

# SAFE CUSTODY REGULATIONS



## A. General provisions

### Art. 1 SCOPE OF APPLICATION

The Safe Custody Regulations apply to the securities and assets (hereinafter called "securities in custody") deposited by the holder of the accounts (hereinafter the "Client" or "Depositor") with **BNP Paribas (Suisse) SA** (hereinafter the "Bank"). These Safe-Custody Regulations are also applicable to supplement, if needed, existing specific agreements or special regulations. They apply in addition to the Bank's General Conditions. With regard to the deposit insurance applicable to client accounts, additional information is available at <http://www.bnpparibas.ch/en/>, under the heading "Legal information", or on the esisuisse website: <https://www.esisuisse.ch>.

### Art. 2 ACCEPTING SECURITIES ON DEPOSIT

The Bank accepts:

in principle on **open deposit**

- a) negotiable rights and money or capital market instruments which are not incorporated in physical securities for purposes of booking and administration,
- b) securities, for purposes of safe custody and/or administration,
- c) (evidence) documents for safe custody purposes,
- d) intermediated securities within the meaning of the Federal Act on Intermediated Securities of 3 October 2008 ("FISA").

In compliance with the provisions of the FISA, intermediated securities are registered to the credit of the Client's account within the meaning of the FISA, unless otherwise stipulated in these Safe Custody Regulations.

in principle, on **sealed deposit**

- a) precious metals for safe-custody purposes,

- b) valuables and documents of all kinds other than those referred to above with a view to their safe keeping.

The Bank may refuse the deposit of any securities without giving reasons therefor. The Bank shall in no circumstances be liable for the quality, solvency or performance of the assets deposited by the Client.

### Art. 3 BANK'S DILIGENCE OBLIGATION

The Bank holds the securities on deposit with the same degree of care as it deploys for its own securities.

### Art. 4 DELIVERY

Subject to the termination notice period and binding statutory provisions, the Depositor is at all times authorised to demand delivery of the securities on deposit; however, allowance should be made for the usual delivery notice period.

### Art. 5 MULTIPLE DEPOSITORS

A deposit may be made by several depositors (joint deposit), in which case the right of disposition is governed by special agreement, failing which the Bank is entitled (but not obliged) to consider that each signatory may sign alone. The depositors are bound jointly and severally in respect of all Bank claims resulting from the custody relationship.

### Art. 6 COMPENSATION OF THE BANK

Safe-custody fees, including those for securities deposited abroad, shall be computed in accordance with the current rate and periodically charged to the depositors. The Bank reserves the right to change the rate at any time. The depositor must be advised of such changes.

Any special services and extraordinary costs and expenses may be invoiced by the Bank separately.

## B. Special provisions applicable to open deposits

### Art. 7 SAFE-KEEPING TERMS AND PROCEDURES

The Bank is expressly authorised to employ **sub-custodians in Switzerland and abroad to hold the**



securities entrusted to it on the behalf and at the risk of the depositor, even in the event that a depository abroad is not subject to appropriate supervision within the meaning of the Swiss Federal Intermediated Securities Act (FISA). Unless instructed otherwise, the Bank may hold the securities in custody as required by their nature, cause third-party correspondents to keep them in sub-custody or keep them with a security clearing centre. The depositor has a right of co-ownership on the contents of collective custody accounts in proportion to the securities he deposits if the collective account is located in Switzerland. The foregoing does not apply to securities which, by their nature or for other reasons, must be held separately. In the case of a custody account held abroad, the securities deposited therein are subject to the laws and usances of the place of deposit.

The Bank disclaims all liability including in the event of gross negligence or malice relating to the selection, processing and inspection of sub-custodians appointed by the Client which are not approved by the bank, or where such appointment conflicts with the Bank's recommendations.

The depositor may exercise his rights over intermediated securities only through the intermediary of the Bank.

Registered securities are in principle registered in the depositor's name. The depositor agrees for his name to be known to the third party custodian. If the registration in the depositor's name is not usual or possible, the Bank may cause the securities to be registered in its name or in the name of a nominee, but on the behalf and at the risk of the Client.

The securities deposited that are subject to drawing by lots may also be held as their nature allows in collective custody accounts. The Bank shall allocate the securities drawn among its depositors proportionately, it being understood that in the event of subsequent sub-drawings, the Bank shall use a method guaranteeing equal opportunity to all the depositors as with the first drawing.

