

# Basic Documents

Version 01.2021

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## **A. General Terms and Conditions (GTC)**

The General Terms and Conditions (GTC) govern the business relationships between the Customer and Cantonal Bank of Saint Gall Ltd (hereinafter Bank). Special agreements remain reserved.

All references to persons refer to persons of all genders and may apply to more than one person.

### **A1. Verification of legitimation**

The Bank shall verify the legitimation of the Customers and their representatives with the customary care. It shall take appropriate measures to avoid abuses.

The Customer shall retain his banking documents safely and shall keep information enabling banking transactions secret, so that unauthorised parties cannot gain access to it. When the Customer issues orders, he shall observe all reasonable precautionary measures to avoid acts of abuse. Theft or loss of identification documents, cards and codes must be reported to the Bank immediately.

The party acting in violation of its diligence obligations shall bear the resulting damage. If both the Bank and the Customer have contributed to the occurrence of damage, the extent to which the Bank and the Customer shall have to bear the damage shall be determined by the principle of contributory negligence. If damage occurs without the Bank or the Customer having failed to exercise due care, the damage shall be borne by the party to whose sphere of influence the cause of the harmful act was allocated.

### **A2. Right of information and disposal after the death of the Customer**

After the Customer's death, the Bank may request the submission of an inheritance certificate for the clarification of the right of information and disposal, and also the submission of a certificate for the execution of the will or another official legitimation document. This shall apply mutatis mutandis to extra-cantonal and foreign deeds as well. Deeds in foreign languages must be submitted in German or English translation prepared by a publicly appointed and sworn translator. The heirs have the same right to information as the Customer had. In particular, the Bank is also entitled to inform the heirs about transactions carried out by the Customer during his lifetime.

### **A3. Representative's incapacity to act**

The Customer must immediately inform the Bank if his representative becomes incapable to act. The Customer shall bear any damage that arises from his representative's incapacity to act, unless he has informed the Bank thereof, or if the Bank violates the customary care.

### **A4. Bank client confidentiality**

The Bank, its bodies, employees and appointed representatives are subject to various secrecy obligations due to bank client confidentiality, data protection and other regulations. The Customer shall hereby release the Bank, its bodies and appointed representatives from their confidentiality obligation and waives bank client confidentiality:

- a) Insofar as this is necessary to safeguard their legitimate interests at home and abroad, in particular
  - in the event of legal action threatened or initiated by the Customer or by other parties involved in the banking relationship or assets;
  - in the event that the Customer or other parties involved in the banking relationship or the assets make accusations in public, in the media or vis-à-vis authorities and other third parties;
  - when collecting or selling non-performing due claims of the Bank against the Customer;
  - to secure the Bank's claims and the realisation of collateral of the Customer or third parties;
  - to restore contact in the event of contact being broken off or dormant.
- b) To the extent that this is necessary for the execution of transactions or within the scope of the provision of services (e.g. payment transactions, trading and safekeeping of securities and other financial instruments or custody assets) vis-à-vis third parties (e.g. stock exchanges, brokers, correspondent and recipient banks, card issuers, transaction registers, settlement and third-party custodians, issuers, authorities or their representatives).
- c) To exchange information between the Bank and other companies within the St.Galler Kantonalbank Group, to the extent that this is necessary to ensure risk management and compliance with statutory or regulatory provisions.
- d) In regard to clarifying official measures taken by the child and adult protection authorities to protect the Customer and to ensure official supervision in the event of such measures.

The legal information and reporting duties of the Bank remain reserved.

The Customer acknowledges that data, in particular in the event of disclosure (see letter b), may be transferred abroad. Abroad, the data is no longer protected by Swiss law (bank client confidentiality, data protection) but is subject to the respective foreign law, which may provide less extensive protection. Foreign laws or official orders may require the disclosure of data to authorities or other third parties. Even in the case of transactions within Switzerland, it cannot be ruled out that data may be processed via international channels (e.g. payments in foreign currency).

Further information on the disclosure of personal data is contained in our fact sheet «Disclosure of customer data», the latest version of which is published at [sgkb.ch/legal](https://www.sgkb.ch/legal) or can be obtained in printed form from the Bank.

#### **A5. Outsourcing of business areas**

The Bank may outsource business areas and services to third parties. This relates in particular to payments, the settlement of transactions, data management, IT as well as administrative and processing services. Bank client confidentiality and data protection remain preserved in this context.

#### **A6. Processing, recording and forwarding of data**

The Bank processes Customer data (e.g. master and contact data as well as asset information, account and portfolio movements, transaction and payment transaction data and other financial data) and data from third-party sources for the purpose of providing and optimising its services, maintaining the business relationship and due to regulatory requirements. This includes, for example, product development and improvement, market research, risk management and the fight against money laundering and fraud.

If third parties (e.g. life partners, advisors, beneficial owners, beneficiaries, representatives) are affected by data processing, it is the Customer's responsibility to inform the third party of this and to ensure his or her consent.

The Bank is entitled and, for regulatory reasons, in some cases obliged to record communication with the Customer and his representatives (e.g. telephone conversations, chat traffic, proof of connection) for the purposes of proof and quality assurance.

Further information on the processing of personal data is contained in our «Information on data protection for clients», the current version of which is published at [sgkb.ch/legal](https://www.sgkb.ch/legal) or can be obtained in printed form from the Bank.

#### **A7. Customer profile and marketing**

The Bank may automatically analyse and evaluate Customer data and data from third-party sources and create profiles from it. It may be used by the Bank, in particular, to advise the Customer individually and to provide him with offers and information as well as to detect deviations from a behavioural pattern (e.g. to combat fraud in e-banking).

The Bank may also send the Customer offers and information on products and services by e-mail. The Customer may revoke his consent to such delivery at any time.

