

# Custody Account Rules of SIGMA Bank AG

Version 11/2017

## Z 1. Scope

- (1) The following provisions pertaining to the safekeeping of securities (in certificated as well as in non-certificated form) as well as of other valuables in open or closed custody accounts (hereinafter called "THE CUSTODY ACCOUNT SECURITIES") shall have precedence – insofar as these relate to a more specific regulation – over the General Terms and Conditions of Business (hereinafter called "the GTB"), although more specific provisions contained in client agreements, special regulations or special guidelines as well as divergent practices shall remain unaffected.
- (2) The legal position of the depositor or the party authorised for access must be equivalent to that of an account holder or authorised signatory in particular pursuant to the GTB. The regulations for accounts contained in the GTB and other provisions shall also apply mutatis mutandis to custody accounts.

## Z 2. Receipt of Custody Account Securities

- (1) The Bank shall essentially accept from the depositor for deposition in an open account inter alia:
  - a) securities of all kinds for safekeeping and administration;
  - b) precious metals for safekeeping;
  - c) book-entry securities for recording and administration;
  - d) records for safekeeping;

and for safekeeping in a closed custody account:

- a) securities;
  - b) precious metals;
  - c) records;
  - d) valuables and other suitable items.
- (2) The Bank shall be entitled to add deposited Custody Account Securities to the custody account of the beneficiaries.
  - (3) The Bank may also refuse to accept Custody Account Securities or to open custody accounts, without specifying reasons. Furthermore, it may at any time demand the closure of the custody account or the withdrawal of individual Custody Account Securities.

## Z 3. Due diligence of the Bank

The Bank undertakes to hold the Custody Account Securities of the Client for safekeeping at a safe location or at a third party with the same diligence applied to its own assets. In the case of third-party custody, the Bank shall however be liable only for the careful selection of the third party custodian.

## Z 4. Checking of custody account securities

- (1) The Bank is entitled, but not obliged, to check delivered Custody Account Securities for authenticity or blocking reports and similar, or to arrange such checks. In particular, the Bank cannot be made liable for (consequential) damages arising out of delayed delivery to the custody account or administrative act attributable to such checks.

- (2) Objects which have been handed over for deposition in a sealed state may not constitute fire hazards or any other type of hazard, and may not be unsuitable for storage in a bank building. **For this purpose, the Bank shall have the right at any time and at the expense of the depositor to demand information and unequivocal proof pertaining to the content of the custody account (e.g. by means of inspection).** The Client shall be liable in respect to the Bank in particular for any possible damages caused by a contravention of this provision.

## Z 5. Confirmation of receipt/ securities account statement and transaction settlement

- (1) The Bank shall provide the holder of an open custody account with purchase/sale settlements, confirmation of security deliveries/withdrawals as well as periodically with a statement detailing the portfolio of Custody Account Securities. These records are neither assignable nor attachable.
- (2) Transaction settlement and securities account statement  
All settlements and statements shall be deemed to have been found correct and approved, insofar as no objection to the respective content is raised within one month from the day on which this was forwarded, even if a reconciliation statement forwarded to the Client has not been signed and returned to the Bank. The express or tacit recognition of the settlements and statements includes the approval of all items contained therein as well as any possible reservations of the Bank. Valuations of the content of the custody account shall be based upon approximate prices and price data drawn from normal banking information sources. The specified data shall represent merely estimates, and are not binding for the Bank. For this reason, the Bank shall in particular **not accept any liability or guarantee whatsoever for the accuracy, comprehensiveness or expediency of the reported prices and price data.**

## Z 6. Remuneration / expenses

- (1) The Bank shall be entitled to charge the depositor (in particular to debit a bank account maintained at the Bank in the name of the depositor) fees in accordance with the respective valid schedule of fees or counter notice. Furthermore, all taxes, duties and other cash expenditure associated with the custody account operations, in particular for deliveries/withdrawals and custody account safekeeping/administration shall be borne by the depositor.
- (2) The Bank may make additional charges for extraordinary administrative or safekeeping operations associated with the custody account, as well as for extraordinary endeavours, insofar as this exceeds the normal scope of the custody account operations.

