

Information on the Swiss Financial Services Act (FinSA)

Following the introduction of the Swiss Federal Act on Financial Services (“FinSA”) and the corresponding ordinance (Financial Services Ordinance; “FinSO”), which came into force on 1 January 2020, Banque Internationale à Luxembourg (Suisse) SA (“BIL Suisse”) has created this brochure to provide its clients with relevant information regarding this important regulatory change which must be implemented in full no later than 31 December 2021. FinSA aims to improve investor protection and establishes comparable standards for financial service providers in Switzerland. One component of the FinSA code of conduct is the requirement to provide clients with comprehensive information and documentation with regard to financial services provided. As a consequence, depending on the financial service provided and depending on your profile, you will receive the relevant information and documentation. This is explained in more detail below.

1. About BIL Suisse

BIL Suisse is a fully owned subsidiary of Banque Internationale à Luxembourg SA (“BIL”) the oldest private bank in the Grand Duchy of Luxembourg. BIL Suisse has offices in Zurich, Geneva and Lugano, the three main Swiss financial centres.

Below are the contact details of BIL Suisse:

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2. License, Supervision & Offering

BIL Suisse is authorised and regulated by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, CH-3003 Bern and is licensed as a bank and securities firm. It may, therefore, provide a full range of wealth management and banking services.

For private clients, BIL Suisse offers integrated financial and non-financial solutions such as asset structuring, credit solutions, wealth planning as well as capital protection. The services take a client’s personal situation into account and can be tailored to capital creation or capital enjoyment needs.

BIL Suisse also offers extensive client management services and business development support for professional clients. Professional clients are able to benefit from a selection of corporate and institutional banking services, including corporate financing, syndicated loans and advisory services. Further services include administration, reporting and custody services, direct access to the trading floor and financial products.

BIL Suisse’s product and service offering also depends on the regulations applicable in each client’s country of domicile and may not (or not fully) be available to all clients.

3. Risks in Financial Instruments

As all investors are aware, trading financial instruments and/or entering into credit exposures offers opportunities but also bears risks. The brochure **“Risks Involved in Trading Financial Instruments”** (2019 or a more recent edition) issued by the Swiss Bankers Association (SBA) and available free of charge on its website (<https://www.swissbanking.ch/de/downloads>) provides clear and comprehensive information about the general characteristics, functionalities and risks associated with financial instruments. It also contains samples that illustrate the obligations relevant for investors. It is strongly recommended that investors should familiarise themselves with the content prior to trading in financial instruments or entering into credit exposures. The brochure can also be obtained from your client relationship manager.

If you have any concerns about the risks associated with trading financial instruments or entering into credit exposures, please contact your relationship manager.

4. Market Offer

BIL Suisse's financial instrument offering is based on open architecture solutions, which allow for a more objective selection to find the best available product in the market. If the properties (e.g. risk structure, maturity) of its own financial instruments or those of group affiliates such as BIL Group are similar to financial instruments of third parties, BIL Suisse may preferentially recommend or select its own financial instruments or those of group affiliates.

5. BIL Suisse Investment Services

BIL Suisse offers discretionary portfolio management in the form of **Serenio** Classic / Premium mandates. Through this investment service, our client's assets are managed by our experienced specialists in accordance with the investment strategy agreed between the client and BIL Suisse.

Investment advisory services considering the client's portfolio are offered within **Advisio** Classic / Premium mandates. Through this investment service, our clients receive portfolio based advisory services from our experienced specialists in accordance with the investment strategy agreed between the client and BIL Suisse. In contrast to discretionary portfolio management, with our portfolio-based advisory services, the client is responsible for making final investment decisions.

BIL Suisse also offers custodian services for safeguarding the client's assets including the execution, transmission or transaction of client orders (i.e. execution-only services, "Execution-Only"). In this context, no investment advice can be given to the client.

