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Unless otherwise agreed, these General Conditions govern the business relationship (the "Banking Relationship") between the account holder (the "Client") and UBS (Monaco) S.A. (the "Bank"). These General Conditions supplement the provisions contained in the "Application to open a Banking Relationship with cash account(s) and financial instruments account(s)" (hereinafter the "Banking Relationship Agreement"), the Special Conditions of the Application to Open a Banking Relationship, the ancillary agreements (hereinafter the "Application to Open") and any special agreements depending on the nature of each account held under the Client's Banking Relationship.

These General Conditions present, on the one hand, the provisions relating to the Application to Open a Banking Relationship (Part One) and, on the other hand, the specific agreements applicable if the Client has subscribed to them either in the Application to Open or in an amending agreement (Part Two). Part Three sets out the specific risks involved in trading financial instruments. Part Four contains the final provisions.

Unless otherwise stated, any reference to a statute, rule, code or other regulation means a reference to that statute, rule, code or other regulation as subsequently amended, supplemented or replaced. Similarly, the form in the singular includes the plural, and the masculine includes the feminine.

## **Part One**

### **Application to open a Banking Relationship with cash account(s) and financial instruments account(s)**

#### **Section 1 Opening of the Banking Relationship and information relating to the Client**

The opening by a Client (as well as maintenance) of a Banking Relationship with the Bank is subject to:

- justification, by means of official documents:
  - for a natural person: of his identity, capacity and domicile;
  - for a legal person: of its name, legal form, purpose, registered office, the identity and powers of the persons acting on its behalf, as well as the identity of any beneficial owner;
- provision of the signature(s) under which the account may be operated throughout the duration of the Banking Relationship;
- the provision of other data and/or documents as requested by the Bank from time to time; and
- on signing of these General Conditions.

The signature authorizations communicated to the Bank remain valid until written notification of any change, regardless of any entries in a public register or other publications. In the absence of written notification, no change will be binding on the Bank. The Bank will process the change notification as soon as possible.

The Client must immediately inform the Bank in writing, with supporting documents, of any change relating to the information referred to above.

Any notification, regardless of the communication channel(s) agreed between the Parties, will be validly delivered by the Bank using the most recent contact details indicated to it by the Client.

The Client further undertakes to inform the Bank immediately and in writing of any event likely to have consequences on his rights and obligations, *inter alia*, if the Client is (or may be) the subject of insolvency or liquidation proceedings or any similar proceedings, a merger, a change in legal form, etc., or an investigation or procedure carried out by a competent authority. The same obligation is incumbent on the Client with regard to the person authorized to represent him and/or any beneficial owner. This obligation is valid even if the changes appear in a public register or are otherwise published.

All transactions to be carried out between the Bank and the Client will, unless expressly waived, fall within the scope of the Client's Banking Relationship, the Client having the right to request the opening of one or more additional cash and financial instruments accounts under the same Banking Relationship number, which in reality only form a single and indivisible current account where the transactions, unless expressly waived, become, by their registration, simple debit or credit items (see Article 17 "Unit of account agreement and netting"). The Banking Relationship may only have a single balance, either in credit or in debit.

The request to open one or more additional accounts under the Banking Relationship may be made by the Client by any means. The Client will receive a simple letter confirming the opening with the new account details.

Unless otherwise instructed by the Client upon receipt of the confirmation letter, the specific Agreements made in the Application to open a Banking Relationship as well as the ancillary agreements will apply to any new cash or financial instruments account. For the operation of this new account, the Client may derogate from the specific Agreements in the Application to open a Banking Relationship by signing amending agreements.

The Banking Relationship will be governed by these General Conditions, the Application to open a Banking Relationship and any special agreements.

## **Section 2 Cash account**

In accordance with the law, the Bank is a member of the Fonds de Garantie des Dépôts et de Résolution (FGDR). Cash deposits collected by the Bank are covered by the FGDR, under the conditions and in accordance with the procedures defined by the texts in force.

In this respect, the general information concerning deposit protection is reproduced in the Annex.

## **Article 1 Account operation**

### **1.1. Current account**

Unless there is an agreement to the contrary or special regulations, the cash accounts opened by the Bank in the Client's name under the cash and financial instruments accounts number are current accounts. Unless otherwise agreed in writing, any cash account may only operate on a credit basis.

If an account becomes overdrawn for whatever reason, the overdrawn balance must be immediately repaid by the Client.

The interest, penalty and fee conditions applicable to debit balances are those applied by the Bank to all its clients for transactions of the same type, on the specification that these conditions are stipulated as variable upwards or downwards, as is customary.

Debit interest applicable to the non-agreed or non-formalized overdraft, in any currency, will be calculated daily at the rate set out in the Pricing Conditions applicable to the Bank's services and products (the "Pricing Conditions") and debited from the Client's account. Any change in this rate will be indicated in the Pricing Conditions and notified to the Client by any means at the Bank's convenience.

The Bank may also claim from the Client a contribution to the operating and management fees of any cash account. The amount of this contribution will be calculated in accordance with the procedures established by the Bank for all its clients, as indicated in the Pricing Conditions and brought to the Client's attention by any means at the Bank's convenience.

The cash account is proof of the transactions carried on it and their amount, as well as the interest, fees, taxes and commissions recorded on it, both between the Bank and the Client and with regard to third parties.

The account is drawn up periodically under the usual or agreed conditions. The charges will continue to be deducted at the same periods and under the same conditions after the termination of the account, until full settlement, even in the event of recovery by legal means. All collection costs, taxable or otherwise, will be borne by the Client.

The Bank will collect the drafts, notes and checks remitted to it, under the usual conditions and deadlines, assuming only an obligation of means. Furthermore, the Bank is not required to draw up a protest or to notify the Client of non-payment. Checks and bills of exchange are credited to an account only subject to their actual collection. Consequently, the Bank may reverse any transactions for which it has not obtained actual collection, as well in the event of late return of unpaid amounts. Any automatic debit or credit to the account is not final and may be rectified by the Bank within the usual time limits.

## 1.2. Special deposits

The Client may ask the Bank to make special deposit transactions: Interest-bearing Deposits or Fixed term deposit. These special deposits are credited, under the general terms and conditions detailed below, to dedicated sub-accounts in accordance with the terms and conditions defined between the Client and the Bank for each special deposit.

The date from which the interest on special deposits runs is the day they are set up by debit into the current account and the creation of the dedicated sub-account. The sums corresponding to the interest on the special deposits shall be paid at the end of the agreed term into the Client's current account, subject to the Bank's right to deduct, in its own favor, the amount of all or part of the interest and capital to cover any debit positions for which the Client is liable; provided that the sums deposited as special deposits are included in the base of the general pledge for currencies or financial instruments agreed to by the Client via a separate document.

In the case of a special deposit made in a foreign currency, the foreign exchange risk that could result from any conversion transaction is and shall remain the responsibility of the Client, who accepts it.

It is specified that the agreed rate for the interest paid on the special deposits is indicative until the transaction is finalized; the interest paid shall be expressed in the form of a gross Annual Actuarial Rate of Return calculated before any tax deductions (the "Annual Actuarial Rate of Return" being the rate of return that would be obtained by discounting at the end of an investment year, using the compound interest method, the income paid in the form of interest or in any other form). The Client also declares that it is personally responsible for the tax regime applicable to the interest paid on the special deposits; the Bank shall have informed the Client of their responsibility to comply with the laws and regulations applicable to their own tax situation, by contacting their usual advisor.

The death of a Client who is a natural person or the court-ordered liquidation of a Client who is a legal entity may result in the closure of the accounts receiving the special deposits before the end of the agreed term; the sums recorded therein will then be transferred on instruction from the heirs or the corporate liquidator, respectively.

### 1.2.1. Interest-bearing Deposits

Interest-bearing Deposits have the possibility of early termination at the Client's request, before the end of the initially agreed maturity, the terms and conditions of which (amount, currency, strictly maximum three-month term and interest rate) are defined on a case-by-case basis by a specific notice that shall include, inter alia, (i) the right to renew the deposit and the conditions thereof; it being understood that the interest will be determined by reference to the Bank's refinancing rate, which is necessarily variable in the event of renewal and (ii) the financial consequences relating to the penalty due in the event of a request for withdrawal before the maturity date.

The Bank reserves the right to refuse the Client's request for early termination of an Interest-bearing Deposit. If the Bank accepts the early termination, it shall be entitled to charge the Client a financial penalty equal to the cost incurred by it as a result of such termination. At the Client's request, the Bank shall indicate the financial impact of the termination.

Interest-bearing Deposits may be renewed automatically at maturity, unless (i) the Client indicates otherwise within two Banking Days before the maturity of the deposit ("Banking Day" means any working day of the Bank in Monaco and during business hours), or (ii) the Bank unilaterally decides not to renew the deposit at maturity.

### 1.2.2. Fixed term deposit of a period of one month or more

Fixed term deposits are interest-bearing deposits that require the Client to freeze the amount deposited in the dedicated sub-account until the end of the agreed term; no additional payment or total or partial withdrawal is possible during the lock-up period. No total or partial termination before the agreed term is possible for a Fixed term deposit.

The interest rate offered by the Bank will take into account both the general level of interest rates at the time of subscription, the amount of the deposits and the duration of the investment.

Each time a Fixed term deposit is created, the Client must agree to the following special terms and conditions: amount, currency, rate of remuneration and term, which may not be less than one month or more than twelve months.

Fixed term deposit may be renewed automatically at maturity, in the same currency, for the same amount and the same length of term, unless (i) the Client indicates otherwise within two Banking Days before the maturity of the Fixed term deposit ("Banking Day" means any working day of the Bank in Monaco and during business hours), or (ii) the Bank unilaterally decides not to renew the Fixed term deposit at maturity; in the event of renewal, the interest rate shall be determined by reference to the Bank's refinancing rate, which is necessarily variable in the event of renewal.

## Article 2 Foreign currency account

The Bank's assets corresponding to clients' assets in foreign currencies are held in the same currencies in or outside the currency zones in question.

The Client will bear, in proportion to his share, all economic and legal consequences that may affect all the Bank's assets in the country of the currency or in the country in which the funds are invested, as a result of actions taken by these countries or by any competent authority.

The Bank will fulfill its obligations resulting from foreign currency accounts exclusively at the place where the accounts are held by only entering into a credit entry in the country of the currency with a correspondent bank or the bank designated by the Client.

Payments made in a currency for which there is no corresponding account may be credited by the Bank to an existing account or left in their original currency. In particular, the Bank has the right to open additional accounts in the Client's name to record payments made in foreign currencies.

## Article 3 Checks

Check forms will be issued by the Bank directly against a special receipt, or will be sent to the Client by registered letter at his own expense and risk.

Check books must be kept with the utmost care by the Client. Any loss of a copy must be immediately brought to the Bank's attention early and confirmed in writing.

The Bank may request the return of unused checks at any time. Upon termination of the Banking Relationship, the Client must immediately return any unused checks, even without a claim from the Bank.

The Client will bear the consequences of the loss, theft, unlawful use and falsification of checks. The costs incurred by notices of objection of any kind will be borne by the Client.

Opposition to the payment of the check by the drawer is only allowed in the event of loss, theft, fraudulent use of the check or in the event of judicial settlement or liquidation of the bearer's assets. The criminal penalties incurred in the event of non-compliance with this provision are those referred to in Article 330 of the Criminal Code (imprisonment of one to five years, fine of €18,000 to €90,000, deprivation for five to ten years of the civil, civil and family rights defined in Article 27 of the French Criminal Code).

## Article 4 SEPA payment means and direct debits

The Principality of Monaco has joined the Single Euro Payments Area set up by the members of the European Payments Council to harmonize and facilitate euro payments.

The rules applicable to SEPA payment means and direct debits, issued by the EPC, are published in the Rulebooks, which may be consulted online on the EPC website (<http://www.europeanpaymentscouncil.eu/>). The Client unreservedly accepts that these rules, insofar as they apply to transactions processed by the Bank, are incorporated into these General Conditions. Consequently, they have a contractual scope between the parties.

### 4.1. Payment methods SEPA Credit Transfer (SCT)

The Bank applies the SEPA Credit Transfer (SCT) rules of the European Payments Council (the "EPC") for payments in the SEPA area, which is the Single Euro Payments Area. If the payee bank does not comply with the EPC rules, the processing times, incident resolution procedures and fees provided for by SEPA payments will not be applicable.

4.1.1. The fees charged by the Bank for cross-border electronic payment transactions, regardless of their nature, are the same fees that the Bank charges for euro payments of the same type when they concern an originator and a payee on Monegasque institution accounts.

#### 4.1.2. Transparency of fees

Under the conditions set forth in these General Conditions, the Bank will provide the Client with prior information on the fees it charges for cross-border payments when they concern an originator and a payee on Monegasque institution accounts.

Any change in fees will be communicated in the manner indicated above before its entry into force.

#### 4.1.3. Measures to facilitate cross-border payments

The Bank will communicate to each client upon request his international bank account number (IBAN) and the Bank's bank identification code (BIC). The Client's IBAN number and the Bank's BIC code are also shown on the statement of each account or in the annex thereto. These references are used by the Client when issuing their invoices for goods or services within the SEPA zone.

The Client must provide the Bank with the following information in his payment instruction:

- The amount to be transferred in euros; any amount indicated in another currency will be transferred for its equivalent value in euros
- The last name, first name or company name, as well as the home address or registered office of the payee
- The IBAN number of the payee's account to be credited
- The BIC of the payee's financial institution
- Where applicable, the execution date of the payment order.

If the Client does not provide the information mentioned above, additional fees may be charged by the Bank. Information on these additional fees is made available to the Client.

A payment order executed in accordance with the instructions of the ordering Client is deemed to have been duly executed by the Bank. Similarly, a payment order, executed in accordance with the unique identifier provided by the ordering Client, is deemed to have been duly executed with regard to the payee designated by this unique identifier. The Bank may not be held liable for the incorrect execution or non-execution of the payment transaction resulting from an error by the ordering Client, in particular in the unique identifier provided.

The Client must send his order to the Bank before the deadline for receipt sent to him by his advisor at his request; failing this, this date will be postponed to the next banking business day.

The maximum order execution period for crediting the payee's account is set by the rules applicable within the SEPA zone. The Bank will inform the instructing party of the date that sets the starting point for the execution deadline.

4.1.4. Rules issued by the European Payment Council (EPC)  
The rules applicable to SEPA payment means, issued by the European Payment Council (EPC); are published in the SCT Rulebook, which may be consulted online on the EPC website (<http://www.europeanpaymentscouncil.eu>). The EPC SCT rules are issued in the English language.

The Client unreservedly accepts that these rules, insofar as they apply to transactions processed by the Bank, are incorporated into these General Conditions. Consequently, they have a contractual scope between the parties.

In the event of a dispute, the provisions of these rules that are relevant to its resolution will be translated into French for the purposes of the proceedings.

## 4.2. SEPA direct debits (SDD)

4.2.1. The European SEPA Direct Debit (SDD) applies to transactions processed within the SEPA area in accordance with the rules laid down by the EPC.

The Client may be the direct debit taker (debtor) or the direct debit issuer (creditor). The following provisions envisage either situation.

The Client may give the Bank the following instructions:

1. to limit the collection of direct debits to a certain amount, or a certain frequency, or both;
2. if a mandate in respect of a payment scheme does not provide for the right to reimbursement, to verify each direct debit transaction and to verify, before debiting the account, that the amount and frequency of the direct debit transaction submitted correspond to the amount and frequency agreed in

the mandate, on the basis of the information relating to the mandate;

3. to block any direct debit from any of his accounts or block any direct debit initiated by one or more specified payees, or to authorize only direct debits initiated by one or more specified payees.

If neither the Client nor the payee is a consumer (in accordance with the definition given by French regulations), the Bank is not required to apply points 1), 2) and 3) above.

4.2.2. The instruction given by the debtor to authorize the debit of his account by direct debit on presentation of orders issued by a creditor results from a written mandate sent by the intermediary of the creditor's bank.

The direct debit mandate is drawn up by the debtor in accordance with the standard form containing all the information required by the EPC. Each mandate is identified by a unique reference number provided by the creditor and by the creditor's SEPA identification number. The mandate will only be validly granted to the debtor's bank, and the latter will only be required to execute it, if it contains all the necessary information and if it is signed by the debtor.

The direct debit mandate may concern a one-off transaction or a recurring instruction. In the first case, or in the case of the first transaction in a series, the interbank presentation period for the direct debit is five banking business days. In the second case, the period is two banking business days from the second transaction in the series.

Where a direct debit service previously accepted by the debtor is replaced, at the creditor's initiative, by another direct debit service, the direct debit mandate, direct debit authorization and any objections made by the debtor before the entry into force of this new direct debit service will remain valid. Notwithstanding the provisions of Article 1188 of the Civil Code, the parties accept as proof of the existence and validity of the direct debit mandate and direct debit authorization the absence of any dispute on the part of the account holder to a direct debit for the benefit of the same creditor or his payee.

The direct debit mandate may be revoked at any time upon written instruction given to the debtor's bank. Revocation will only apply to orders not yet executed.

4.2.3. The Client's attention is drawn to the fact that before payment, the debtor's bank may be required to reject direct debits, either on his own initiative or at the debtor's request. In addition, in certain cases, from the settlement date, in order to re-credit its client's account, the debtor's bank may ask the creditor's bank to return the amount of the direct debits. This return may be made within five banking business days of the settlement date. This return may also result from a request made by the debtor within eight weeks of the date of debit of the debtor's account or, where the debtor disputes the payment on the grounds of the absence of authorization of the direct debit, within thirteen months.

## 4.3. Confirmation of funds transfers

In the absence of instructions to the contrary from the Client, the Bank will confirm by telephone and/or text message the execution of orders to transfer funds which, due to their amount or nature, do not correspond to a current transaction. The text message will only confirm the amount of the transfer and its execution, excluding the name of the Client and that of the payee of the transfer.

The Client will provide the Bank with the telephone number at which he wishes to receive such confirmations.

## Section 3 Financial instruments account

### Article 5 Opening of the financial instruments account and linking to the cash account

All financial instruments accounts are linked to the cash account(s) opened in the Client's name in the Bank's books under his Banking Relationship number. The cash account receives and provides the cash necessary for transactions on financial instruments.



## Article 6 Financial instruments concerned

In particular, the following financial instruments may be recorded in an account:

- bearer or registered securities;
- negotiable debt securities;
- negotiable treasury bills;
- certificates of deposit;
- UCITS;
- options on securities, interest rates, currencies;
- structured or alternative financial instruments.

Registered securities are, in principle, registered in the name of the Bank or its representative, unless expressly requested by the Client.

## Article 7 Mandate given to the Bank for the administration and custody of financial instruments

### 7.1. General

For financial instruments recorded in the account, the Bank carries out all administrative acts (collection of income, etc.). However, the Bank only carries out acts of disposal (exercise of rights to capital increases, etc.) on the express instruction of the Client; it may invoke the Client's tacit acceptance, for certain transactions, in accordance with current practices. In the absence of timely instructions, the Bank may take all necessary and possible measures to safeguard the Client's interests, without any guarantee or obligation on its part. The Bank makes no commitments other than to maintain the financial instruments deposited with it with the same vigilance and prudence as for its own financial instruments, taking into account banking practices. The Bank is liable to the Client for an obligation of means.

In the event of the Bank's insolvency, the financial instruments held by the Client with the Bank do not form an integral part of the Bank's assets and are safeguarded under the terms of the legislation in force; in particular, the FGDR may compensate clients in the event of the unavailability of the financial instruments registered in the account under certain conditions and limits detailed on the FGDR's website <https://www.garantiedesdepots.fr/fr>.

### 7.1 bis Processing of deposited assets

The Bank may, at its sole discretion and without having to indicate the slightest reason, refuse to deposit a credit note or refuse to keep certain assets in custody.

If the Bank does not wish to keep the assets on deposit for longer, in particular for legal, regulatory or specific reasons relating to the asset/product, the Client must, at the Bank's request, provide the Bank with transfer instructions. If, even after a reasonable period granted by the Bank, the Client does not provide transfer instructions, UBS may physically deliver the assets or liquidate them.

### 7.2. Custodians

The Bank reserves the right to establish global deposits of financial instruments that may be entrusted to the custody of other UBS Group entities or foreign correspondents chosen by it or by its own correspondents (the "Custodians").

The Client expressly authorizes the Bank, at his request or by virtue of a clause in the articles of incorporation or a legal or regulatory provision, to inform the Custodian and/or the legal person issuing the financial instruments registered in the account, in particular of his name and address.

Except in exceptional cases, financial instruments and/or precious metals held abroad will be entrusted by the Bank in its own name, but on behalf of the Client, to its Custodian in the country in question, which will receive a mandate to hold them and administer them in accordance with the rules of use on its Market. Thus they will be automatically subject to all the legal requirements of the country in which they are deposited as well as the rules and procedures defined by the Custodians.

Also, with regard to deposits with Custodians, it is generally provided by the law of the country where the Custodian is established that the financial instruments and/or precious metals deposited by the Bank

are protected in the event of insolvency proceedings affecting the Custodian.

If it turns out that the Client's financial instruments have to be deposited with a Custodian established in a country whose legislation does not impose or recognize the principle of segregation of the aforementioned assets, the Client is informed that in the event of insolvency proceedings of the Custodian, and if it is impossible to recover a sufficient number of financial instruments of any category to satisfy his rights, the Client must then share the loss in proportion to his deposits.

In the event of insolvency of a Custodian, the return of financial instruments held in subcustody with the Custodian may be subject to delays related to the insolvency proceedings and the risk that the quantity of specific financial instruments may be insufficient. In a limited number of countries (outside the European Union), it is possible that financial instruments held in subcustody with a Custodian may be included in the insolvency estate and, therefore, depositors may not be able to claim a specific right of return. Upon request, the Bank may provide additional information to the Client in this regard. In this case or in the event that the Bank, for whatever reason, obtains the return of the specific financial instruments only in insufficient quantity to satisfy the rights of all clients who deposited these specific financial instruments with the Bank, these clients will bear the loss in proportion to their deposits in these financial instruments.

Clients may not exercise their rights over these financial instruments against a Custodian.

In some countries, some or all of the Custodians may hold a security interest or lien, or a right of set-off in respect of the financial instruments they hold in subcustody, or their general conditions governing deposits may provide for a sharing of losses in the event of default by their own custodians. This may give rise to situations in which the Bank cannot obtain the return of a sufficient quantity of financial instruments to satisfy its clients' rights. In this case, the loss sharing rule stipulated above applies. At the Client's request, the Bank may provide additional information in this regard.

When acquiring units in investment funds, the Bank may sometimes be directly registered in the investment fund register or this registration may be carried out through a nominee. The impact of the insolvency or payment default of the intermediary concerned depends on local law and contractual arrangements. For this type of acquisition, the Bank may only use the transfer agents appointed by the investment fund and is therefore dependent on the reliability of these transfer agents.

### 7.3. Corporate actions

#### 7.3.1. General:

The Bank informs its Client, via the usual communication channel, of corporate actions requiring a response/action on its part or resulting in a change to the assets recorded in his account.

The corporate actions covered by this information are those that are made public after the date of recognition of the securities in the account.

As the Client is aware of the characteristics of a financial security or a right (in particular a share subscription warrant, warrant or convertible bond) at the time of acquisition, the Bank is not obliged to give prior notice of maturity.

#### 7.3.2. Corporate action requiring a response/action from the Client:

The Bank will, as soon as it becomes aware thereof, inform the Client of corporate actions affecting his financial instruments and requiring a response/action on his part. The information sent to the Client will specify in particular the response time within which the Client must make a decision. The Client must respond to his Advisor in writing or, subject to the prior consent of the Bank, by telephone.

It is hereby recalled that the knowledge that the Bank may have of these transactions is subject to the information published by the issuer of the security and the communication media chosen by the latter, without the Bank being held liable for the distribution deadlines and the content of the information disseminated, such as any payment deadlines that the issuer might apply.

It is expressly agreed that in the absence of response from the Client, instruction from the Client that is not transmitted in accordance with this article, or impossibility of responding for the Client (in the event e.g. an investment restriction related to the country of residence of the Client or indicated in the documentation of the security in question), the default option specified, if applicable, in the corporate action notice sent to the Client, will be implemented without the Bank's liability being able to be incurred, regardless of the time allowed to respond.

In addition, the holder must keep himself informed personally of any event affecting the life of the company that issues financial instruments in deposits and is likely to affect their value, such as the receivership or liquidation of the issuing company, the holding of meetings, the Bank not assuming any obligation to provide information in this respect. The Client notes and accepts that the Bank offers no guarantee as to the exercise of the rights attached to the financial instruments deposited, with the exception of those attached to the shares of UBS SA.

In addition, the Bank may also offer, by separate agreement, services enabling clients to improve their shareholdings linked to their holding of shares (registered in the Bank's books) in listed companies in the European Union. These services relate to the transmission of information relating to a meeting or the exercise of voting rights during a meeting.

#### **Article 8 Availability of financial instruments**

The financial instruments recorded in the account may not be used by the Bank, unless the Client has given his consent in a specific agreement.

For financial instruments recorded in the account, the Bank undertakes to comply with all the market rules relating to the security of financial instruments.

#### **Article 9 Transmission and execution of orders**

The Client undertakes to comply with the regulatory provisions applicable to the markets on which orders are placed.

The Bank may act as a transmitter of orders or as a counterparty for transactions on financial instruments carried out by the Client.

In order to execute orders received from the Client, the Bank may transmit them to other UBS Group entities, acting as the Bank's commission agents.

The Bank may refuse any order that does not comply with the practices and regulations in force on the markets on which it is placed or that is placed on a market in which it does not usually trade.

In the event of an international sanction and/or embargo or any equivalent measures applicable in Monaco or within the UBS Group, the Bank reserves the right to refuse the execution of an order on financial instruments, or to ask the Client to transfer or sell financial instruments registered in the account.

The Client may neither hold the Bank liable for any loss attributable to this non-performance or this request for transfer or sale, nor claim compensation in this respect.

##### **9.1. Transmission of orders**

9.1.1. The Client transmits his orders (stock exchange, foreign exchange, over-the-counter, etc.) to the Bank, in writing or by telephone.

However, at his prior request and after written agreement from the Bank, the Client may transmit his orders by any means of transmission put in place by the Bank, in which case the Client must comply with the conditions contractually defined in the Application to open a Banking Relationship or any other contractual document to be signed separately. The Bank may, for any order, require a written document at any time. In the event of an order transmitted by telephone, the Client releases the Bank from all consequences that may result from the use of this means of communication, in particular those resulting from falsification, technical failure, error, inadequacy or inaccuracy of the instructions and misuse or fraudulent use thereof, except in the event of serious misconduct by the Bank.

With regard to orders placed by telephone, the Client acknowledges having been informed that the Bank records conversations. The Client declares that he accepts this procedure without reservation or restriction and waives any action in advance. These recordings will be binding between the parties and may therefore be used as proof in the event of a dispute. The above provisions apply both to the person of the Client and to any proxy holder the Client has appointed. The Client will bear all the costs relating to any request to transcribe telephone recordings. Investment orders are recorded by time stamping when the order is received by the Bank and transmitted to the intermediary responsible for execution.

9.1.2. By transmitting his order to the Bank, the Client must specify whether it is a purchase or sale, the number and characteristics of the instruments concerned and all the information necessary for the transmission and execution of the order on the market.

##### **9.2. Transaction notice**

The execution of orders is the subject of a transaction notice sent automatically by the Bank to the Client. The Bank draws the Client's attention to the importance of the information provided on these notices and recalls that failure by the Client to contest the transactions within the period prescribed in the transaction notices constitutes confirmation or ratification of the transactions.

In the absence of a time limit stipulated in the transaction notice, claims relating to the conditions of execution of the order must be sent in writing to the Bank – under penalty of foreclosure - within a maximum period of 48 (forty-eight) hours following the date of the notice mentioned or from the date on which the order should have been executed in cases of non-performance.

The Client's failure to dispute the transactions appearing in the execution notices within a given period will result in the Client waiving any claim against the Bank regarding the transactions carried out on his behalf; the Client will be deemed to have ratified the transaction. To this effect, the Bank's entries will be proof of the transactions carried out on the account.

##### **Article 10 Client information**

Provided it is informed, the Bank will inform the Client, under the terms of an obligation of means and without incurring any liability, by simple notice of the transactions to which the financial instruments give rise in order to enable it, when his assistance is required, to exercise the rights attached to the financial instruments recorded in the account (detachment of coupons, reverse stock split, modification of the nominal value, etc.). The information given to the Client is limited to events affecting the rights attached to financial instruments, excluding events that may affect the life of the issuers of financial instruments, whether or not they are likely to affect the rights attached to the financial instruments or their value. The Client acknowledges that the submission, by the Bank, of the contractual documentation issued by the issuers of financial instruments (memorandum, subscription form, etc.) at the time of subscription and/or investment in said financial instruments constitutes information provided by the Bank in respect of all the rights and actions attached to the financial instruments held. In this respect, the Client is presumed to have been properly informed of the terms and conditions for exercising said rights and actions (deadlines, procedures, eligibility criteria).