## Z 7. Transport/transfer, insurance

Transport/shipping or the transfer of Custody Account Securities shall be performed exclusively on the account and at the risk of the depositor. The Bank shall – unless other-

wise stipulated - procure a transport insurance policy at the expense of the depositor, provided that the value of the deposited items can be adequately determined and insofar as an insurance policy of this nature is customary and can be concluded within the framework of the Bank's own insurance cover.

## **Z 8. Delivery and transfer**

Subject to notice periods, mandatory statutory provisions as well as liens, retention or other rights of the Bank, the depositor or the authorised signatory/party authorised for access may demand at any time that the Custody Account Securities be delivered to him or placed at his disposal; in this conjunction, the normal delivery periods must be observed.

## **Z 9. Duties of the Bank to provide information**

- (1) The Bank shall be expressly authorised to cause the Custody Account Securities to be kept for safekeeping at a professional depository of its choice in its own name, but on the account and at the risk of the depositor externally and/or abroad.
- (2) As a rule, registered Custody Account Securities shall be recorded in the name of the depositor. The depositor accepts that his name shall be disclosed to the external depository.
- (3) Unless otherwise expressly instructed, the Bank shall be entitled to keep generic Custody Account Securities in its collective custody account, or may cause these to be kept in collective custody accounts of a depository or a collective custody centre. Custody Account Securities which, due to their nature or for other reasons need to be kept separately, shall remain reserved. Should the Client demand the separate safekeeping of Custody Account Securities which are capable of being kept in collective custody, then the Custody Account Securities shall be held merely in the closed custody account and the Bank shall not perform any administrative actions.
- (4) In the case of collective safekeeping in Switzerland, the depositor shall have joint ownership of the respective portfolio of the collective depository in proportion to his Custody Account Securities registered in his custody account.
- (5) Drawable Custody Account Securities may also be held for safekeeping in the collective depository. The Bank shall divide drawn Custody Account Securities amongst the depositors using a second draw. In this conjunction it shall apply a method that offers all depositors the same prospect of being considered as in the case of the first draw.
- (6) In the event of the delivery of Custody Account Securities from a collective depository, there shall be no entitlement to specific numbers or denominations.
- (7) The Bank shall also be expressly authorised to keep domestically issued securities abroad for safekeeping, and may also keep securities which have been issued abroad for safekeeping in a domestic depository. By the same token, it shall be entitled to cause registered securities issued abroad to be registered under the name of the domestic depository or under the name of the representative of the foreign depository ("nominee").
- (8) As a rule, Custody Account Securities which are only or which are predominantly traded abroad shall also be held

for safekeeping at this location, or shall be relocated there at the expense and at the risk of the depositor should these be delivered at any other location. The same shall apply if safekeeping abroad is customary or if this is expedient in the view of the Bank.

- (9) As a rule, domestic Custody Account Securities as well as those of Swiss issuers which are approved for collective custody shall be kept for safekeeping at the Swiss Collective Securities Depository SIS SEGA Intersettle. As a rule, foreign Custody Account Securities shall be kept for safekeeping in the domestic country of the respective security or in the country in which the purchase was performed.
- (10) In the event of safekeeping abroad, the Custody Account Securities shall be subject to the laws and practices in force at the location of the safekeeping as well as the contractual provisions of the depository. If the Bank is prevented or hindered by foreign legislation from returning Custody Account Securities which are held abroad, then the Bank shall only be obliged to procure a proportionate redemption entitlement on behalf of the depositor at the location of a correspondence bank. **Foreign provisions may deviate significantly from domestic provisions, in particular with respect to Liechtenstein bank secrecy rules.**
- (11) The Client acknowledges that the Bank shall accept and execute orders for specific stock exchanges only insofar at the Client expressly exempts the Bank in a separate written declaration from banking secrecy regulations in relation to such orders and also authorises the Bank to comply with all required statutory or supervisory disclosure obligations in the respective country. In the absence of a declaration of this nature, the Bank is entitled to reject all orders for the stock exchanges in question. In the case of book-entry securities or registered deposits, if registration of the depositor at the place of deposition is not usual or possible, then the Bank may cause these securities to be registered in its own name or in the name of a third party, although in every case on the account and at the risk of the depositor.

