

Safe Custody Regulations 2024 Version

In case of differences between the German and English version of this document the German version shall prevail.

1. Applicability

These Safe custody regulations are applicable in addition to the Terms and Conditions for storage, book entry, and management of valuables and other suitable items (safe custody assets) by Basler Kantonalbank (the "Bank"), especially if these are kept in the form of intermediated securities. They supplement any other contractual agreements that may exist.

2. Acceptance of items

The Bank accepts safe custody assets generally in open custody accounts, specifically:

- Intermediated securities, securities, security rights, and other non-certificated money and capital market investments, as well as other financial instruments, for safekeeping (and/or book entry) and management;
- Acceptable precious metals and coins in merchantable form and quality, as well as mortgage securities and documentary evidence (e.g. insurance policies) for safekeeping.

The Bank may decline to accept such items without stating a reason. This applies in particular if the Client does not fulfil the relevant investment restrictions.

If the Bank no longer wishes to store the safe custody assets due to investment restrictions or for legal, regulatory, product-specific or other reasons, the Bank will ask the account holder for instructions on where to transfer the safe custody assets. If instructions from the Client are not received within a reasonable period set by the Bank, the Bank may physically deliver or liquidate the assets.

The Bank may verify the authenticity of the items deposited by the Client or may check them against a stopping list or have them inspected by a third party domestically or outside Switzerland without however, assuming any liability. In this case the Bank will execute sales and delivery orders and management actions only after inspection has been completed. The costs of the inspection may be invoiced to the Client.

3. Due-diligence obligation

The Bank effects with the customary due diligence book entry, safekeeping and management of the safe custody assets.

4. Return and transfer of safe custody assets

Subject to periods of notice, provisions of law, statutes of issuers, security rights of the Bank, and special contractual agreements, the Client may at any time instruct the Bank to deliver to him or transfer safe custody assets in accordance with the legal regulations in effect at the place of safekeeping and in keeping with the customary delivery period and form. The fees for delivery and transfer are based on the accessible fee schedules/product data sheets. Where delivery is made from collective safe custody deposits, the account holder shall not be entitled to any particular numbers, denominations, mintings, etc.

Transport and dispatch by postal service of safe custody assets shall be at the Client's expense and risk. If a declaration of value is required, the Bank shall execute this at its own discretion in the absence of special instructions from the Client.

5. Duration of agreement

The safe custody arrangement is of unlimited duration. It shall not lapse upon the decease, incapacity, or bankruptcy of the Client.

6. Conditions

The current conditions and other charges are based on available fee schedules and product data sheets. Changes are possible at any time, specifically in the case of changes in costs and reevaluation of business risks, through adjustment of the lists and product data sheets. The Client will be notified of such changes in advance by appropriate means.

The Bank may, at its discretion, charge reasonable compensation for any services rendered by the Bank that are not included in a fee schedule/product data sheet but that are rendered on behalf of, or in the presumed interests of, the Client and are normally expected to be rendered for payment only (e.g. commissions and third-party expenses, procedural and legal costs incurred by the Bank in connection with the safe custody assets).

7. Third-party payments

The Bank may receive financial and non-financial compensation from vendors of financial instruments (product vendors; incl. Group companies) for the distribution and/or custody of financial instruments (third-party payments). The compensation amount is calculated according to the



investment volumes held or the transaction volumes achieved in such financial instruments across the entire Bank (structured products).

Third-party payments may incentivize the Bank to consider financial instruments for which the Bank generally receives third-party payments or for which it receives higher amounts of third-party payments. However, the Bank takes account of such a possible conflict of interests in order to prevent any negative effects for its Clients. The Bank ensures that investment decisions and recommendations fulfil qualitative criteria, and that these are not connected with third-party payments.

The Bank discloses the subject matter and percentage ranges of possible third-party payments based on the Client's investment volume in the "Third-party payments" information sheet. The information sheet is an integral part of these Safe custody regulations. The relevant current version is available on the Bank's website at www.bkb.ch/basic-documents and can also be obtained from the Bank.

The Client acknowledges and agrees that the Bank will retain third-party payments it receives: He waives surrender of the same in the knowledge of the third-party payments pursuant to the information sheet. Individual agreements ascertainable in writing (e.g. in the asset management contract, investment advice agreement, Easy Trading agreement) take precedence.

If requested, the Bank will provide the Client with detailed information on the total amount of third-party payments pertaining to him.

8. Storage of the safe custody assets

The Bank is authorized to hold the safe custody assets separately or in collective deposit with a third-party custodian either domestically or outside Switzerland in its own name but for the account and at the risk of the Client. In case of third-party storage, the Bank shall be liable only for the customary due diligence in the selection and instruction of the third-party custodian.