##### **Article 11 Customer complaint (non-receipt of an account statement)**

Account statements (and sub-accounts) and asset statements are made available to the Client in accordance with the agreed or applicable frequency.

The Client's failure to dispute the transactions appearing on the statements within one (1) month of their issue date will result in the Client waiving any claim against the Bank on the entries and information contained therein.

A Client who has not received an account statement must make a complaint immediately and in any event within one month of its closing date, otherwise the statement will be deemed to have been received on the correct date.

## Article 12 Coverage

The regulations in force, and market framework agreements relating to interbank settlement systems or settlement and delivery of financial instruments, or transactions on financial instruments, in relations between a bank and its client, require the establishment of coverage for any person who entrusts a bank with the transmission or execution of stock exchange orders on a regulated market, or all investment orders. Consequently, the Client allocates all his financial instruments registered under its Banking Relationship to cover his stock exchange and investment transactions carried out through the Bank.

For any forward transaction, the usual coverage, equal to a certain percentage, set by the Bank, of the nominal amount to which the forward transaction relates, must be provided by the originator within the framework of a prior agreement defining a transaction limit guaranteed by all or part of the assets deposited. The Bank is authorized to amend the coverage requirements in the event of a change in the objective elements used to determine them. Similarly, the Bank has the right to require an additional guarantee if the value of the coverage has declined.

Pursuant to the regulations in force and the aforementioned framework agreements, the Bank may liquidate open positions if no additional coverage is provided, within the contractual period, and/or sell the financial instruments allocated as coverage instruments, in sufficient quantity to cover the sums owed by the Client in respect of his investment transactions. The Bank will be the sole judge of the choice of financial instruments to be sold as part of the reconstitution of the coverage, without being held liable in this respect.

If the coverage is not restored, the Bank may realize the pledge in accordance with the provisions of the deed of pledge of money or financial instruments.

The mere entry in the Client's account of a debit position linked to a transaction carried out under these provisions will not constitute tacit overdraft authorization.

## Article 13 Foreign currency transactions

For transactions giving rise to payments in foreign currencies, the cash account in the currency of the transaction is debited if the balance permits, failing which in its equivalent value in another currency, for the amount of the transaction carried out and the related fees and commissions by applying the rate applied to the currency in question on the day the transaction is recognized, unless expressly agreed otherwise.

For credit transfer transactions, the cash account in the currency of the transaction is credited.

## Article 14 Transactions in forward financial instruments

The conclusion of futures or options contracts for financial instruments traded in France or abroad on over-the-counter, organized or regulated markets such as swaps, FRAs, options, etc., is subject to the prior conclusion of ad hoc agreements, the provisions of which will supplement those set out in section 8 hereof.

## Article 15 Distribution-related compensation and other pecuniary benefits

The Bank offers its clients a wide range of financial instruments. To this end, it concludes distribution agreements with promoters of investment funds and structured products, independently of the contract concluded with the Client. For its distribution activity and related services to promoters, the Bank receives compensation or other pecuniary benefits from the promoters. These revert exclusively to the Bank.

The Client expressly authorizes the Bank to retain this compensation and other remuneration as optional remuneration.

The Bank is prepared to provide the Client, upon request, with further information on the distribution-related compensation and other remunerations concerning the Client. The Bank will ensure that the Client's interests are protected in all cases, if conflicts of interest relating to the aforementioned benefits arise.

## Article 16 Commissions, fees and taxes

16.1. All sums owed by the Client to the Bank for the operation of his accounts and the services provided by the Bank (custody fees, brokerage fees, commissions on payment transactions, account keeping fees, etc.) are set out in the Pricing Conditions, of which the Client acknowledges having received a copy, or in a specific pricing arrangement between the Bank and the Client. The Client undertakes to obtain prior information from the Bank on the rate applicable to any proposed transaction. By concluding transactions with the Bank, the Client will be regarded as having accepted the relevant pricing conditions of the Bank.

16.2. The Client authorizes the Bank to collect the amount of the usual commissions and fees by debiting one of his accounts held under the Banking Relationship.

16.3. The Client undertakes to pay or reimburse, as the case may be, to the Bank, all taxes, levies or duties, already imposed or to be imposed in the future by the competent authorities, paid by the Bank or to which the Bank may be liable, and to which the transactions carried out within the framework of the Banking Relationship with the Bank may give rise. The Bank is authorized to debit the amounts thus due from one of the Client's accounts, regardless of the settlement date of the original transactions.

16.4. The Bank reserves the right to amend the Pricing Conditions by notifying the Client, one (1) month before the planned application date, by any means, including by a mention on an account statement or a publication on the Bank's website.

16.5. The Client accepts that if a business introducer is involved in the onboarding process between the Client and the Bank, a fixed or proportional fee will be paid by the Bank to the business introducer in accordance with their agreements. The payment of such commission has no impact on the Pricing Conditions applied to the Client.

16.6. The Client will bear all the Bank's legal costs and expenses (including lawyers' fees) in the event of any proceedings in which he is involved as a result of the Banking Relationship. In the event of a dispute between the Bank and the Client, the Client will bear all the Bank's legal costs and expenses (including lawyers' fees).

16.7. The Bank draws the Client's attention to the fact that whenever a variable interest rate applies to the fees, commissions, costs or payments for which the Client is liable to the Bank, this rate will be set by the Bank on the basis of a reference interest rate (e.g. SONIA, SOFR, SARON, Euribor, etc.) plus a margin. The Client acknowledges that the Bank is only a user of the reference interest rate managed by a third party. The Bank cannot guarantee or rule on the determination by the administrator of the relevant reference interest rate. In this respect, it may no longer be used as a reference interest rate for the duration of the Banking Relationship due to various factors that are outside the Bank's remit, for example, following the announcement that the reference interest rate will no longer be maintained or that the calculation method will shortly be changed.

The Client accepts that the Bank will, at its discretion, replace the relevant reference interest rate (the "Old Reference Rate") with a new reference interest rate (the "New Reference Rate") and make the necessary adjustments following such replacement. The Bank will follow the order of priority set out below:

1. The person appointed by the administrator of the Old Reference Rate (i.e. the person exercising control over the provision of the Old Reference Rate);
2. Failing this, the person designated by the regulatory authority responsible for the Bank;
3. If neither the administrator nor any regulatory authority defines a successor, the Bank will itself designate the New Reference Rate, at its reasonable discretion, taking into account the general practices of the banking and financial sector, while respecting the highest possible level of equivalence in terms of the method used to calculate the Old Reference Rate. For this purpose, the Bank will only take into account benchmark interest rates that meet the requirements of European Regulation 2016/1011 on benchmarks and that demonstrate or will attest to a sufficient presence in its market segment, according to the Bank's estimate.



If the New Reference Rate has a different calculation method than that of the Old Reference Rate, e.g. with respect to reference values, term structure or risk components, the Bank will make a one-off correction of the New Reference Rate by an adjustment factor to ensure an economic equivalence between the Old Reference Rate and the New Reference Rate.

The Bank will apply as an adjustment factor for the Old Benchmark Rate, that defined in the following order of priority:

1. A universal adjustment factor defined by the International Swaps and Derivatives Association (ISDA);
2. Otherwise, an adjustment factor defined by a recognized industry association across the market (such as the ISDA);
3. If no adjustment factor is designated, the Bank will designate the adjustment factor, at its reasonable discretion, taking into account general industry practice, differences in calculation methods, e.g. reference values, forward structure or risk components of the new reference interest rates.

The Bank will inform the Client of the planned replacement of the Reference Rate, the New Reference Rate and any adjustment factors. The New Reference Rate will apply in the absence of any objection within the period indicated by the Bank, which must not be less than 30 (thirty) days from the date of notification. Any objection by the Client sent in writing within the aforementioned period will be deemed to constitute termination of the Banking Relationship, taking effect on the expiry date of the period in question.

#### **Section 4 Provisions common to the cash accounts and financial instruments accounts**

##### **Article 17 Unit of account agreement and netting**

In the event of multiple accounts opened under the Banking Relationship with the Bank under separate headings or qualifications, these various accounts irredeemably form a single indivisible and global account, unless otherwise stipulated by law or regulations, the balances of which may be merged at any time, on an ad hoc or definitive basis, to determine a single balance.

However, and unless otherwise agreed, decisions to pay or reject any securities or payment orders (checks, direct debits, etc.) are taken solely on the basis of the position of the account on which the security or payment order is held. The same applies to interest, which is calculated on an account-by-account basis, unless expressly agreed by the Bank.

Thus the termination of one of the accounts, occurring for whatever reason, results in the termination of all the other accounts, notwithstanding any agreed deadlines or terms.

Termination of the Banking Relationship will render the balance obtained by offsetting all the accounts immediately due and payable.

The existence of other accounts, such as financial instruments accounts and others, opened in the Client's name, is not unrelated to any momentary debit positions accepted by the Bank. Consequently, the Bank will always be entitled to offset, without prior notice and in the order of priority that it considers most appropriate, the debit balance of the account as defined in the previous paragraph against the credit balances of other accounts, by bank transfer and, where applicable, by changing cash into foreign currencies.

Similarly, in the event that offsetting is not possible, the Bank may exercise a right of retention until payment of this debit balance, on all sums, securities or objects deposited by the Client, in particular in the financial instruments accounts, due to the close connection by which the parties intend to link the various balances.

##### **Article 17bis - Processing of deposited assets**

The Bank may, at its sole discretion and without having to indicate the slightest reason, refuse to deposit a credit note or refuse to keep certain assets in custody.

If the Bank does not wish to keep the assets on deposit for longer, in particular for legal, regulatory or specific reasons relating to the asset/product, the Client must, at the Bank's request, provide the Bank with transfer instructions. If, even after a reasonable period granted by the Bank, the Client does not provide transfer instructions, UBS may physically deliver the assets or liquidate them.

#### **Article 18 Complaint, refusal and deadline for performance, termination and closure**

##### **18.1. Client complaint**

In addition to the complaints referred to in articles 9.2 and 11 above, the Client may send, within the statutory limitation period in force unless expressly stipulated otherwise, any oral or written complaint to the attention of the Bank's management, at the address of its registered office.

The initial complaint will be answered, as far as possible, within ten (10) Banking Days of receipt of the complaint. In the event that additional investigations are required for the full processing of the complaint, an acknowledgment of receipt will be sent to the Client, with an estimate of the timeframe within which the Bank may respond.

##### **18.2. Refusal and deadline for execution of transaction(s)**

The Client, having been duly informed, expressly waives the right to seek the Bank's liability if the Bank defers, suspends or refuses to carry out a transaction for which it has not obtained the clarifications requested under terms and conditions that satisfy it. In order to comply with its legal and regulatory obligations, the Bank, before the execution of a transaction, may request from the Client various useful documents and justifications that the Client undertakes to provide upon request. In the event that the Client does not provide them upon request, the Bank reserves the right to refuse to execute the transaction, unilaterally terminate the Banking Relationship, close the Client's accounts or suspend (until receipt of the required information) any execution.

In addition, the Client is informed that the Bank is not a direct participant in payment systems, as transactions are executed through correspondents. As a result, transfers or direct debits are subject to the assessment by the account holder's correspondent banks, who are the direct participants in the systems, of their own obligations. This factor does not fall within the decision-making power of the account holder Bank and the measures taken by intermediary banks are binding on the parties. The Bank will not be liable in this respect.

##### **18.3. Termination**

The contractual relations governed hereby (with the exception of accounts governed by the provisions of Law No 1.492 of 8 July 2020 on the establishment of a right to a bank account) may be terminated at any time, unilaterally and without having to justify itself, by sending a recorded delivery letter.

Termination will take effect upon the expiry of a period of ten (10) calendar days from the date on which said recorded delivery letter is sent (the "Termination Date").

However, termination by the Bank may also take place immediately and without any prior notice in each of the following cases:

- in the event of an unauthorized debit position on the account;
- if the Client's assets are seized,
- if checks are issued without sufficient funds or in the event of payment incidents recorded by the Bank, and more generally if such incidents are brought to the Bank's attention.

Termination results in:

- the immediate repayment of the balance of the cash and/or financial instruments accounts, which will be established by incorporating therein the bills that would have been discounted and that would not have matured at the time of the closing and that would have been unpaid at the time of the closing, the amount of the guarantees, endorsements, acceptances in progress and, in general, all risks for which the Bank has provided coverage and that remain outstanding at the time of the closing,
- the impossibility of using the services of the Bank and
- the closing of the Banking Relationship (including the termination of all specific agreements and covenants).

The effective cessation of the Banking Relationship will, however, have no impact on any guarantee and/or security securing the Client's obligations towards the Bank. The agreements concluded between the Client and the Bank, including the General Conditions, will remain in force to the extent applicable to such guarantees and/or surety agreements.

#### **18.4. Closure of the Banking Relationship**

The closure of the cash accounts will constitute termination of the Banking Relationship and result in the closure of all related financial instruments accounts.

The closure of a financial instruments account without closure of the cash account notably results in the revocation of the mandate to administer and retain the financial instruments recorded in the account.

The closure of the Banking Relationship will result in the cessation of all transactions carried out on the account(s) with the exception of transactions in progress on the closing date and not definitively settled. The Bank may retain all or part of the financial instruments recorded in the account until the settlement of the transactions in progress in order to ensure their coverage.

In order to enable the effective termination of the Banking Relationship, and in the event that the Client does not instruct the Bank to transfer his assets by the Termination Date at the latest, the Client authorizes the Bank to liquidate the positions/assets he holds, to convert all cash into the same currency, and to send him the total sum resulting therefrom, after debiting the fees and commissions due, by check to his order sent by post to his last address communicated to the Bank.

The General Conditions and the Standard Pricing Conditions will continue to govern the settlement of outstanding transactions until all transactions and commitments are executed and honored and the Banking Relationship is terminated.

In the event of withdrawal or transfer by the Client of all his assets held with the Bank, the Bank reserves the right to debit the Client's account before said withdrawal or transfer of the fees due as a result of the closure of the Banking Relationship.

#### **Article 18bis Limit of the Bank's liability**

**General Rule** - In the context of the Banking Relationship between the Client and the Bank, without prejudice to any applicable laws and regulations and/or any specific contractual arrangements, the Bank's liability is limited as follows:

- the Bank may only be held liable in the event of gross negligence on its part;
- if information, in particular with regard to the valuation of the assets held in an account with the Bank, is based on information provided by third parties, the Bank declines all liability for the quality of this information;
- if the Client's assets are managed by a third-party manager or a proxy holder, the Bank acts as a simple custodian of the assets and it may not be held liable for the management carried out, nor for the instructions given by such third-party manager or proxy holder, if applicable, nor for the information communicated to the third-party manager or agent, if applicable;

The Bank has no obligation to verify the quality or risks associated with the transactions, or to warn or advise the Client in relation to the investment decisions taken;

- if, in its capacity as custodian of financial instruments and/or precious metals, the Bank has deposited the financial instruments and/or precious metals with third parties, the deposit of these assets is carried out exclusively on behalf of and at the risk of the Client and the Bank's liability will be limited to its gross negligence; in the event of loss of financial instruments and/or precious metals due to gross negligence by the Bank, the Bank will have the sole obligation to replace the financial instruments and/or precious metals with identical financial instruments and/or precious metals or, if this is not possible, to reimburse the Client for the value of the financial instruments and/or precious metals on the day of the request for delivery or sale.

The Bank may not be held liable for damages caused by political, legal or economic events or for any other reason beyond its reasonable control that are likely to interrupt, disorganize or disrupt, in whole or in part, the services of the Bank or those of its national or foreign correspondents, custodians of financial instruments, settlement systems or any other service provider, even if these events are not force majeure events such as interruptions to the telecommunications system, electrical failure, failure of communication services, networks or computer equipment, virus or malware, hacking or any other breach of systems, or similar events.

The Bank accepts no liability for damage resulting from legal provisions, declared or imminent measures taken by public authorities or courts, acts of war, terrorism, revolutions, wars and civil conflicts, natural disasters, acts of God, acts of sabotage, strikes, lockouts, boycotts, picketing and other similar actions, regardless of whether the Bank and/or the UBS Group are, directly or indirectly, parties to the conflict or whether the Bank's functions are only partially affected.

Forfeiture or damage resulting from the failure to exercise rights and obligations relating to financial instruments and coupons on deposit and/or precious metals will be borne in full by the Client.

**Fraudulent use of signature** - The Bank is not liable for the fraudulent use (e.g. falsification) of the Client's handwritten or electronic signature (actual or falsified). The same rule applies to the signature of any person authorized to carry out transactions on the Client's account (including any person to whom the Client has granted power of representation on the account). In the event that the Bank does not detect the fraudulent use of a notarized or falsified signature and executes a transaction on the basis of such a document, it will be deemed to have executed a valid transaction on the instruction of the Client and will be exempt from all liability. In particular, the Bank will not return to the Client any assets misappropriated through the fraudulent use of documents. The Bank will only be liable if it has committed gross negligence during the verification of the documents.

#### **Article 19 Retention of documents and proof**

The Bank reserves the right to destroy after ten years all documents relating to the Banking Relationship, in particular correspondence and documents relating thereto.

The Bank expressly reserves the right to retain, in lieu of the original documents, any data or image medium (microfilms, computer disks) that have the same probative value.

The Bank may rely as proof on any electronic document in the same way as on any paper medium, even if the proof provided by the Client consists of a document drawn up on paper.

#### **Article 19bis Electronic signature**

The Bank may agree to receive certain forms and documents with an electronic signature instead of an original handwritten signature.

By express agreement constituting proof, the Client:

- (i) agrees to electronically sign the said forms and documents with the United Signals service (<https://www.united-signals.com/en/>);
- (ii) acknowledges that the said forms and documents are concluded in the form of an electronic writing, in accordance with the provisions of Article 1163-1 of the Civil Code, and

electronically signed by means of a reliable identification process implemented by IDnow GmbH and DocuSign France guaranteeing the link of each signature with the forms and documents to which it is attached, in accordance with the provisions of Article 1163-3 of the Civil Code ;

(iii) acknowledges that the said forms and documents have the same probative value as a written document on paper and that they can be validly opposed to him/her ;

(iv) acknowledges that this electronic signature has the same value as his/her handwritten signature ;

(v) confers a certain date to that attributed to the signature of the said forms and documents by the United Signals service ;

(vi) acknowledges that (a) the requirement of a plurality of originals is deemed to be satisfied, and that (b) this signature process allows him/her to have a copy on a durable medium or to have access to it, in accordance with the provisions of Article 1172 of the Civil Code ; and

(vii) agrees to designate Monaco as the place of signature of the said forms and documents.

## **Article 20 Processing of personal information – Professional secrecy**

### **20.1 Personal information**

The Client acknowledges that the Bank collects, stores and processes physically or by computer system or otherwise uses personal information concerning the Client. These may be subject to automated processing by the Bank and/or be used by UBS Group entities or by third-party companies for the performance of work/tasks that the Bank subcontracts, delegates or outsources. All personal information collected is mandatory to enable the proper performance of this agreement and any transaction between the Bank and the Client.

The Bank undertakes to take all precautions to preserve the security of this information and in particular to prevent it from being distorted, damaged or communicated to unauthorized third parties.

The information collected will only be used and communicated externally to the Bank's agents and UBS Group companies or to the judicial, administrative and regulatory authorities for the purposes of managing, protecting the interests and security of the Client or the Bank or to meet legal and regulatory obligations. Pursuant to Law No 1.362 of 3 August 2009 on the fight against money laundering, terrorist financing and the proliferation of weapons of mass destruction and corruption, the Bank processes personal information enabling it to comply with its reporting obligations, know-your-customer obligations, vigilance and monitoring of persons and accounts with regard to the fight against money laundering, terrorist financing and corruption; in this respect, the Client's personal data may be checked by querying the databases for monitoring at-risk persons administered by UBS SA (Switzerland).

The Client is also informed that these databases may be supplemented and completed by the Bank, in particular for the purposes of monitoring persons and accounts in terms of anti-money laundering and consolidated supervision, by recording certain personal data collected. The right of access to this processing is exercised subject to the legal restrictions in this area. The Client may exercise his right of indirect access by sending a request to the Commission de Contrôle des Informations Nominatives (CCIN) for verification of their information, in accordance with Article 15-1 of Law No 1.165 of 23 December 1993.

### **20.2 Professional secrecy – Client information**

The Bank is bound by professional secrecy, in accordance with Articles 308 of the Monaco Criminal Code and L511-33 of the French Monetary and Financial Code.

The Client notes that personal information concerning him may be transmitted in accordance with the provisions of the aforementioned Article L511-33. To this end, the Bank may share information concerning clients and prospects, particularly in the context of the transactions set out below:

- Service contracts concluded with third parties to entrust them with important operational functions;
- When studying or drawing up any type of contracts or transactions concerning clients and prospects, where these entities belong to the UBS Group

Persons receiving information covered by professional secrecy, which has been provided to them for the purposes of one of the transactions set out above, must keep it confidential, whether or not the aforementioned transaction is successful. However, in the event that the aforementioned transaction is successful, these persons may in turn communicate the information covered by professional secrecy under the same conditions as those referred to in the articles of the aforementioned Monetary and Financial Code, to the persons with whom they negotiate, conclude or execute the transactions referred to above.

The information necessary for the performance of the mission entrusted to the Bank at the technical, administrative and commercial levels (e.g. for the management of payment services) may potentially be the subject of external communication.

In particular, the Client is reminded that the messages accompanying transfers must include the name, address and account number of the persons issuing the transfer instructions. As a result, this information is communicated mainly to correspondent banks and system operators involved in the processing of financial transactions in Monaco or abroad, or to SWIFT (Society for Worldwide Interbank Financial Telecommunication). In most cases, the payee of a transfer also receives the details of the payer. It is also possible that banks, SWIFT or system operators involved in the execution of a credit transfer may in turn disclose the data to authorized third parties in other countries, for the purpose of processing or safeguarding the data.

Furthermore, the Client is informed that for the purposes of implementing the services and functionalities provided through Digital Banking, the Bank uses an external service provider(s), in particular for the operation and maintenance of the software and the app, and that its personal data is communicated outside UBS (Monaco) S.A.

The Bank is authorized to provide any external or internal auditor, whether a natural or legal person, with all the information needed for the proper performance of their duties. Such information may also relate to information covered by professional secrecy, in particular the identity of the Bank's clients or prospects.

The information required for the consolidated supervision of a banking supervisory authority will be communicated to the consolidating entity.

### **20.3 Professional secrecy – Client's authorization**

The processing of credit applications by the Bank may be carried out in collaboration with UBS SA (Switzerland), the Bank's parent company or other UBS Group entities. The Client expressly authorizes the Bank to transmit the personal information concerning him collected as part of the study or preparation of his credit transactions to UBS SA and/or other UBS Group entities for the purposes of processing these files.

In addition, the Client expressly authorizes the Bank to communicate and share certain necessary data concerning the Client and their updates to the UBS Group entities in order to pool technical or operational resources, in particular IT resources.

The Client expressly authorizes the Bank to communicate any information and any useful data concerning it to its contractual service providers as well as to entities (including subsidiaries and branches) that are part of the UBS Group contributing to the performance of the services offered within the framework of the Banking Relationship, in order to enable the Bank to respond to requests for information about the Client, from contractual service providers such as correspondent banks, motivated by their legal and regulatory obligations, in particular with regard to the fight against money laundering, terrorist financing and corruption.

### **20.4 Additional information and right of access**

When data is transferred abroad, it no longer benefits from the protection conferred by Monegasque law. Foreign laws and regulations may provide for the transmission of this information to authorities or to third parties. In addition, some of these countries may not have adequate personal data protection legislation in accordance with the standards of Monegasque law.

Pursuant to Law No 1.165 of 23 December 1993 on the protection of personal information, any information that may be collected from the Client may give rise to the exercise of a right of access and rectification in writing with the Client's client advisor. The Client may also ob-

ject, for legitimate reasons, to the automated processing of information concerning him.

For more information on the processing of personal information and on the Bank's privacy policy, the Client may contact his client advisor or visit the UBS SA website [www.ubs.com](http://www.ubs.com) by choosing "Monaco" from the list of countries. The Client may read the principles of the privacy policy by consulting the "Privacy Statement" tab; and more generally the processing of personal information implemented by the Bank, as well as the provisions relating to the European regulations on the protection of personal data, by clicking on the "Additional Legal Information" link accessible at the following address:  
<https://www.ubs.com/global/fr/legal/privacy/monaco.html>.

#### **Article 21 Joint accounts with joint and several liability**

In the event that a Banking Relationship is opened with the opening of a joint account(s) with joint and several liability, each of the co-holders has the right to dispose, alone and without restriction, of the deposited securities and funds, to pledge them, to give any instructions and approvals whatsoever and to grant power of attorney to third parties. Each of the co-holders is expressly authorized to terminate the Banking Relationship or to close a joint and several account in the event of multiple accounts, for himself and for all the co-holders. The signature of one of them is sufficient to grant full discharge to the Bank and the powers of attorney granted by one of them are deemed to be granted in the name of all of them.

The account(s) will operate after the possible death of one of the holders on the sole signature of the survivor(s). However, as soon as it has been informed of the death of one of the co-holders, the Bank will limit the free disposal of the survivor(s) to their share of the assets recorded in the account(s) as resulting from the division of the balances and financial instruments on the date of notification to the Bank.

At the request of an heir or a legal or instituted representative, validly legitimized, of the deceased or incapacitated co-holder, the Bank is authorized to disclose, in accordance with the relevant legal provisions, the status of the account(s) on the date of death or incapacity, as well as the identity of each co-holder and any proxy holder.

It is expressly agreed that there is active joint and several liability between the co-holders and, consequently, all payments and settlements made by the Bank at the instruction of any co-holder will release the Bank with respect to all the co-holders as well as with respect to their heirs or one of the co-holders deceased. Payments made to a co-holder will be credited by the Bank without further formality to one of the joint and several accounts, unless otherwise instructed.

In the event that the joint account(s) is/are in debit, the co-holders undertake personally and jointly and severally, under the terms of Articles 1055 et seq. of the Civil Code, to repay the debit balance(s) to the Bank. There is also joint and several liability in this case between the heirs or representatives of the co-holders.

These conditions only govern the co-holders' right of disposal with respect to the Bank, without regard to internal relations, in particular the proprietary rights of the holders and their beneficiaries.

#### **Article 22 Undivided accounts with passive joint and several liability**

Any Banking Relationship with the opening of an undivided account(s) with passive joint and several liability operates under the joint signature of all the co-holders who have the right to dispose without restriction of the securities and funds thus deposited, to pledge them, to give any instructions and approvals whatsoever and to grant power of attorney to one (1) or two (2) co-holders, or to third parties. Co-holders acting jointly may grant a power of management of the assets and financial instruments on deposit to only one of the co-holders. The signature of one of them will suffice to grant full discharge to the Bank. These provisions may only be terminated upon the signature of all the co-holders. In the event of the death or civil incapacity of a co-holder, the right to sign will be exercised collectively by the surviving co-holder(s) and by the heirs of the deceased co-holder(s) and/or by the representative of the incapacitated co-holder, in accordance with the laws and practices of the Principality of Monaco.

At the request of an heir or legal or instituted representative of the

deceased or incapacitated co-holder, the Bank is authorized to communicate, in accordance with the relevant legal provisions, the statement of the account(s) on the date of death or incapacity, as well as the name(s) of the co-holder(s) and any proxy holders.

All communications relating to the Banking Relationship are deemed validly made when they are sent to the last address indicated to the Bank.

In the event that the undivided account(s) are in debit for whatever reason, the co-holders undertake personally and jointly and severally, under the terms of Articles 1055 et seq. of the Civil Code, to reimburse the Bank for the debit balance(s) in principal, interest, commissions, fees and ancillary costs. There is therefore also joint and several liability in this case between the heirs of the co-holders.

These conditions only govern the co-holders' right of disposal with respect to the Bank, without regard to internal relations, in particular the proprietary rights of the holders and their beneficiaries.

#### **Article 23 Taxation**

##### **23.1 Taxation applicable to persons subject to income or corporate tax in France**

To enable the Client, if necessary, to fulfill its tax obligations, the Bank will send the Client each year the summary declaration of transactions on securities and income from movable assets carried out during the previous year.

##### **23.2 Information on the taxation of gifts or inheritances**

Various taxes on transfers and/or transfers made free of charge between persons or at the time of death may be levied in various jurisdictions. These taxes may apply to the Client but also to any person who transfers or receives taxable property.

Some jurisdictions may impose various taxes upon gratuitous transfers of property or assets. Investment instruments, whether or not recommended by UBS, may be subject to such locally applicable taxes in the country where their issuer is resident or established. These local taxes may include, without limitation, inheritance or estate tax that may be due in the country of the issuer following the demise of the Client.

For further information on the various taxes and related reporting obligations, the Bank recommends that the Client contact a competent tax advisor.

##### **23.3 Lack of legal and tax advice**

**UBS does not provide any legal and/or tax advice**, in particular with regard to the taxation of financial instruments and makes no general or specific guarantee relating to the Client's situation or needs as to the tax treatment of assets or financial instruments.

