

Safe custody regulations

This is a free translation of the French original version. In case of discrepancy, the French version shall prevail.

General provisions

Article 1 – Scope

These regulations govern the deposit, custody, account registration and administration of transferable securities and other securities and objects deposited (including in the form of intermediated securities) with the Bank (hereinafter "safe custody assets"). These provisions supplement the General Conditions and shall apply whenever not expressly agreed otherwise.

Article 2 – Safe custody assets

The Bank is responsible:

- a) for custody and administration of all types of **securities** (shares, bonds, mortgage notes, etc.) in **open safe custody accounts**;
- b) for custody of **precious metals** (especially gold ingots and coins) in **open safe custody accounts**;
- c) for account registration and administration of **investments on the money and capital markets which are not issued in the form a security**;
- d) for custody of insurance policies and other documentary securities in open safe custody accounts;
- e) for custody of valuables and other appropriate objects for safe custody, depending on their characteristics, in open or closed safe custody accounts.

Safe custody assets, in particular precious metals, can only be accepted in open safe custody accounts if, when they are remitted, they have the necessary qualities in terms of tradability on the market where they are kept.

The Bank can, without giving any reason, refuse to accept or keep all or part of the assets proposed for custody or in custody.

Article 3 – The Bank's duty of due diligence

The Bank undertakes to keep or have kept and to administer or have administered the safe custody assets with all due care as dictated by the circumstances. It shall not be liable if the Client has designated a sub-custodian against the Bank's recommendation.

Article 4 – Information

The Bank cautions the Client on the risks associated with different types of transactions. To this end, it provides the Client with the brochure by the Swiss Bankers Association (SBA) entitled "Risks Involved in Trading Financial Instruments", which is also available on the website <http://www.swissbanking.org>.

The Bank informs Clients who merely request the execution or transmission of orders that it does not verify the appropriateness or suitability of such orders as defined in Articles 11 and 12 of the Financial Services Act (FinSA). The Client's attention is expressly drawn to the fact that this information will not be repeated when receiving his orders for execution or transmission.

When the Client passes orders for execution or transmission, he alone assumes the risks associated with the transactions he wants executed. The Bank limits itself to making available to the Client the information sheet for the financial instrument concerned by the order, provided that it is available.

Article 5 – Custody fees, charges, commissions and taxes

The Bank charges custody fees in accordance with the prevailing rates. In addition, the Bank is entitled to charge a commission for its administration operations (handling cash inflows in relation to capital and income payments, exercising subscription rights, share splits, etc.).

Custody, brokerage and administration fees are set out in the fees brochure published by the Bank. It can adjust its fees at any time, in accordance with Article 19 of the General Conditions.

Third-party taxes, duties and fees are borne by the Client. The Bank is entitled to invoice its fees and any other exceptional services (deliveries of assets, transfer of custody, etc.).

Clients who open a joint custody account are jointly and severally liable towards the Bank for the fees, charges and commissions due to the Bank.

Article 6 – Compensation accepted from third parties in association with the provision of financial services

The Bank offers its Clients a wide range of financial instruments. To this end, it concludes distribution agreements with, among others, providers of collective investment schemes, irrespective of the contract concluded with the Client, and receives compensation or other monetary benefits from the providers of its distribution activities.

Insofar as these compensations are subject to a duty of return to the Client in accordance with Art. 400 of the Swiss Code of Obligations, the Client agrees that these fees shall remain the property of the Bank and waives any right of return, unless otherwise agreed. The Bank shall inform the Client of the method of calculation of the cash value of the compensation and benefits. The Bank shall ensure that the interests of the Client are safeguarded against any conflicts of interest that may arise in connection with these services.

Article 7 – Delivery and disposal of safe custody assets

The Client can have access to the safe custody assets at any time. The legal provisions of the law, the Bank's rights of lien and retention as well as any special uses and agreements, such as those setting time limits for termination, remain reserved.

The Bank returns the safe custody assets in the usual form and within the usual time limits. Insofar as the nature of the safe custody assets permits, the return is made at the Bank's head office.