**Unless by special exception, the Bank favours omnibus customer accounts with third-party custodians in Switzerland or abroad. Client assets shall remain segregated at all times from the Bank's own assets, receivables and liabilities.**

#### **Art.8 RULES FOR CLIENT IDENTIFICATION/DISCLOSURE OF IDENTITY IN THE SCOPE OF PURCHASE/SALE OR HOLDING OF SECURITIES OR OPERATIONS ON CURRENCY**

Pursuant to laws in force in certain countries, it may be necessary necessary to disclose to certain market participants (for example: securities issuers, investment fund administrators, stock exchanges, trade repositories, traders, brokers, correspondent banks, supervisory authorities or any other financial intermediary) certain personal data (for example: identity, address, nationality, date of birth, profession and contact information) concerning the Client and including the final beneficiary of any financial instrument or deposit held in the account.

The transmission of all or a part of this personal data by the Bank, in the form and according to the deadlines of applicable regulations and laws in force, in the jurisdictions in question, is a prerequisite to the execution of the transaction itself and the failure to transmit this information can be followed by sanctions (for example: loss or blockage of rights on dividends, blockage of securities).

The Client authorises the Bank to transfer its personal data and, if different, the personal data of the beneficial owner of the assets in question, together with the details of the transaction, to all third parties in Switzerland or abroad which would be legally founded to request the disclosure of this information in the scope of a transaction.

The Client takes note that all data or information provided in this context will no longer be covered by regulations on banking secrecy and waives the Bank's liability in this regard.

The Bank shall endeavour to inform the Client of any demands it receives in this context, if it is authorised to do so, but shall not be obliged to request the Client's authorisation prior to disclosing the information being demanded.

This authorisation is irrevocable and shall survive the closure of the account.

#### **Art. 9 DEFERRED PHYSICAL ISSUANCE OF SECURITIES / BOOK-ENTRY SECURITIES**

If it is intended to defer physical issuance of securities during the period they are under custody of the Bank, the Bank is expressly authorised:

- a) to cause the issuer to convert physical securities into book-entry securities;



- b) to undertake, for as long as administration is exercised by the Bank, the necessary administrative steps, to give all relevant instructions to the issuer and to obtain from it all necessary information;
- c) to require the issuer at any time to effect physical issuance of the relevant securities.

Negotiable rights, money market instruments and book-entry securities may not be physically issued.

#### **Art. 10 ADMINISTRATION**

From the date of deposit of the relevant assets, the Bank shall, even in the absence of an express order from the depositor, carry out the customary administration procedures, such as collecting maturing coupons and capital redemptions, withdrawing coupon sheets, supervising drawings by lots, the giving of notice, conversions and subscription rights, etc. and in principle request the Client to take the measures incumbent on him under the terms of paragraph 2. In doing this, it shall use the means of information that are available and customary in the industry, without, however, accepting responsibility in this regard. Registered shares without a coupon slip are administered only if the Bank is appointed as place of payment for dividends and subscription rights.

Unless agreed otherwise, it is the Client's responsibility to undertake all steps necessary for exercising the conversion rights attached to the securities under custody, especially the issuance of instructions to execute conversions, to exercise or purchase/sell subscription rights and to exercise option and conversion rights. Should the Client's instructions fail to reach the Bank in due time, the Bank is entitled, without however being obligated, to act as it deems appropriate.

Unless otherwise agreed, any instruction by the depository to have disposal of his assets shall be irrevocable upon its receipt by the Bank.

In the event of default of an issuer (non-payment of maturing coupons or principal, etc.), all steps required to enforce rights deriving from securities in custody (proof of claim, etc.) must be taken by the Client.

The Client acknowledges and accepts that if he wishes to hold US Securities, he must sign beforehand the appropriate form(s) whereby he confirms his status as a "US person" or "Non-US person". The Client undertakes to inform the Bank immediately if he

changes his country of residence and/or if his status changes from "Non-US person" to "US person".

Generally, nationality and tax residence are of importance to the Bank, such that if incorrect information is supplied to it, the Bank may where necessary have reason to sell without notice any securities deposited in the Client's account(s) and, depending on the change of residence concerned, may deduct all taxes arising thereon.