Execution-Only means that BIL Suisse exclusively executes or transmits client orders. In particular, BIL Suisse neither performs a suitability check, nor an appropriateness check (see section 6 below). Execution-Only clients receive this information only once and are not informed on subsequent occasions of the absence of appropriateness or suitability assessments when placing orders with BIL Suisse.

The client acknowledges that no claim or right can be derived from the booking of values in the relevant securities account. In particular, BIL Suisse is not obliged to monitor investments or

to inform or advise the client of any risks or negative developments.

Detailed product sheets outlining the nature of the financial services offered, associated risks and costs can be obtained from your client relationship manager upon request.

6. Appropriateness and Suitability

When providing financial services (advisory or discretionary), BIL Suisse has a legal obligation to consider whether the products and financial instruments are suitable for the client. This means that a client has to be able to understand the underlying nature and risk of the offered investment service or the recommended financial instrument, and must have the ability to bear any related financial loss. BIL Suisse needs to assess whether the investment strategy and transaction suit the client's investment objectives.

In order to assess appropriateness and suitability of the financial services and instruments offered, BIL Suisse needs detailed information about the client's knowledge and experience, the financial situation, investment objectives, timeframe as well as risk capacity and risk appetite. This information is documented in the client's risk and investment profile which is used to determine an appropriate investment strategy tailored to the client's needs.

In this regard, BIL Suisse is relying on the information provided by the client. Hence, clients are requested to contact their relationship manager if any information given is no longer valid or needs to be updated.

If BIL Suisse does not have sufficient information to assess the appropriateness or suitability of a financial instrument, the relationship manager will inform the client before providing investment advice. In cases where the relationship manager believes that a financial instrument is not appropriate or suitable, he or she will inform the client accordingly. In any event, BIL Suisse reserves the right not to execute any client order without stating any reasons.

7. Key Information Documents

BIL Suisse provides clients, where required or requested, with information for financial instruments. These key information documents

provide additional information on the product, so the client is better placed to understand the nature, costs and associated risks of trading in the financial instrument. Please contact your client relationship manager to request any specific additional information you may require.

8. Client Segmentation

FinSA defines the following classes for clients of financial services providers: ‘retail clients’, ‘professional clients’, and ‘institutional clients’. Each category is assigned a different level of investor protection (e.g. with regard to information duties, suitability and appropriateness obligations and documentation and accountability duties).

In order to ensure that each investor has an appropriate level of protection, clients are assigned to one of the following segments:

- Retail clients
- Professional clients
- Institutional clients

Retail clients receive the highest level of investor protection with regard to information duties, appropriateness and suitability assessment obligations as well as documentation and accountability duties. All clients not falling within the “Professional client” or “Institutional client” category are deemed “Retail clients”.

Professional clients are assumed to have the required level of knowledge and experience and are able to financially bear the risks associated with the financial services in which they engage. As a result, these clients receive a lower level of investor protection. The following are considered per se professional clients:

- public entities with professional treasury operations;
- occupational pension schemes with professional treasury operations and other occupational pension institutions providing professional treasury operations;
- companies with professional treasury operations;
- large companies;
- private investment structures with professional treasury operations created for high-net-worth retail clients

High-net-worth retail clients and private investment structures created for them which have declared in writing that they wish to be treated as professional clients (opting out) and which can credibly declare that they satisfy the criteria under a. or b. below can be treated as professional clients:

- a. on the basis of training, education and professional experience or on the basis of comparable experience in the financial sector, they possess the necessary knowledge to understand the risks associated with the investments and have at their disposal assets of at least CHF 500,000; or
- b. they have at their disposal assets of at least CHF 2 million.

Direct investments in real estate and claims from social insurance schemes as well as occupational pension assets do not qualify as eligible financial investments for the purposes of calculating the thresholds as set out above.

Please contact your relationship manager to verify the criteria to become a professional client.

Clients who have been re-classified professional clients based on their request can decide at any time to opt for the private client classification at a later date.

Certain professional clients may declare that they wish to be treated as institutional clients.

