

Information on Financial Services Act (FinSA)

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1. Introduction

ISP Securities AG (hereinafter "ISP") is a Swiss registered securities firm, regulated by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Berne, Switzerland.

The Swiss Financial Services Act ("FinSA"), which entered into force on 1 January 2020, is part of the new regulatory financial market architecture. The purpose of the law is to create a level playing field, boost the competitiveness of the financial centre and improve client protection. The FinSA contains rules on providing financial services and offering financial instruments for all financial service providers. FinSA foresees a transition period of up to two years, i.e. the full implementation of the FinSA requirements as set out in this brochure must be completed by the end of 2021 at the latest.

2. Information on financial services

ISP offers its clients the following financial services.

2.1 Execution-only services

With respect to the purchase and sale of financial instruments, ISP offers the execution of client orders on the market without providing personal investment advice (so called "execution-only"). The client's investment decision is not based on any advice about the merits or the risks of the investments or the appropriateness or suitability. The investment decisions rest with the client. As the client takes the investment decisions without any advice from ISP, execution-only services are most suitable for experienced investors who are aware of the risks and rewards of various types of investments.

2.2 Portfolio management services

With a portfolio management mandate, the client delegates the power of making investment decisions to ISP and thus authorises ISP to execute transactions at its discretion, without seeking the content of the client for each transaction. ISP, however, does not make the investment decisions freely. It does so based on

the determined individual risk profile and within the defined investment strategy.

3. Suitability and appropriateness assessment

Financial service providers are obliged to carry out a suitability and appropriateness assessment when providing portfolio management services. The assessment is based on the information provided by the client to ISP. The quantity of information required depends on the specific client segmentation (see section 4).

As ISP provides portfolio management services to professional (and institutional clients) only, the suitability and appropriateness assessment is limited to the defined investment objectives as it is assumed that these clients have the necessary knowledge and experience to make investment decisions and that the investment risks associated with financial services are financially bearable. However, no suitability and appropriateness assessment will be performed when providing execution-only services.

4. Client segmentation

ISP segments the clients to whom they provide financial services as

- Retail clients;
- Professional clients; or
- Institutional clients.

Annex 1 provides a detailed overview of the segmentation according to FinSA.

4.1 Retail clients

In general, retail clients are all clients who are not institutional or professional clients. In contrast to the other two client categories, retail clients benefit from the highest possible level of investor protection.

4.2 Professional clients

Professional clients are financial intermediaries in the sense of the Swiss Banking Act (BA), the Collective Investment Schemes Act (CISA) and the Financial Institutions Act (FinIA), including

portfolio managers and trustees), Swiss-regulated insurers, foreign financial intermediaries and insurance institutions subject to prudential supervision, central banks, public entities with professional treasury operations, pension funds with professional treasury operations, companies with professional treasury operations, large companies that exceed at least two of the following thresholds:

- (i) a balance sheet of CHF 20 million;
- (ii) a turnover of CHF 40 million; or
- (iii) equity of CHF 2 million

and private investment structures with professional treasury operations set up for high-net-worth individuals.

Some rules of conduct do not apply to professional clients (e.g. provisions of KID) and certain duties can be expressly waived by the clients (i.e. documentation duty).

Professional clients are eligible for a larger investment universe, including financial products targeted at professional clients only or products not registered for distribution to retail clients. In contrast to retail clients, ISP assumes that the persons involved have sufficient knowledge and experience to be able to understand the relevant risks and the respective characteristics of the financial instruments.

4.3 Institutional clients

Institutional clients are supervised financial intermediaries (e.g. banks or licensed portfolio managers), insurance companies, central banks and certain public entities with professional treasury operations.

Institutional clients benefit from the lowest possible legal client protection.

5. Re-segmentation (Opting-out / Opting-in)

Depending on the client segment and if certain criteria are met, the client can declare that it does not wish to remain in its assigned segment but that it wishes to increase investor protection (so-called "opting-in") or that it wishes to reduce investor protection (so-called

"opting-out"). These declarations must be in writing or in another form verifiable by text.

Annex 1 provides an overview of the client segmentation and the various opting-in and opting-out options. Your client relationship manager will be happy to inform you about the exact modalities and effects of a change of client category.

5.1 Opting-out

Clients which have been segmented by default as retail clients, can declare that they wish to be treated as a professional client (opting-out). For this purpose, the client must meet one of the following criteria.

- The client has the necessary knowledge based on training, education, and professional experience or on the basis of comparable experience in the financial sector to understand the risks associated with the investments and has eligible assets of at least CHF 500'000.
- The client has at his/her disposal eligible assets of at least CHF 2 million.

Certain professional clients can opt-out by declaring in writing that they want to be treated as institutional clients (see Annex 1).