Redeemable assets may also be held in collective safe custody. Safe custody assets that need to be kept separately because of their nature or for other reasons will be excluded from collective safe custody arrangements. Safe custody assets held outside Switzerland shall be subject to local laws and practices. Third-party custodians may assert a right of lien or other security right over the safe custody assets.

If foreign legislation makes it difficult or impossible for the Bank to withdraw safe custody assets held outside Switzerland, the Bank shall be obliged only to procure a

pro rata restitution claim for the Client at a depository or correspondent bank of its choice at the deposit location, if such a claim exists and is transferable.

9. Registration of the safe custody assets

Safe custody assets of Swiss issuers made out in a particular name will be registered in the name of the Client in the relevant register (e.g. share register), if explicitly authorized by the Client. Consequently, the data transmitted for registration (in particular, the Client's identity) will be known to the relevant agency (company, registry administrator, etc.).

If registration in the name of the Client is either contrary to normal practice or not possible, the Bank may, for the account and at the risk of the Client, have assets registered in the name of a third party or in its own name.

10. Reporting and disclosure obligations

The Client is responsible for fulfilment of all duties of reporting and disclosure, as well as other obligations (e.g. disclosure of shareholdings, submission of a takeover offer), to companies, stock exchanges, authorities, or other market participants. Definitive in this regard is the applicable domestic or foreign law. The Bank is not obligated to advise the Client of his reporting obligations. If the safe custody assets are registered in the name of a nominee company or in the name of the Bank, the Client must notify the Bank immediately of any reporting obligation.

The Bank may refuse, under notice to the account holder, to take, either wholly or in part, any administrative actions for safe custody assets that result in reporting or disclosure obligations for the Bank.

The Client is solely responsible for complying with any restrictions in effect, fulfilling requirements, or obtaining the required approvals in accordance with applicable domestic or foreign law if he executes or authorizes transactions with safe custody assets.

The Client is responsible for obtaining information regarding such reporting and disclosure obligations and restrictions, etc.

If such obligations are not required until after a purchase has been effected, the Bank will be authorized to sell the affected safe custody assets if it has not received the authorization for disclosure from the Client in time despite having warned the Client of the sale.

11. Conversion of safe custody assets

The Bank is entitled to have submitted documents annulled, replaced by vested rights, and to hold securities and vested rights – if the requirements are met – through



credit to a securities account as book-entry securities. Similarly, the Bank is entitled, if intended by the issuer, to request printing and delivery of securities.

12. Administration

Without awaiting specific instructions from the Client, the Bank will attend to the usual administrative transactions, such as:

- Collection of interest, dividends, other distributions, and repayable capital amounts falling due;
- Exchange and subscription of safe custody assets without right of choice by the Client (splits, spin-offs, etc.);
- Monitoring of redemptions, terminations, conversions, subscription rights, amortizations of safe custody assets, etc.

If the Bank is unable to manage the individual assets in the ordinary manner, it will communicate this fact to the Client by a notice that the assets were booked into his custody account, or by other means.

If specifically instructed by the Client to do so in a timely manner, the Bank will also perform administrative actions such as:

- Exercise of subscription, conversion, and option rights;
- Performance of conversions;
- Payment on partly paid safe custody assets;
- Execution of orders from securities offers in connection with public takeover bids, mergers, splits, conversions, etc.

Whenever possible, the Bank will advise the Client by appropriate means of upcoming events pertaining to the safe custody assets. If instructions from the Client are not received in time, the Bank will be entitled but not obligated to act at its own discretion. Normally, unexercised subscription rights are sold, and repurchase, replacement, and conversion options are not accepted.

The Bank will not perform any administrative acts, in particular for:

- Registered shares without coupons, if the Bank's address is not given as the postal address for dividends and distributions;
- Safe custody assets traded exclusively or predominantly in a foreign country but held as an exception in Switzerland;
- Mortgage items and documentary evidence (e.g. insurance policies).

In performing all administrative acts, the Bank will proceed on the basis of the standard banking information to which it has access, although without assuming any responsibility.

For as long as the assets are managed by the Bank, the Bank will be entitled but not obligated to issue necessary instructions to and obtain required information from issuers or third-party custodians.

It is the responsibility of the Client to assert his rights arising from the safe custody assets in legal, insolvency, or similar proceedings and to procure the needed information.

13. Credits and debits

Sums will be credited or debited to an account held at the Bank designated by the Client. In the absence of instructions stipulating otherwise, the Bank will be entitled but not obligated to convert sums in a foreign currency to Swiss francs.