**The Bank specifically draws the Client's attention to the legal, tax and regulatory obligations** to which the Client may be personally subject (due to his place of birth or country of incorporation, nationality, place of residence, or for any other reason).

**The Bank also recommends that the Client consult independent tax and/or legal advisors**, in particular with regard to the Banking Relationship, any contract or arrangement relating thereto and any transaction or investment as well as for any question relating to the determination of his tax status and residence.

**The Client will assume all legal and tax consequences arising from the operations and transactions (including the Client's investment decisions) carried out in connection with the Banking Relationship and the services provided to the Client by the Bank.** The Bank assumes no obligation to provide information in this respect and is not required to consider the Client's tax situation.

The Client's obligations include, in particular, compliance with the tax and/or regulatory rules applicable to it, tax returns, obtaining the authorizations required in view of his activities and, more generally, the obligation to ensure that any operation/transaction executed within the framework of the Banking Relationship complies with the legal and regulatory obligations applicable to it.

The Bank is not required to verify the Client's compliance with any of the aforementioned obligations.

The Client undertakes to immediately inform the Bank of his tax residence and, if the Client is or may be considered a US taxpayer within the meaning of the applicable regulations, and if applicable, to indicate his tax identification number (TIN) in accordance with the regulations and agreements in force for the automatic exchange of information. Failing this, the Bank will be entitled to apply any withholding tax imposed by applicable laws and regulations and/or terminate the



Banking Relationship without notice.

The Client agrees and undertakes to inform the Bank, without delay and at the latest within thirty (30) days, of any change to the aforementioned information and/or the associated documentation.

The Client releases the Bank from any liability in the event that the Client does not assume his personal obligations and undertakes to compensate the Bank for any damage that it may suffer as a result of the Client's non-compliance with said obligations.

#### **Article 24 Taxation of savings income by the European Union - Authorization of voluntary disclosure of information to the tax authorities of the country of residence (individual client)**

The Client understands that the Principality of Monaco and the European Union have entered into an agreement on the taxation of savings income in the form of interest payments (hereinafter the "Agreement"). Under this Agreement, the Bank is required either to apply a withholding tax on the amount of the relevant interest payments or to disclose to the relevant tax authorities all the payments of the same interest.

In view of the foregoing, the Client expressly consents to voluntary disclosure by authorizing the Bank (which the Client instructs to do so) to provide any information concerning interest payments covered by the Agreement and made in his favor to the Monegasque tax authorities, which will transmit this information to the competent authorities of his country of residence, in accordance with the provisions of the Agreement.

This authorization complies with the disclosure already made by the Client of his income and/or wealth situation to the tax authorities of his country of residence.

The Client is aware that the Bank's declarations do not release him from his obligations to declare future income, capital gains and assets in accordance with the applicable provisions of his country of residence.

In particular, the Client accepts and acknowledges that such information also includes the following information: his identity (name and address), the number of his accounts, the amount of all the interest payments concerned or the fact that no interest payments have been made and, where applicable, the proceeds from the sale of assets calculated in accordance with the provisions of the Agreement.

The Client accepts and acknowledges that the Bank may be required to interpret some of the provisions of the Agreement by determining the extent of the required disclosure, and expressly approves the Bank's assessment in this regard.

The Client undertakes to notify the Bank of any change in situation relevant to this declaration, in particular any change in country of residence.

The Client has noted that:

- the Bank agrees to keep its Banking Relationship and all the related accounts open only on condition that the Client authorizes it to communicate the information required under the Agreement to the Monegasque tax authorities for transmission to the tax authorities of his country of tax residence;
- the revocation of this mandate will result in the termination of the Banking Relationship by the Bank.

The Client acknowledges and accepts that in the event of a transnational change of domicile, the Bank will, unless this authorization is revoked, also make the declaration in accordance with the following procedures:

- in the event of a move within the European Union, the declaration is made to the authorities of the new country of residence;
- in the event of a move to a country outside the European Union and provided no official residence certificate of the new country of residence is presented, the declaration is made to the authorities of the State that issued his identity documents. This rule applies only if the Banking Relationship was established after 1 January 2004.

#### **Article 25 Statement on U.S. open-end Mutual Funds**

Under the U.S. Securities and Exchange Commission ("SEC") regulations on redemption of fund units (SEC-Rule 22c-2 on Mandatory Redemption Fees for Redeemable Fund Securities), most U.S. open-end investment funds (the "Funds") are required to conclude agreements

with financial intermediaries (such as brokers, dealers, banks or other entities that hold units of the relevant Funds on behalf of their clients) under which such intermediaries agree to provide investor and transaction data, among other things, to the Funds upon request.

Consequently, the Client acknowledges that the disclosure of information by the Bank, as provided for above, does not constitute a breach of professional secrecy, in accordance with Articles 308 of the Monaco Criminal Code and L511-33 of the French Monetary and Financial Code.

The Client acknowledges that under applicable laws and regulations, US authorities or other third parties may have access to the information transmitted to the Funds and/or to intermediaries.

Disclosure to third parties may take place, in particular when administrative work is outsourced or when the Funds call for IT or advisory services. The Client assumes full liability for any consequences resulting from the disclosure and dissemination of information in accordance with these provisions.

#### **Part Two Special agreements**

The Special Agreements, detailed below, are applicable between the Bank and the Client to the entire Banking Relationship if the Client has subscribed to them in the Banking Relationship Agreement and any subsequent amendments thereto. At the express request of the Client, these Special Agreements may apply differently to each cash or financial instruments account held under its Banking Relationship by signing an ad hoc agreement.

#### **Section 5 Correspondence instructions**

##### **Article 26 Correspondence**

In order to access correspondence for his attention, the Client may choose the communication channel, notwithstanding the application by the Bank of the following rules:

- 1) Provision of digitized correspondence via Digital Banking.
- 2) Correspondence sent in paper form by post if **Digital Banking does not have access**; or
- 3) Combination of options 1) and 2) at the express request of the Client.

The Client agrees to pay the costs relating to the sending of his correspondence by post and authorizes the Bank to debit his cash account for the corresponding amount. The Client acknowledges that these fees are set out in the Pricing Conditions. This amount may be changed at any time during the revision of the Pricing Conditions, which will be notified to the Client by any means (including by letter, electronic means or made available via Digital Banking).

When the Client has subscribed to the Digital Banking service, the Client expressly accepts that all his banking correspondence (in particular account or portfolio statements, notices and correspondence) will be made available, by default, to him on Digital Banking.

In this respect, the service for sending correspondence by post:

- (i) is automatically terminated by subscribing to the Digital Banking service for all authorized signatories/entitled persons to receive written information on the Banking Relationship or any cash and financial instruments account held under the Banking Relationship; or
- (ii) is not activated when signing up to the Banking Relationship Agreement.

The Client may, at any time, upon request and at his expense in accordance with the Pricing Conditions, obtain a paper copy of any banking correspondence.

Any notification made via Digital Banking is binding on the Client/Authorized User as soon as he can consult it for the first time. "Authorized User" means any current or future user of Digital Banking, whether the Client himself or any person designated by him. In any event, the Bank reserves the right to send any correspondence/banking document by post, in particular due to technical and operational constraints.

In addition, any correspondence/banking document sent by post will be validly notified to the address of the registered office for legal persons or the address of tax residence for natural persons [or alternatively to any other correspondence address validly communicated to



the Bank].

The Client acknowledges that all correspondence (letter, account or portfolio statement, transaction notices, etc.) made available via Digital Banking and/or sent by the Bank to the correspondence address will be considered equivalent and duly received by it.

The Bank draws the Client's attention to the fact that an irregular consultation of correspondence made available via Digital Banking and/or sent by post (and more particularly account or portfolio statements, transaction notices, etc.) increases the risk of late detection of erroneous transactions. The Client releases the Bank from any liability in the event of damage resulting from an irregular and/or late consultation of the correspondence made available via Digital Banking and/or sent by post.

In the event that the Client instructs it to send his mail to an address abroad, the Bank draws his attention to the significant risk inherent in such transmission, in particular the disclosure of the information contained in the postal envelope, and to the harmful consequences that may result for him.

When the Client undertakes, in a separate instrument, to elect domicile at the Bank, for example in respect of a pledge of money and securities/or financial instruments in accordance with Article 1 of Sovereign Order No 14-309 of 28 December 1999, the Client expressly acknowledges that all notifications, formal notices and correspondence sent to him at his elected domicile will be deemed to have been validly received by him in due form; the date of receipt of the letter will, unless otherwise stated, be the date indicated on said notifications, formal notices and correspondence.

The Client also authorizes the Bank to open any correspondence from third parties sent to it for his attention to the Bank and waives in advance the right to hold the Bank liable for any consequences resulting from the opening of said correspondence.

#### Article 27 Fax

Given the significant dangers and risks that the use of fax could cause the Client and the Bank to run (falsifications of documents by photomechanical processes, incomplete transmission, incorrect number dialing, connection errors in the network's central office, reading of the communication and abusive use that cannot be detected by unauthorized third parties, etc.), no communication may be transmitted or received by fax.

#### Article 28 Communication by email (excluding use of UBS Monaco Digital Banking's secure messaging system)

The Client wishes to communicate and exchange information or data with the Bank by email either on its entire Banking Relationship or on one or more accounts held under said relationship.

The Client accepts that any email sent to the Bank will be deemed to have been written by the person whose contact details appear on the email address in question, regardless of whether this person is the author or sender thereof or whether the content of said email has been correctly received by the Bank or not.

The content of emails may contain sensitive and confidential data relating to the Banking Relationship (in particular information on deposits).

The Bank would like to stress that emails are transmitted via open structures accessible to everyone (such as international public and private data transmission networks, access providers). Also, the transmission of emails becomes uncontrollable and often passes through different countries (even when the sender and recipient reside in the same country). Emails therefore carry a number of risks, including:

- (a) **lack of confidentiality:** emails and attached documents can be accessed without restriction and systematically monitored, without too much effort, by unauthorized third parties (as well as by the authorities);
- (b) **possible manipulation of the content/simulation of the sender:** unauthorized third parties may discreetly falsify the content, attached documents and the mention of the sender (email address) of emails or delay or hinder their transmission;
- (c) **transmission errors/disruptions:** technical incidents or malfunctions during transmission are likely to modify, alter, delay, lead to routing errors or delete emails and/or documents attached to them;

(d) **lack of integrity:** recipients have no means to verify the integrity of senders and the technical content of emails and manipulations and errors are generally detected too late;

(e) **viruses, Trojan horses, worms, spam, etc.:** by discreetly infecting emails or computers, unknown third parties can cause considerable damage to the recipient or simulate the sending of emails by the Bank.

The Bank declines all liability for losses resulting from the occurrence of such risks.

#### 28.1 Refusal to execute transaction(s)

In principle, the Bank does not accept any order (in particular payment/stock exchange or subscription orders), or contract conclusions, revocations (in particular orders/powers of attorney), blocking of banking services or changes to personal data via email.

#### 28.2 Duty of care

The Bank recommends that email be used as sparingly as possible when dealing with the Bank.

The identity of the holder of an email address should not be identifiable on the basis of the name of the address. The actual origin of all emails bearing the Bank's forwarding address and the accuracy of their content must be scrupulously verified. In case of doubt, the Bank should be consulted by telephone.

Emails should not be opened when in doubt about their true origin and when the sender is unknown. They must be checked using an antivirus program; if necessary, contact a specialist or erase them without opening them.

Any acknowledgments of receipt requested electronically must in principle be refused.

In the event of responses to emails, the original text must not be returned with the response, nor must the recipient's address be re-entered manually. The subject name must provide as little indication as possible of the content.

If there is reason to believe that a third party is making fraudulent use of the email address provided, intercepting or falsifying the emails sent or that other irregularities are observed in connection with the use of email, the Client must immediately inform the Bank, in order to examine with it the measures to be taken.

The operating system and browser used must be kept up to date; recommended operating system security patches should be installed. In addition, the necessary technical security measures, which are now standard practice, need to be taken, in particular the installation of a firewall and the use of an antivirus program that is constantly updated. It is therefore the responsibility of the email user to regularly inform himself of the necessary security measures and, if necessary, to take all necessary measures in this regard.

#### 28.3 Disclaimer of guarantee/limitation of liability

The Bank does not guarantee the authenticity of emails sent by or to it, or of their arrival in due time and to the recipient indicated. Similarly, the Bank does not guarantee that an email with a UBS shipping address actually comes from the Bank. For security reasons, the Bank is entitled, at any time and without prior notice, to refuse the receipt or processing of emails or to make them subject to additional clarifications.

Emails sent to the Bank are processed, as part of the usual course of business, during Banking Days and in particular do not have any time priority. The Bank does not guarantee the timely processing of emails with urgent or time-bound content.

**To the extent permitted by law, the Bank will not be liable for damages resulting from the risks inherent in emails.** The Bank cannot guarantee the accuracy, integrity or procedure for sending and receiving emails. It is impossible to avoid technical, maintenance or security interruptions in email exchanges. Consequently, any liability of the Bank due to an interruption or saturation of the IT system is excluded.

#### **28.4 Amendment and termination of email communication provisions**

The Bank reserves the right to amend the provisions relating to communication by email at any time. Any such change will be communicated to the Client by any appropriate means. Unless an objection is made in writing within one month of notification and, in any event, as soon as the next email is sent to the Bank, it will be deemed to have been accepted by the Client.

Either party may terminate the email communication provisions at any time with immediate effect by letter.

#### **Section 6 UBS Monaco Digital Banking**

The entry into force of these General Conditions entails acceptance of these Basic Conditions (the "Basic Conditions"), which regulate the terms and conditions of access to Digital Banking and functionalities by any Authorized User.

**The Authorized User is subject as the Client to the obligations of these Basic Terms. The Client assumes full responsibility for the Authorized Users' compliance with all obligations under the Basic Terms.**

Each Authorized User must not use Digital Banking for illegal or illicit purposes, or access or attempt to access any part of the system that would be prohibited by the system as part of its normal operation.

"IT System" means computer hardware and software, including mobile devices, landline and mobile telephones and any other technical tool used to access and use Digital Banking.

#### **Article 29 General provisions**

##### **29.1. Personal means of access**

Access to Digital Banking and related functionalities is granted after the User authorized by the Bank has been legitimized using personal means of legitimation, such as the UBS Access app, the Access Card and the card number, the PIN/passwords, the security code, the Contract number, made available to it by the Bank ("**Means of Access**"). The Means of Access are made available to Users authorized by the Bank for compliant use. The Bank may exchange or modify the Means of Access at any time.

The Client will provide the identity and email address of each Authorized User in the Banking Relationship Agreement (or any amending agreement) to the Digital Banking section.

##### **29.2. Legitimation and blocking of access**

For the use of Digital Banking and the related functionalities, the Bank does not verify the identity by means of a signature check or an identity document. Legitimation will only be checked via the Means of Access (see article 29.1).

**Any person who manages to access Digital Banking through the Means of Access is considered legitimate with regard to the Bank. This provision is valid regardless of whether this person is actually the Authorized User or the person authorized by the Client.**

**All directives and instructions received by the Bank via Digital Banking are deemed to have been initiated by the Authorized User. The Bank is deemed to be authorized to execute these directives and to follow up these instructions and communications once the planned verification of legitimation has been correctly carried out.** When orders reach the Bank via Digital Banking, the Bank remains, in any event, authorized to refuse them, at its own discretion, when, for example, their amount exceeds the available coverage or causes the agreed credit limit to be exceeded.

Each Authorized User may ask the Bank to block his access to Digital Banking. He may also cause his access to be blocked by deliberately entering incorrect login information until the system indicates that access has been blocked.

**The Client assumes the risks associated with the use of the Means of Access until the blocking has become effective within the usual deadlines.**

Access rights and Means of Access do not automatically lose their validity, e.g. due to death, inability to exercise civil rights, deletion of signing authority or removal from a register. Regardless of this, **blocking of access rights or Means of Access must always be expressly ordered by the Client, his beneficiary or the Authorized Users.** It is expressly agreed that revocation of a proxy holder's right to sign or access a Bank document does not automatically result in the cancellation of the computer keys. The Bank reserves the right to block or permanently deactivate access to Digital Banking without notice.

##### **29.3. Computer hardware and software (including apps)**

For the use of Digital Banking, the Authorized User must use the specific hardware (e.g. card reader) and software (e.g. Mobile Banking app) made available by the Bank. Such hardware and software must be checked by the Authorized User within one week of receipt. Complaints relating to any defects must be sent immediately to the Bank, failing which the hardware/software will be deemed accepted by the Authorized User as being in working order.

The Bank offers no guarantee as to the absence of any defect in the hardware/software delivered to the Authorized User. Similarly, the Bank does not guarantee that the hardware/software meets the expectations of the Authorized User in all its parts, nor that it can function flawlessly in all apps and combinations with other programs and device/network configurations chosen by the Authorized User. In the event of defects or errors likely to hinder or prevent operation, the Authorized User must renounce the use and immediately inform the Bank.

The use of hardware and software made available by the Bank on devices not controlled by the Bank, in particular **the use of apps on a mobile device, may enable third parties (e.g. manufacturers of said devices, providers of app distribution platforms, network operators) to conclude that there is a Banking Relationship with the Bank or to access the Client's banking information (e.g. in the event of the recording of the Client's banking information on the device or the loss of the device).**

For optimal security, the Bank may use specific security functions on devices of certain manufacturers in the UBS Access app. After downloading or updating the UBS Access app, the Bank must transmit **device identification data** such as the device processor serial number and, if applicable, **network address (IP address) to external service providers abroad** in order to activate these security features. Service providers appointed by the Bank may deduce from this data the identity of the Client, the Authorized User and the existence of a Banking Relationship with the Bank. The Client expressly authorizes the Bank to transmit the data referred to above to service providers. The Client accepts that, as long as they are not established in Monaco, service providers are not required to apply Monaco data protection law and that the Bank does not control the use of data by these service providers. By using the hardware and software made available to Users authorized by the Bank, the Client acknowledges that this use is at his own risk.

For the use of software, the Bank grants each Authorized User the non-exclusive, non-transferable and free right to download the software, install it on a device in his possession and under his control and use it in the context of Digital Banking and related functionalities.

For security reasons, the Bank is authorized to block the use of the software it has made available on certain devices, e.g. on devices containing potentially harmful software or whose use restrictions have been removed (Rootage or Jailbreak).

Provided the Bank applies due diligence in accordance with customary practice in this area, any liability on its part is excluded with regard to guaranteeing trouble-free and uninterrupted access to its services. Similarly, the Bank may not be held liable for damage resulting from malfunctions, interruptions (including maintenance work related to the systems), saturation of its distributors or IT systems, transmission errors, technical defects and disruptions, failures or unlawful interventions in the consoles, terminals or other IT systems of the Client, the Authorized User or any third party, or in the systems accessible to each person and to the transmission networks.

#### 29.4. Notification services

Thanks to Digital Banking and the related functionalities, the Client and any Authorized User can be informed by means of electronic messages defined by the Bank (e.g. email, text message) of certain events or information relating to the Digital Banking service. These notifications are made via **unencrypted communication channels**. It may appear from these messages that the Client has certain products and services of the Bank, such that **third parties such as network and service operators may deduce from this the existence of the Banking Relationship**. Due to technical constraints, the Bank cannot guarantee that the messages actually reach the Authorized User.

#### 29.5. Duty of care

The Authorized User must take all reasonable steps to protect his credentials.

The Authorized User must keep his Means of Access **with the utmost care and separately from each other**. The Means of Access (in particular the PINs/passwords, the security code and the card number of the Access Card) **must under no circumstances be transmitted or made accessible to third parties**. The PINs/passwords received from the Bank must be immediately modified and **kept secret**. The PINs/passwords must not be recorded on any of the Means of Access (e.g. the Access Card) or any other computer medium or recorded electronically.

The PINs/passwords must not be easily identifiable (no phone numbers, dates of birth, license plate numbers, easily identifiable digit suites, etc.).

The Authorized User must under no circumstances react to emails, text messages or other messages allegedly issued by the Bank inviting the recipient to communicate his Means of Access (e.g. by entering usernames, contract numbers, passwords or security codes on a web page accessed via a link). If necessary, the Bank should be informed immediately. If there is a reason to assume that another person has knowledge of the PINs/passwords, the Authorized User **must immediately change them. The loss, theft or fraudulent use of a Means of Access must be reported immediately to the Bank.**

When contact with Digital Banking is made via the internet or any other electronic network, the Authorized User is required, in order to prevent errors and fraudulent uses, to verify the accuracy of the chosen UBS address as well as the authenticity of the corresponding UBS Server certificate (fingerprint). In the event of irregularities, the connection must not be made. The link must be terminated immediately and the Bank must be contacted without delay. The Means of Access may be transmitted only to the Bank. The connection to the account must always and exclusively be made from the UBS web page provided for this purpose and never from the website of any third-party provider.

It is possible that **an unauthorized third party may attempt to surreptitiously access the Authorized User's IT System**. Consequently, the User must take the usual protective measures to limit existing security risks (e.g. risks inherent in the internet).

In particular, care must be taken to keep the operating system and browser up to date and, in particular, to install the security patches made available and recommended by the various service providers.

The Authorized User must take the usual security precautions for public electronic networks (e.g. by using a firewall and continuously updated antivirus programs). To do so, he must obtain precise information about the necessary security measures and comply with them. If the Authorized User uses additional software not necessary for the operation of Digital Banking in such a way that he breaches the aforementioned duty of care or is in contradiction with such duty, the Client will be liable for any damage that may result therefrom.

To enhance security, the Authorized User may be asked when placing orders to confirm certain transaction data, such as the identity of the payee or the entire transaction. In such a case, the Authorized User is required to check the accuracy of the information displayed for confirmation with the original (physical) order instruction in his possession, i.e. independently of the information displayed in Digital Banking. If such information is correct, he must confirm it using the Means of Access. It is the sole responsibility of the Authorized User to make this confirmation correctly and with the utmost care.

The Bank may change the protection mechanisms in place at any time or introduce new ones.

**The Client assumes full liability for compliance with all the aforementioned obligations by the Authorized Users.**

#### 29.6. Risks

**The legitimization clause (see article 29.2) means that the Client assumes the risks resulting from (i) the manipulation of the Authorized User's IT System, (ii) the fraudulent use of the Means of Access, (iii) the breach of the duty of care and (iv) the intervention of unauthorized third parties during the transmission of data.**

The Client and the Authorized User are aware of the risks associated with the exchange of data and information via public and private data transmission networks as well as the use of the hardware and software provided by the Bank.

Even if the content of the data to be transmitted via the internet with Digital Banking is automatically encrypted (with the exception of the sender and recipient), the risk of targeted manipulations of the IT System belonging to the Authorized User remains and the Client assumes full liability for this. Thus any liability of the Bank is excluded for damage due to transmission errors, routing errors, technical defects and incidents, breakdowns or illegal/abusive interventions caused to the IT systems of the Authorized User or any third party (including transmission systems and networks accessible to all).

#### 29.7. Information from distributors, terminals, screens or other IT systems

With regard to the display of information on distributors, terminals, screens or other IT systems (including apps), the Bank carries out its usual duty of care. The Bank also excludes any other guarantee or liability as to the updating, accuracy and completeness of the information provided. **The information and messages displayed are deemed to be provisional and without commitment**, unless expressly stipulated otherwise related to a particular functionality.

#### 29.8. Special terms of use and legal information

Certain functionalities offered by Digital Banking require the conclusion of additional agreement(s) that may be presented to the Authorized User in electronic form, after being legitimized with regard to Digital Banking. The same will apply if these Basic Conditions are amended or supplemented. The Bank reserves the right not to activate the associated functionalities or not to authorize access thereto until the Authorized User receives his request for this purpose accepted, where applicable, and accepts the provisions specific to each functionality electronically. Accordingly, the provisions are binding on the Authorized User and the Client respectively. The provisions can be printed and consulted on Digital Banking.

Due to the internationalization of the markets and the continuous expansion of electronic services, the Bank is obliged to supplement its information and services published electronically with additional legal information. Such information is binding on the Authorized User and the Client as soon as they are displayed. If the Client does not accept it, he is obliged to waive the information/services in question.

### 29.9. Country-specific restrictions, foreign-imposed import and export restrictions

The financial services offered to Authorized Users abroad may be subject to local legal restrictions. If the Bank does not have the necessary local authorizations, the scope of the services must be limited for Authorized Users in the country in question. These restrictions are subject to changes observed in the evolution of the legislation and regulatory environment of each country. **The Bank reserves the right to modify or restrict the scope of the functionalities made available at any time and without notice. If the Bank is unable to define, with absolute certainty, the country of access, it will be considered as the country of residence of the Authorized User.**

### 29.10. Price, fees and conditions

The prices for using Digital Banking and the related functionalities as well as for the delivery of the Means of Access (including their replacement and additional orders) and the corresponding hardware are shown on the separate pricing conditions. Any value added tax due and other fees will be charged in addition to the agreed prices. The agreed prices will be debited to the Client at the Bank's discretion immediately or on a monthly, quarterly or annual basis.

The Bank reserves the right to change the conditions (prices, fees, any discounts granted, scope and nature of the provision of services) for Digital Banking and the related functionalities at any time. Changes are communicated in an appropriate manner.

### 29.11. Banking secrecy and data protection, profiling and marketing

The Client authorizes the Bank to process all information relating to the use of Digital Banking and related functionalities (e.g. personal data, geographical data, device information) to the extent necessary for the provision of the Bank's services in the context of Digital Banking and to ensure its security.

The Bank emphasizes that Monegasque law (e.g. with regard to professional secrecy and data protection) applies only in Monegasque territory and that all data arriving abroad no longer enjoys the protection offered by this law.

The Bank is authorized to collect only the necessary individual cookie data relating to the use of Digital Banking by the Authorized User.

In addition, the "Terms of use" appearing on the various UBS Group web pages (<https://www.ubs.com/global/fr/legal/disclaimer.html>) and the UBS (Monaco) S.A. "Privacy statement" (<https://www.ubs.com/global/fr/legal/privacy/users.html>) remain applicable.

### 29.12. Amendment of provisions and functionalities

When circumstances warrant it, the Bank has the right to amend the Basic Conditions, additional agreements or special provisions governing the various functionalities at any time. In this respect, the Bank is required to communicate amendments beforehand, e.g. electronically on the screen (see article 29.8), or by any other appropriate means. In the absence of a written objection within one month of the communication but in all cases from the first use of Digital Banking after the communication, these amendments are deemed to be accepted. The Client who disputes the amendment is entitled to terminate the service in question with immediate effect before the amendments come into force.

The Bank reserves the right to amend, at any time and without notice, the functionalities of Digital Banking or to supplement them (in whole or in part).

### 29.13. Termination

The Client and the Bank may, at any time and in writing, terminate with immediate effect the use of Digital Banking or – where applicable – certain functionalities offered by Digital Banking. Once Digital Banking has been terminated, the Authorized User must make the Means of Access unusable/illegible and return them to the Bank without delay and without being asked to do so beforehand or uninstall them.

**Despite termination, the Bank is entitled to validly execute, at the Client's expense, all the transactions carried out before the return of the Means of Access.**

### 29.14. Force majeure and indemnity

The Bank will not be considered in breach of its contractual obligations or held liable towards each Authorized User in the event of a malfunction, failure or delay of any obligation incumbent upon it in this context, for reasons beyond its control, including, without limitation, war, disasters, terrorism, acts of nature, power failure, breakdown of communication systems, network or information facilities, work stoppage, sabotage, virus or malicious program, hacking or any other breach of the system, conflicts or disturbances, postal failure or any other strike or similar social action, actions or omissions of the Authorized User or third parties, in particular national and/or supranational governmental organizations or a decision of a court or other authority.

### 29.15. Limitation of liability

Under no circumstances will the Bank be liable for:

- a) any loss of goodwill, reputation or opportunity; any loss of revenue or profits; any loss of anticipated savings; or any loss of or corruption of data;
- b) any loss or damage arising out of any breach of this Digital banking agreement on the part of the Client;
- c) any loss or damage arising out of any error by the client or any user in inputting the Client's data into the system or otherwise manipulating the client's data in connection with Digital Banking ; or
- d) any other client or user error or any client hardware or platform or internet faults or failures; in each case of the foregoing (a) - (d) whether direct or indirect; or
- e) any indirect or consequential loss or damage;

which, in each of the aforementioned cases, arises as a result of or in connection with Digital Banking or a breach or non-performance of the Basic Conditions (including the additional agreements and special provisions governing the related functionalities) regardless of their importance (including due to the Bank's negligence), whether or not the Bank was informed, or was aware or not, that there was a high probability that such a loss would occur.

### 29.16. Mailbox

The Bank and the Authorized User may send each other messages ("Messages") using the Mailbox. **Messages sent to the Client or the Authorized User will be deemed to have been received as soon as they can be viewed electronically in the inbox.** The Client is fully responsible for reading the Messages sent by the Bank via Digital Banking in a timely manner.

Messages sent to the Bank are handled **on a non-priority basis as part of the usual business processes** during Banking Days. The Mailbox should therefore not be used to send UBS **urgent or time-bound Messages**.