## **Z 10. Administration**

- (1) Unless specifically instructed by the depositor or authorised signatory/party authorised for access, the Bank shall perform normal administrative actions, such as
  - a) the collection or if necessary the best-possible realisation of due interest, dividends and redeemable capital as well as other distributions;
  - b) the monitoring of lots, terminations, conversions, subscription rights or amortisation of Custody Account Securities;
  - c) the subscription of new coupon slips and the exchange thereof into securities.

In this conjunction the Bank shall draw upon customary available sources of banking information, although without accepting any responsibility, in particular with respect to Custody Account Securities held for safekeeping in physical or book-entry form. In the case of registered shares without coupons, administrative actions shall only be performed if the specified forwarding address for dividends and subscription rights is that of the Bank. In the case of securities held for safekeeping at third parties, these administrative actions shall be the responsibility of the third-party depository.

- (2) It shall be the responsibility of the depositor to take all other precautions to safeguard the rights associated with the Custody Account Securities, such as e.g.
- a) settlement of conversions;
  - b) exercise of conversion and option rights;
  - c) purchase/sale or exercise of subscription rights;
  - d) the performance of payments on securities which have not fully been paid up; in the absence of the punctual order of the depositor, the Bank shall be authorised to perform the residual payment at the expense of the depositor, or to sell the securities;
  - e) the drawing up of asset schedules for tax purposes.
- (3) The Bank shall perform the other administrative actions only on the basis of the specific, punctual instruction of the depositor or authorised signatory/party authorised for access. If these instructions are not punctually received, then the Bank shall be entitled, but not obliged, to act at its own discretion.
- (4) The Bank shall not be obliged to draw the attention of the depositor to any possible reporting obligations in respect to issuers or public authorities in conjunction with his ownership of Custody Account Securities (specifically shares).
- (5) The Bank shall not perform any administrative actions in the case of Custody Account Securities which are presented to the Bank in sealed envelopes, as well as in the case of insurance policies.

**Z 11. Provisions pertaining to closed custody accounts**

- (1) The depositor must affix his precise address and a value to closed custody accounts. Envelopes or packages must be sealed by the depositor or party authorised for access (if necessary in the presence of a representative of the Bank) in such a manner that it is not possible to open these without damaging the seal.
- (2) The Bank shall be liable only for the diligent safeguarding of or for damage demonstrably caused by it to the depos-

ited item. In this conjunction, the liability shall be limited to the indicated value. There shall be no liability for damage which is attributable to interventions performed on the order of the depositor or party authorised for access.

- (3) Items shall be returned on the basis of a notice of receipt. The depositor or party authorised for access must immediately report any possible damage to the seal, envelope, packaging or to the deposited item itself. In other respects, the notice of receipt shall release the Bank from any liability.

**Z 12. Fiduciary acceptance of Custody Account Securities**

If the procurement of the title to Custody Account Securities for the depositor or the registration thereof in the name of the depositor is not customary or is not possible, then the Bank may acquire these, may cause these to be acquired or may register these in its own name or in the name of a third party, although always on the account and at the risk of the depositor, and may exercise the resulting rights or may cause these to be exercised.

**Z 13. Voting rights pertaining to assets held in the custody account**

The Bank shall exercise voting rights pertaining to assets held in the custody account only on the basis of a written power of attorney. The Bank shall be entitled to reject such commissions.

**Z 14. Amendments**

The Bank reserves the right to amend the Custody Account Rules at any time. In this respect, the same provisions shall apply as those pertaining to the amendment of the GTB in the respective valid version.

**Z 15. Validity**

These Custody Account Rules shall come into force on 1 November 2007.