Sending and insuring the safe custody assets is done on behalf of and at the expense and risk of the Client. In the absence of any specific instructions, the Bank sends the safe custody assets and declares the value based on its own estimation. The Bank reserves the right to refuse to carry out any transfer if the reasons are justified, especially if restrictions or blocks are placed on such a transfer.

Article 8 – Duration and termination of the contract

The contract is concluded for an indefinite period. It does not expire in the event of the Client's death, incapacity or bankruptcy. The Client and the Bank can terminate it unilaterally at any time and with immediate effect.

If, even after having been given formal notice, the Client fails to notify the Bank where to transfer the assets in safe custody with the Bank, the Bank can physically deliver the assets in safe custody to the Client's last known address or liquidate them and convert the assets in safe custody into the currency of its choice. The Bank may be released from its obligations by depositing the Client's assets at the location designated by the judge or by issuing a cheque which it will hold for collection by the Client at its branches or by sending the cheque to the Client's last known address.

The Bank reserves the right not to comply with transfer instructions if, in the Bank's opinion, they would expose it to a legal or reputational risk in Switzerland or abroad.

Article 9 – Amendment to the safe custody regulations

The Bank reserves the right to amend, at any time, the provisions of these regulations.

It will inform its Clients by one or more of the following means: circulars, availability of brochures in its premises, notices in its branches, publication on its website (www.bce.ch) or in any other manner which the Bank considers to be appropriate.

Unless objections are received in writing by the Bank within one month, the new contents of the regulations are considered to be approved.

Special provisions for open safe custody accounts

Article 10 – Collective safe custody account

In the absence of instructions to the contrary, the Bank can keep, categorised by type, assets in its collective safe custody account or have them kept in the **collective safe custody account** of a custodian or in a central collective safe custody facility. The exceptions are safe custody assets which, given their nature or for any other reasons, have to be kept in a specific safe custody facility.

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Securities subject to a drawing can also be kept in collective safe custody. If securities have been subject to a drawing, the Bank will distribute them among Clients by way of a sub-drawing. To guarantee Clients equal chances of repayment, the Bank applies a similar method to that of the first draw.

The Bank is expressly authorised to have assets held in safe custody with a professional custodian of its choice in Switzerland or abroad. This will be **in the Bank's own name, but for the account and at the risk of the Client**. Securities traded exclusively or, primarily abroad are, in principle, held in safe custody abroad or, when necessary, transferred abroad at the expense and risk of the Client.

When a sub-custodian is subject to a liquidation procedure, the Bank will only enforce withdrawal of intermediated securities in favour of the Client, without any guarantee or obligation to follow up.

In the event of assets being returned from collective safe custody, the Client is not entitled to demand the return of securities bearing a specific number or denomination, nor, for precious metal ingots or coins, a specific year or minting.

Article 11 – Assets held in safe custody abroad

When the safe custody is abroad, assets held in custody are subject to the laws and practices of the custodian. Some securities must be registered in the name of the Client who accepts that his/her name is made known to the custodian. If a foreign legislation makes it difficult, or even impossible, to return securities held in custody abroad, the Bank's only obligation is to provide the Client with a claim to obtain, instead of their safe custody (at a correspondent chosen by the Bank) the proportional restitution of the securities held in custody; and this only if such a right exists and if it is transferable.

Article 12 – Recording

In principle, registered shares are recorded in the appropriate register (e.g. the share register) in the name of the Client, if the Client has instructed the Bank to do so. The Bank can, however, also have them recorded in its own name or that of a third party, but always for the account of and at the risk of the Client, in particular if registration in the Client's name is impossible or contrary to common practice.

Article 13 – Deferred or suspended printing of securities

The Bank is authorised to request the conversion of securities placed in custody into value rights (uncertificated securities) or require the issuer to print and deliver certificated securities, to the extent that this is provided for by applicable law.

