



Communication to all clients

Financial Services Act

We are pleased to inform you about the new Financial Services Act (FinSA), which came into effect as of 1st January 2022.

The aim of the Financial Services Act is to protect the clients of financial services providers such as One Swiss Bank and to establish safe and transparent conditions for the provision of said services in Switzerland. In the information letter attached, we have detailed the main aspects related to the FinSA, such as:

- **Client Segmentation:** The bank is required to categorise its clients as being either a Private client, a Professional or an Institutional client.
- **Description of the Financial services:** We describe our three main offerings: Discretionary Asset Management, Investment Advisory and Execution-Only.
- **Suitability and appropriateness:** We also describe the controls that the Bank has in place to assure that only suitable services, as well as appropriate products are provided to our clients based on their knowledge, experience, financial situation and investment objectives.
- **In addition,** you will find information concerning best execution of client orders, compensation from third parties, conflicts of interest and the Banking Ombudsman, the legal entity to which a client can turn if the Bank fails to meet its obligations.

Should you have any query as regards this important matter, do not hesitate to contact your Relationship Manager.

We thank you for your continued trust and look forward to helping you achieve your financial objectives.

Yours faithfully,

ONE swiss bank SA

(Unsigned communication)

Attachment: Client Information: Financial Services Act (FinSA)

CLIENT INFORMATION

Financial Services Act (FinSA)

1. INFORMATION ON ONE SWISS BANK SA

ONE swiss bank SA (hereinafter "the Bank" or ONE) offers services in the field of execution-only, asset management, investment advice and other investment services and ancillary investment services and has its registered office at chemin des Mines 9, 1202 Geneva, Switzerland.

The Bank is registered as a Bank in the Swiss Commercial Register. The Bank is subject to Swiss banking regulations, holds a license as a Swiss bank and is supervised by the Swiss Financial Market Supervisory Authority (FINMA, Laupenstrasse 27 - 3003 Bern).

The provision of financial services by the Bank is subject to the provisions of the Federal Act on Financial Services (FinSA).

2. CONTACTS

For further information on the Bank's organisation, structure, business affiliations and responsible persons, you can contact the Head of Private Banking: info@oneswiss.com, Tel : +41 58 300 78 00.

3. BACKGROUND AND TIMEFRAME

The Swiss Financial Services Act (FinSA) and the related Ordinance entered into force on 1st January 2020. These regulations provide a two-year transitional period for the implementation of most of the provisions until the end of 2021. The Bank has therefore implemented the FinSA in the meantime and all the corresponding requirements and rules of conduct will be effective in your relationship with the Bank as of 1st January 2022.

The rules introduced by the FinSA govern the protection of clients in the context of the offering of financial services and instruments by the Bank. In this issue, we highlight only the rules of conduct that are most relevant to you, most of which have been applied by the Bank for some time.

4. CLIENT SEGMENTATION

The Bank classifies all of its clients as **private clients**, unless they advise otherwise, thereby granting them the highest level of protection according to the Swiss Financial Services Act (FinSA).

High net worth individuals with financial experience may declare that they wish to be treated as professional clients (so-called FinSA opting out). A professional client has a lower level of protection than a private client. In particular, the Bank may assume in the case of a professional client that the acting persons have sufficient experience, knowledge and expertise to make investment decisions and to adequately assess the associated risks, and that the risks associated with the investment decisions are financially bearable for the client.

Further a professional client may release the Bank from applying the rules of conduct pursuant to Art. 8, 9, 15 and 16 of the FinSA (duties to provide information, documentation and rendering of accounts).

The last segment is that of institutional clients, for which the FinSA rules described in this document do not apply.

5. DECLARATION FOR QUALIFIED INVESTORS (CISA)

Having an asset management agreement (discretionary management or advisory), the client hereby acknowledges that he is considered a qualified investor according to Art. 10 par. 3 and/or par. 3ter of the Collective Investment Schemes Act (CISA).

The client recognises and accepts that the status of a qualified investor gives access to a wide range of investments, which enables the Bank, within the parameters of the chosen investment strategy, to invest on the client's behalf in any Mutual Fund, Hedge Fund, Exchange Traded Fund (ETF) or any investment fund, without restrictions. For instance, the Bank may invest in funds not distributed to the general public, or in funds reserved for qualified investors. The client hereby recognises that investing in such funds may entail significant risks.

More information about investment risks can be found in the brochure of the Swiss Bankers Association entitled: "Risks Involved in Trading Financial Instruments (2019)" (current available version can be found on our website). A copy will be sent by post on request.

6. CODE OF CONDUCT APPLICABLE TO PRIVATE CLIENTS

We list below the rules of conduct that are applicable to private clients, most of which you already benefit from:

- Duty to provide information
- Assessment of suitability and appropriateness
- Documentation and rendering of accounts
- Transparency and care in client orders (Best execution due to client)

7. PRODUCT INFORMATION

The FinSA requires the Bank, when recommending or otherwise advising in particular investment funds, ETFs or selected structured products, to provide the private client with a **key information document** on said product. This duty is not applicable in the context of a discretionary asset management mandate.

The Bank can, of course, only fulfil this duty to the extent that the issuer of the product provides such a document.