**The storage capacity of Messages is limited in both time and volume, and may not be used to meet legal retention obligations. The Bank is authorized to delete any Message, whether viewed or not, that is older than 12 months or exceeds the maximum storage capacity made available in the Digital Banking platform. Nevertheless, the Bank retains the Messages in accordance with the retention period provided for by the applicable laws and regulations.**

### 29.17. Transmission of correspondence

Subscription to the Digital Banking service, in the absence of specific express instructions, results in the provision of correspondence usually sent by post, in accordance with the provisions in force for the Banking Relationship (in particular account/deposit statements, credit/debit notices, confirmations and attestations, credit card statements, statements, notifications relating to capital transactions, forms, other notices) and other documents, in electronic form (e.g. in the form of digital banking documents) by Digital Banking.



**This also applies to all products and services (e.g. accounts, deposits and credit cards) that form part of the relevant Banking Relationship; therefore also included are documents concerning any products and services that are excluded from access by Digital Banking as well as documents concerning other banking relationships that, in accordance with the sending instructions, are sent to the Authorized User.**

If, on an exceptional basis, a specific document has to be sent by post, a copy may be requested at any time from the Bank, which reserves the right to charge an appropriate processing fee in this respect. At the Client's instruction or when justified, the Bank will send the documents again by post to the address indicated.

The documents that at that time are available by Digital Banking nevertheless remain electronically accessible to the recipient, but **this change may have an effect on costs.**

The Authorized User is required to carefully check the accuracy and completeness of the documents received, which are considered approved without receipt of a complaint under the conditions set forth in these General Conditions.

**The Client expressly acknowledges and accepts that the document has duly reached him as soon as it has been made available in Digital Banking. The Client also acknowledges and accepts that if he refuses to receive notifications via electronic messages, he may not be informed of the presence of new documents; the Client expressly agrees to assume full responsibility for the consequences that may arise for him.**

The Client therefore assumes full responsibility for reading, within the deadlines, the documents sent via Digital Banking. The Bank will delete all open and unopened documents at the end of the retention period provided for by applicable laws and regulations.

In addition, the attention of the Client and the Authorized Users is expressly drawn to the fact that they may not use Digital Banking for archiving purposes, given the formal requirements imposed on electronic archiving. It is the Client's responsibility to organize the downloading and storage thereof.

#### 29.18. Quotes

Quotes (including the "Virtual Portfolio" and other functionalities) provides prices and useful information on financial instruments, currencies, companies, etc., as well as various notification tools (limit minder, maturity alert or notification in case of new issues, etc.).

**Some of the rates and information** offered by UBS in Quotes comes from third parties. Although UBS selects data sources and technical systems with the utmost care, **delays may occur** or rates and information **may contain errors** or be incomplete. For this reason, notification tools (e.g. limit minder) may also experience delays (e.g. when limits are reached) or errors. **All rates and information** made available in Quotes as well as in the notification tools are **therefore purely informative in nature.**

**The rates and information contained in Quotes as well as the information provided by the notification tools do not constitute an offer, recommendation or personal investment advice.** For individual advice or to check the suitability of a certain product, please contact your Client Advisor.

UBS makes **product information available to investors under applicable laws in certain jurisdictions**, e.g. by means of the basic information sheet, PRIIP KIDs or Key Investor Information Documents (KIIDs) or any product factsheet. Product information contains the data required by applicable law concerning the main characteristics of the investment product identified, such as its identity, a brief description of the investment objectives and policy, the risk and return profile, fees and taxes, past changes in value and, where applicable, performance scenarios. This information is required by law to explain the nature of these investment products and the inherent risks.

The product information is written by the provider that offers the investment product. The Bank declines all liability for the accuracy of information written by third parties. It is not advertising material. UBS recommends that the product information made available in this way be carefully read in order to understand the fundamental aspects, the way in which it operates, the risks and costs inherent in the investment products concerned, in order to be able to make a sound investment decision on one's own. **Each time the Client places a subscription order, he also confirms that he has received, read and understood the product information** made available via Quotes. If the product information provided electronically is required in printed form, contact the Customer Advisor.

Quotes may also contain information on financial products and collective investments that may be reserved, in certain countries, for clients with a specific professional status. It is the responsibility of each Client to inform himself and to comply with any restrictions that may apply.

#### 29.19. Securities

Digital Banking makes it possible to place stock exchange orders. The Client is aware that, when stock exchange orders are placed via the "Securities" functionality, UBS cannot systematically check whether the product chosen by the Client is appropriate or adapted to his personal situation. For personal investment advice, contact the Client Advisor.

**Only pending or partially executed orders may be modified or revoked.** UBS transmits the orders placed by the Client to the competent trading partner/system in Switzerland or abroad (bank, broker, dealer). Even if the Bank has immediately received and transmitted a modification or revocation of the initial order, the trading partner/system may manage to process subsequent modifications or revocations only after the Client's initial order has already been fully or partially executed. **If, despite the diligence of UBS, the modification or revocation of the initial order cannot be processed in time by the trading partner/system, such modification or revocation of the initial order will be considered to have reached UBS late.**

**At the time of the modification or revocation of the original order, it is not possible to know whether such modification or revocation can actually be executed or whether the original order has already been allocated in whole or in part by the trading partner/system. The Client therefore undertakes to check the current status of the initial order himself in the order overview:**

- **"Pending Modification"** or **"Pending Cancellation"** status means that UBS has not yet received confirmation of the modification or revocation of the initial order from the trading partner/system;
- if the status of the order changes from **"Pending modification"** or **"Pending cancellation"** to **"Pending"**, this means that the modification or revocation of the initial order has been received by the trading partner/system;
- **"Partially executed"** status means that only part of the initial order could be modified or revoked. The remainder of the original order had already been allocated before the modification or revocation. The extent of the allocation is visible in the details of the initial order;
- **"Cancelled"** status means that UBS has received confirmation from the trading partner/system that the Client's initial order has been cancelled in time following its cancellation.

The Bank also makes available in Digital Banking or other means of communication (e.g. email, post) **product information for investors under applicable laws** in certain jurisdictions, e.g. by means of the basic information sheet, PRIIP KIDs or Key Investor Information Documents (KIIDs) or any product information sheet. The provisions concerning product information intended for Quotes investors in these Basic Conditions apply by analogy to the "Securities" functionality.

**The Client is aware of and accepts the risks inherent in the system with regard to the "Securities" functionality**, in particular the risk described above of the late arrival of an order to modify or revoke the initial order, and releases UBS from any liability for any possible loss resulting from the use of this functionality throughout the period authorized by law.

Costs and charges arising directly from the purchase or sale of any financial instrument will be governed by Article 16 Commissions, fees and taxes.



### **Section 7 Order to give written and/or telephone information, as well as authorization to do so/Consultation mandate**

The Client requests and expressly authorizes the Bank, for this purpose, to send, under the conditions set out below, information (by Digital Banking and/or by post and/or telephone), on his current cash account(s) and financial instruments account(s) held under the Banking Relationship number referenced in the Application to open a Banking Relationship, unless otherwise agreed in relation to one or more accounts. Information means communications, banking documents and supporting documents of any kind relating to said positions.

The Client will provide the identity and contact details of the persons concerned in the Banking Relationship Agreement or any amending agreement to the dedicated section and/or the UBS Monaco Digital section.

The Client acknowledges and is fully aware that the declaration/authorization relating to the communication of written and/or telephone information enables the transmission of confidential and sensitive information.

The Client acknowledges that communications (i) made available in Digital Banking to the person concerned and/or (ii) sent by the Bank to the address(es) and number(s) agreed upon are considered to have been duly transmitted.

The Client acknowledges that the Bank is deemed to have properly performed its obligations once it has checked with customary care compliance with the above conditions and that, subject to serious misconduct by the Bank, the Client is liable for any damage that he may suffer as a result of the transmission(s) covered by this declaration/authorization.

### **Section 8 FBF framework agreement on transactions in forward financial instruments**

For the purposes of this section, the Client and the Bank are also referred to individually as the "Party" or collectively as the "Parties".

#### **Article 30 FBF framework agreement**

The Parties agree to submit all their Transactions to the framework agreement (the "Section" or the "Agreement"), to aggregate them and to benefit from the applicable legal and regulatory provisions and in particular Articles L211-36 and L211-36-1 of the French Monetary and Financial Code.

#### **30.1. Principles**

The general principles of this section are as follows:

- The transactions governed by this section are exclusively those involving financial futures instruments within the meaning of Articles L211-1 III and L211-36 II of the French Monetary and Financial Code,
- All transactions governed by the Agreement form a whole for their termination and offsetting,
- The default of either of the Parties gives the other Party the right, without any hierarchy between the various Events of Default concerned when more than one of them is applied, to terminate all the Transactions governed by the section, to offset the related debts and receivables and to establish a Termination Balance to be received or paid, and
- This Termination Balance is determined according to a pre-established method which incorporates the Replacement Value of the Transactions.

#### **30.2. Application of this section and technical addenda**

The Client and the Bank may amend or supplement the terms of this section by using an annex or rider, each of which forms an integral part of this section. Where such changes are made in a Transaction, they only apply to the relevant Transaction. Such changes then apply as a priority.

In the event of a contradiction between the provisions of the annex or rider and the other provisions of this section, the provisions of said annex or rider will prevail.

In the event of a contradiction between the provisions of any Confirmation and those of this section, the provisions of this Confirmation will prevail for the purposes of the Transaction in question.

Any reference to a statute, regulation, code or other text means a reference to that text as subsequently amended, supplemented or replaced.

This section applies between the Client and the Bank to all their present and future Transactions, excluding those expressly referring to any other framework agreement.

The Technical Addenda, which form an integral part of this section, will apply from the date of their publication by the French Banking Federation to all Transactions concluded after this date, unless the Client or the Bank notifies the other Party of its disagreement under the conditions set out in article 30.4.2 below.

### **30.3. Definitions**

#### **TECHNICAL ADDENDA**

Document drawn up by the French Banking Federation and published on its website, containing, for a type of Transaction, the terms and technical characteristics specific to this Transaction.

#### **AGENT**

Person (Party or third party) designated for a Transaction created at the time of its conclusion or, failing that, appearing in the "Technical Parameters" annex, and whose role is specified in article 30.5.5 of this section.

#### **EVENT OF DEFAULT**

Any event mentioned in article 30.7.1 of this section.

#### **NEW CIRCUMSTANCE**

Any event mentioned in article 30.7.2 of this section.

#### **CONFIRMATION**

Supporting document, which may include any electronic transmission method that is an integral part of this section and which materializes the agreement of the Client and the Bank on the terms of a Transaction concluded between them, and which includes its specific characteristics. A Confirmation template is included, where applicable, in the annex to the Technical Addendum relating to the corresponding type of Transaction.

#### **LIQUIDITY COST**

The Liquidity Cost in respect of a terminated Transaction corresponds to the costs resulting, for the Party responsible for calculating the Termination Balance, from the establishment by it of financing operations intended to cover its cash position generated by the termination of the relevant Transaction.

#### **TERMINATION DATE**

Date on which all Transactions are terminated or, upon the occurrence of a New Circumstance, only the Transactions affected by this New Circumstance.

This date is the Business Day chosen by the Party notifying the termination, which must be between the date of receipt of the notification and the tenth Business Day inclusive following this date.

#### **CURRENCY**

Any freely convertible and transferable currency.

#### **TERMINATION CURRENCY**

Currency chosen by the Non-Defaulting or Unaffected Party in which the Termination Balance is expressed and paid. If the Client and the Bank are Affected, the Termination Currency will be chosen by mutual agreement between the Client and the Bank. In the absence of an agreement, the choice will belong to the Party having suffered the greatest loss as determined on the Termination Date. The choice of the Termination Currency will be made from among the Currencies already used in one of the Transactions.

#### LIQUIDITY GAIN

The Liquidity Gain in respect of a terminated Transaction corresponds to the gains resulting, for the Party responsible for calculating the Termination Balance, from the establishment by it of financing transactions intended to cover its cash position generated by the termination of the relevant Transaction.

#### BUSINESS DAY

In the case of a payment obligation, a day on which banks are open for the settlement of interbank transactions and the determination of market references in the financial center in question.

In the case of a Delivery obligation, a day on which the settlement system necessary for the completion of the relevant Delivery is generally open and operates so that the Delivery can be made in accordance with market practices in the financial center in question.

For the purposes of the New Circumstance referred to in article 30.7.2, a day on which commercial banks are open for the performance of their current activities (including foreign currency transactions and foreign currency deposits) in the financial center where the event or circumstance that results in a New Circumstance under article 30.7.2 occurs.

For any other purpose, a day on which commercial banks are open for the performance of their day-to-day activities (including foreign currency transactions and deposits) in the city where the address specified by the receiving Party for the sending of notifications is located.

#### DELIVERY

Transfer of full ownership, without any recourse or restriction whatsoever, of the Underlying in question or, if this Underlying is a specific Transaction, conclusion of said Transaction. Deliveries are made (and the related costs will be borne) in the manner generally accepted in banking relationships for the Underlying in question and may give rise to the simultaneous payment of an acquisition price of the Underlying in question by the Party due to receive said Underlying.

#### AMOUNT OWED

For a Terminated Transaction and a determined Party, the sum of:

- (i) the payments which were owed by that Party and have not taken place (for whatever reason) on the Termination Date;
- (ii) the Market Value – assessed on the Delivery Date - each of the Underlyings that were to be delivered by that Party and have not been delivered (for whatever reason) on the Termination Date; and
- (iii) the related interest, calculated from the scheduled due date or Delivery Date until the Termination Date; this interest being calculated at the rate defined in article 30.9.1 of this section if the Party liable for these amounts or Deliveries is the Defaulting Party or at this rate reduced by 1% per annum in other cases.

#### EMIR REGULATION

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

#### TERMINATION BALANCE

Means the balance defined in article 30.8.1 of this section.

#### UNDERLYING

Any asset, security, index or financial instrument referred to in article L211-1 of the French Monetary and Financial Code, or any Transaction involving any of these financial instruments.

#### REGULATORY CLEARING STATUS

Status of the Client or the Bank with regard to (i) the EMIR Regulation, or (ii) any other applicable regulation, introducing a clearing obligation for at least one Transaction, which it undertakes to declare in accordance with article 30.6.2 of this section.

#### TRANSACTION

Any forward financial instrument transaction within the meaning of articles L211-1 III and L211-36 II of the French Monetary and Financial Code and article 2 of the Commercial Code of the Principality of Monaco. The Client and the Bank have agreed to apply the two French and Monegasque legislative provisions in order to have an exhaustive definition of the concept of financial instrument. Both laws are therefore applicable to this section without distinction.

#### MARKET VALUE

For any Underlying other than a transaction on a forward financial instrument, the value of said Underlying (excluding miscellaneous acquisition costs and taxes) as determined on its main listing or trading market. When the Underlying is a transaction on a forward financial instrument, the value on the regulated market in question or the Replacement Value of said transaction on a forward financial instrument.

#### REPLACEMENT VALUE

The Replacement Value is established by the Non-Defaulting Party, or the Unaffected Party (or if there are two Affected Parties, each Affected Party).

It corresponds to the benefit of the Party responsible for the calculation (and assigned a negative sign) or the loss of the Party responsible for the calculation (and assigned a positive sign) resulting for that Party from the termination of a given Transaction and is based on the choice of the Non-Defaulting Party or the Non-Affected Party (or if there are two Affected Parties, each Affected Party):

- (i) on the arithmetic average of quotations provided by at least two (2) first-tier market participants, the latter being chosen by the Party or Parties responsible for the calculation and making it possible to express the amount that the market participant would pay or receive on the Termination Date were it to take over all the financial rights and obligations of the other Party from that date in respect of the Transaction in question, and/or
- (ii) on the arithmetic average of available market data selected by the Party or Parties in charge of the calculation, via databases published by at least two (2) third parties and commonly used by market participants to establish their own quotation or valuation.

Notwithstanding the foregoing, if only one quotation or item of market data can be obtained, the Replacement Value will result from this single quotation or item of market data.

If no quotation or market data can reasonably be obtained by the applicable Termination Date, the Replacement Value will be determined, as soon as possible, by the Party in charge of the calculation on the basis of internal sources provided these sources are commonly used by it to value transactions similar to the terminated Transaction.

If they are not already reflected in the quotations or market data obtained in accordance with paragraphs (i) and (ii) above, the Party in charge of the calculation may also take into account the losses or costs incurred in unwinding or entering into a hedging transaction relating to one or more terminated Transactions or any gain that it would have made.

### 30.4. Conclusions of transactions

30.4.1. Transactions are concluded by any means and are effective as soon as consent is exchanged. To this end, the Client and the Bank (i) authorize each other to record telephone conversations relating to the conclusion and execution of their Transactions, (ii) provide any necessary notification of these recordings to the staff concerned and (iii) consent to these recordings being produced in court as evidence during any proceedings between the Client and the Bank.

30.4.2. The conclusion of each Transaction will be followed by a Confirmation drawn up by any means, including electronic means, presenting a sufficient degree of security and reliability for the Client and the Bank, in all cases, in the forms and within the deadlines required by the applicable regulations. The absence of a Confirmation will in no way affect the validity of the Transaction. In the event of disagreement on the terms of any Confirmation, which must be notified immediately to the other, both the Client and the Bank may refer to their telephone recordings as a method of proof to establish the terms of the relevant Transaction.

30.4.3. The Client and the Bank may adopt special provisions for any Transaction amending the terms of this section.

### 30.5. Payments and Deliveries – Role of the Agent

#### 30.5.1. Payments

Subject to the application of articles 30.5.3, 30.7.1 or 30.7.2 below, the Client and the Bank will make, in respect of each Transaction, each payment incumbent on them in the Currency, on the date and at the place specified in the relevant Confirmation.

#### 30.5.2. Deliveries

Subject to the application of articles 30.5.3 or 30.7.1 below, each Party will, in respect of each Transaction, carry out Deliveries for which it is responsible in the manner, on the date and at the place specified in the relevant Confirmation.

#### 30.5.3. Offsetting

The Client and the Bank agree to offset, as appropriate, their payment obligations in the same Currency or their Deliveries of fungible Underlyings provided these payments or Deliveries are made reciprocally on the same day for the same Transaction.

The Client and the Bank may agree to offset their payment obligations in the same Currency or their Deliveries of fungible Underlyings in respect of more than one Transaction, provided these payments or Deliveries occur reciprocally on the same day.

#### 30.5.4. Third-party domiciliary agent

The Client and the Bank may at any time appoint, for one or more Transactions, any first-ranking intermediary as the domiciliary agent for the payments and/or Deliveries, which must ensure that they are made in a real and simultaneous manner, and this Party will be responsible for all costs, fees and disbursements resulting from the choice of this procedure. This choice will oblige the other.

#### 30.5.5. Role and function of the Agent

Where an Agent has been appointed for a given Transaction, it will, in due time, enter the information of which knowledge is necessary to determine the amounts to be paid and/or the quantities of Underlyings to be delivered by each of the Parties. It will be responsible for establishing the necessary calculations. As soon as possible, it must report the information and details of the calculations made. The information and calculations provided will be final and, in the absence of manifest error, may not be contested.

### 30.6. Representations and undertakings

#### 30.6.1. Representations

**The Client and the Bank declare and certify at the time of the conclusion of the Agreement and each Transaction:**

30.6.1.1. that he/it is duly constituted and that he/it carries out his/its activities in accordance with the laws, decrees, regulations and articles of incorporation (or other constitutive documents) that apply to him/it;

30.6.1.2. that he/it acts on his/its own behalf, has full power and capacity to conclude the **Agreement** and any Transaction relating thereto and that these have been validly authorized by its management bodies or by any other competent body;

30.6.1.3. that the Transactions are concluded by persons duly authorized for this purpose;

30.6.1.4. that the conclusion and performance of the **Agreement** and any Transaction relating thereto do not contravene any provision of the laws, decrees, regulations and articles of incorporation (or other constitutional documents) that apply to it;

30.6.1.5. that the information and documents it provides or will provide are accurate, complete and up to date;

30.6.1.6. that all permits, licenses and authorizations required to conclude and perform this section and any related Transaction have been obtained and remain valid;

30.6.1.7. that the Agreement and all Transactions concluded hereunder constitute a set of rights and obligations that are binding on it in all their provisions;

30.6.1.8. that to the best of their knowledge, no Event of Default exists in respect of them;

30.6.1.9. that he/it has, within the framework of the legal and regulatory provisions applicable to him/it, where applicable, the knowledge and experience necessary to assess the benefits and risks incurred in respect of each Transaction; and that it is then his/its responsibility to decide on the adequacy of the Transaction in question and the validity of its conclusion, having examined and understood it, independently or with his/its own advisors (on the understanding that the information exchanged relating to the terms and conditions of a Transaction must not be considered as investment advice or recommendations to concluded the Transaction), its various aspects and in particular its financial, legal, tax and accounting characteristics, taken in isolation or associated with other transactions or financial instruments that it holds elsewhere; and

30.6.1.10. that, to the best of their knowledge, there is no arbitration or judicial action or procedure against them, or any administrative or other measure that could result in a manifest and substantial deterioration in its activity, its currency and its financial situation or that could affect the validity or proper performance of the Agreement or any Transaction.

#### 30.6.2. Regulatory Clearing Status

The Client and the Bank undertake to declare to the other (i) when concluding this Agreement, its Regulatory Clearing Status, as well as (ii) without delay, any subsequent change in its Regulatory Clearing Status, indicating its new Regulatory Clearing Status and the reasons for this change.

### 30.7. Termination of transactions

#### 30.7.1. Termination in the Event of Default

##### 30.7.1.1. Event of Default

Constituting an Event of Default for the Client or the Bank (the "Defaulting Party") is any of the following events:

30.7.1.1.1. Non-performance of any payment or Delivery in respect of a Transaction that has not been remedied within one (1) Business Day of notification of non-payment or Delivery by the other Party (the "Non-Defaulting Party");

30.7.1.1.2. Non-performance of any provision (other than those referred to in the preceding paragraph and articles 30.6.2 above and 30.11 below) of this section, which has not been remedied within seven (7) Business Days of the notification of this non-performance sent by the Non-Defaulting Party.

30.7.1.1.3. Any representation in article 30.6.1 above that proves to have been inaccurate at the time it was made or repeated or ceases to be accurate, on any important point;

30.7.1.1.4. The declaration or recognition of the impossibility or refusal to settle all or part of its debts or to perform its financial obligations, the administrative or judicial application or granting of a moratorium as well as any equivalent procedure.

30.7.1.1.5. The cessation of business, the initiation of voluntary liquidation proceedings or any other similar proceedings;

30.7.1.1.6. The opening or request for the opening by the Defaulting Party for itself or by any regulatory or judicial authority, of any procedure for preventing or dealing with difficulties for companies governed by French law, or any equivalent procedure governed by foreign law affecting the registered office or any of the branches of the Client or the Bank, in particular (i) the opening of a conciliation procedure, (ii) the opening of a safeguard procedure, (iii) the appointment of a representative or administrator, (iv) the opening of a receivership procedure, (v) the opening of a judicial liquidation procedure, or any procedure equivalent to those referred to in (i) to (v);

30.7.1.1.7. Non-performance of any payment obligation towards the other Party or any third party other than those resulting from this section or a Transaction, except in the event of manifest error or serious dispute on the merits;

30.7.1.1.8. Any event likely to result in the nullity, unenforceability or disappearance of any security interest or guarantee granted in favor of the Non-Defaulting Party in respect of one or more Transactions or any non-performance or breach of a declaration or commitment in respect of said security interest or guarantee (in each case after expiry of the applicable grace period), as well as any event referred to in articles 30.7.1.1.4, 30.7.1.1.5, 30.7.1.1.6 and 30.7.1.1.7 affecting any third party that has issued its guarantee in respect of one or more Transactions.

#### 30.7.1.2. Effects

The occurrence of an Event of Default entitles the Non-Defaulting Party, upon simple notification sent to the Defaulting Party, to suspend the performance of its obligations and to terminate all Transactions in progress, regardless of the place of their conclusion or execution. This notification will specify the Event of Default invoked as well as the Termination Date selected. From the Termination Date, the Client and the Bank will no longer be required to make any payment or Delivery for terminated Transactions.

However, termination gives the right, for these same Transactions, to payment of the Termination Balance and, when it results from the occurrence of an Event of Default, to reimbursement of the costs and disbursements set forth in article 30.11.5.

#### 30.7.2. Termination in New Circumstances

##### 30.7.2.1. New Circumstances

Any of the following events will constitute a New Circumstance for the Client or the Bank (the "Affected Party"):

30.7.2.1.1. The entry into force of a new law or regulation, the amendment, repeal or annulment of a law or any mandatory enactment, or a change in the judicial or administrative interpretation thereof, which results in a Transaction being unlawful for the Party concerned or in a tax deduction or withholding having to be made from an amount it is due to receive from the other Party in respect of the said Transaction;

30.7.2.1.2. The manifest and substantial deterioration in the business, assets or financial position of the Party concerned resulting from a merger, demerger or transfer of assets; or

30.7.2.1.3. One or more Transactions subject to clearing by a central counterparty are not cleared within the time limits required by the applicable regulations.

##### 30.7.2.2. Effects

30.7.2.2.1. When a New Circumstance referred to in article 30.7.2.1.1 occurs, any Party that becomes aware of it will notify the other Party as soon as possible, together with the Transactions affected by this New Circumstance. The Client and the Bank will then suspend the performance of their payment and Delivery obligations solely for the affected Transactions and will seek, in good faith, for a period of thirty (30) days, a mutually satisfactory solution aimed at making these Transactions lawful or avoiding deduction or withholding. If, at the end of this period, no mutually satisfactory solution can be found, each of the Parties (in the event of illegality) or the Party receiving an amount lower than that provided (in the event of deduction or recovery from an amount paid by the other) may notify the other of the termination of only the Transactions affected by the New Circumstance. This notification will specify the Termination Date used.

30.7.2.2.2. Upon the occurrence of a New Circumstance referred to in article 30.7.2.1.2, all the Transactions will be deemed to be affected. The other Party (the "Non-Affected Party") will then have the right, upon simple notification sent to the Affected Party, to suspend the performance of its payment and Delivery obligations and to terminate all outstanding Transactions, regardless of the place of their conclusion or performance. This notification will specify the Termination Date used.

30.7.2.2.3. Upon the occurrence of a New Circumstance referred to in article 30.7.2.1.3, (i) if such New Circumstance results from a breach by either of the Parties of any of its notification obligations under article 30.6.2 such Party will be the sole Affected Party; and (ii) if such

New Circumstance occurs for any other reason, both Parties will be Affected Parties; the other Party (the "Unaffected Party"), or either of the Parties, if there are two Affected Parties, respectively, will then have the right upon simple notification to the Affected Party or, as the case may be, to the other Party, to suspend the performance of its payment and Delivery obligations and to terminate only the affected Transactions, regardless of the place of their conclusion or performance. This notification will specify the Termination Date used.

30.7.2.2.4. If a New Circumstance directly results in the occurrence of an Event of Default, the Event of Default will be deemed not to have occurred and only the provisions of article 30.7.2 will then apply.

30.7.2.2.5. From the Termination Date, the Client and the Bank will no longer be required to make any payment or Delivery for terminated Transactions.

However, termination gives the right, for these same Transactions, to payment of the Termination Balance.

### 30.8. Calculation and payment of the Termination Balance

#### 30.8.1. Calculation of the Termination Balance

30.8.1.1. Each terminated Transaction gives rise to the calculation of its Replacement Value as well as, where applicable, the Amount Owed by each Party and the Liquidity Costs or Liquidity Gains of the Party responsible for the calculation (if they have not already been included in the Replacement Value). The Non-Defaulting Party or the Unaffected Party (or, if there are two Affected Parties, each Party) is responsible for determining the Replacement Values, the Amounts Owed and the Liquidity Costs or Gains. This determination must be made as soon as possible.

30.8.1.2. In order to determine the Termination Balance for all terminated Transactions, the Party responsible for the calculation will then deduct from the total of (i) the Replacement Values with a positive sign, (ii) the Amounts Owed by the other Party and (iii) its Liquidity Costs, the total of (i) the Replacement Values with a negative sign, (ii) the Amounts Owed by it and (iii) its Liquidity Gains. This (positive or negative) difference will be the Termination Balance.

30.8.1.3. Any Replacement Value, Amount Owed, Liquidity Cost or Liquidity Gain expressed in a Currency other than the Termination Currency will be converted into that Currency on the Termination Date based on the spot exchange rates available for the Party in charge of the calculation at 12 noon on that date.

#### 30.8.2. Notification and payment of the Termination Balance

30.8.2.1. The Party responsible for calculating the Termination Balance (or, if there are two Affected Parties, each of them) will notify the other of its amount as soon as possible as well as details of the calculations used to determine it. These calculations will be final as soon as they are notified and, in the absence of any manual error, may not be disputed.

30.8.2.2. Where termination occurs as a result of an Event of Default (or a New Circumstance with a single Affected Party), the Termination Balance will be payable by the Defaulting Party or the Affected Party to the other Party, if positive, and will be payable by that other Party to the Defaulting Party or the Affected Party, if negative.

