

## Information Leaflet on the Financial Services Act (FinSA)

### Introduction

On 1 January 2020, the Financial Services Act ("**FinSA**") entered into force in Switzerland, which is particularly intended to create comparable conditions for financial service providers and to improve the protection of their clients, defining the requirements for providing reliable, diligent and transparent financial services, and regulating the offering of financial instruments.

Financial service providers have been granted transitional deadlines, mainly of two years, to be able to comply properly with the provisions of the new law and the related ordinance. The present leaflet (also available at [corner.ch/e/finsa](https://corner.ch/e/finsa)) describes the main behavioural and organizational measures that will be implemented by Cornèr Bank (hereinafter the "**Bank**") starting from 1 January 2022 in order to comply with the provisions of the FinSA by the transitional deadlines.

### Financial services

The Bank's main financial services include, in particular, portfolio management and investment advisory services, as well as acceptance and execution of individual orders to buy and/or sell financial instruments placed directly by the Client (*execution only*).

The providing of services is regulated by the General Terms and Conditions of the related management agreements.

As part of such services, the Bank may handle selected products through appropriate research and valuations conducted internally, as well as other products not included on the predetermined list, according to the clients' needs. The Bank also has financial products of its own (investment funds and structured products).

### Classification of clients and duty to review

In accordance with the provisions of the FinSA, the Bank classifies its own clients into the following categories:

- Private Clients;
- Professional Clients;
- Institutional Clients.

For Private Clients, the Bank has an obligation to comply with certain rules of conduct aimed at protecting those clients when providing investment advisory or portfolio management services. In particular:

- if the Bank provides investment advice for specific individual transactions without taking account of the entire Client portfolio, the Bank must enquire about the Client's knowledge and experience and must check whether such financial instruments are appropriate for the Client before recommending them (appropriateness review)
- if the Bank provides investment advice taking account of the Client's portfolio or provides portfolio management services, it must enquire about the Client's financial situation and investment objectives as well as the Client's knowledge and experience. The Client's knowledge and experience relates to the financial service and not to individual transactions (suitability review)
- if a financial instrument is considered inappropriate or unsuitable for a particular Client, the Bank shall advise the Client against the instrument in question.

Therefore, Private Clients benefit from broader protection from the Bank.

In the case of Professional Clients, the Bank may assume that such clients have the necessary knowledge and experience to be able to financially assume the investment risks pertaining to the financial services; thus, such knowledge and experience will not be verified by the Bank in the course of the investment advisory or portfolio management services.

In the case of Institutional Clients, the Bank is under no obligation to check for suitability and appropriateness in providing the financial services.

In any case, the verification obligations do not apply to execution-only services, i.e. to transactions with financial instruments that are ordered by the Client without requesting and making use of the Bank's personalized advisory services, which will not be provided unless the Client enters into a prior agreement to that purpose. Even if the Client has signed an asset management mandate with an external asset manager, the Bank will only provide execution-only services transmitted by such an intermediary; thus, the external manager alone is responsible for compliance with the behavioural obligations of classification, information and verification in the context of investment advisory and portfolio management services, and the Bank is released from any and all obligations to supervise and verify in that respect. Pursuant to the Collective Investment Schemes Act (CISA), the Bank is also authorized to consider as a qualified investor any Client who has signed an asset management mandate with an external manager.

**The Client hereby acknowledges that information about the absence of checks of adequacy and appropriateness by the Bank, notably in connection with *execution-only* services, is provided herein; in principle, such information is not repeated at the time of execution of such transactions.**

**Unless the Bank has expressly informed the Client of a different classification, the Client shall be considered a Private Client benefiting from the highest level of protection established under the FinSA. The Client is further authorized, under certain conditions defined by the FinSA, to request a classification other than the classification initially established by the Bank. In such cases, the Client shall be informed of the related risks and changes in the terms and conditions.**

### Best Execution

The Bank shall ensure the best possible conditions of execution (*Best Execution*) for the Client. *Best Execution* refers, in particular, to the timely execution of the Client's orders and the selection of channels and intermediaries allowing to apply the most favourable prices and terms of sale for the Client.

The Bank has taken organizational measures in terms of resources, structures and internal regulations that enable achieving such results.

You may view Cornèr Bank's *Best Execution* Policy on the Bank's website or ask your relationship manager for a copy; if the Client submits a reasoned request, the Bank shall provide further information about the application of *Best Execution* concerning the transactions within its sphere of authority.

### Conflicts of interest and compensation from third parties

The Bank shall act in such a way as to avoid conflicts of interests that may arise from providing financial services and to eliminate or minimize the risks that such conflicts of interest may harm the Client. To that purpose, the Bank shall adopt a series of organizational and technical measures, including separating the areas of activities and responsibilities, the waiver of certain third-party incentives, constant monitoring of the Bank's own processing, adopting systems of control and proper training of the Bank's own employees. If, despite adopting such measures, it is not possible to rule out the possibility of harm to the Client or if it would only be possible at disproportionate expense, the Bank shall inform the Client thereof in a suitable manner.