Credits will be made subject to collection. The Bank will be entitled to reverse entries made in error, specifically also subsequently without time limitations after completed posting to the safe custody account or the Client's account. The Client acknowledges that such adjustments by the Bank will be made without prior consultation with the Client. The provisions relative to cancellation as defined in the Law on Intermediated Securities remain valid.

Changes in instructions relating to accounts must be received by the Bank at least five bank working days before the transaction falls due.

14. Account statements

As a rule at the end of the year, the Bank will provide the Client with a statement of the safe custody assets deposited. The statement can include other assets not covered under these regulations. Safe custody assets will not be designated specifically as such.

Valuations of the contents of safe custody accounts are based on non-binding values taken from standard banking information sources. The Bank assumes no liability for the accuracy of this information or for any information in connection with the posted values.

15. Changes to the Safe custody regulations

The Bank reserves the right to make changes to the Safe custody regulations at any time. These changes will be communicated to the Client in advance by appropriate means and shall be deemed as approved unless written objection is received within one month.

Third-party Payments

Basler Kantonalbank (the "Bank") enables its Clients access to wide range of financial instruments, including investment funds and structured products. The Bank may receive financial and non-financial compensation from vendors of financial instruments (product vendors; incl. Group companies) for the distribution and/or custody of financial instruments (third-party payments). This third-party payments may also be called payments from third parties, retrocession premiums, trailer fees, or discounts.

The relevant business relationship with the Bank's Client notwithstanding, these third-party payments between the Bank and product vendor will be set out in special contracts.

The following calculation bases illustrate the maximum ranges within which third-party payments may be paid to the Bank:

Investment funds

The amount of third-party payments is calculated according to the investment volumes retained in such financial instruments across the entire Bank. With investment funds the third-party payments forms part of the effective administration fee indicated in the relevant fund prospectus. The third-party payments based on the amount the Client invests in the relevant investment fund (investment volume) falls within the following ranges and is paid periodically (quarterly, half-yearly, or annually):

Money market funds	0–1.0 % p.a.
Bond funds	0–1.5 % p.a.
Equity funds	0–2.0 % p.a.
Real estate funds	0–1.0 % p.a.
In-house investment funds (e.g. BKB Investment Solution)	0–1.0 % p.a.
Other investment funds (e.g. fund of funds, strategy funds, alternative investment funds)	0–2.0 % p.a.

Structured products

In the case of structured products, the third-party payments form part of the issue price, which is paid to the Bank either in the form of a discount on the issue price or as remuneration of part of the issue price. Its maximum amount is 3 % of the amount invested by the Client (transaction volume). Instead of, or in addition to, this the Bank can receive recurring third-party payments amounting to a maximum of 1 % p.a. of the investment volume.

Sample calculations

The maximum amount of third-party payments receivable by the Bank is calculated as follows:

For a Client relationship with one single financial instrument: Multiply the investment volume with the maximum percentage rate applicable to the financial instrument in question.

1. Example: For an investment volume of 10,000 CHF in an equity fund, 2.0 % p.a. of 10,000 CHF produces a maximum annual third-party payment of 200 CHF.

2. Example: For an investment volume of 10,000 CHF in an investment fund belonging to the BKB Investment Solution, 1.0 % p.a. of 10,000 CHF produces a maximum annual third-party payment of 100 CHF.

For a Client relationship with multiple financial instruments: Multiply the investment volume of each individual financial instrument with the maximum percentage rate applicable to the financial instrument in question, and then add up these amounts. For the calculation of the maximum percentage rate of third-party payment based on the entire Client relationship, it is necessary to find the proportion of the calculated total amount compared to the total assets under the Client relationship.

Example: Client relationship with total assets of 250,000 CHF. Of this amount, 60,000 CHF is invested in the following financial instruments:

- Bond fund with a total investment volume of 25,000 CHF: 1.5 % p.a. of 25,000 CHF results in a maximum annual third-party payment of 375 CHF;
- Real estate funds with a total investment volume of 20,000 CHF: 1 % p.a. of 20,000 CHF results in a maximum annual third-party payment of 200 CHF;
- BKB Investment Solution with a total investment volume of 15,000 CHF: 1.0 % p.a. of 15,000 CHF results in a maximum annual third-party payment of 150 CHF.

For the entire Client relationship, this results in a maximum annual third-party payment of 725 CHF. The maximum percentage rate of third-party payment based on the entire Client relationship therefore amounts to 0.29 % p.a. ($725 \text{ CHF} \div 250,000 \text{ CHF} \times 100$).

Non-financial third-party payments

Some product vendors may grant the Bank non-financial benefits in connection with the provision of services for their Clients. These may include free-of-charge financial analyses, staff training, or other promotional services.