to require them to be converted into uncertificated securities when they are delivered;
- c) to hold them as intermediated securities by crediting them to a custody account;
- d) to perform the usual acts of administration for the deposit period at the Client's expense, to provide the issuer with corresponding instructions and to request any necessary information from the issuer;
- e) to require the issuer to create and deliver securities at any time at the Client's expense.

Art. 15 Administration

If the Client has not given special instructions, the Bank shall perform the usual acts of administration such as collecting dividends, collecting interest and principal sums, converting securities and renewing coupon sheets, selling unused option rights, monitoring the drawing of lots and waiving of option rights, etc. and will usually request the Client to adopt the measures set out in the section below. The Bank shall exercise its mandate based on the sources of information which are available to it and are commonly used in the sector, but it shall not assume any liability in this respect. The Bank is not required to consult other sources of information that are generally available, such as information on the Internet, which may concern the Client's Safe Custody Assets. Furthermore, the Bank is not required to participate in procedures in which the Client may have an interest in his/her capacity as owner of securities (insolvency proceedings, agreements, legal proceedings, class actions, etc.).

If the Bank is not in a position to administer individual assets in the usual way, it shall inform the Client on his/her custody account statement or by other means. For registered shares without a deposit receipt, acts of administration shall only be performed if the place where dividends and option rights are to be sent is the Bank.

Unless otherwise provided in an agreement, the Client shall be responsible for implementing all measures which are required to protect any rights relating to Safe Custody Assets, in particular the issuing of instructions for carrying out conversions, exercising

or buying/selling option rights and exercising conversion rights, and the issuing of special instructions for corporate actions, etc. If the Client's instructions are not received in due time, the Bank is entitled but not required to act in the interests of the Client at its own discretion, including by debiting the Client's account (e.g. for exercising an option right). Should a depositary be liquidated, the Bank shall be solely responsible for settling the claim and shall provide the Client with the documents he/she requires to prove his/her rights.

Art. 16 Acceptance of Safe Custody Assets on a fiduciary basis

If a delivery of Safe Custody Assets to the Client is not customary or possible, the Bank may acquire these assets or have them acquired in its own name or that of a third party, but always at the expense and risk of the Client, and may exercise the rights arising therefrom or arrange to have them exercised.

Art. 17 Custody account statement

The Bank shall send the Client a statement of the assets held in safekeeping or booked in the custody account, usually at the end of the year. The statement may contain assets which are not subject to these Safe Custody Regulations. Intermediated securities are not explicitly marked as such.

Valuations of the contents of custody accounts are based on exchange rates taken from the Bank's usual sources of information. The Bank shall not accept any liability for the accuracy of such information and, by extension, for the valuation or any information relating to the booked assets. The statement shall be deemed accepted and correct if the Bank does not receive any objection in writing within 30 days of dispatching the statement.

Art. 18 Credit and debit advices

Unless otherwise instructed by the Client, credit and debit advices (for principal amounts, income, custody fees, other fees, etc.) shall be booked on an account in Swiss francs that is related to the custody account.

Advices shall be booked in an appropriate currency at the branch which manages the custody account, and customary banking practice shall be applied in all other respects.

Art. 19 Voting rights

The Bank shall only exercise voting rights upon receiving general or specific instructions in writing from the Client,

C. Special provisions for sealed safekeeping accounts

Art. 20 Placement in safe custody

Sealed safekeeping accounts must bear an indication of their value. The envelope must bear the Client's precise address and be sealed with wax or lead in the presence of a Bank representative so that it cannot be opened without breaking the seal. A declaration must be signed, marked with the Client's official stamp where applicable, when creating a sealed safekeeping account.

Art. 21 Contents

Sealed safekeeping accounts may only contain valuables and other suitable items. Flammable or dangerous objects and materials, and any items not suited to being held in a Bank, are not permitted. The Client is liable for any damage arising from a breach of this provision.

The Bank reserves the right to ask the Client to specify the nature of the deposited items and, for the sake of security, to open the envelope to gain proof for future reference.

Art. 22 Liability

The Bank shall only be liable for damage to the contents caused by the Bank itself and which the Client can prove. Liability shall be limited to the contents' proven value but may not exceed the maximum amount of the declared value. In particular, the Bank shall not accept any liability for damage caused by atmospheric conditions.

When deposited items are returned to the Client, he/she must dispute any damage to the seal, packaging or contents immediately. The Bank shall be absolved of all liability once the Client has accepted receipt of the items.

Art. 23 Insurance

Sealed safekeeping accounts with a specified value must be insured at the Client's expense against all damage. The Bank shall decide on a case-by-case basis whether the level of coverage is to be stipulated by the Bank or by the Client.