Within the scope of its own product range, the Bank enters into agreements with third parties, in particular with providers of investment funds and structured products. These agreements, which are primarily for the distribution of products, exist independently of the contract signed with the Client. For its own distribution activities or the related services provided to such third parties, in particular to the aforementioned providers, the Bank may receive from said third parties distribution fees, retrocessions, incentives, rebates, discounts and/or other pecuniary or non-pecuniary benefits (hereinafter "compensation"), which in principle belong exclusively to the Bank. Such compensation is taken into account in determining the prices of the services offered to clients and the amount thereof usually depends on the volume of third-party products held by the Bank for itself and for its own clients and varies as a function of the type of product and the respective issuer or supplier. The Bank has set up appropriate organizational measures intended to prevent or minimize risks of potential conflicts of interests that may arise in connection with such compensation. For further information about compensation from third parties, particularly regarding the amount of compensation and/or the percentage ranges per category of financial instrument, please see the Information leaflet on compensation from third parties, which forms an integral part of the Custody Account Regulations. The Information leaflet on compensation from third parties is available on the Bank's website at the latest address made known by the Bank, which clients may request from their relationship manager at any time. On request, the Bank shall supply the Client with detailed information about compensation collected by the Bank in connection with the Client.

**If the Bank collects compensation that is subject to the obligations to render accounts and to return received materials under Article 400 of the Swiss Code of Obligations or any other statutory provision, then the Client hereby consents to such compensation being fully retained by the Bank and expressly waives any and all rights to the restitution thereof.**

## Costs

The Bank shall provide the Client with a fee schedule for the main costs, particularly commissions and fees related to the financial services provided by the Bank. Said fee schedule is available on the Bank's website at the latest address made known by the Bank, which clients may request from their relationship manager at any time. If the Client has agreed with the Bank to pricing that is personalized and/or based on all-inclusive criteria (*All Inclusive Fees*), then the fees indicated in the individual agreement shall be authoritative. At the time of execution of each transaction involving financial instruments, the Client shall receive a confirmation reporting, in particular, the details of the costs and commissions of the Bank and/or of third parties applied to the specific transaction.

## Information concerning risks of financial instruments/Key Information Document

The Bank shall inform the Client of the risks of the financial instruments handled in the scope of its own financial services. Appropriate information sheets about the individual services and/or types of financial products are made available to the Client and may be viewed on the Bank's website at the latest address made known by the Bank, which clients may request from their relationship manager at any time. The Client can always ask the Bank for additional information about the specific categories of financial instruments so that the Client can understand their characteristics and risks in good time.

Moreover, the Bank urges its own clients to view the corresponding brochure published by the Swiss Bankers Association (ASB) *Risks Involved in Trading Financial Instruments*.

As stipulated by the FinSA, in case of a personalized recommendation of financial instruments, the financial services provider shall also provide the Private Client with the Key information document, if it is obligatory to draw up such a document for the recommended financial instrument. The Key information document contains information about the risks and costs of the financial instrument and enables a comparison of the various financial instruments. The Bank shall provide the Client, in principle on a dedicated website, the Key information documents - provided that they are available and easy to locate - as well as comparative information sheets.

In case of a personalized recommendation of financial instruments for which it is obligatory to draw up a prospectus, Private Clients may also ask the Bank to make available, at no extra charge, the entire prospectus for the recommended financial instrument.

## Reporting

The Client shall be able to choose from various modes of reporting (e.g. electronic and/or paper format) and various frequencies of sending of the account statements (e.g. quarterly, half-yearly or annually).

All the transactions execution in connection with the financial services subscribed for by the Client shall also be reported on the day after execution, regardless of the chosen frequency of sending of the account statement. The Bank shall also provide the Client, at least once a year, with the status and net asset value of the Client's securities portfolio.

Moreover, the Client is entitled to obtain, for the first time free of charge and within 10 days after the request, a copy of the Client's dossier in paper format or in another format if so agreed. The Client shall provide a statement of reasons for each such request in a timely manner.

## Complaint management and ombudsman

The Bank's objective is to ensure complete customer satisfaction. In case of problems or disputes, the clients may address their relationship manager, in the first instance, who will initiate an internal complaint management procedure.

The FinSA further provides that financial service providers must be affiliated with a mediation body to resolve disputes with clients. To that purpose, Cornèr Bank is affiliated with the following body, already accredited by the Federal Department of Finance (FDF):

*Ombudsman of Swiss Banks*  
Bahnhofplatz 9  
P.O. Box  
CH-8021 Zurich

## Information about Cornèr Bank and Contacts

Cornèr Bank is subject to the Swiss Banking Act and is placed under the supervision of the Swiss Financial Market Supervisory Authority (FINMA), the competent authority in Switzerland. The contact information of Cornèr Bank and of FINMA is reproduced below and available from your relationship manager.

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