The Client takes note that holding securities of issuers from certain foreign countries may result in liability to estate tax in the country in question. He/she takes note that US estate tax might in particular concern him/her, regardless of his nationality and place of residence, if he/she holds in his portfolio on the day of his death US securities (a priori worth more than USD 60,000), whether such securities were acquired directly by him/her or within the framework of any discretionary management mandate entrusted to the Bank. The Client is aware of the need to take advice from professionally qualified third parties chosen by him/her, who will if necessary inform him/her of any obligations to declare such tax in the context of his estate.

The Client acknowledges and accepts that the Bank has no obligation to undertake any steps or proceedings whatsoever on the Client's behalf in relation to any class action or similar proceedings relating to US securities or securities listed in the United States, whether held by the Bank or on its behalf, nor has it any duty to inform the Client of the existence of and/or any developments in such class actions.

In the event of the insolvency or bankruptcy of a sub-custodian or any enforced-liquidation proceedings taken against it, the Bank's obligations shall be limited to production of the claim corresponding to the securities in custody within the meaning of the FISA.

#### **Art. 11 NOMINEE HOLDING OF SECURITIES UNDER CUSTODY**

If transfer of ownership of securities under custody to the depositor is not usual or possible, the Bank may acquire such securities or cause them to be acquired in its name or in the name of a third party, always, however, on the behalf and at the risk of the depositor and may exercise or cause to be exercised the rights thus acquired.

The Client acknowledges that under applicable regulations in certain jurisdictions, the Bank may be compelled to disclose the identity of the clients for



whom it holds securities. Any loss or prejudice arising from the Client objecting to disclosure of his identity (such as a freezing order of the securities, forfeiture of dividend right, etc.) shall be borne solely by the Client, with the Bank entertaining no liability therefore.

#### **Art. 12 EXERCISE OF THE VOTING RIGHT FOR SECURITIES UNDER CUSTODY**

The Bank shall exercise the voting right for securities under custody only on the basis of a written proxy and, in principle, pursuant to specific instructions.

#### **Art. 13 STATEMENTS**

The Bank shall send to the depositor, in principle four times a year, a statement of the securities held or booked under custody. The statement may include other securities not covered by these Safe Custody Regulations (e.g. options).

Information contained in these statements is not a reliable indicator of future results.

The Bank has taken all reasonable measures to guarantee the accuracy of the information contained in these documents. The Bank may not, however, be held responsible for any incorrect, incomplete or absence of information no any direct or indirect damages, loss or costs, claims, indemnification requests or other expenditures that would result from the utilisation of these documents.

All decisions in relation to the information contained in these documents has to be preceded by an in-depth analysis of your assets and after having obtained all information and advice required from financial experts (including tax advice for all tax related matters).

### **C. Special provisions applicable to sealed deposits**

---

#### **Art.14 REMITTANCE INTO CUSTODY**

The sealed envelope must be accompanied by a declaration of value. The envelope must show the exact identity of the depositor (name/number) and be sealed in such a way that it be impossible to open it without breaking the seal.

#### **Art. 15 CONTENTS**

Sealed envelopes must contain valuables or documents only, to the exclusion of all objects or materials that are inflammable or hazardous or illegal or unsuitable to be held at a bank. The depositor shall be liable for all damage resulting from non-compliance with this provision.

The Bank shall be entitled to require the depositor to prove the nature of the objects deposited. The Bank is also entitled, for safety reasons, to open the sealed deposit, while retaining evidence of its having done so on such grounds.

#### **Art. 16 LIABILITY**

The Bank is only liable for the amount of loss it causes and that may be proven by the depositor. Its liability is, however, limited, in all cases, to the amount of the declared value. The Bank accepts no liability for deterioration caused by atmospheric phenomena.

On withdrawal of the sealed deposit, the depositor must advise the Bank promptly of any deterioration to the seal, envelope or contents. The signed withdrawal receipt releases the Bank from all liability.

#### **Art. 17 INSURANCE**

Property deposited in sealed envelopes with a declaration of value must be insured by the depositor, at his expense.