8. FINANCIAL SERVICES

Discretionary Asset Management

Discretionary asset management is aimed at clients who wish to entrust the Bank with the management of their assets within the framework of ONE's investment policy, as well as individually defined and written criteria (investment strategy). The investment strategy considers the client's knowledge and experience, along with their investment objectives and financial circumstances. With such an agreement, the Bank is authorised to make investments at its own discretion, within the asset management framework agreed with each client.

Investment Advisory

Investment advisory mandates are aimed at clients who wish to receive personal recommendations with regard to transactions in financial instruments. In contrast to discretionary asset management, the respective investment decision is always made by the client himself. With an investment advisory mandate, the decision-making power and thus ultimately the investment responsibility lies solely with the client.

FinSA further distinguishes between investment advice for individual transactions where the client portfolio is not considered (transaction-based investment advice) and investment advice considering the client portfolio (portfolio-based investment advice).

Execution-Only

Transactions with financial instruments that are not based on an investment decision or investment recommendation of the Bank, and that are carried out exclusively at the request of the client, are treated by the Bank as execution-only transactions. In doing so, the Bank neither performs a suitability nor an appropriateness test.

Execution-Only - EAM Desk / Clients managed by an External Asset Manager (hereinafter: EAM)

A distinction has to be made between the relationship "EAM/Client", on the one hand, and the relationship "ONE/Client", on the other hand. While the EAM provides portfolio management services to the Client and must comply with the corresponding FinSA obligations, the Bank's services to the Client are qualified as "Execution-Only". Consequently, ONE is not responsible for the FinSA obligations, except for those relating to "Execution-Only" services, in particular "Best Execution" (see section 10 below).

9. SUITABILITY AND APPROPRIATENESS

The suitability test by ONE is based on the information provided by the client which are deemed by the Bank to be accurate. If the client does not provide the requested information and data or only provides it insufficiently, the Bank is not able to provide the services to the client in an appropriate manner. **The new edition of the Bank's General Terms and Conditions**, which will be published by the end of the year, will reflect this important point between the client and the Bank.

Suitability Test for the services

In connection with portfolio-based-investment advice or discretionary asset management, the Bank must obtain various information from the client. This includes - as far as relevant - information on:

- The client's knowledge and experience in relation to the agreed financial service (which also covers the granting of a Lombard loan in that context);
- The client's investment objectives, including: Information on the time horizon and purpose of the investment, the client's risk willingness and any investment restrictions;
- The financial circumstances of the client: Information on the nature and amount of the client's regular income, assets and current and future financial obligations.

Based on this information, the Bank draws up a risk profile with and agrees on an investment strategy for the client.

Appropriateness Test for products

In the case of transaction-based investment advice, the Bank must check whether the investment recommendations are appropriate for the client considering its knowledge and experience. In order to do so, the Bank must obtain information on the client's knowledge and experience with financial instruments (per asset class).

Presumption for Professional Clients

If a client is classified as a professional client, the Bank assumes that the client has the necessary knowledge and experience and that the financial risks associated with the investment decisions or recommendations are bearable for the client.

Proxy Relationships and Joint Accounts

In assessing the knowledge and experience of legal entities or in the case of a power of attorney, the Bank focuses on the person acting vis-à-vis the Bank. If the proxy is only authorised to sign collectively, all persons involved must have the necessary knowledge and experience. When assessing financial circumstances and investment objectives, the Bank always focuses on the account holder. In the case of an account with two

or more account holders, the Bank always focuses on the person with the weakest financial situation or the lowest risk capacity.

10. BEST EXECUTION OF CLIENT ORDERS

When executing client orders, the Bank ensures that the best possible result is achieved in terms of cost, timing and quality.

11. COMPENSATION FROM THIRD PARTIES

This important aspect in the relationship between the parties is dealt with in detail in the General Terms and Conditions of the Bank, to which the client is requested to refer.

12. CONFLICTS OF INTEREST

The Bank tries to protect and harmonise the interests of its clients, shareholders and employees. Nevertheless, conflicts of interest cannot always be completely ruled out. In general, conflicts of interest can arise between the Bank, its employees and its clients or between the clients of the Bank. In this context, the Bank has taken organisational measures to deal with possible conflicts of interest.

Conflicts of interest that cannot be avoided by these measures are disclosed to the client before services are provided.

13. OMBUDSMAN (MEDIATOR)

If the Bank fails to meet expectations, please contact your Relationship Manager. Together we will strive to find a way to resolve the issue.

Nevertheless, if we are unable to find an amicable solution, disputes between the client and the Bank shall be settled as far as possible in an unbureaucratic, fair, quick, neutral, confidential mediation procedure with the Swiss Banking Ombudsman:

Swiss Banking Ombudsman
Bahnhofplatz 9, 8021 Zurich, Switzerland
www.bankingombudsman.ch
Telephone numbers:
+41 43 266 14 14 English / German
+41 21 311 29 83 Italian / French

Usually, the mediation procedure is activated after a written complaint has been submitted to the Bank and no agreement has been reached between the parties. Proceedings before the Ombudsman are inexpensive or free of charge for the client.