Institutional clients are primarily financial intermediaries or insurance companies and are subject to prudential supervision. Knowledge and experience and the ability to bear losses are assumed for these clients. As a consequence, these clients receive the minimum level of investor protection.

9. Changing Client Segment

Clients may apply to change their client segment as determined by BIL Suisse, if they seek higher or lower investor protection and fulfil the required criteria for opting in/out. Please contact your relationship manager for further information on opting in/out.

10. External Asset Managers

BIL Suisse has no obligation to conduct assessments regarding the appropriateness or suitability of a financial instrument or product for clients who have granted an authorisation to an external asset manager to manage their assets. BIL Suisse's relationship with such clients is purely one of a custody bank. The external asset manager bears the responsibility for complying with the duties resulting from FinSA where applicable and the portfolio management agreement with its clients.

11. Best Execution

Best execution is the obligation to take all necessary steps to obtain the best possible result for clients on a consistent basis when executing transactions on their behalf (including use of third-party financial institutions to execute transactions).

BIL Suisse takes all measures to guarantee the best possible transparency and result when executing orders on the client's behalf. In this regard, BIL Suisse ensures best execution in financial, time, speed and quality terms for all clients.

As a general rule, the price of the financial instrument and the costs relating to the execution of the order (total consideration) will merit the highest relative importance in obtaining the best possible result. However, the overall result of a particular transaction to a client may be affected by other factors. Therefore, BIL Suisse may in specific cases attach a higher importance to other execution factors than the immediate price and cost.

12. Costs and Remuneration

Depending on the type and scope of the financial services provided, BIL Suisse charges fees. Please contact your client relationship manager for detailed cost information.

Remuneration is a benefit BIL Suisse may receive from another legal entity (including Group companies or third parties) that is not paid directly by a client or on behalf of a client. Charges paid directly by a client to BIL Suisse are not considered as remuneration. The most common form of remuneration occurs between providers and distributors of financial instruments, whereby providers forward part of

their revenues from financial instruments to the distributor in exchange for distribution services.

The amount of compensation depends on the financial instrument, its provider, and the volume of assets invested in the financial instrument. The client explicitly accepts that BIL Suisse is entitled to receive and retain such remuneration according to the conditions set out in the relevant service agreements and/or other bank forms.

If BIL Suisse has established a business or account relationship with a client, e.g. through a third party acting as intermediary, BIL Suisse may pay the third party a respective fee (revenue, transaction, or asset-based) on a one-off and/or ongoing basis. Whenever a client is served by a financial intermediary while using BIL Suisse for custody and the execution of trades, BIL Suisse may pay such intermediary a collaboration fee on a one-off and/or ongoing basis. Any such party must comply with its own obligations associated with compensation, particularly regarding restrictions on receipt, disclosure obligations, and the handling of conflicts of interest, in accordance with the intermediaries' own business relationship with the client. BIL Suisse assumes no responsibility for the obligations of a third party in this respect.

13. Conflict of Interests

Conflicts of interest may occur when business interests are contrary to one another. If not mitigated, they may result in a financial disadvantage for the client.

BIL Suisse continuously seeks to avoid any activity or relationship resulting in a conflict of interest that may compromise its ability to treat clients fairly and threaten the balance between the interests of BIL Suisse, its clients and/or its third party contractors. A series of measures have been established to prevent, identify, manage or mitigate conflicts of interest that may occur during investment activities and services.

14. Handling of Complaints

BIL Suisse strives to serve clients to their complete satisfaction. Your relationship manager is fully committed to provide the necessary support in the event you raise any concerns or wish to file a complaint.

BIL Suisse is affiliated to the Swiss Banking Ombudsman who offers free and neutral mediation failing the resolution of any disagreement between BIL Suisse and a client.

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15. Legal Disclaimer

The General Banking Conditions of BIL Suisse or any other special agreement concluded between the client and BIL Suisse shall always apply.

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