Article 14 – Administration

In the absence of **special instructions** from the Client, and provided that advices or payments are notified or domiciled with the Bank, the Bank shall undertake the normal administrative tasks such as:

- a) collecting or maximising accrued interest, dividends, repayable capital and any other payments or allocations;
- b) monitoring of drawings, redemptions, subscription rights, amortisation of securities, etc., in accordance with the sector's usual information channels, but without assuming responsibility;
- c) obtaining new coupon sheets and exchanging interim certificates for definitive securities;
- d) paying balances still due on assets that are not fully paid up, provided the payment date was already fixed when they were issued.

In the case of registered shares without coupons, the Bank will only perform administrative tasks if it has been designated as the dividend paying agent and the subscription rights receiving agent.

The other necessary formalities to safeguard the rights in connection with the safe custody assets, such as carrying out conversions, buying/selling or exercising subscription rights deviating from the proposals made by the Bank, exercising

conversion and option rights, accepting or rejecting take-over bids, paying for securities that are not fully paid up, the administration of mortgage securities etc. are only undertaken by the Bank if **specific instructions are given on a timely basis** by the Client. Insofar as it is possible given the time constraints, the Bank will provide the Client with the usual bank-sourced information and will ask the Client for his/her instructions. If these instructions are not received by the Bank in time, the Bank is entitled, but not obliged to act at its own discretion.

The Bank shall execute no administrative task for assets handed over to the Bank in sealed envelopes or for insurance policies

It is the Client's responsibility to assert his/her rights arising from the assets held in custody in any legal proceedings or case of bankruptcy and to obtain the relevant information in this respect.

Article 15 – Disclosure obligations

The Client is solely responsible for complying with reporting requirements towards issuers, stock exchanges and official bodies, particularly the tax authorities in relation to the safe custody assets, in particular his/her tax declaration obligations. The Bank is not required to inform the Client about his/her declaration obligations. It is authorised to carry out administrative tasks leading to the Bank fulfilling a reporting requirement or to waiving, either partially or completely, its obligation to do so.

Article 16 – Statement of safe custody assets

The Bank provides the Client, once a year, with a statement of the assets registered in a safe custody account. If expressly requested by the Client, the Bank will issue other statements. Valuation of the assets held in custody is based on the approximate prices obtained from the usual sources of banking information. This valuation is given for information purposes only and is not binding on the Bank.

Special provisions for closed safe custody

Article 17 – Contents

Closed safe custody may only involve valuables, documents and other items suitable for custody in this form. Inflammable, dangerous, fragile items, or those which, for other reasons, are unsuitable for custody in a bank building, cannot be deposited. The Client is liable for any damage that may result from non-compliance with this provision.

Article 18 – Remitting deposits for closed safe custody

The value of deposits in closed safe custody must be declared on the form provided by the Bank. This declaration must be signed by the Client.

The name and exact address of the Client together with a description of the contents must be indicated on the packaging or on a label sealing the package. The deposit must be sealed by the Client in such a way that the package cannot be opened without breaking the seal.

Article 19 – The Bank's right of inspection

The Bank is entitled either to demand proof of the exact nature of the items placed in safe custody when the package is deposited by the Client, or to check the contents of the deposit. If this inspection has to be carried out at a later date and in the Client's absence, the Bank will draw up a report as proof.

Article 20 – Liability

The Bank shall only be liable for duly proven damage due to its gross negligence. The same regime applies to damage incurred by the items deposited during handling carried out at the Client's request.

Damage caused by atmospheric influences, or as a result of cases of *force majeure*, natural phenomena, war and civil disturbance, ionizing radiation, earthquake or floods shall be borne exclusively by the Client.

The Bank's liability is, in all cases, limited to the proven equivalent value of the deposit, the maximum being the declared value.

When the deposit is withdrawn, the Client must immediately report any alterations that the seal, packaging and contents may have undergone. The Bank is released from all liability when the Client hands in the acknowledgement of receipt.

Article 21 – Insurance

Responsibility for the insurance of the items deposited lies with the Client.

(Ed. 2020)