30.8.2.3. If the termination occurs as a result of a New Circumstance and there are two Affected Parties, the Party with the most negative or least positive Termination Balance will owe the other Party an amount equal to the average of the absolute values of the Termination Balances (if these balances are of opposite signs) or equal to the absolute value of one half of the difference between the Termination Balances (if these balances are of the same sign).

30.8.2.4. The Party liable for the Termination Balance (or the amount referred to in article 30.8.2.3, as the case may be) will pay it to the other Party within three Business Days of receipt of the notification referred to in article 30.8.2.1. However, in the event that the Termination Balance is, following the occurrence of an Event of Default, owed by the Non-Defaulting Party to the Defaulting Party, the Non-Defaulting Party is irrevocably authorized to offset, within the limits provided for by law, this amount to be paid against any other amount owed to it by the Defaulting Party in any capacity whatsoever.



To this end, the Non-Defaulting Party may convert into the Termination Currency the amount of its other payment obligations denominated in any other Currency using the exchange rate that it deems, in good faith, appropriate and fair.

30.8.2.5. In the event of late payment, the Termination Balance (or the amount referred to in article 30.8.2.3, as the case may be) will be increased by the interest thereon, calculated in accordance with the provisions of article 30.9.1.

### 30.9. Late payment or delivery

30.9.1. In the event of late payment of any sum owed under the Agreement by the Client or the Bank, the Client or the Bank will pay the other late payment interest, which will be due automatically and without prior notice and which will be calculated on said sum, from the date on which the payment should have been made (inclusive) to the effective payment date (exclusive), at the overnight refinancing rate of the Party to receive the amount in question, in the Currency in question, plus one per cent per annum. This interest will be capitalized if it is owed for a period of more than one year.

30.9.2. In the event of late Delivery of any Underlying owed under the Agreement by the Client or the Bank, the Client or the Bank will pay the other:

- (i) the amount of the difference, if any, between the Market Value of said Underlying on the date on which Delivery should have taken place and the value of said Underlying on that date in the relevant Confirmation, and
- (ii) late-payment interest calculated on this difference, in the manner set forth in article 30.9.1 until the effective date of Delivery.

### 30.10. Tax consequences

The Client and the Bank will agree in the annex, where applicable, any provision relating to the tax consequences of the Transactions.

### 30.11. Sundry

#### 30.11.1. Notification

Any notification made under this section must be made by letter, telex, email or any electronic or digitized transmission with a sufficient degree of security and reliability for the Client and the Bank and will take effect on the date of its receipt if it is received before 17:00 on a day that is a Business Day and the next Business Day if it is received after 17:00 or on a day that is not a Business Day.

#### 30.11.2. Payment in a currency other than that specified

If, for whatever reason, a payment is made in a currency other than the Currency specified in a Transaction and if there is a difference between this amount converted into this Currency and the amount in this Currency specified in said Transaction, the debtor Party will, by way of an unconditional obligation, compensate the other Party on request and without being able to raise any exception, for any resulting costs and losses.

#### 30.11.3. Non-waiver

To the extent provided for by law, the non-exercise or late exercise by the Client or the Bank of any right, power or privilege arising from this section will not constitute a waiver of the right, power or privilege in question.

#### 30.11.4. Assignment to a third party

This section, any Transaction or any of the rights or obligations arising therefrom for the Client or the Bank may not be transferred, be assigned or be the subject of any security or guarantee whatsoever by this Party, without the prior written agreement of the other Party. It is specified that these provisions do not apply to any claim of either of the Parties liable for the Termination Balance and/or any related interest owed to it under this section, provided said transfer or assignment, security interest or guarantee does not affect the rights of the Non-Defaulting Party under article 30.8.2.4 of this section.

This article does not cover transfer or assignment transactions that result from a universal transfer of assets, the regime of which is set by law or regulation and which are valid and enforceable under the applicable law (in particular in the event of a merger or demerger), for which the prior written agreement of the other Party will not be necessary.

#### 30.11.5. Fees and disbursements

Within the limits authorized by law, the termination of the Transactions, the non-performance of its obligations and commitments under this Agreement or the inaccuracy of any declaration by the Client or the Bank will entitle the Non-Defaulting Party alone or for the other Party, as the case may be, to reimbursement of the costs and disbursements incurred or penalties incurred, including in connection with legal or disciplinary proceedings, if applicable, that it would have suffered as a result and that it would be able to justify and which, in the event of termination, would not have already been taken into account in the calculation of the Termination Balance.

#### 30.11.6. Sureties and guarantees

The Client and the Bank may agree, at any time, on the granting, establishment and possible segregation of any surety or guarantee for all or part of the Transactions.

#### 30.11.7. Transactions concluded on behalf of third parties

30.11.7.1. Notwithstanding article 30.6.1.2 where a signatory to the Agreement acts on behalf of a principal whose identity it has revealed, said principal is a Party to the **Agreement** and to the Transactions. This section therefore applies exclusively to Transactions concluded in the name and on behalf of the principal.

The signatory acting under a mandate:

- i. represents and warrants that he has all the necessary authorizations to bind his principal and that he has ensured that the principal was fully bound by the terms of the Agreement as well as any Transaction concluded in his name and on his behalf; and
- ii. undertakes to facilitate any contact between its principal and the other Party and to disclose to the latter any Event of Default or any New Circumstance affecting its principal of which it becomes aware.

30.11.7.2. Transactions for which one Party acts on behalf of third parties without having previously and expressly revealed to the other Party the identity of said third party, will bind the Party acting on behalf of third parties in the same way as if it acted in its name and on its own behalf.

#### 30.11.8. Provision of documents

The Client and the Bank undertake to provide the other, when concluding the **Agreement**, with documents attesting to the identity, signature and powers of the signatories to bind it under this section and the Transactions, or any other document relating thereto.

#### 30.11.9. Reporting of Transactions

Notwithstanding any agreement to the contrary, the Client and the Bank (i) undertake to cooperate with each other, as necessary, in order to make any declaration of a Transaction, or information relating to a Transaction, to which they are bound by the laws or regulations applicable to them, and (ii) agree and acknowledge that compliance with these obligations will not constitute a breach of any obligation of confidentiality or secrecy.

#### 30.11.10. Reconciliation, portfolio compression and dispute resolution

The Client and the Bank undertake to comply with all the legal and regulatory obligations incumbent upon them in relation to the formalization of procedures and systems for measuring, monitoring and mitigating the operational risk and credit risk of the counterparty, including in particular formalized, robust, resilient procedures that may be subject to audit, enabling the periodic reconciliation of its portfolio of Transactions with that of the other Party, managing the risks relating thereto, promptly identifying and settling any disputes between the Client and the Bank and monitoring the value of outstanding contracts.



#### 30.11.11. Valuation of Transactions

The Client and the Bank undertake to comply with all the legal and regulatory obligations incumbent upon them in relation to the daily mark-to-market valuation of the value of outstanding Transactions. Where market conditions prevent a mark-to-market valuation, each Party will carry out a reliable and prudent valuation in relation to a model.

#### 30.11.12. Remittances as guarantees

The Client and the Bank undertake to comply with all the legal and regulatory obligations incumbent upon them in relation to the implementation of risk management procedures providing for the exchange of guarantees (collateral) carried out in a timely, accurate manner and with appropriate segregation.

#### 30.11.13. Clearing obligation by a central counterparty

If at least one Transaction governed by this section is or becomes subject to a clearing obligation by a central counterparty approved or recognized by the competent authority as a result of a legal or regulatory obligation or an agreement between the Client and the Bank, the Client and the Bank undertake to inform each other without delay and to make every effort, including the implementation or compliance of documentation in accordance with market practices, to ensure the continuation and clearing of the Transactions identified within the deadlines required by the applicable regulations.

30.11.14. The provisions of section 8 do not apply to Indirect Clearing Services, which are the subject of a specific Indirect Clearing Agreement between the Bank and the Client. Prior information on these services is available on the Bank's website.

#### 30.11.15. Term of the Agreement

The Agreement is concluded for an indefinite term. The Agreement may be terminated at any time, by recorded delivery letter, said termination taking effect at the end of a period of five (5) Business Days following its receipt.

However, the Agreement will continue to govern the relations between the Parties for all the Transactions concluded before said termination takes effect.

### Section 9 Transactions involving special risk funds, special investment funds and/or structured products

This section applies:

- when the Client instructs the Bank to subscribe, redeem, transfer or carry out, at its request and on its behalf, any transaction ("Transaction") relating to **units of undertakings for collective investment ("Funds")** presenting Special Risks, in particular Funds domiciled in certain foreign jurisdictions, hedge funds or other Funds presenting special market and/or operational risks under the conditions described below;
- when the Client instructs the Bank to subscribe, redeem, transfer or carry out, at its request and on its behalf, any transaction relating to **units or shares of Special Investment Funds** (as defined in the Glossary in the Annex) under the conditions described below; and
- when the Client instructs the Bank to subscribe, redeem, transfer or carry out, at its request and on its behalf, any transaction relating to **structured products**.

These provisions describe the roles and responsibilities of the Bank and the Client in the context of such transactions.

The signing of these General Conditions does not constitute an obligation for the Client or the Bank to conclude any particular transaction (purchase or sale) in relation to the products and funds falling within the scope of the aforementioned categories, but only an acknowledgment and a prerequisite for doing so.

Transactions carried out under these General Conditions with the Bank or by the Bank on behalf of the Client are at the Client's sole risk. The Client expressly releases the Bank from any obligation to warn, advise, control or monitor.

#### Article 31 Transactions concerned

31.1. Any individual Transaction carried out by the Client with or through the Bank and any confirmation issued in this respect with the provisions of this section constitute a single contractual relationship.

31.2. In addition to the following provisions, the Client expressly acknowledges that, for any Transaction carried out in the products referred to in this section, he will be bound by the laws, regulations and other specific provisions thereof and specific to the Transaction (e.g. restrictions on sale or distribution) and that such laws or regulations may require the Client to sign additional documents to carry out the Transaction, e.g. a specific subscription agreement for one of the products referred to above or any other additional document required by any specific Transaction. The Client declares that he is personally responsible for ensuring that he is aware of these provisions before placing any order. All prices or rates communicated or made accessible to the Client by the Bank are purely indicative and do not constitute an offer, unless the indication is expressly qualified as a firm offer. The Client expressly releases the Bank from the obligation to require it to sign a subscription agreement or any other additional document required by any specific Transaction if and to the extent permitted by applicable law.

31.3. As a general rule, Transactions in any of the foregoing may be agreed without any obligation of form. After conclusion of any particular Transaction, the Bank establishes a confirmation corresponding to the Client's intention, containing the decisive data for the Transaction (name, number or quantity, price and any other information concerning the product purchased or sold, confirmation of registration or cancellation of the deposit, etc.). The Bank is free to ask the Client for written confirmation of some or all of the Transactions.

#### Article 32 Action by the Bank at the request and on behalf of the Client

32.1. The Client notes that, for all the Transactions, the Bank (or an authorized third party) will formally act in its name as a subscriber of units in the Fund, on behalf of the Client and in accordance with its instructions.

32.2 The Client is aware that, following a subscription, the Bank or an authorized third party may, as an unsigned party, have to provide the information referred to in article 35.

**32.3 With regard to transactions involving Special Investment Funds**, the Client acknowledges and accepts that, notwithstanding the terms of intervention of the Bank as described in article 32.1 above, he will comply with, for any Transaction, the representations, warranties and attestations as set out in the Fund Documents (as defined in article 33.1 below) relating to any specific Special Investment Fund as would be required of the Client if the Client subscribed to the Special Investment Fund directly; if the Fund Documents required the Bank and/or the Client to sign any other document to carry out such specific Transactions (e.g. a specific subscription agreement or other documents), the Client will provide the Bank with such signed documentation before the execution of the Transaction. However, the Bank has the right, without this constituting an obligation, to sign this documentation on behalf of the Client.

#### Article 33 Risk information

33.1 The Client acknowledges and confirms that all the Transactions carried out in accordance with the provisions of these positions will be carried out at its express request and on the basis of its own assessment of the products as well as the conditions and developments of the financial markets concerned.

The Client also confirms that he has the necessary knowledge, experience and risk appetite to invest in Special Risks Funds, Special Investment Funds, and structured products; the Client further agrees that, from the moment it gives the order to execute a Transaction, the Bank may consider that he has read and understood the Prospectus of the Fund in question or the terms of issuance of the structured product in question (including specifically, but not exclusively, all the information relating to the risks involved in an investment in the Fund or structured product in question).

33.2. The Client confirms that he has read and understood Part Three of these General Conditions (entitled "Information on specific risks in the trading of financial instruments"), which provides a detailed explanation of the structure and risks of the products covered by this section.

The Client releases the Bank from any obligation to provide it with further information on the risks in relation to the structured products and Funds referred to in this section.

33.3. The Client alone will bear the risk incurred by all the Transactions concluded under these positions. The Client hereby expressly releases the Bank from any duty to warn or monitor and from any liability in relation to the Funds or structured products concerned. In particular, the Client acknowledges that the Bank assumes no liability for the performance of these Funds and structured products. Unless explicitly provided for in a separate written advisory mandate concluded with the Bank, the Client expressly releases the Bank from any supervisory obligation and any liability in relation to the Special Investment Funds concerned, special risks funds funds and structured products.

33.4. The Client may receive from the Bank certain communications relating to Special Investment Funds. In this respect, the Client expressly acknowledges and accepts the following:

- any information provided by the Bank is based on information received by the Bank from the Special Investment Fund or related companies. The Client acknowledges that this information is obtained from sources considered by the Bank to be reliable and in good faith. The Client is aware that this information is likely to become rapidly obsolete due to market, regulatory or other changes and that its relevance is therefore limited in time; and
- if the Bank follows or has followed a process to invest in a Special Investment Fund, this process, and any statement made by the Bank in this regard, will not be used by the Client in its decision to invest in or otherwise carry out a Transaction.

#### Article 34 Product information

34.1. The Client undertakes to read the Fund or structured product documents before instructing the Bank to execute a Transaction. By ordering the Bank to execute a Transaction, unless it receives or has received advisory services in relation to the proposed Transaction and subject to article 34.3, the Client must provide the Bank with the corresponding Fund Documents at least ten (10) Banking Days before the date of execution of the Transaction, on the understanding that the Transaction may be executed by the Bank upon receipt of the Fund Documents.

34.2. The Client certifies, confirms and warrants to the Bank at the time of each Transaction that:

- a) he has read and understood the Fund or structured product documents, including all the information concerning the risks relating thereto;
- b) he has the necessary knowledge, investment experience and risk appetite to invest in the Fund or structured product in question;
- c) he is financially able to bear any losses resulting from any Transaction;
- d) he will only instruct the Bank to execute Transactions if he meets all the admission requirements in accordance with all applicable rules and laws, the Fund or structured product documents, as well as the investment conditions specified in the Fund or structured product documents. The Client further confirms that, from the moment he gives the order to execute any Transaction whatsoever, the Bank may consider that he fully meets all the conditions mentioned in the Fund/structured product documents.

By instructing the Bank to execute Transactions, the Client certifies that he is neither a "US Person", nor a "Benefit Plan Investor", nor an insurance company investing the assets in its accounts that constitute

"Plan Assets" according to the definition (the Client acknowledges that this definition may vary depending on the Special Investment Fund in question) as it appears or is referred to in the applicable Fund Documents. The Client will inform the Bank of compliance with the criteria and compliance with the conditions as the Bank and/or the Fund may require and provide separate declarations as certain Special Investment Funds may require;

e) The Client will immediately inform the Bank if he no longer meets the criteria and/or no longer complies with the conditions set out in paragraph d) above and will immediately instruct the Bank to transfer or redeem the investment in any investment fund covered by this section.

The Client acknowledges that in the event of late, incomplete or erroneous information concerning the conditions, the investment in a fund or structured product may be refused, redemption may be required and/or any other measure provided for in the fund or structured product documents may be taken.

If the Bank learns that the Client no longer meets the criteria and/or conditions, in the absence of a transfer or redemption

instruction from the Client, the Bank is authorized by the Client, but not obliged, to redeem the investment in question. Consequently, the Client may lose all or part of the investment in the Fund or structured product.

f) The Client will provide, at all times, whether at the Bank's discretion or otherwise, information that will be current, accurate, exhaustive and not misleading, as required.

34.3. For certain Investment Funds for which the Client may have received advisory services from the Bank, the Bank will make available the Fund Documents or any other information required by the Investment Fund. The Client acknowledges that the Bank will provide the Fund Documents only (i) if required by applicable law, (ii) if specifically required by the Client, (iii) if such Documents are available and (iv) if permitted by applicable law. Where the Client has received advisory services under a written advisory agreement containing terms and conditions relating to the provision of the Fund Documents, the terms and conditions of such advisory agreement prevail.

34.4. The Client acknowledges that at the time of each Transaction, he will receive or have access to confidential exclusive information, including, without limitation, valuations, information concerning potential investments, financial information, trade secrets and other information (collectively referred to as "confidential information"), which is by nature proprietary and non-public (the Client acknowledges that their definition may vary depending on the product). The Client agrees not to disclose or cause the disclosure of any confidential information to anyone, nor to use any confidential information for its own purposes or for its own account, unless it is in connection with the Transaction and unless required by a regulatory authority, law, regulation or legal procedure. In addition, in the event that the Fund or product documents have been provided to the Client by the Bank, the Client undertakes not to provide, reproduce or duplicate these documents to any other person, with the exception of its professional advisors or at the request of the Bank.

34.5. The Client notes that, for certain Funds, the Bank makes available to him documents concerning them as well as any other information on the Fund whose content materially applies to him. If, under applicable law, the Bank is not obliged to make such product-specific information available, the Client agrees to obtain the product-specific information from the issuer of the Fund or the representative of the Fund before asking the Bank to execute a Transaction. It expressly releases the Bank from any obligation to notify it of the availability of such documents in connection with any Transaction whatsoever and acknowledges that the Bank will only provide such documents (if they exist) upon specific request from it.

34.6. The Client acknowledges that the Bank, after carrying out a Transaction with any Fund whatsoever, is not obliged to inform the Client or may even be prevented by the applicable laws and regulations from informing the Client of any change in the Fund Documents or of any other information/communication received from the Fund. In addition, the Bank is not required to read or act in accordance with the ongoing communication of the Fund.

34.7. The Bank will not be liable for any claims, damages, demands, losses, costs or expenses of any kind that the Client may incur:

- in the event of a product-specific information defect, insufficiency or error on the part of the Fund/issuer of the product or its representative, or
- the fact that the Bank has not transmitted to it any information or communication from the Fund/issuer of the product, or has not taken any action on the basis of this information, or
- the refusal, for whatever reason, to accept subscriptions or transfers, the implementation or suspension of redemptions, a delay in the payment of distributions or redemption proceeds and/or the taking of measures by the Fund that could have a negative impact on the Client;
- if he has not:
  - consulted the Fund Documents or the product issuer's documents before instructing the Bank to carry out a Transaction; or
  - asked the Bank to provide it with available information specific to the product or, if the Bank is not bound by applicable law, asked the issuer of the Fund/Structured Product or its representative to provide it with the Fund/Structured Product Documents or any information relating thereto, before giving the order to carry out a specific transaction; or
  - consulted with an independent legal, tax and accounting advisor before instructing the Bank to enter into a Transaction.

With regard to Funds or products issued by a UBS Group entity, the Client may also request from the Bank, before placing an order, detailed written information (Terms of issue, Term Sheet, descriptive or commercial brochure, etc.) setting out in particular the specific risks associated with the product or Fund in question. The Client expressly releases the Bank from any liability resulting from missing or insufficient information, in particular on risks, in the event that he has not requested product-specific information before placing a specific transaction order for a product issued by UBS.

34.8. The Client expressly acknowledges that the Bank is not required and does not intend to initiate proceedings for whatever reason in connection with any Transaction. In the event of legal proceedings initiated or ongoing, the Client may instruct the Bank to transfer the investment in a Special Investment Fund to its name or to a third party; however, the Client will compensate the Bank for any damage if the Special Investment Fund refuses the transfer.

#### **Article 35 Know Your Customer (KYC) principle and Client confidentiality**

35.1. The Client acknowledges that, for Funds, structured products or special risk products, market practice is that the Fund or structured products documents, based on the applicable KYC provisions, may require the Fund or the Issuer of the product to obtain information concerning, for example, its identity, the beneficial owner of the money invested in the Fund or the structured product, or the origin of the funds invested.

35.2. The Client also acknowledges that Transactions in Special Investment Funds may require the disclosure to the Special Investment Fund and/or its service providers or the official authorities of information concerning the investor (including Personal Data) and, if he is not the investor, the beneficial owner, either in accordance with the laws and regulations applicable to the Transaction or according to the applicable Fund Documents. Even if, by virtue hereof, the Bank acts in its name, it does so on behalf of the Client and the Client is therefore considered to be the investor/beneficial owner within the aforementioned meaning. The information to be provided may include, for example, the identity, address or tax identification number of the Client or the origin of the funds invested ("Client Information").

35.3. In the event that the Bank is required to do so by law or the applicable Fund Documents, the Bank will provide - and the Client explicitly authorizes the Bank to provide - the Client Information, upon request from the Special Investment Fund and/or its service providers, to the recipients (e.g. tax authorities, financial market supervisory authorities, Special Investment Fund and/or its service providers such as transfer agents or administrators) duly authorized to receive the Client Information in accordance with the applicable laws and regulations and/or the Fund or structured product documents.

35.4. To the extent that this information is not already in the possession of the Bank, the Client will provide the latter with all the information necessary to satisfy the request of the Fund or the Issuer of the structured product concerned. **The Client also authorizes the Bank to provide the information referred to in paragraph 34.1 above to the Fund or the Issuer of the product insofar as this seems reasonable and necessary.** The Client is aware and accepts that, if he does not provide all the necessary information to the Bank and the Fund/Issuer of the structured product in question and within the allotted time, the latter may refuse to accept the Client's investment, or that this may result in the redemption of the investment made by the Client in the Fund/structured product, or other negative consequences for the Client. In addition, the Fund may suspend redemption rights for such investments if it reasonably deems it necessary in order to comply with KYC principles. The Client is aware that he may lose some or all of the money invested in the Fund if he does not comply with the Fund's conditions in this area. The Client releases the Bank from any liability in the event that he has not provided the information required by the Fund.

35.5. The Bank will take reasonable measures to prevent the disclosure of Client Information. If a Transaction is conditional on the disclosure of the Client Information or becomes so and cannot be executed without such disclosure, the Bank will inform the Client before or, if this is not possible, in a timely manner after the disclosure using the means of communication agreed between the Bank and the Client, unless the Bank is prevented from providing this information to the Client by law, a court or other official forum.

35.6. In order to authorize the Bank to disclose the Client Information in accordance with this article 34, the Client hereby releases the Bank from its obligation to protect banking secrecy. The Client acknowledges that the Client Information will not subsequently be subject to the rules and regulations on banking secrecy and may subsequently be held in a jurisdiction where data protection legislation may be less strict than in Monaco.

35.7. The Client confirms that he has obtained from any beneficial owner or other party concerned the consent or authorization necessary to provide the Client Information to the Bank as described herein.

#### **Article 36 Advice**

The Client is aware that the Bank does not provide any advice on the legal and tax implications of any investment, and that he undertakes to consult a legal and tax advisor before any Transaction. The Client assumes responsibility for all the tax obligations arising from any Transaction, including those arising from the redemption or liquidation of any investment. The Client also accepts that the Bank may withhold taxes up to the amount required by applicable laws or regulations and will pay said taxes to the competent authorities.

#### **Article 37 Potential conflict of interest**

The Client acknowledges and approves the fact that the Bank (including its parent company and/or its subsidiaries under this article) may at any time, as principal or agent, hold positions or buy or sell, or hold a market in any security, currency, financial instrument or other asset relating to the Fund/underlying the Fund or the Issuer of the product. The Client also acknowledges and approves the fact that the Bank executes transactions in this respect both on behalf of its clients and on its own behalf. The Bank may also provide advisory services in this respect, offer Investment Banking or other services to the Issuer or the Fund, and/or incur the risks inherent in the products sold to or generated by clients (Hedging). As such, the Bank may adapt, liquidate or adjust hedging positions during the life of the Fund or the Structured Product, if market conditions vary or because the Bank considers independently that an adjustment is in its own interest. The Bank may also have officers who hold management positions within the issuer, pay or collect brokerage fees, commission retrocessions, or remuneration as a distribution channel in connection with the investment, engage in hedging activities including financial instruments linked to a product.

#### **The execution of such transactions by the Bank may, depending on the configuration of a large number of factors, have a significant impact on the markets concerned.**

The Bank, its parent company and/or its subsidiaries will not be liable for any losses that may be incurred by the Client in connection with any market movement whatsoever.

#### **Article 38 Payments**

38.1. The Bank is authorized to debit from any of the Client's accounts all commissions, taxes and other expenses that may arise from any Transaction. The Bank is also authorized to debit from any of the Client's accounts the capital calls and additional capital contributions requested in accordance with the Fund Documents.

38.2. Any remuneration or compensation such as, for example, brokerage, commission retrocession or distribution channel remuneration received by the Bank from third parties in connection with any Transaction may increase the amount borne by the Client and thus constitute additional costs.

#### **Article 39 Due diligence and liability**

39.1. For the purposes of this section, the Bank will adopt the usual degree of Due Diligence.

39.2. Unless explicitly stated otherwise in this section, the Bank may only be held liable for any act or omission in connection with its interventions under this section in the event of gross negligence or willful misconduct and only in the event of direct and actual losses suffered by the Client. For the avoidance of doubt, liability for indirect, secondary, third-party or potential damages is explicitly excluded. In particular, the Bank declines all liability in the event of slight negligence on the part of its principals.

39.3. The Client will indemnify the Bank against any and all claims, damages, demands, losses, costs or expenses whatsoever suffered by the Bank as a result of or in connection with:

- the provision by the Client of false, misleading, inaccurate or incomplete information to the Bank;
- failure in any other way by the Client to comply with the provisions hereof.

39.4. In the event of actions taken by the Bank or against the Bank concerning any Transaction, the Client agrees to provide the Bank with all necessary and reasonable assistance. The Client further agrees to indemnify the Bank or its affiliates (and any authorized third party) against any damages, claims, losses, costs or expenses of any kind incurred by the Bank or its affiliates (or any authorized third party) in connection with this Transaction.

#### **Article 40 Capacity to act**

The Client confirms that he has the necessary capacity to act and sufficient legal powers to carry out Transactions with Special Risk Funds, Special Investment Funds and structured products.

#### **Article 41 Distribution fees**

41.1. The Bank distributes investment products such as Special Investment Funds promoted and/or issued by UBS Group companies as well as by independent third parties ("Distributed Products"). In exchange, the Bank periodically receives distribution fees and/or non-monetary benefits from these promoters and/or issuers as remuneration for its services for the distribution of the Distributed Products to clients. Distribution allowances may give rise to conflicts of interest. In particular, they may encourage the promotion of Distributed Products for which the Bank receives higher distribution fees than other Distributed Products, or investment instruments that do not give rise to a distribution fee. The Bank has put in place appropriate organizational procedures to protect the interests of its clients.

41.2. The Client agrees that the Bank will retain all the distribution fees received from its affiliates or independent third parties.

#### **Article 42 Claims – Shortened limitation period**

In general, it is the Client's responsibility to take the initiative to find out about the state of execution of its instructions.

The Client's complaints concerning the execution or non-execution of an order covered by section 9 of these General Conditions, as well as disputes concerning transaction confirmations, statements of accounts, billing statements or deposits, as well as other communications from the Bank, must be made as soon as they are known, i.e. as soon as the relevant notice is received. If no dispute is raised within thirty (30) calendar days of the communication, the action or communication in question will be deemed to have been accepted by the Client. Any action relating to section 9 Transactions must be brought within one year of the date of the account statement showing the disputed transaction.

#### **Part Three Information on specific risks in trading financial instruments**

In the following developments, the term "securities dealer" means UBS (Monaco) SA.

The purpose of these provisions is to inform the Client about the types of transactions and investments likely to give rise to particular risks (section 1) on the one hand, and about non-traditional funds and investments made in emerging or developing countries (section 2) on the other hand.

The tax and legal impacts of transactions on financial instruments (e.g. reporting obligations) will not be addressed. The Bank recommends that the Client obtain information for himself and seek advice from a professional.

The Client is invited to read these developments carefully and to consult his advisor if he has any additional questions.

#### **Securities and related risks**

##### **Securities and derivatives**

Transferable securities are **financial instruments** that can be distributed in large numbers, such as equities, bonds and fund units. They are offered to the public or sold to more than twenty clients in a standardized form and unit.

##### **Derivatives**

Derivatives are financial instruments whose price is derived from that of an underlying: assets (equities, bonds, precious metals and other commodities), reference rates (exchange rates, interest rates, indices), occurrence of an event (credit incident, natural disaster).

For example, in the case of an equity option, the equity is the underlying from which the option derives. The chapters below present the different types of derivatives: options, forward transactions and structured products.