5.2. Opting-in

Professional clients can declare that they wish to be treated as retail clients (so-called "opting-in") to benefit from a higher level of client protection. The same applies to institutional clients, who can declare at any time that they wish to be classified as professional clients. However, you must be aware that certain financial services (i.e. portfolio management, execution-only) cannot be provided to retail clients but only to professional clients.

6. Fees

Please contact your client advisor to get more information about the fees in relation to our financial services.

7. Conflicts of interest

7.1 Policy

To avoid conflicts of interest, which might occur when providing financial services, ISP has implemented an internal policy. The aim of the policy is to protect the reputation of ISP, meet the regulatory requirements and maintain the trust of clients and counterparties. The policy is part of ISP's ongoing commitment to uphold the highest ethical standards regarding the client relationship and in dealing with potential conflicts of interest.

If you would like to discuss particular circumstances, please contact your client relationship manager.

7.2 Compensation from third parties

The Client explicitly accepts that ISP is entitled to receive and retain compensation from third parties in accordance with respective applicable legal practice or the provisions of the law and the conditions set out in the relevant service agreements/forms.

8. Risks in financial instruments trading

The various types of financial instruments and associated risks are explained in detail in the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association (SBA).

9. Complaints handling and Ombudsman

Client feedback and complaints are best addressed directly to the client's dedicated relationship manager or contact person. Clients should include the reason as well as their contact details and account number in their written complaint. ISP will endeavour to handle all feedback and concerns as quickly as possible.

If a client perceives a response to be inadequate, ISP would like to be informed so that the situation can be rectified. Should a client be dissatisfied with the way ISP has dealt with their concern, the client may contact the Swiss

Banking Ombudsman, Bahnhofplatz 9, P.O. Box, CH-8021 Zurich, Switzerland.

10. Contact

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8034 Zurich

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Annex 1: Per-se client segmentation (incl. Opting-in and opting out possibilities)

The following table shall provide an overview of the clients segments and the various opting-in and opting-out options. The following applies:

- Opting-in means the legally provided possibility of increasing client protection.
- Opting-out means the legally provided possibility of the reduction of the client protection.

| Clients | Client segmentation | | |
|---|---------------------|----------------------|----------------------------|
| | Retail clients | Professional clients | Institutional clients |
| Bank acc. BA | -- | Opting-in possible | Per-se segmentation |
| Portfolio manager acc. FinIA | -- | Opting-in possible | Per-se segmentation |
| Trustee acc. FinIA | -- | Opting-in possible | Per-se segmentation |
| Manager of collective assets acc. FinIA | -- | Opting-in possible | Per-se segmentation |
| Fund management company acc. FinIA | -- | Opting-in possible | Per-se segmentation |
| Securities firm acc. FinIA | -- | Opting-in possible | Per-se segmentation |
| SICAV acc. CISA | -- | Opting-in possible | Per-se segmentation |
| Limited partnership for collective investment acc. CISA | -- | Opting-in possible | Per-se segmentation |
| SICAF acc. CISA | -- | Opting-in possible | Per-se segmentation |
| Representative of foreign collective investment schemes acc. CISA | -- | Opting-in possible | Per-se segmentation |
| Insurance company acc. ISA | -- | Opting-in possible | Per-se segmentation |

| Clients | Client segmentation | | |
|--|----------------------------|----------------------------|----------------------------|
| | Retail clients | Professional clients | Institutional clients |
| Foreign client subject to prudential supervision | -- | Opting-in possible | Per-se segmentation |
| Central bank | -- | Opting-in possible | Per-se segmentation |
| National and supranational public entity with professional treasury operation | -- | Opting-in possible | Per-se segmentation |
| Cantonal / municipal public entity with professional treasury operation | Opting-in possible | Per-se segmentation | -- |
| Occupational pension schemes with professional treasury operation | Opting-in possible | Per-se segmentation | Opting-out possible |
| Company with professional treasury operations | Opting-in possible | Per-se segmentation | Opting-out possible |
| Large company acc. Art. 4 Abs. 5 FinSA | Opting-in possible | Per-se segmentation | -- |
| Private investment structure with professional treasury operation created for high-net-worth retail clients. | Opting-in possible | Per-se segmentation | -- |
| High-net-worth retail client | Per-se segmentation | Opting-out possible | -- |
| Private investment structure created for high-net-worth retail clients without professional treasury operation | Per-se segmentation | Opting-out possible | -- |
| Swiss collective investment scheme and their management companies which are not already deemed to be institutional clients | -- | Per-se segmentation | Opting-out possible |
| Foreign collective investment scheme and their management companies which are not already deemed to be institutional clients | -- | Per-se segmentation | Opting-out possible |
| Others | Per-se segmentation | -- | -- |