### **D. Common provisions**

---

#### **Art. 18 BENEFITS RECEIVED FROM THIRD PARTIES**

18.1 In accordance with Article 13 of the General Terms and Conditions, the Bank may, alternatively or in addition to the remuneration mentioned in Article 12 of said General Terms and Conditions, receive or obtain from third parties and/or from BNP Paribas Group companies, various benefits having economic value ("Other Remuneration") that in all circumstances may be kept by the Bank.

This compensation/these benefits are part of the Bank's remuneration covering the services provided in relation with the financial products offering for BNP Paribas clients. In particular, BNP Paribas may, owing to this compensation/these benefits, conduct financial research and analysis activities enabling it to maintain a diversified offering of financial products and services.

While it is accurate that the receipt of such Other Remuneration may, theoretically, lead to conflicts of interest in the sense that the Bank could be led to choose or recommend products enabling it to obtain a higher level of aggregate remuneration, the constant objective of protecting the Client's first interest and the structure of the Bank make it possible to make available to the Client at all times products and services that best correspond to the Client's expectations, according to the Bank's understanding.



In this regard, realizing its desire for transparency, the Bank breaks down below-by major asset category and, for certain assets, by underlying category-the percentages of Other Remuneration and the specific methods for calculating these amounts. The Client can therefore know in advance the percentage of Other Remuneration by asset category that he/she/it will have chosen or that will be chosen by the Bank within the framework of a management agreement, as well as the aggregate amount concerning the Client individually, since it suffices to multiply the asset categories in question by the percentages given for each particular agreement or profile.

As described below, Other Remuneration may be obtained or received by the Bank initially-i.e. at the purchase or subscription of the asset in question-or periodically, during all or part of the holding period for the asset in the Client's account.

18.2 Structured products: At the distribution of structured products, such as "notes", certificates, etc., the issuer (BNP Paribas or authorized outside counterparties) of the structured products may pay compensation to the Bank in the form of discounts on the issuing price or reimbursement of a portion of the issue price. This is a one-off compensation and is set based on the nature of the underlying and the lifespan of the structured product, as well as on various market parameters such as interest rate levels and the volatility of the underlying. Their amount may reach up to 3% of the issue price.

18.3 Collective investments and investment funds: Swiss or foreign collective investment undertakings (this category includes, among others, mutual investment funds (FCPs), SICAV open-end investment companies, closed-end funds and limited partnerships) generally pass on to the Bank a portion of the management fees they receive in the form of distribution fees that are based on the amounts invested through the Bank. This recurring remuneration varies according to the funds and/or category of the funds in question as well as the underlying assets.

The maximum percentages of these distribution fees are annually: money market funds up to 0.75%; bond funds up to 1.75%; equity funds up to 2%; asset allocation funds up to 1.50%; hedge funds

up to 2%; real estate funds up to 1.50%; private equity up to 2% of the amounts invested.

18.4 Life insurance: The life insurance company may pay remuneration to the Bank that will generally be set at one-half of the subscription fees (if applicable) or arbitrage fees (if applicable) received by the company. Furthermore, the insurance company may pay to the Bank on a recurring basis up to 60% of the annual administrative fees received by the aforesaid insurance company.

18.5 The Bank shall provide upon the Client's written request, insofar as possible and proportionate and in exchange for participation in the Bank's research and calculation costs, information concerning the Other Remuneration relating to specific financial instruments in whatever form it deems appropriate. Lastly, if the fact that the Other Remuneration remains vested with the Bank were successfully disputed, the Bank hereby expressly reserves its right to have the Client pay it an amount that the Bank shall consider fair-entirely at the Bank's discretion-as remuneration for services that it will then have carried out without consideration and to make use of the security mentioned in Article 11 of the General Terms and Conditions as guarantee for the aforesaid payment.

#### **Art. 19 APPLICABLE LAW AND JURISDICTION**

**All relations of the Client with the Bank shall be exclusively governed by Swiss law, to the exclusion of rules governing conflict of laws.**

**The Client acknowledges and accepts that the sole jurisdiction for any dispute relating to any part or all of the business relationship, including the performance or interpretation hereof, shall lie at the place of the Bank's registered office in Switzerland or that of the Bank's branch with which the business relationship of particular relevance is formed. The Bank reserves the right, however, to proceed against the Client at his permanent or registered address or before any other competent authority, and Swiss law shall remain applicable in all cases to the exclusion of rules governing conflict of laws.**