##### **Particularity of transactions in securities and derivatives**

Transactions in **securities and derivatives**, and especially derivatives, involve financial risks. Derivatives, which can consist of several financial instruments, are sometimes difficult to understand. This is particularly the case for "exotic" options.

The following provides explanations on these financial instruments and the related risks. But it cannot replace product descriptions published by issuers and securities dealers. The Client has its advisor at its disposal for any additional information.

##### **Unlimited risks**

Fundamentally, a distinction should be made between financial instruments with limited risk and financial instruments with unlimited risk. When the Client buys equities or options, he takes a limited risk. At worst, he will lose the capital invested and will not realize any capital gains.

**Please note.** Certain derivatives may cause the Client to have to inject funds in excess of the amount of its investment.

This obligation to meet margin calls may represent several times the purchase price of its financial instruments. Transactions with unlimited risk include:

- the sale (subscription) of a call option without hedging,
- the sale (subscription) of a put option or
- forward transactions.

##### **Ordinary risks**

Ordinary risks are not dealt with in these provisions. Ordinary risks include:

- **risks related to common financial instruments such as equities, bonds and collective investment schemes (e.g. fund units)**

The debtor (issuer) may be faced with financial difficulties and become insolvent (insolvency and del credere risks).

- **Country risks**

There may be a country risk in the event of restrictions on the free movement of securities, e.g. in the context of economic sanctions or exchange controls.

- **Settlement risks**

There is a settlement risk when the Client is required to pay in advance the price of securities that will only be delivered to him at a later date: the securities may be delivered late, or they may not be delivered at all even though he has already paid for them. Conversely, there is a settlement risk when the Client delivers securities that he has sold before collecting the price. These risks mainly concern emerging markets (see below section 2, Emerging markets investments, Settlement risk).



- **Custody risk of financial instruments**

Financial instruments are held in Switzerland or abroad. As a general rule, they are kept where they are most traded and are subject to the prevailing requirements in the country concerned. In the event of the Bank's insolvency, Swiss law stipulates that financial instruments held in custody do not fall within the scope of bankruptcy, but are subject to a reservation in favor of the Client. However, bankruptcy proceedings may delay their transfer. In the event of the bankruptcy of a third-party depository institution, foreign legal systems, like Switzerland, provide protection for financial instruments deposited by the bank with that institution. In the least developed markets (see below Investments in emerging markets), however, they may fall into bankruptcy.

- **Liquidity risk**

This means the risk that the Client may not be able to withdraw from an investment at any time and at an appropriate price. When certain financial instruments or derivatives do not sell, or only with difficulty and at a very low price, the market is said to be "illiquid". Liquidity risk concerns in particular securities issued by unlisted or small-cap companies, investments with sales restrictions and certain structured products.

### Section 1 Types of transactions with particular risks

There are many types of transactions with particular risks: options transactions (A), forward transactions (B), structured products (C) and financing or risk transfer products (D).

#### A Options transactions

##### Rights and obligations of the Client

As the buyer of an option, the Client may, up to a given date (expiry date), buy from the seller (call option) or sell to the seller (put option) a certain quantity of an underlying asset at a predefined price (strike price). The price paid by the Client in return for this right is called a premium.

As the seller (issuer) of an option and no later than the maturity date, the Client must, regardless of the price of the underlying, sell it to the buyer at the strike price (call option) or buy it from the buyer at the strike price (put option) if the buyer exercises its option.

##### "Leverage effect" in options transactions

The price of the option is closely linked to the underlying. Any change in the price of the underlying will result in a greater change in the price of the option (leverage effect). The Client's participation in the capital gains and losses of the underlying is therefore more than proportional.

##### Types of underlyings to which the options may relate

The underlyings of an option may be:

- assets such as equities, bonds, precious metals and other commodities;
- reference rates such as exchange rates, interest rates and indices;
- derivatives or
- any combination of the foregoing.

##### "American" option

A "American" option can in principle be exercised on any trading day until the maturity date.

##### "European" option

A "European" option can only be exercised on the expiry date, i.e. on a predetermined date. However, this does not restrict its marketability on the secondary market (e.g. on the stock exchange).

##### Physical settlement and cash settlement

In the case of call options with physical settlement, the Client may require the seller of the option (issuer) to deliver the underlying to it on the exercise date. In the case of put options, the seller must buy the underlying back from the Client.

When an option provides for a cash settlement, the Client receives only a sum of money. This corresponds to the difference between the strike price and the daily price of the underlying.

#### Option in the money, out of the money, at the money

A call option is "in the money" when the price of the underlying is higher than the strike price. A put option is "in the money" when the price of the underlying falls below the strike price. When an option is "in the money", it has intrinsic value.

A call option is "out of the money" when the price of the underlying falls below the strike price. A put option is "out of the money" when the price of the underlying is higher than the strike price. In this case, it has no intrinsic value.

When the price of the underlying is equal to the strike price, the option is at the money; it has no intrinsic value.

#### Criterion determining the price of an option

The price of an option depends, on the one hand, on the intrinsic value and, on the other hand, on what is known as its time value. The latter results from various factors, including the residual maturity of the option and the fluctuation margin (volatility) of the underlying. The time value represents the chances an option has of being in the money. It is higher for options with a long duration and a highly volatile underlying, as well as for at-the-money options.

#### Different types of options

- Warrants (option certificates) are options evidenced by a security and traded on an exchange or over the counter.
- Exchange traded options are not represented by a security, but are traded on the stock exchange.
- OTC (over-the-counter) options are not represented by a security and are not traded on the stock exchange. They are traded directly between seller and buyer, off-exchange. If the Client wishes to settle an OTC option transaction before the expiry date (payment), he must enter into a reverse transaction with its counterparty. OTC options on precious metals and currencies are standard products offered to the general public. On the other hand, tailor-made OTS options are reserved for certain investors only.

#### Margin coverage

When the Client sells an option, he must deposit as collateral, throughout the term of the contract, a corresponding number of underlyings or other collateral. The amount of this coverage (margin) is defined by the securities trader. For tradable options, the Exchange prescribes a minimum margin.

**Please note.** If the margin cover proves to be insufficient, the securities dealer may require additional guarantees from the Client (margin call).

#### Risks assumed as buyer of an option

In general, the value of the Client's call option decreases when the price of the underlying falls and the value of the Client's put option decreases when the price of the underlying rises. The less the Client's option is in the money, the greater the loss of value. This loss of value generally increases significantly just before the end of the residual term.

The value of the Client's call option may also decrease when the price of the underlying remains stable or increases. This is the case, for example, when the time value of the Client's option decreases or when supply and demand change unfavorably. The behavior of put options is exactly the opposite.

**Please note.** The Client must expect that its option will lose value or even have no value as the maturity approaches. The Client's loss is then equal to the premium paid for the option.

#### Risks incurred as seller (issuer) of a covered call option

When the Client sells a call option and has the corresponding underlyings, this is referred to as a covered call option. If the price of the underlying is higher than the strike price, the Client does not make any capital gain: in fact, he must deliver the underlyings to the buyer at the strike price without being able to sell them at the market price (which is higher). If the option can be exercised, the Client must be able to dispose freely of the underlyings; these, for example, may not therefore be pledged. Otherwise, the risks for the Client are in principle the same as for an uncovered call option (see below).

### Risks incurred as seller (issuer) of an uncovered call option

When the Client sells a call option without having corresponding underlyings, this is referred to as an uncovered call option. In the case of options with physical settlement, the Client's risk of loss is equal to the difference between the strike price paid by the Client to the buyer and the price that the Client must pay to acquire the underlyings. In the case of cash-settled options, the Client's risk of loss lies in the difference between the strike price and the price of the underlying.

**Please note.** As the price of the underlying may be substantially higher than the strike price, its risk of loss is indeterminate and theoretically unlimited.

With regard in particular to American options, it should be noted that they can also be exercised when the market situation is very unfavorable and generating losses. If the Client is required to deliver physically, the underlyings may be very expensive or even impossible to acquire.

It should also be noted that any loss may far exceed the guarantees (margin cover) that the Client has provided at the time of conclusion of the contract or subsequently.

### Risks incurred as seller (issuer) of a put option

When the Client sells a put option, he may incur significant losses if the price of the underlying falls below the strike price that the Client has to pay to the seller. The risk of loss is equal to the difference between these two values.

When the Client sells an American put option with physical settlement, it undertakes to take over the underlyings at the strike price if the buyer exercises the option. This is also true when the resale of the underlyings is difficult and generates significant losses; or even impossible.

**Please note.** The losses that the Client may incur may be much greater than the guarantees that he may have provided (margin cover). In the worst-case scenario, the Client may lose the entire investment capital.

### "Stillhalter" transaction

When the Client carries out a "Stillhalter" transaction, it buys an underlying (equity, bond or currency) and at the same time sells a call option on this underlying. In return, it receives a premium. This limits the Client's loss in the event of a fall in the price of the underlying, but it also limits its potential capital gains to the strike price of the option. In the context of a traditional transaction of this type, the Client must deposit the underlying as collateral, which makes it a passive investor.

The synthetic passive investor transaction is modelled on the traditional transaction, but involves only one transaction. The purchase of the underlying and the subscription of the call option are made using derivatives. The purchase price of such a product corresponds to the price of the underlying, less the premium received for the sale of the call option. This price is therefore more advantageous than that of the underlying.

### Risks incurred in connection with a passive investor transaction

The Client has no cover against the capital losses of the underlying. However, these capital losses are lower than in the case of a direct investment, thanks to the sale of the call option (traditional transaction) or the fact that the premium linked to the sale of the call option is included in the price of the product (synthetic transaction). This premium therefore limits any capital loss on the underlying.

On the expiry date, there is either cash payment or physical settlement of the underlying: if the price of the underlying is higher than the strike price, a sum of cash is paid to the Client.

**Please note.** If the price of the underlying is lower than the strike price, the underlying is delivered to the Client in physical form. In this case, the Client bears all the risk associated with the underlying.

### Options strategies

If, on the same underlying, the Client buys two or more options that are distinguished by their type (call or put), their quantity, their strike price, their maturity or the position taken (buy or sell), this is referred to as an options strategy.

**Please note.** Given the multiplicity of possible combinations, the Bank cannot present in detail the risks associated with each particular case. It therefore urges the Client to obtain detailed information on the specific risks before concluding such a transaction.

### "Exotic" option

Unlike plain vanilla options, exotic options are subject to additional terms and agreements. They can take the form of bespoke OTC options as well as warrants (option certificates).

Given the particular configuration of options, price movements may differ considerably from those of plain vanilla options.

**Please note.** The Client should be aware that, even shortly before maturity, transactions of a certain size may trigger price fluctuations that may reduce the value of the option to zero. Detailed information on these risks must be obtained before any decision to buy or sell.

Exotic options have an infinite number of variants. An exhaustive description of the specific risks resulting therefrom is impossible in the context of these developments.

The examples of exotic options given below fall briefly into two categories: options dependent on fluctuations in the price of the underlying (path-dependent) and multi-underlying options.

### Path-dependent options

In the case of path-dependent options, unlike plain vanilla options, the price of the underlying asset is not determined solely on the expiry date or the exercise date. It is therefore the Client's responsibility to incorporate fluctuations in the price of the underlying during the term of the option into its considerations. Path-dependent options include:

#### • barrier options

In the case of knock-in barrier options, the Client's option rights are only created at the time when the price of the underlying reaches a predefined limit (barrier) within a given period. In the case of knock-out options, the Client's option rights expire when the price of the underlying reaches the limit within this period. If the barrier is between the price of the underlying on the date of conclusion of the contract and the strike price, we are talking about kick-in or kick-out barrier options. Double-barrier options have an upper limit and a lower limit, which can be activated or deactivated.

**Please note.** When purchasing a barrier option, the Client must be aware that its option right arises (knock-in or kick-in option) or is fully and definitively extinguished (knock-out or kick-out option) when the price of the underlying is exposed to the barrier.

#### • payout options

Payout options entitle the Client to a predetermined fixed amount.

In the case of a digital or binary option, the Client receives the promised amount if the price of the underlying reaches a predefined value at least once within a given period (one-touch digital option), or if it reaches it on the expiry date (all-or-nothing option). For the one-touch digital option, the amount is paid either as soon as the barrier is reached, or only at maturity (lock-in option).

In the case of a lock-out option, the Client only receives the promised amount if the price of the underlying does not reach a given barrier within a given period.

**Please note.** If the Client sells a payout option, it owes the amount set when the price of the underlying reaches the bar, regardless of whether or not the option is in the money on the exercise or expiry date. For the Client, the amount due may therefore be considerably higher than the intrinsic value of the option.

- **Asian options**

An average is calculated over a given period based on the price of the underlying. This average is used to determine the value of the underlying (average-rate option) or the strike price (average-strike option).

**Please note.** In the case of options based on an average price, the calculation of the average price may result in the value of the option at expiry being significantly lower for the buyer and significantly higher for the seller than the difference between the strike price and the price at maturity.

**Please note.** With regard to the average-strike option, the strike price of a call option resulting from the calculation of the average may be significantly higher than the initial price set. Conversely, the strike price of a put option may be significantly lower than the initial strike price.

- **lookback options** Over a given period, the market value of the underlying is regularly recorded.

In the case of a strike-lookback option, it is the floor price (call option) or the ceiling price (put option) of the underlying that determines the strike price.

In the case of a price-lookback option, the strike price remains unchanged; however, to calculate the value of the option, we use the ceiling price of the underlying in the case of a call option and the floor price of the underlying in the case of a put option.

**Please note.** For mirror options, both the strike price and the value of the underlying as calculated may deviate significantly from the prices at maturity. If the Client sells such an option, he must be aware that it will always be exercised at the price most unfavorable to it.

- **contingent options**

If the Client purchases a contingent option, he must pay the premium only if the price of the underlying reaches or exceeds the strike price during the term of the option (American option) or at maturity (European option).

**Please note.** The Client must also pay the premium in full, including when the option is at the money or fair in the money.

- **ratchet option and ladder option**

In the case of a ratchet option, the strike price is adjusted at regular intervals depending on the price of the underlying for the subsequent period. This adjustment is most often done at regular intervals. Any intrinsic values of the option (lock-in) are taken into account and cumulated over the entire period.

In the case of a ladder option, adjustments are not made periodically, but when the underlying is exposed to given prices. In general, only the highest intrinsic value of the option (lock-in) is retained. Exceptionally, all the intrinsic values are cumulated.

**Please note.** If the Client sells a ratchet option, he will owe the buyer, at maturity, not only the potential intrinsic value of the option, but also all cumulated lock-ins. If the Client sells a ladder option, it owes the buyer the highest lock-in. The Client must expect that at maturity, the lock-in will be significantly higher than the intrinsic value of the option.

## Multi-underlying options

Multi-underlying options include:

- **spread and outperformance options**

These two forms of options relate to two underlyings. In the case of a spread option, the value of the option is calculated on the basis of the absolute difference between the changes in the two underlyings. In the case of an outperformance option,

the value of the option is calculated on the basis of the relative difference, i.e. the percentage difference between the better underlying and the other.

**Please note.** Even if the underlying is positive, the absolute or relative spread may remain constant, or even decrease, and have a negative impact on the value of the option.

- **compound options**

These are options whose underlying is an option, i.e. options on options.

**Please note.** Compound options can have a very strong leverage effect. If the Client sells this type of option, he may be exposed to very high commitments.

- **credit-default options**

Credit-default options allow an initial risk bearer (seller of the risk) to transfer a credit risk to a third party (buyer of the risk) who, in return, receives a premium. If the predefined credit event occurs, the risk buyer is required to pay a sum of money (cash settlement) or buy back the outstanding credit (or other binding obligation) at a defined price (physical settlement). Credit-default options are a form of credit derivatives.

**Please note.** The risk of chain reactions in the credit market is high and may be underestimated. Similarly, the lack of liquidity in the event of low volumes can lead to price distortions, so that the investment will sell poorly, only in the long term, or not at all.

## B Forward transactions: forwards and futures Client Obligations

Forwards and futures commit the Client to receive or deliver, on the expiry date of the contract and at a price set at its conclusion, a given quantity of an underlying. Contrary to options transactions, which only confer a right on the Client, forwards and futures confer an obligation on the Client. At the conclusion of the contract, the Client does not have to pay a premium.

**Please note.** Forwards and futures may involve specific risks. The Client must only carry out such investments if he is familiar with this type of transaction, if he has sufficient financial resources and if he is able to bear any losses.

### Difference between futures and forwards

Futures are traded on the stock exchange. In terms of the quantity of the underlying and the expiry date, these are standardized contracts.

Forwards are not traded on an exchange, so they are called over-the-counter (OTC) forwards. These are standardized contracts or contracts negotiated on a case-by-case basis between the buyer and the seller.

### Underlyings of forwards and futures

Forwards and futures may relate in particular to the following underlyings:

- assets such as equities, bonds, precious metals and other commodities;
- reference rates such as exchange rates, interest rates and indices.

### Margin

If the Client buys or sells an underlying in the future without having access to it (short sale), he must have a certain initial margin at the conclusion of the contract, provided it has been expressly self-insured beforehand by the Bank. In general, this corresponds to a percentage of the total value of the contract concluded. In addition, during the term of the contract, a variation margin is regularly calculated equal to the accounting profit or loss resulting from the change in the value of the contract, i.e. the underlying. The method for calculating this variation margin is defined by the stock exchange regulations in force or the contractual clauses.

As an investor, the Client must deposit with its securities dealer, throughout the term of the contract, the required initial and variation margins.

**Please note.** In the event of an accounting loss, the variation margin may represent several times the initial margin.

#### Liquidation of a transaction

As an investor, the Client may liquidate the contract on any date preceding the expiry date. The operating procedure depends on the type of contract and market practice. Either the Client "sells" the contract, or it carries out, under the same contractual conditions, a counter-transaction that mutually cancels the delivery and acceptance obligations.

#### Execution of the contract

If the Client does not liquidate the contract before expiry, it and its counterparty must execute it.

If the underlying is an asset, the contract can be executed either by physical settlement or by cash settlement. The most common case is delivery. The contractual conditions or stock exchange practice only provide for cash settlement on an exceptional basis. All other terms of execution, in particular the place of execution, are stipulated in the contractual conditions.

The difference between actual delivery and cash settlement is as follows: in the case of actual delivery, the underlyings are to be delivered up to the total value of the contract, whereas in the case of cash settlement, only the difference between the agreed price and the price in force on the settlement date has to be paid. Contracts stipulating an actual delivery therefore require more liquidity than those stipulating a cash settlement.

If the underlying is a reference rate, execution by actual delivery is excluded (exception: currencies). There is always cash settlement.

#### Specific risks to be taken into account

In a forward sale, the Client must deliver the underlyings at the price initially agreed even if, since the conclusion of the contract, the price has been above this price. The Client's risk of loss therefore corresponds to the difference between these two prices.

**Please note.** As the price increase of the underlying is theoretically unlimited, your potential losses are also unlimited and may well exceed the margins required.

**Please note.** In a forward sale, the Client must accept the underlyings at the price initially agreed even if, since the conclusion of the contract, the price has been below this price. The Client's risk of loss therefore corresponds to the difference between these two prices, and the maximum loss incurred is equal to the price initially agreed. However, it may be much higher than the required margins.

In order to limit excessive price fluctuations, stock exchanges may subject certain contracts to price limits. The Client must obtain information on this subject before carrying out transactions on forwards and futures. Liquidating contracts can be much more difficult, if not impossible, when this price limit is reached.

**Please note.** If the Client sells an underlying that he does not have at the conclusion of the contract, this is referred to as a short sale. In this case, it risks having to buy the underlyings at an unfavorable price to meet its obligation to deliver on expiry.

#### Specifics of OTC forwards

The OTC (over-the-counter) forwards market is transparent and liquid. As a general rule, the Client is therefore able to liquidate these contracts. However, for OTC forwards with specific contractual specifications, there is no market per se, so these contracts can only be liquidated by agreement with the counterparty.

#### Specifics of compound transactions

Since compound transactions by definition comprise several elements, the risks may vary considerably if the Client only liquidates some of these elements. It is the Client's responsibility to obtain detailed information on specific risks from its securities dealer before concluding a compound transaction.

Given the multiplicity of possible combinations, the risks associated with compound transactions cannot be specified in detail in the context of these developments. The Client must obtain precise information before making any purchase decision.

## C Structured products

### Definition

Structured products are issued by an issuer in a public or private capacity. Their redemption value depends on the evolution of one or more underlyings. Their duration may be fixed or unlimited and they may have one or more components.

### Common structured products

The common categories of structured products, based on the classification model of the Swiss Structured Products Association (SSPA), are as follows:

- structured products with guaranteed capital (see below),
- yield-optimized structured products (see below),
- participation products (see below),
- leveraged products (see below).

### Trading of products on the stock exchange

Structured products can be traded on the stock exchange, but this is not necessarily the case.

### Sale of a structured product

A structured product is traded or not depending on whether the issuer or a market maker declares itself ready to set prices. If this is the case, any liquidity risk is not excluded. In the absence of a liquid market, the Client may have to hold the financial instrument until maturity or sell it at an unfavorable price. In addition, it may be difficult, if not impossible, to determine a fair price or compare prices, as there is often only one market maker.

### Issuer-related risk

The Client runs the risk that the debtor of a structured product becomes insolvent (issuer risk). The value of the Client's investment instrument therefore depends not only on changes in the underlying, but also on the issuer's stability, which may change until maturity.

### Specific risks to be taken into account

Each structured product has its own risk profile, so that the risks associated with the various underlyings are reduced, eliminated or amplified: depending on the product, the Client may benefit more or less from increases, decreases or stagnations in the prices of the underlyings.

**Please note.** It is essential for the Client to obtain precise information about the risks before purchasing such a product, in particular by consulting the issue documents and/or the product description.

Structured products are not collective investment schemes. The issuer is liable on its personal assets (and any guarantor for the amount of the guarantee granted), and there is no special protected fund for this purpose. The Client may therefore suffer a loss resulting from a decline in the market value of the underlyings (market risk), but also, in the worst case, the total loss of its investment if the issuer or its guarantor is insolvent (issuer or guarantor risk).

### Voting rights and dividends

When the Client purchases a structured product, there are generally no voting rights or dividends attached to this product.

### Guaranteed capital products

#### Different types of capital guarantee

Some structured products have a capital guarantee. The amount of this guarantee is defined by the issuer at the time of issuance: this is a percentage of the nominal value that the investor is certain to be repaid at maturity. In general, the capital guarantee only comes into effect at maturity and, depending on the conditions defined for the loan, it may be (significantly) less than 100% of the capital invested.



**Please note.** Some structured products only provide for a conditional capital guarantee, which becomes null and void once a predefined threshold is reached or crossed upwards or downwards (barrier, knock-out level). The amount of the redemption then depends on the change in one or more underlyings.

### Structured products with guaranteed capital

Capital-guaranteed structured products consist of two elements, e.g. a fixed income investment (bonds, money market investments, etc.) and an option. The combination of these two elements makes it possible to participate in the evolution of one or more underlyings (thanks to the option or the component) while limiting the risk of loss (thanks to the bond or guaranteed element). The capital guarantee may only cover part of the nominal value.

### Usefulness of the guaranteed capital element

The guaranteed capital element determines the minimum repayment to be paid to the Client at maturity, regardless of the change in the participation element.

### Purpose of the capital guarantee

The capital guarantee covers the nominal value, not the issue price or the purchase price. Therefore, if the purchase or issue price that the Client has paid is higher than the nominal value, only the latter is guaranteed: this reduces the protection of the capital that the Client has invested. Conversely, if the purchase or issue price paid by the Client is lower than the nominal value, the Client benefits from increased capital protection.

### Is the capital invested fully guaranteed?

Depending on the product, the guaranteed capital element may be (significantly) less than 100% of the capital invested. "Guaranteed capital" does not necessarily mean "full repayment of the nominal value or the capital invested". In general, the yield on capital-guaranteed structured products is lower than the yield that the Client would obtain by investing directly in the underlying, because the capital guarantee has a cost.

**Please note.** If the Client wishes to sell a capital-guaranteed structured product before maturity, he may obtain less than the guaranteed amount, insofar as the capital guarantee only applies if the Client retains the product until maturity.

### Usefulness of the participation element

The participation element determines how the Client will benefit from changes in the underlying(s) when buying a structured product. It therefore defines the Client's potential capital gain beyond the guaranteed capital. Some capital-guaranteed structured products have limited participation potential (with cap) and others have unlimited potential (without cap). In addition, there are financial instruments that do not generate capital gains as long as the price of the underlying does not rise or fall above a certain threshold.

### Risk related to the participation element

The risk associated with the participation element is the same as that associated with the corresponding option or combination of options. Depending on changes in the price of the underlyings, the participation element may therefore be reduced to zero.

### Maximum loss possible

**Please note.** In the case of a guaranteed-capital structured product, the Client's maximum loss is limited to the difference between the purchase price and the guaranteed capital if the Client holds the product until maturity. The Client may also suffer a loss of earnings due to the repayment of the principal in whole or in part, but without the Client receiving any remuneration (interest). The Client must also consider issuer risk (see above).

Examples of UBS Products in the following category:

- Equity: GROI, CPPT Note, Absolute Return Note
- FX & Precious Metals: GROI, Daily Accrual Bond
- Fixed Income: Callable Step-up note, Daily Range Accrual note

## Yield-optimized products

### Yield-optimized structured products

Yield-optimized structured products consist of two elements, e.g. a fixed income investment and an option (particularly on equities or currencies) and possibly a currency swap. This combination enables the Client to participate in the evolution of one or more underlying(s) (thanks to the option). However, yield-optimized structured products do not offer a capital guarantee, or only a conditional guarantee. The interest paid provides the Client with a higher yield than that of a direct investment if the price of the underlying changes little. In return, the Client waives the maximum yield potential of the underlying.

If the price of the underlying increases, the Client receives at maturity the nominal value plus the agreed interest (a discount on the issue price may be provided). If the price of the underlying rose sharply, a direct investment would have enabled the Client to improve its return. However, if the price of the underlying falls, the Client receives at maturity not only the interest but also the underlying (if there were no provision for a discount on the issue price).

### Specific risks to be taken into account

Many yield-optimized products are based on several underlyings and provide that if one of the underlyings reaches or exceeds a certain threshold, the Client will receive at maturity (physically or in cash) the security whose value has changed the least. If the underlying changes negatively, the Client's financial instrument may quote significantly below the issue price, including when the threshold set has not yet been reached or crossed upwards or downwards. The amount of interest is directly linked to the threshold level. The closer the threshold, on the issue date, is to the price on the day of the underlying, the higher the interest that the Client receives will, as a general rule, be and the higher the risk that the threshold will be reached, the opposite being also true.

### Maximum loss possible

**Please note.** When the Client opts for a yield-optimized structured product, it risks in the worst case losing all the capital invested.

Examples of UBS Products in the following category:

- Equity: BLOC, GOAL, Kick-In Goal
- FX & Precious Metals: BLOC, DOCU
- Fixed Income: Daily Range Accrual note, Credit Linked Note

## Participation products

### Definition

Participation products enable the Client to participate in changes in the value of one or more underlyings. These financial instruments offer no capital guarantee, or only a limited guarantee.

When an investment product provides for a capital guarantee, it is less risky than a direct investment if the underlying does not reach a certain threshold (known as a knock-out).

**Please note.** If the threshold is reached or crossed upwards or downwards, the Client's capital is no longer guaranteed.

### Specific risks to be taken into account

A participation product generally presents the same risk as the underlying. However, unlike a direct investment, it does not give the Client any voting rights and does not allow it to claim dividends. The Client nevertheless bears the solvency risk of the issuer.

Many participation products are based on several underlyings and provide that if one of the underlyings reaches or exceeds a certain threshold, the Client will receive at maturity (physically or in cash) the security whose value has changed the least. However, the product may be priced significantly below the issue price, even when the threshold set has not yet been reached or increased or decreased. In addition, the amount of the participation is directly linked to the threshold level. If, in the choice of threshold, the Client is prepared to take risks, its participation will be higher.

### Maximum loss possible

**Please note.** A participation product may cause the Client to lose all the capital invested in the worst-case scenario.

Examples of UBS Products in the following category:

- Equity: Perles, Perles Plus, Shorty
- Fixed Income: CDO Equity Note, Credit Linked Note

### Leveraged products

#### Leveraged structured products

Leveraged structured products are called this because they provide the same result as a direct investment in the underlying, but with less investment. The Client can thus benefit from a temporary trend.

Leveraged structured products are particularly suitable for short-term speculation, but also for targeted portfolio growth.

#### Specific risks to be taken into account

Due to leverage, the underlying must be monitored regularly and carefully, as leveraged structured products may result in a capital gain or loss that is more than proportional not only to the capital gains, but also to the capital losses in relation to the underlying.

### Maximum loss possible

**Please note.** A leveraged structured product may cause the Client to lose in the worst case all the capital invested.

Examples of UBS Products in the following category:

- Equity: Warrants
- FX & Precious Metals: Currency certificate
- Fixed Income: CDO Equity Note

## D UBS accumulators

Over-the-counter (OTC) currency or precious metals exotic forward accumulators are structured transactions involving forwards and/or derivatives.

Accumulators are highly volatile and can lead to significant losses, theoretically unlimited. They are subject to individual confirmations for each transaction and a separate master agreement (including collateral arrangements) and regular margin adjustments that require you to present additional assets to cover potential losses.

Accumulators are only suitable for investors with specific experience with OTC derivatives and who understand and are able to assume the obligations and associated margin adjustments.

### Specific risk factors and product suitability considerations

#### 1. Recurring financing obligations

The client is obliged to periodically sell or buy an agreed amount of currencies/precious metals at a predefined exchange rate, even if this is less favorable than the current exchange rate (spot). As a result, if the currencies/precious metals depreciate (or appreciate), the Client must buy (or sell) them at the predefined forward price for the accumulator, which may be less advantageous than the price at which you could buy (or sell) the commodities/precious metals on the spot market, at the time.

At all times, the Client must have sufficient assets to buy/sell the defined currencies/precious metals or bear substantial losses.

#### 2. Market risk

Accumulators are volatile. The value of an accumulator can rise or fall very quickly depending on many factors, including changes in the future prospects of the underlyings or the volatility of these underlyings, systemic risks, changes in the frequency and extent of interest rate movements, inflation prospects and exchange rates (which can fluctuate substantially and rapidly).

Accumulators are structured transactions in derivatives; such transactions are not equivalent to taking a position in the underlying currencies or precious metals. An appreciation of currencies/precious metals at the time of purchase against currencies/precious metals at the time of sale may not lead to an equivalent appreciation of the stock exchange value of the accumulator, or even lead to no appreciation.

In addition, it is important to be aware that "volatility" can cause the value of an accumulator to fluctuate considerably in a very short time. Volatility is also a statistical measure of the tendency of a stock exchange value or yield to fluctuate over time; it is generally measured by the variance or annualized standard deviation of its price, rate or yield. As accumulators are structured transactions in derivatives with forwards (or options, in the case of exotic options), their market value will change according to market expectations regarding future volatility (and despite other risk factors such as the immobility of spot exchange rates and interest rates).

Accumulators may have features that may gains dependent not only on the price of the underlying at the maturity or fixing date, but also on the performance of that asset over the duration. These characteristics may limit the upside potential of the accumulators, even if at the fixing/maturity date the price is advantageous to you.

### 3. Debt risk

Borrowing capital to finance an accumulator transaction (leveraging, such as margin-based trading, may considerably increase the risks associated with the operation; if the mark-to-market value of the accumulator falls, the debt will amplify this depreciation.

If they include a differential mechanism, accumulators involve even greater debt risks (see "Differential risk" below). In this case, the differential accentuates the leverage effect by **multiplying the Client's potential maximum loss**. In particular, the potential impact of the financing cost and the possibility of margin calls due to (i) a fall in the mark-to-market market value of the accumulator and/or (ii) a fall in the value of any collateral presented by the Client for the transaction must be taken into account.

Clients who are considering borrowing capital to carry out a transaction, such as margin-based trading, should obtain more detailed risk information from the lender or third party providing the capital.

### 4. Margining/collateral risk

Accumulators require investors to present cash or securities acceptable to UBS (Monaco) S.A. as initial margin, in order to cover the Client's performance against obligations that may arise from time to time until the final maturity of the accumulator. UBS (Monaco) S.A. calculates the initial margin requirements in a reliable manner and may adjust these requirements from time to time, based on the market context of UBS (Monaco) S.A.'s assessment of the risks affecting the investor's overall portfolio.

UBS (Monaco) S.A. requires that the initial margin, together with any unrealized gains/losses, be secured by cash and/or securities acceptable to UBS (Monaco) S.A. (the "collateral"). If the value of the collateral (after reduction applied by UBS (Monaco) S.A. at its sole discretion) is not sufficient to cover the initial margin (plus unrealized profits/losses), then UBS (Monaco) S.A. will inform the Client of the shortfall and make a margin call.

The Client will then have to meet the margin call within the deadlines indicated by UBS (Monaco) S.A., by

- a) reducing or closing open positions in derivatives (including accumulators), or
- b) presenting additional cash or securities acceptable to UBS (Monaco) S.A.

#### Margin call

If the Client cannot meet a margin call within the deadlines indicated by UBS (Monaco) S.A., then UBS (Monaco) S.A. may carry out any transactions necessary to make up for insufficient collateral. The Client remains liable for any loss (even considerable) that may result from the actions of UBS (Monaco) S.A. in such a scenario.

Consequently:

- at all times over the duration of an accumulator, the Client must have enough liquid assets to meet margin calls;
- The Client must be contactable during office hours in Monaco, in order to be able to react promptly to margin calls and related questions;
- The Client must be prepared to pay interest on margin/credit facilities and to meet margin calls requiring additional payments to cover all mark-to-market losses on the remainder of the accumulator, due to (i) a decrease in the mark-to-market value of the accumulator and/or (ii) a decrease in the value of your collateral presented in connection with the accumulator. Such payments may be substantial under disadvantageous market conditions and/or if the accumulator has a long residual life;
- in an unfavorable market, the Client may have to meet margin calls within a very short period of time, whereas the Client's ability to make additional changes is particularly low due to the fall in the market value of other financial assets. Furthermore, the Bank reserves the right to increase, at its sole discretion, the margin required, which may increase the liquidity pressure;
- if the Client does not adequately meet a margin call, the accumulator may be blocked, collateral may be sold as well as other open positions, all without the consent of the Client; the Client will then have to bear the associated losses and costs, which may be very significant.

## 5. Differential risk (multiplier)

The accumulators may or may not include a differential or multiplier mechanism. With a differential accumulator, the amount of currencies/precious metals (buy or sell) to be accumulated in a calculation period or between reference dates is a multiple of a theoretical non-differential security, depending on the exchange rate (spot or mid-market) applied to currencies/precious metals (buy or sell) during that period. With a differential accumulator, when the market is unfavorable to the Client, the Client must take several times the agreed amount of the underlying at each reference date; this means that the Client must buy or sell a multiple amount of the currencies/precious metals at a predefined price (forward), less advantageous than the exchange rate (spot or average) of the currencies/precious metals (buy or sell) in force at that time.

For example, if the currencies/precious metals (buy or sell) depreciate below the predefined price, the Client is required to purchase more currencies/precious metals at this predefined price, which may be less advantageous than the price at which the Client could purchase these currencies/precious metals on the spot market. Therefore, the differential effect will amplify the Client's loss on the transaction if the (purchase) currencies/precious metals depreciate against the (sale) currencies/precious metal; i.e. not only will the Client have to purchase the currencies/precious metals at a less favorable price than the market price, but in addition, the amount of the (purchase) currencies/precious metals will be higher than for a transaction without differential.

## 6. Limited upside potential and knockout clause

With certain accumulators, (i) the Client will no longer be able to accumulate the purchase currencies/precious metals once their exchange rate (spot or average) reaches or exceeds the predefined barrier rate, (ii) the accumulator may be liquidated earlier if the cumulative intrinsic value of the transaction reaches or exceeds the target level for the first time and/or (ii) the accumulated (purchase) currencies/precious metals may be "eliminated" (i.e. they will not be exchanged for payment of the sale currencies/precious metals) once their exchange rate (at or average) reaches or exceeds the predefined barrier rate. Thus the Client will cease to benefit, in the context of the transaction, from the performance of the spot exchange rate of (purchase) currencies/precious metals, if one or more of the aforementioned (or similar) scenarios occurs.

## 7. UBS default risk

It should be noted that the receipt by the Client of any payment in connection with an accumulator is subject to the risk of default of UBS AG and/or its affiliates ("UBS"). The Client assumes the risk that UBS will not be able to meet its obligations under the transaction. Unless expressly provided otherwise, the accumulator represents for UBS a set of general and unsecured contractual obligations, which rank *pari passu* with all other unsecured contractual obligations of UBS.

The obligations related to the accumulator will be treated *pari passu* with the subsequent unsecured obligations of UBS. In the event of UBS's insolvency, UBS's preferential obligations will take precedence over unsecured obligations, such as those resulting from an accumulator.

## 8. Liquidity risk and restrictions on transfers

Accumulators may not be assigned or transferred without the prior consent of the Client's counterparty to the transaction, i.e. UBS (Monaco) S.A. The restrictions placed on the transfer of the transaction make it a relatively illiquid investment.

There is no certainty that UBS (Monaco) S.A. will agree to liquidate (in whole or in part) an accumulator and, even if this is the case for part of the accumulator, UBS (Monaco) S.A. is under no obligation to do so at a later date for the other parts of the accumulator.

Consequently, **there is no guarantee that the Client will be able to terminate an accumulator before its scheduled expiry date**; if the accumulator is liquidated early, the Client may suffer a loss.

## 9. Early termination of an accumulator within the meaning of the FBF framework agreement on forward financial transactions and its annexes (hereinafter the "Framework Agreement") and other related documents

Under the terms of the Framework Agreement or any other relevant document signed by the Client and by UBS (Monaco) S.A., an accumulator, like any other transaction subject to the Framework Agreement, may be stopped/liquidated before its expiry date, in the event of a payment incident or any other event giving rise to liquidation described in the Framework Agreement or other relevant documents.

In this case, the Client may suffer a significant loss in connection with the accumulator, even if at the time of early liquidation, the spot exchange rate of the purchase currencies/precious metals is less advantageous than the predefined forward price.

## 10. Risk of inability to pay

There may be unforeseen events that prevent UBS (Monaco) S.A. from repaying to the Client (in whole or in part) the purchase currencies/precious metals (in particular some currencies regarded by the market as "non-deliverable") and the payment date will be postponed accordingly.

## 11. The manager's freedom of judgment may have an unforeseen adverse effect on financial performance

Depending on the commercial conditions of the accumulator, the manager has certain discretionary prerogatives allowing him to make certain clarifications or adjustments under the terms of the operation.

Investors should be aware that any adjustment made by the manager is made at his own and entire discretion and may have an unforeseen adverse effect on the financial return of the accumulator. Any calculation or action carried out by the manager (in the absence of manifest error) is carried out in good faith and is binding on each counterparty of the accumulator.

## 12. Duration

Longer-term contracts involve higher risks and, in general, higher early liquidation costs.

## 13. Accumulation of risks

Investing in an accumulator carries risks and requires assessing the direction, timing and extent of potential future changes in exchange rates related to the underlying currencies or precious metals, the risks of such investments, and the commercial conditions of the accumulator in question.

Several factors can affect an accumulator at the same time, so that the effects of a specific risk cannot be predicted.

In addition, risk factors may increase repeatedly, with unpredictable effects. No assurance is provided as to the effect of a combination of risk factors on the accumulator value.

#### 14. Valuation risk

The continuous valuation of the relevant operations involving accumulators is based on rates and prices obtained from available information sources usually used by banks. The resulting valuations/prices provided in the various reports are for information purposes only and are not binding on UBS (Monaco) S.A., which is not obliged to buy or sell investments at the prices indicated.

##### Maximum loss possible

**Please note. In the worst case, accumulators may cause the Client to lose all the capital invested.**

The maximum potential loss that the Client will have to bear with an accumulator (calculated for the currencies/precious metals to be sold) is equal to the product of (i) the predefined forward price, (ii) the maximum number of calculation periods during which the currencies/precious metals of purchase will be held with the accumulator and (iii) the maximum amount of purchase currencies/precious metals accumulated during each calculation period. Nevertheless, measured in terms of currencies/precious metals at purchase, the potential maximum loss with an accumulator is theoretically unlimited (i.e. if the currencies/precious metals to be sold appreciate by a number of multiples with respect to the purchase currencies/precious metals). The Client may not be able to terminate the transaction early, and even if UBS (Monaco) S.A. agrees to liquidate the transaction early, the Client will have to bear unusually high losses and exit fees. The Client must have sufficient assets in order to be able to bear the potential loss of the product.

#### E Risk transfer financing products

The financial instruments covered by this chapter are characterized by the fact that they have the same or similar gains and losses as certain current financial instruments (equities and bonds).

These financial instruments may be traded on the stock exchange, but this is not necessarily the case.

The risks associated with them do not always coincide with those of the financial products that comprise them. It is therefore essential that the Client obtain precise information about the risks before making any purchase decision, in particular by consulting the product description.

##### Credit derivatives or derivatives linked to the occurrence of an event

There are products that primarily transfer risk: these include credit derivatives and derivatives linked to the occurrence of an event. The "underlying" of these financial instruments is an event, e.g. a credit default (default of a borrower or issuer) or a natural disaster. They enable the person bearing the risk to transfer it to other persons. They take the form of swaps, options or hybrid financial instruments.

**Please note.** Credit derivatives and derivatives linked to the occurrence of an event present a liquidity risk. It is often the case that, due to a lack of trading, they cannot be sold before the expiry date.

For loan credits, risks are securitized and transferred to third parties in the form of credit-linked notes (a), collateralized debt obligations (b) and asset-backed securities (c). The risks associated with a credit portfolio are therefore borne by the buyer.

##### (a) Credit-linked note (CLN)

A CLN is a debt recognition instrument whose repayment and remuneration depend on the performance of a specific underlying or a reference portfolio (e.g. credit, borrowing).

**Please note.** The Client must pay the utmost attention to the credit standing of the obligor to which the CLN is linked, as the latter may lose any value in the event of a credit event.

As with structured products, there is an issuer risk, i.e. a solvency risk of the issuing bank. Furthermore, the secondary market for CLNs is not very liquid, so the Client may not be able to sell his securities before maturity.

##### (b) Collateralized debt obligation (CDO)

A CDO is backed by a diversified portfolio of receivables (usually loans, bonds or credit-default swaps). CDOs give the Client access to investments that are unprofitable for the individual investor, or even out of reach. As CDOs are often divided into tranches of varying qualities, the Client can choose the risk he wishes to take. If a debtor in the debt portfolio experiences a credit event, the equity tranches are the first to be affected: in other words, they are repaid only partially or not at all. In the event of default by several debtors, the other tranches are then affected in order of quality, until those benefiting from the maximum floor level (comparable to that of the first-order bond) can no longer be repaid, or only partially.

The value of a CDO depends first and foremost on the probability of a credit event occurring in the various portfolio companies. Based on statistical methods and historical data, this probability, known as the "probability of default", may become less relevant in extreme market situations.

Before investing in a CDO, it is the Client's responsibility to find out about the track record of the manager who manages it, who receives a performance bonus and has often invested in it himself. If the debt portfolio is not managed by a manager ("static" portfolio), the product's composition remains unchanged throughout its life. In this case, the composition of the portfolio must be the subject of increased attention by the Client.

**Please note.** CDOs generally have a maturity of several years. Since there is usually no secondary market, the Client must assume that he will not be able to sell them before maturity.

##### (c) Asset-backed securities (ABS)

In the case of ABS, risks (e.g. various receivables) are pooled and transferred to a special purpose vehicle (SPV). The SPV finances this transaction by issuing securities guaranteed by a pool of assets or a portfolio. Mortgage-backed securities (MBS) are used when mortgages are used as collateral. The various elements of the portfolio would be unprofitable for the individual investor, or even out of reach in this form. But building portfolios allows for the pooling of different assets and different risks – and the resulting different credit risk profiles to be sold.

Even when building a pool or portfolio, the lack of diversification can lead to an accumulation of risks.

**Please note.** Loan credits are often issued by special purpose vehicles (SPVs). If this is the case, the Client must demonstrate increased vigilance with regard to the issuer risk and the quality of the State supervision of the SPVs concerned.

#### Section 2 Additional Information

This section provides additional information on alternative (non-traditional) investments (A) and their specific risks (B) and investments in emerging markets (C) as they are becoming increasingly important.

##### A Alternative (non-traditional) investments

###### Alternative or non-traditional investments

Alternative or non-traditional investments are capital investments that are not part of traditional categories such as equities, bonds or money market products. They encompass multiple instruments and strategies. This chapter focuses on the main categories, specifying the related risks:

- hedge funds (see a) below),
- private equity (see b) below),
- real estate (see c) below),
- precious metals and other commodities (see d) below).

This list is not exhaustive, and these developments cannot present all the specific risks and issues to be taken into account in the context of alternative or non-traditional investments.

**Please note.** Before investing in alternative or non-traditional investments, the Client must seek detailed advice and carefully consider the offering.



## Warning on direct investments

Direct investment instruments may be appropriate to diversify a portfolio (risk spreading) as their returns are less dependent on factors such as stock market trends and interest rates compared to traditional investments. However, the minimum amount to be invested is generally very high, so it is not available to all investors.

## Indirect investments

To overcome this obstacle and avoid direct investment risks, the financial sector has developed indirect investment instruments such as certificates, notes, funds, funds of funds, commodity futures and forward contracts. All these structures are based on one or more of the investment categories mentioned below. If indirect investments are of interest to the Client, he must take into account not only the risks related to alternative investments as such, but also those related to the instrument in question, e.g. the risks inherent in structured products. This chapter does not detail the risks associated with structured products, forward contracts and futures, insofar as these have already been the subject of developments in the preceding chapters (see Section 1, A – Forward transactions and B – Structured products).

## Offshore funds

Often structured in funds or partnerships (e.g. in limited partnerships), offshore investments are domiciled in countries where they are subject to relatively little regulation and supervision.

**Please note.** The legal provisions and prudential requirements applicable to offshore funds are much less stringent than those applicable to traditional investments, such that investors may be less well protected. Investors who wish to exercise their rights may encounter difficulties. In addition, the execution of orders to buy and sell units of offshore funds may prove problematic or experience delays.

## (a) Hedge funds

### Definition

Hedge funds are the best-known form of alternative investments. Contrary to what their name (hedge) seems to indicate, they are not necessarily used for “hedging” purposes: they are in fact, in part, high-risk investments aimed at generating above-average returns. Called hedge funds are all forms of investment funds, investment companies and partnerships that use derivatives for investment purposes and not just for hedging, and may engage in short sales or use significant leverage through the use of credit. Moreover, hedge funds have the following essential characteristics: the free choice of investment categories, markets (including emerging markets) and trading methods; the fact that the minimum amount to be invested is often high; and the limited possibilities for subscription and redemption with long cancellation periods.

Hedge fund portfolio managers earn bonuses that are in proportion to their performance and often hold units of funds themselves.

## Warning on hedge funds

**Please note.** In particular, the Client must be aware of the following:

- A hedge fund may be less transparent than, for example, a traditional investment fund because the investor is not always aware of planned strategies or reversals, or of potential portfolio manager changes. Moreover, hedge funds are not subject to any publication requirements.
- Unlike traditional collective investments, hedge funds have limited liquidity (unit redemptions usually occur only once a month, quarter or year). Usually, investors can only invest in hedge funds on specific dates. Withdrawal periods for redemptions and lock-up periods are long. (The “lock-up period” is the period during which the investor must leave his capital in the fund.)
- The execution of orders to buy and sell units in hedge funds may be delayed or at an unfavorable price. Investors have no guarantee of being able to assert their rights.

## “Fund of funds” or “Multi-manager funds”

Investors choose funds of funds or multi-manager funds to minimize their risks. These funds invest their money in a variety of hedge funds and allocate it among different managers to diversify investment styles, markets and instruments. There are also structured products that enable investors to invest in hedge funds or hedge fund indices.

## Hedge fund strategies

In particular, the following strategies are found on the market:

### • Equity hedge (long, short)

Equity hedge funds identify undervalued equities (long or buy positions) and overvalued equities (short or short sell positions) in certain regions or market segments. They are betting that sooner or later the liquidation of these positions will generate capital gains.

### • Arbitrage

Arbitrage strategies aim to exploit price differences identified on different markets for identical or similar markets. These include, for example, equity-market neutral, fixed-income arbitrage, convertible-bond arbitrage or mortgage-backed securities arbitrage strategies.

### • Event driven

Managers who apply these strategies seek to take advantage of certain events, such as forthcoming changes in companies (mergers, takeovers, restructuring, turnarounds, etc.). Event-driven strategies include merger arbitrage, distressed securities and special situations strategies.

### • Global macro

Hedge funds that apply these strategies endeavor to identify and take advantage of market trends early (fluctuations in interest rates and exchange rates in particular). This includes growth funds and emerging market funds.

### • Managed futures

In this category of hedge funds, futures are traded (standardized forward transactions listed on the stock exchange) on financial instruments, currencies and commodities.

## Risks taken by investing in a hedge fund

As a general rule, hedge fund managers do not have to obtain authorization from an authority and are lightly regulated. In particular, hedge funds are exempt from the numerous provisions applicable to investments subject to authorization in terms of investor protection. These provisions concern, in particular, liquidity, redemption of fund units at any time, prevention of conflicts of interest, the fair price of fund units, information, limited use of third-party funds, etc.

As these provisions do not apply to hedge funds, they may carry out significantly more leveraged investments and other complex transactions than traditional collective investments subject to authorization. They are authorized to engage in aggressive strategies, and in particular to make extensive use of short selling, leverage, swaps, arbitrages, derivatives and program trading. These often very complex investment strategies are opaque, and the Client may not identify, or identify insufficiently or too late, the strategic redirections likely to result in a significant increase in risk.

As part of their investment strategy, hedge funds have the option of using derivatives (futures, options, swaps, etc.) that may be authorized for stock exchange trading, but are not necessarily authorized for trading. These instruments may experience significant price fluctuations and therefore entail a significant risk of loss for the fund. The low margin of safety required for such positions means that the share of third-party capital is often large. Depending on the instrument, a relatively small change in the price of the contract may therefore result in a high gain or loss compared to the amount given as collateral, followed by other losses that are unforeseeable and potentially greater than any margin of safety.

**Please note.** Investment vehicles not authorized for stock exchange trading present increased risks, in a market where there is no stock exchange or secondary market in which to sell units or liquidate open positions. It may not be possible to unwind an existing position or determine its value or risk. When a hedge fund sells options on unhedged securities, it takes the risk of a potentially unlimited loss.

## (b) Private equity

### Definition

Private equity is a method of financing venture capital aimed at companies that are not listed on the stock exchange or, exceptionally, that wish to delist. These investments most often occur at an early stage in the company's development, when the future outlook is uncertain and the risks are all the greater.

When private equity investments are made in start-ups or small companies in the early stages of development, but with high growth potential, this is often referred to as venture capital. But it can also be capital that, for example, is made available to a company just before its IPO (mezzanine financing). In general, these loans are structured in such a way that the proceeds of the IPO make it possible to repay all or part of their participation to the company's shareholders. When they are used to finance a change of ownership, for example, in the event of a delisting, this is most often referred to as a buyout.

The success of a private equity investment depends on the timing of the exit or sale of the investment and, especially for indirect investments (e.g. via a fund), the quality of the private equity manager. The exit may be carried out in particular through an initial public offering (IPO), a sale to another company (trade sale), another private equity fund (secondary sale) or a management buyout. The prevailing market conditions at the time in question largely determine the solution used. The simplicity or difficulty of the exit phase, as well as the match between expected return and return obtained, depends in particular on changes in the stock markets.

### Risks associated with private equity investments

Private equity investments are regulated less strictly than equities traded on the stock exchange. As a result, investors may be exposed to more risks, for example that of lack of transparency (restricted access to accounting records, lack of publication, etc.).

Private equity investments involve considerable risks and can lead to considerable losses. They are oriented to the long term and significantly less liquid than publicly traded equities. In general, they can only be sold years after the initial investment. The Client must be aware that for a long period of time, he will only have limited access to his capital, if any at all. There is no distribution until he has been able to withdraw his investment. In principle, however, he cannot expect to exit before the deadline.

Companies considered for private equity investments are in some cases largely funded by third-party funds, so they are more reactive than established companies to market fluctuations and interest rate increases. In addition, the risk of insolvency and bankruptcy associated with these companies is higher than for listed companies.

**Please note.** It is not uncommon for new capital calls to follow the initial investment in the short term. If the Client does not take action, he could lose all the capital invested up to that point.

**Please note.** In young companies, where the individual responsibility of those in key positions plays an essential role, any change in the management team can have an extremely adverse impact on private equity investments.

### Warning on indirect investments

For indirect investments, there is no guarantee that the manager of a private equity fund will be able to acquire the holdings and realize the capital gains that are in line with the expectations of this form of investment. The manager's skills are therefore decisive for the success of an indirect investment.

## (c) Real estate

### Methods of investment in real estate

A real estate investment can be direct or indirect. These may be office buildings, industrial, retail and commercial buildings, residential buildings and special property (hotels, hotels, etc.). The determining parameters for the value of an asset are its location, its facilities and the diversity of its possible uses.

### Warning on direct investments

Making a direct investment means buying a property directly. This usually requires a significant investment, a long investment horizon, in-depth knowledge of the sector, good knowledge of the location of the property, not to mention personal involvement, because a real estate portfolio is managed professionally.

### Indirect investments

Indirect real estate investments generally require less capital than direct investments. A distinction is made between indirect investments listed on the stock exchange and indirect investments not listed on the stock exchange. These include, for example, real estate funds, shares in real estate companies not authorized for trading on the stock exchange, as well as certificates on real estate funds. Real estate funds can reduce risks if they are diversified geographically and by asset class. Indirect investments listed on the stock exchange include real estate investment trusts (REITs), which enable investors to invest in real estate without having to suffer certain disadvantages, such as lack of liquidity.

### Risks to be aware of

Real estate investments are based on real estate assets, i.e. land and buildings. These are unique assets, for which there is no regulated trading.

As a result, it is often difficult, if not impossible, to spread risks sufficiently and diversify investments sufficiently. This is especially true of direct real estate investments, due to the large amount of funds invested and the lack of liquidity in the market.

In addition, real estate markets are often opaque and require a precise local context. It is therefore imperative to call on local experts, which complicates access to the market.

In the face of interest rate fluctuations, real estate reacts in part like bonds: when interest rates are low, mortgages are cheap, and it is easy to generate above-average yields. Conversely, when rates are high, yields fall. In addition, tax incentives can stimulate housing markets and attractive credit conditions can boost prices.

## (d) Precious metals and other commodities

### Commodities

Commodities are physical goods produced, for example, by agriculture or the mining industry and standardized to serve as an underlying for a transaction. Commodity derivatives (energy, precious and other metals, agricultural products) are traded on futures markets.

Under contractual agreements, the investor has the option of selling or buying futures linked to changes in a given commodity. At a future date, he will thus be able to purchase a standardized quantity of the commodity concerned at a given price.

For individuals, structured products constitute the most important indirect investment in commodities (see above). Investors may also opt for instruments not authorized for stock exchange trading, such as swaps and options on commodities. These are negotiated directly between the parties concerned and are bespoke products. A chapter of this section is devoted to the operation of futures and forward contracts (see above).

**Please note.** Commodity futures may give rise, at maturity, to a physical settlement of the commodities concerned, whereas structured products generally give rise to a cash settlement. The Client must favor cash settlement in the event that he should sell his futures before the expiry date. These products are riskier than, for example, equities or collective investments.

### Risks inherent in investments in commodities

Commodity prices depend on several factors, including:

- the relationship between supply and demand;
- climate and natural disasters;
- state programs and regulations, national and international events;
- government interventions, embargoes and customs barriers;
- fluctuations in interest rates and exchange rates;
- commodity trading activities and related contracts;
- provisions on monetary policy and trade, tax and foreign exchange controls.

These parameters may lead to additional market risks.

Commodity investments experience greater fluctuations in value than ordinary investments, and yields can fall sharply. The volatility of the price of a commodity affects the value, and therefore the price, of futures contracts based on that commodity.

Whatever their duration, current futures on oil, base metals and precious metals are generally easy to trade.

**Please note.** In a not very active market, a contract may become illiquid. Depending on how the maturity curve evolves, this lack of liquidity can lead to major price variations: this is a characteristic feature of commodities.

### B Risks associated with non-traditional investment funds

These provisions describe certain additional risks associated with non-traditional investment funds such as hedge funds and offshore funds. Note, however, that these provisions do not necessarily give a complete picture of all the risks associated with each Alternative Investment and that each non-traditional investment instrument carries specific risks which are fully described in the prospectus, offering memorandum, offering circular or other relevant documentation.

Typically, non-traditional investment funds are exposed to some or all of the following risks:

#### Use of leverage

Leverage is an integral part of the investment strategy of certain types of non-traditional investment funds. Leverage should be regarded as an element that optimizes the balance between risk and risk. In fact, leverage is mainly associated with investment styles with little exposure to market or duration risks, and mainly using arbitrage techniques. Leverage should not be considered in isolation. It must be assessed in conjunction with all the risks inherent in a transaction. As a result, in investment styles where risks are relatively higher, such as "Emerging Markets" where there is less scope for hedging risks through "futures" or short selling, leverage is usually little used, if any.

Leverage should therefore be assessed in relation to the investment style and the measures taken by the manager to hedge the various risks. Excessive use of leverage relative to the investment style should be avoided. Generally speaking, a fund's leverage needs to be closely monitored because of the speed with which changes in market, credit and liquidity risks can affect the value of a fund.

#### Use of derivative products

The use of derivatives is an integral part of relatively low-risk investment styles, which use arbitrage and typically seek absolute return with low volatility. It is precisely through derivatives, as risk management tools, that fund managers are able to isolate and hedge unwanted risks, thereby exploiting the inefficiency they have identified between two interdependent securities. Indeed, a manager uses derivatives rather as a kind of insurance to protect certain transactions

against the dynamics that characterize the interest rate market, credit risk and equity market risk, taking into account the exact nature of the inefficiency that the investment style seeks to exploit. It is the manager's responsibility to use his skills to isolate risks and determine the extent to which they should be covered by a transaction. A prudent fund manager will establish an appropriate balance between risk and return, depending on market conditions and the degree of expected volatility. Sometimes, in the event of strong market shocks, the level of resistance that a given transaction is expected to meet may be exceeded, leading to unexpected losses. The asymmetric risk profile of derivative transactions compared to the underlying values, combined with the use of leverage, means that losses may be much higher than those recorded by the underlying investment. This can lead to extreme losses, as described below in the chapter "Risk of loss in the event of a decline".

#### Use of short selling

Short selling consists of selling securities that the fund manager does not hold and which, as a result, must be borrowed to be delivered to the buyer, with a corresponding obligation on the part of the lender to obtain the securities at a later date. Short selling enables investors to take advantage of a decline in stock prices, as the decline exceeds transaction costs and borrowing costs. Non-traditional investment funds frequently use short selling to reduce their "net exposure" to the market (the sum of their long and short positions) and thus take advantage of the expected fall in a security's price. The rise in the price of a short position implies a loss. Buying securities in order to unwind a short position may in turn lead to a further rise in the price of the securities and thus exacerbate the loss. Maintaining a short position, and this is a critical point, usually gives rise to an unlimited commitment, as there is no limit to rising prices for a position that ultimately needs to be hedged.

This is why fund managers avoid disclosing short positions in their books to both investors and the market and try to manage their short positions with very strict risk controls.

#### Risk at management level

Non-traditional investment funds rely heavily on the ability of fund managers to generate returns on investment. Sometimes, some funds rely on the skills of a single individual or a very small group of key individuals. The performance of the fund may be significantly affected by the incapacity or defection of such individuals. This is a symptom of the broader non-traditional investment industry, where performance and reputation are based more on individuals than on institutions.

Similarly, some managers who have obtained convincing results in the traditional funds industry (which only involves buying long positions) believe that their expertise is not sufficient in the Alternative Investments industry, particularly when it comes to managing short positions. As a result, many managers have only limited experience in the Alternative Investment environment.

#### Liquidity risk

Most of the techniques used in the Alternative Investments industry involve illiquid financial instruments or those whose transfer is subject to legal or other restrictions. As a result, the sale of a position in a non-traditional investment fund is only possible periodically or on certain dates, subject to several weeks' notice (e.g. four times a year on specified dates). In addition, a bid/offer spread may be applied to the payment of the proceeds of the sale, compared to the net asset value of the investment.

#### Financing risk

A good cash buffer is critical for an alternative investment manager, who must be able to continue to deal in times of financial stress. A sufficient cash balance enables the fund manager to follow a trading strategy without being forced to liquidate assets or unwind positions when losses occur. If a manager fails to maintain a sufficient refinancing margin during periods that are potentially exposed to financial stress, the risk of seeing positions unwound at a loss will be much higher.

### Credit risk of counterparties

An alternative investment manager must establish rules and procedures to detect and manage the concentration of credit risk on the various counterparties, especially when the concentration relates to particular economic or geographical regions. Credit risk management includes the identification of eligible counterparties based on an analysis and ongoing monitoring of their debtor status.

### Redemption risks

- **Holding periods/Early redemption penalties** Most investments in non-traditional investment funds are either subject to lock-up periods or penalties if they are repaid before the end of a given period. This is due to the relatively low liquidity of investments that are expected to be made over the long term. Without a sufficiently stable financial base, alternative investment managers would not be able to make such investments.

- **Net asset value can only be determined once investment decisions have been made**

The net asset value of a non-traditional investment instrument is generally not known at the time the investor commits to make or redeem such an investment. This is because notice is usually required before the investment or redemption actually takes place. The net asset value can therefore only be calculated once the investment has been made or redeemed.

- **Mandatory redemption**

At any time, the fund has the right to require each investor to redeem all or part of the fund units that the investor holds in the short term and without any indication of a reason.

- **Partial retention of interest until receipt of the audited financial statements**

Due to the complexity of the underlying investments related to non-traditional instruments, adjustments to the net asset value may be necessary after receipt of the audited financial statements. As a result, some alternative investment funds retain a portion of the investor's fund units if the investor decides to liquidate 100% of his units. Thus, for example, 90% of an investor's units can be paid on the scheduled redemption date, while the remaining 10% will be withheld for a certain period after receipt of the audited financial statements for the past financial year. If the financial year of an investment fund ends in December and the notice period for the redemption of 100% of an investor's units has been given for the month of March, it is therefore possible that only 90% of the units will be redeemed on that date; the remaining 10% will be deposited in March and will not be repaid to the investor until April of the following year, i.e. 13 months later, when the fund has had sufficient time to receive the audited financial statements for the year ending December.

### Potential conflict of interest

In some respects, differences may arise between the interests of investors and those of the fund manager and/or advisor. The manager and/or advisor may act as manager or advisor for other clients, including clients whose assets are invested in the same securities or in securities similar to those of the non-traditional investment instrument, and may provide advisory or investment banking services to other persons or entities. In light of the above, the manager and the investment advisor may face conflicts of interest in the allocation of their time and activities between the fund and other clients and in the allocation of investments between the fund and other entities. Portfolio transactions carried out simultaneously in the same security by the non-traditional investment instrument and other clients of the manager and/or investment advisor may cause a decrease in the price offered and an increase in the price paid by the fund for the purchase and sale of such securities.

### Information risk

The non-traditional investment fund industry is largely unregulated and the information and the quality and dissemination of information is very limited compared with that for traditional investment products. It is often with good reason that information is withheld because, in order to be able to operate in an environment where market

inefficiencies are of critical importance in ensuring investment returns, alternative investment managers will seek to protect their competitive advantage or their own reading of the markets by deliberately avoiding disclosing all the information relating to their activities, even to their own core investors. For example, as noted above under "Use of short selling", it is important to avoid information on short positions being known to the market.

### Risk of loss in the event of a decline

Many alternative investment funds use investment techniques that have the effect of decoupling investment performance from that of the underlying markets, leading to relatively stable absolute investment returns with levels of volatility significantly lower than those achievable using traditional markets, for comparable investment returns. However, there is a level of economic stress beyond which such investment techniques can no longer deliver consistent performance, but instead produce extremely negative returns. This may occur due to the asymmetric risk profile of derivatives-based investments, in addition to the use of leverage. Economic conditions capable of triggering such situations can occur very quickly, with the corollary of widening credit margins (higher risk premiums demanded by investors in corporate and government bonds, including lower-rated bonds), lower liquidity and rising interest rates.

### Monetary risk

The investment currency of an Alternative Investment fund may be different from the reference currency of an investor; in such a case, the investor bears the currency risk in addition to the risk associated with the investment. This may be of particular importance when the investor considers non-traditional funds as a means of achieving a return on investment while reducing volatility, as the volatility associated with monetary risk alone may be higher than that of the funds themselves.

### Legal, tax and regulatory risks

Non-traditional investment funds may be affected by legal, tax or regulatory changes, introduced without or almost without notice. Non-traditional investment funds take advantage of the existing regulatory environment by using techniques and making investments prohibited to regulated funds. This often leads to distortions in the markets that enable them to take advantage of the resulting price anomalies. A change in the regulatory environment may limit the room for maneuver for Alternative Investment managers whose objective is to take advantage of market inefficiencies. In addition, a change in regulatory provisions may hinder a manager in his trading activity and potentially prevent him from divesting from existing investments. Losses cannot then be ruled out. It is the responsibility of investors engaged in Alternative Investment funds to analyze their own tax situation in terms of gains and losses resulting from their investment in such funds.

### Settlement risks

Settlement of non-traditional mutual fund transactions is complex and processes are not standardized. Settlement terms or cycles may be changed at any time. Fund documents must be completed and reach the fund or fund administrator on time, failing which settlement may be seriously delayed. Many non-traditional investment funds require prepayment before making a purchase, which significantly increases settlement risk. Similar risks arise in the case of redemption, where delivery of the securities precedes payment.

### C Emerging market investments

#### Definition of "emerging markets"

There is no single definition of "emerging markets". In the broad sense, these are all countries that are not considered "advanced" (see below). The usual criteria are per capita income, the level of development of the financial sector and the share of the service sector in the country's economy.

The solvency of countries meeting this definition can be very variable – very high in some cases, very low and presenting a high risk of default in others.



Although their respective levels of economic development may be very different, most emerging markets share a very recent (e.g. because they have just gained democracy) or a changing political system. The latter, like the institutions, is therefore likely to be less stable than in an advanced country.

#### **Advanced countries**

The list of emerging markets is constantly evolving. According to the criteria formulated by the International Monetary Fund in October 2007, these are all countries except: Australia, Austria, Belgium, Canada, Cyprus, Korea, Denmark, Finland, France, Germany, the United Kingdom, Greece, Hong Kong, Ireland, Iceland, Israel, Italy, Japan, Luxembourg, Norway, New Zealand, the Netherlands, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland and Taiwan. These countries are regarded as advanced countries.

#### **Warning before investing in emerging markets**

Investing in emerging markets involves risks not associated with advanced markets. This is also true when the issuer or promoter of a product has its registered office or center of activity in an emerging country.

**Please note.** Investments in products linked to emerging markets are often speculative. The Client must not invest until he has obtained a sufficiently detailed idea of the market in question to be able to weigh the various risks.

#### **Different risks**

If the Client wishes to invest in emerging markets, he must not neglect the risks presented below. The list is not exhaustive and, of course, depending on the nature of the investment product, other risks described in these developments may be added to it.

##### **• Political risk**

Political inexperience of the government or instability of the political system leads to an increased risk of rapid and profound economic and political upheavals. For the Client, an investor, this may, for example, result in the outright confiscation of his assets, restrictions on his power of disposal, or even state controls. Government interventions in certain industrial sectors can lead to a drastic decline in the value of investments in these sectors.

##### **• Economic risk**

The economy of an emerging market is more responsive than that of a developed country to fluctuations in interest rates and inflation, but it is also more exposed to them. As it is generally less diversified, any given event can have much greater impact. In addition, emerging markets often have a weaker capital base. Finally, they do not have sufficient structure and supervision of financial markets.

##### **• Credit risk**

Investments in debt securities (e.g. bonds, notes) of governments or companies in emerging markets tend to present increased risks compared with more advanced countries, due to reduced solvency, high public debt, debt conversions, lack of market transparency or lack of information. As the assessment criteria are different and the ratings are non-existent, it is much more difficult to assess credit risks.

##### **• Currency risk**

Emerging market currencies are subject to greater and more unpredictable fluctuations than those of advanced economies. Some countries have implemented exchange controls, are likely to do so at any time, or may abandon their indexation to a reference currency (e.g. the dollar). While hedging helps reduce losses due to price fluctuations, it does not always eliminate them completely.

##### **• Inflation risk**

Sharp price swings and an underdeveloped financial market may make it difficult for central banks in emerging markets to meet their inflation targets. Inflation can therefore fluctuate more sharply than in advanced countries.

##### **• Market risk**

In emerging countries, financial market surveillance is in its infancy, or even non-existent, so regulation, market transparency, liquidity and efficiency are lacking. In addition, these markets are subject to high volatility and significant price differentials. Regulatory deficiencies increase the risks of price manipulation and insider trading.

##### **• Market liquidity risk**

Liquidity depends on supply and demand. However, social, economic and political developments and natural disasters in emerging countries can influence the supply-demand mechanism much more quickly and sustainably. The extreme situation is illiquidity which, for investors, makes them unable to sell their investments.

##### **• Legal risk**

The absence or lack of supervision of financial markets may result in the Client being unable to assert his rights – or only with difficulty. The inexperience of the judiciary can lead to considerable legal uncertainty.

##### **• Execution risk**

Clearing and settlement systems vary across emerging markets. Often obsolete, they are a source of processing errors, but also considerable delays in delivery and execution, not to mention that some emerging markets do not have such systems.

##### **• Shareholder risk and creditor risk**

The requirements aimed at preserving the rights of shareholders or creditors (disclosure obligations, insider dealing, management obligations, protection of minority interests, etc.) are often inadequate or even non-existent.

## Annex 1

### Counterparty risk and issuer risk

When assessing the risks specific to a type of transaction, the Client must be attentive to the identity of the counterparties that have entered into obligations with the Client.

- For transactions with usual risks, such as the purchase or sale of equities or bonds, the issuer's risk is equivalent to the transaction's credit risk, since the company in question is also the issuer. Similarly, the borrower is the issuer of the bond.
- For options contracts and futures traded on the exchange (e.g. at Eurex), the clearing house of the exchange usually acts as the counterparty. In this type of transaction, it is therefore the clearing house that meets the commitments to the Client, in accordance with the relevant stock exchange regulations.
- For financial instruments such as warrants, OTC options and forward OTC transactions, structured products and exotic options, in addition to the risks described in these positions, the issuer risk or counterparty risk related to over-the-counter transactions should be taken into account. Insofar as the Client may be required to assert his rights with the issuer or its counterparty, he must take into account their ability to fulfil their commitments when assessing the risks of products of this type with a view to a purchase.

#### Example

The Client buys a warrant on the shares of the company "Underlying SA", which was issued by the bank "Issuing Bank". If the value of the warrant is largely dependent on the performance and volatility of the shares of "Underlying SA", it is the "Issuing Bank" that is required to provide the Client with the services included in the warrant. This means that in addition to the risks inherent in warrants (see chapter "Options contracts"), the Client must also take into account the solvency of the "Issuing Bank".

### Concentration risks (accumulation of risks)

There is a risk of concentration (or accumulation of risks) when one or more financial instruments constitute a significant part of the Client's portfolio. In the event of a market downturn, such a portfolio may incur greater losses than a diversified peer, i.e. a portfolio where investments are spread across various assets in order to reduce the risk of earnings fluctuations. It is therefore important, when buying or selling a financial instrument, to consider the structure of the portfolio as a whole and to check in particular whether it is sufficiently diversified.

#### Example

The Client's portfolio consists of three Swiss Market Index securities. This situation exposes him to a significant risk of concentration with respect to the Swiss equity market, since if any of these securities undergoes a correction, while the overall market trend is favorable, the Client will suffer far greater losses than if he has a well-diversified portfolio. By investing in a larger number of securities, in other asset classes (e.g. bonds, investment funds) or in other markets with the aim of diversifying their portfolio, the Client should be able to generate the same return at lower risk.

### Potential conflicts of interest

As the Bank (including its parent company UBS SA and/or its subsidiaries under this paragraph) operates simultaneously for a large number of clients and also on its own behalf, it is not possible to completely avoid conflicts of interest. These may appear:

- between the Bank and the Client;
- between clients or
- between the Bank, the Client and employees.

The Bank actively manages conflicts of interest with a view to minimizing the risk of loss to its clients. These risks may be managed, inter alia, through the implementation of one or more of the following measures: use of information barriers, separate management structures, removal of direct remuneration links, processes and procedures, independence agreements, promotion of an integrity-based culture, obtaining the Client's approval and refusal to intervene. In the event that these conflicts of interest cannot be managed to protect against said risks, the Bank will disclose the general nature and/or sources of the conflict before the Bank undertakes any business with or for the investor.

The following examples illustrate how the Bank addresses conflicts of interest:

- A conflict of interest may arise when more than one client wants to buy the same security during the same trading session. The guiding principle is that clients (clients' orders) must be treated fairly and in the same way, and that in case of doubt, it is the Client's interest that takes precedence. In practice, this means that the Bank executes instructions in the order in which they reach us. This rule applies without distinction to all orders (i.e. those of clients, employees and the Bank's own orders) when it is certain that they were placed independently of each other. Otherwise, the Bank's own orders and, where applicable, those of employees are deferred.
- In some situations, different orders are not processed in the order in which they were placed, but grouped, as a larger overall order enables the Bank to obtain better prices for all clients.
- In certain special situations, large client orders or transactions carried out on the Bank's own behalf may cause price fluctuations. With knock-out options (see chapter "Options contracts"), for example, such fluctuations can push the price of the underlying beyond the "barrier", so that the option loses all value upon expiry. Such a conflict of interest is in principle inevitable. To calculate the barrier for options issued by UBS SA and/or its subsidiaries, the Bank chooses an objective reference price that depends on the progress made. Investors can thus be convinced that the price that led, in the example chosen, to the loss of value of their option was formed fairly.
- Conflicts of interest may also depend on the type of financial instrument, such that, for example, if UBS AG or any of its subsidiaries issues a structured product, it may at its discretion hold positions, buy or sell, or hold a market in underlying financial instruments. Such conflicts are generally reported in the product documentation.

## Annex 2 Deposit guarantee

Deposits in the account(s) opened under the Banking Relationship are guaranteed by the Deposit Guarantee and Resolution Fund (FGDR), under the terms and conditions set out below.

### 1. General information on deposit protection

Deposits made with UBS (Monaco) S.A. are protected by:	Deposit Guarantee and Resolution Fund (FGDR)
Protection cap	EUR 100,000 per depositor and per credit institution (1)
If you have more than one account with the same credit institution:	All your deposits recorded in your accounts opened with the same credit institution falling within the scope of the guarantee are added together to determine the amount eligible for the guarantee; the amount of compensation is capped at EUR 100,000 (1)
If you have a joint account with one or more other persons	The limit of EUR 100,000 applies to each depositor separately. The balance of the joint account is divided between its co-holders; the share of each is added to his own assets to calculate the guarantee limit that applies to him (2)
Other special cases	See note (2)
Compensation period in the event of default by the credit institution:	Seven working days (3)
Currency of compensation:	EUR
Correspondent:	Deposit Guarantee and Resolution Fund (FGDR) 65 rue de la Victoire, 75009 Paris, France Correspondent: Phone: +33 (0) 1-58-18-38-08 Email: <a href="mailto:contact@garantiedesdepots.fr">contact@garantiedesdepots.fr</a>
To find out more	See: - On the FGDR website: <a href="http://www.garantiedesdepots.fr/">http://www.garantiedesdepots.fr/</a> - On the dedicated page on the UBS (Monaco) S.A. website: <a href="https://www.ubs.com/mc/en/wealth-management/about-us.html">https://www.ubs.com/mc/en/wealth-management/about-us.html</a>

### 2. Additional information:

#### (1) General limit of protection:

If a deposit becomes unavailable because a credit institution is unable to meet its financial obligations, depositors are protected by a deposit guarantee scheme. Compensation is capped at EUR 100,000 per person and per credit institution. This means that all accounts in credit with the same credit institution are added together in order to determine the amount eligible for the guarantee (subject to the application of legal or contractual provisions relating to offsetting against its accounts in debit). The maximum liability is applied to this total. The deposits and persons eligible for this guarantee are referred to in Article L312-4-1 of the French Monetary and Financial Code (for more information on this point, see the FGDR website).

If, for example, a client holds a savings account with a balance of EUR 90,000 and a current account with a balance of EUR 20,000, their repayment will be limited to EUR 100,000.

#### (2) Main special cases:

Joint accounts are divided equally between the co-holders, unless there is a contractual provision providing for another allocation key. The share attributable to each holder is added to their own accounts or deposits and this total benefits from the guarantee up to EUR 100,000.

Accounts to which at least two persons have rights in their capacity as undivided co-owner, partner of a company, member of an association or any similar grouping, without legal personality, will be grouped together and treated as having been carried out by a single depositor separate from the undivided co-owners or partners.

#### (3) Indemnification

The Deposit Guarantee and Resolution Fund will make compensation available to depositors and beneficiaries of the guarantee, for deposits covered by the guarantee, seven business days from the date on which the Autorité de Contrôle Prudentiel et de Résolution (ACPR) establishes that the deposits of the member institution are unavailable. This period concerns compensation that does not involve any particular processing or any additional information necessary to determine the amount of compensation or to identify the depositor. If special processing or additional information is necessary, the compensation will be paid as soon as possible.

The FGDR may choose to make these funds available:

- either by sending a check by recorded delivery letter (payment method used by default)
- or by posting the necessary information online on a secure internet space, opened specifically for this purpose by the Fund and accessible from its official website (see above), in order to enable the beneficiary to make known the new bank account to which he wishes the compensation to be paid by bank transfer.

#### (4) Other important information:

The general principle is that all clients, whether individuals or businesses, whether their accounts are opened for personal or professional reasons, are covered by the FGDR. The exceptions applicable to certain deposits or certain products are indicated on the FGDR website.

Your credit institution will inform you on request whether its products are guaranteed or not. If a deposit is guaranteed, the credit institution will also confirm this on the account statement sent periodically and at least once a year.

#### (5) Acknowledgment of receipt:

When this form is attached to or included in the general conditions or the special terms and conditions of the draft contract or agreement, it is acknowledged when the agreement is signed.

Receipt is not acknowledged when the form is sent annually after the conclusion of the contract or agreement.

## Glossary

### Clearing and settlement

Clearing and settlement of securities transactions by securities dealers, e.g. SIS, Segal-InterSettle SA.

### Credit-default swap (CDS)

A credit derivative in which one party undertakes, in return for payment of a premium, to bear the future credit losses of its counterparty, i.e. to bear the risk of insolvency.

### Derivative

Financial contract whose price is derived either from assets (equities, bonds, commodities, precious metals, etc.) or from reference rates (exchange rates, interest rates, indices).

### Issuance

Creation of securities for the first time on the primary market, to be distinguished from an initial public offering (IPO).

### Special Investment Fund(s)

The term "Special Investment Fund(s)" refers to:

- undertakings for collective investment (UCIs) that require the signing of an agreement for the acceptance of the investment by the fund (e.g. subscription agreement, limited partnership agreement, etc.);
- (funds of) hedge funds or (funds of) private equity funds;
- UCIs domiciled in offshore jurisdictions (e.g. Cayman Islands, BVI, etc.);
- or any other UCI presenting, at the discretion of UBS, a particular market and/or operational risk.

### Force majeure

Event beyond the will and actions of the parties to a transaction: natural or man-made disaster, armed conflict, terrorist attack, riot, labor dispute (strike and lockout), embargo, etc.

### Financial instruments

As referred to in Article 2 of the Monaco Commercial Code, they include transferable securities, forward financial instruments and any equivalent financial instruments issued under foreign law.

### Initial public offering (IPO)

Going public (to be distinguished from an "issuance").

### Leverage effect

Literally: leverage; higher than average participation in price or rate fluctuations of an underlying.

### Market maker

Securities dealer (see "Securities dealer") who undertakes, for one or more financial instruments (see "Financial Instrument"), to fix binding supply and demand prices at any time or on demand.

### Stock exchange trading

Trading in **financial instruments** in particular (see "Transferable security") in the context of an organized and regulated market known as the secondary market (to be distinguished from issuance on the primary market, see "Issuance").

### Securities dealer

Natural and legal person or partnership that, on a professional basis, offers **securities** to the public on the primary market or trades them on the secondary market, and/or creates derivatives (see "Derivative") and offers them to the public.

### OTC (over-the-counter) transaction

Trading of securities that are not listed on the stock exchange and are subject to contracts on a case-by-case basis (over the counter).

### Short put option

Sale of a put option where the seller undertakes to buy, on the exercise date, the underlying at the strike price.

### Offshore investments

Investments (often in the form of funds or partnerships) domiciled in countries where they are subject to relatively limited regulation and supervision.

### Underlying

Value on which a financial derivative instrument is based: interest rates, equities, currencies, etc. Derivatives on alternative underlyings (natural risks, credit risks) are increasingly traded, although these underlyings are not themselves traded securities.

### Swap

Payment flow swap contract; not traded on the stock exchange or in bulk (see "OTC").

### Transferable securities

Referred to in Article 2 of the Monaco Commercial Code, the following are considered transferable securities:

- equities and other securities that give or may give direct or indirect access to capital or voting rights, transferable by book entry or trading;
- debt securities, each of which represents a claim on the legal person issuing them, transferable by book entry or tradition, as well as certificates of deposit;
- units or shares of undertakings for collective investment.

### Volatility

Range of fluctuation of a price.





# Part Four: Final provisions

## Validity of the General Conditions

The General Conditions cancel and replace any versions of the General Conditions previously in force. If any parts of the General Conditions are declared invalid or ineffective, the others remain applicable. The parties will then interpret them, with the exception of invalid or ineffective provisions, in such a way as to achieve the intended purpose as far as possible. The General Conditions are valid for the Client and for all their agents. The Client will inform the latter accordingly.

The General Conditions remain in force without restriction after the death or in the event of civil incapacity of the Client.

The Bank reserves the right to amend, add or delete clauses. Clauses modified at the sole initiative of the Bank will be notified to the Client in advance, by any means, one month before their entry into force. Acceptance of these new conditions will result from the continued operation of the cash account(s) and financial instruments account(s) and the continuation of the Client's Banking Relationship with the Bank. Any Client who contests the change within the specified period is deemed to have terminated the Banking Relationship with immediate effect before the change comes into force.

## Assignment

The Client's rights and obligations under the General Conditions and any separate agreement concluded with the Bank shall not be assigned or transferred without the Bank's prior written consent. The General Conditions shall be binding on the Client's successors or permitted assignees.

To the extent permitted by law, the Bank may assign or transfer its rights and obligations under the General Conditions and any separate agreement concluded with the Client (including, but not limited to, all or part of any credit relationship, with all collateral and ancillary rights) to a third party in Monaco or abroad, without the Client's consent.

## Applicable law and place of jurisdiction

The General Conditions are governed exclusively by Monegasque law. The place of performance of the obligations, the place of performance of the proceedings, for persons domiciled or having their registered office both in Monaco and abroad and the place of jurisdiction for any dispute arising from this contract, are located in Monaco. However, the Bank will remain entitled to act at the Client's domicile or before any other competent authority, although Monegasque law will remain exclusively applicable.

## Signature

The General Conditions will only enter into force after verification, approval and signing by two authorized officers of the Bank, in the Principality of Monaco.

The signing hereof by the Client constitutes approval of the General Conditions, and at the same time acknowledgment of receipt of the copy intended for the Client and the form concerning general information on deposit protection (attached in Annex 1). Thus the Client confirms that they have read all the General Conditions, understood them and been able, where applicable, to request any explanations useful for their proper understanding.

Where necessary, the Client confirms that the French version of the General Conditions is authentic between the parties, the [English] version being provided for information purposes only. The Client declares that they fully understand the French version of the General Conditions and accept it without constraint or restriction. The Client also acknowledges that the Bank has recommended that the Client contact an independent legal and tax advisor.

Signed in Monaco on \_\_\_\_\_

in as many originals as parties hereto

## The Client

### Holder 1 of the Banking Relationship

Read and approved (Handwritten statement to be added by the holder)

\_\_\_\_\_  
Last name(s) and first name(s)/Company name

\_\_\_\_\_  
Signature(s)/Company stamp

### Holder 2 of the Banking Relationship

Read and approved (Handwritten statement to be added by the holder)

\_\_\_\_\_  
Last name(s) and first name(s)/Company name

\_\_\_\_\_  
Signature(s)/Company stamp

### Holder 3 of the Banking Relationship

Read and approved (Handwritten statement to be added by the holder)

\_\_\_\_\_  
Last name(s) and first name(s)/Company name

\_\_\_\_\_  
Signature(s)/Company stamp

## UBS (Monaco) S.A.

\_\_\_\_\_  
Last name(s) and first name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Last name(s) and first name

\_\_\_\_\_  
Signature

## Section reserved for the Bank

E-006                      04.25                      Signature(s) verified/Signed in my presence: \_\_\_\_\_

UBS (Monaco) S.A., limited company incorporated in Monaco with a fully paid-up capital of EUR 49.197.000, 2, Ave. de Grande-Bretagne, B.P. 189, MC 98007 MONACO CEDEX  
Entity licensed by the Commission de Contrôle des Activités Financières de Monaco to provide investment services  
Tel. + 377 93 15 58 15 / SWIFT: UBSWCMX / NIS 6419204925 / R.C.I. 56 S 0336



## Part Four: Final provisions

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Signed in Monaco on \_\_\_\_\_

in as many originals as parties hereto

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### The Client

#### Holder 1 of the Banking Relationship

Read and approved (Handwritten statement to be added by the holder)

\_\_\_\_\_  
Last name(s) and first name(s)/Company name

\_\_\_\_\_  
Signature(s)/Company stamp

#### Holder 2 of the Banking Relationship

Read and approved (Handwritten statement to be added by the holder)

\_\_\_\_\_  
Last name(s) and first name(s)/Company name

\_\_\_\_\_  
Signature(s)/Company stamp

#### Holder 3 of the Banking Relationship

Read and approved (Handwritten statement to be added by the holder)

\_\_\_\_\_  
Last name(s) and first name(s)/Company name

\_\_\_\_\_  
Signature(s)/Company stamp

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### UBS (Monaco) S.A.

\_\_\_\_\_  
Last name(s) and first name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Last name(s) and first name

\_\_\_\_\_  
Signature

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### Section reserved for the Bank

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