#### **A8. Notifications and electronic communication**

The Customer shall inform the Bank without delay of any changes to his personal information (for example, name, address, place of residence, telephone numbers) and, where applicable, of his appointed representatives, beneficial owners and controllers.

Notifications from the Bank are deemed served, if they were sent to the most recent address provided by the Customer or as per the Customer's most recent instructions or otherwise notified to him.

The Bank may communicate with the Customer or his representative by post, telephone, as well as via electronic channels (e.g. e-mail, text message, messaging, e-banking, mobile banking) to the contact address (e.g. telephone number, e-mail address) used by the Customer or his appointed representative vis-à-vis the Bank or explicitly stated by the Customer or his representative. It may reject transaction-oriented orders (e.g. stock exchange or payment orders) sent via e-mail for security reasons and require the Customer or his appointed representative to place orders by post, by telephone or via e-banking or mobile banking.

The Bank advises the Customer not to send sensitive information and instructions to the Bank via unencrypted e-mails or unprotected electronic communication channels, but recommends use of those channels provided by the Bank for this purpose (e.g. e-banking, mobile banking).

#### **A9. Avoidance of dormant assets**

The Customer shall take all reasonable steps to ensure that he can be contacted by the Bank. The Customer shall in particular keep his personal information up to date. If necessary, the Bank shall attempt to restore contact with the Customer. It may

charge the costs for its investigations and the costs it incurs as a result of the special handling of dormant assets to the Customer's account.

#### **A10. Execution of orders**

If orders (except for stock exchange orders and other investment transactions) are processed without the customary care and if damage arises thereby, the Bank shall merely be liable for the loss of accrued interest (excluding interest on arrears), unless, in individual cases, the Bank has been informed in advance of the imminent risk of further damage.

If the Customer has placed orders that exceed his available credit balance or granted credit in their total amount, the Bank shall be entitled to decide at its own discretion to what extent it shall execute the orders regardless of the date or time of receipt.

Unless otherwise agreed, the Bank shall execute orders for financial instruments for the account and risk of the Customer in accordance with the applicable execution principles. They are processed during the Bank's trading hours and executed at the market price obtainable at the time of execution. Orders may be placed for a limited period and/or for a limited time. Other types of orders are possible. The rules of the respective execution venues are decisive. The Bank has the right to restrict or not offer individual types of orders.

Further information on the execution principles is contained in our fact sheet «Execution principles SGKB», the latest version of which is published on [sgkb.ch/legal](http://sgkb.ch/legal) or can be obtained in printed form from the Bank.

#### **A11. Transmission errors and system faults**

The Bank shall apply the customary care when using post, telephone, e-mail and other means of transmission and transport. The Bank shall bear the damage arising from loss, irregularity, delay, misunderstandings or duplicate copies, or from technical faults and operational failures of any kind whatsoever in automated machines, systems and transmission networks, if it has failed to exercise customary care. If the Bank has exercised the customary care, the Customer shall bear such loss.

#### **A12. Client's obligation to review and submit complaints**

If the Customer wishes to complain about account/portfolio statements or other information from the Bank or claim that an order was not processed according to instructions, the Customer must state so directly after the receipt of the corresponding information, at the latest however within a period set by the Bank. If an expected notification from the Bank is not given, the complaint must be made as soon as the notification should have been received by the Customer had it been duly served.

If no complaint is made within the stated period, the notification shall be assumed to be correct. Moreover, the Customer shall bear any loss resulting from the belated complaint.

#### **A13. Interest, prices, duties and taxes**

The agreed or customary interest and prices (fees, commissions, expenses) as well as duties and taxes (e.g. value-added taxes, withholding taxes and stamp duties) shall be credited or debited to the Customer immediately or periodically. Expenses incurred by third parties (e.g. third-party commissions and fees) and extraordinary expenses are not included in the price and may be charged to the Customer additionally.

The prices are based on the price table, which is published in its current version at [sgkb.ch/conditions](http://sgkb.ch/conditions) or can be obtained in printed form from the Bank. The Bank may amend its interest rates and prices or introduce new prices at any time, in particular in the event of changed market conditions or for other objective reasons. This also applies to charges on credit balances (negative interest). The Bank shall inform the Customer of such changes in an appropriate manner. The interest and prices are deemed to be approved if the Customer does not terminate the product or service concerned within 30 days of notification. Termination and withdrawal notice periods in accordance with special conditions or agreements remain reserved.

#### **A14. Foreign currency accounts**

Assets corresponding to the credit balances in foreign currency shall be invested for the account and at the risk of the Customer within and outside the currency area concerned. The Customer shall bear proportionately all economic and legal consequences arising from the Bank's invested assets in the country of the currency, the currency area or the investment as a result of official measures (e.g. payment and transfer prohibitions) and any taxes and charges in the countries involved. If it is made more difficult or impossible for the Bank to transfer the assets, it is only obliged to credit the Customer at a correspondent bank or at a bank to be designated by the Customer in the foreign currency area, if such a credit is possible.

#### **A15. Credits and charges in foreign currency amounts**

Amounts in foreign currency shall be credited or debited in Swiss francs unless the Customer holds an account in the foreign currency concerned or gives the Bank other instructions in good time. If the Customer has neither an account in Swiss francs nor an account in the corresponding foreign currency, the Bank may, at its discretion, credit or debit the amounts to a foreign currency account of the Customer. For these transactions, the exchange rate on the day on which the amount was credited or debited to the Bank is generally applied. If this daily rate is not available (e.g. missing exchange rate delivery), the Bank may apply the last exchange rate available to it.

The provisions for payment transactions (see Section C 14) shall remain reserved.

#### **A16. Bills of exchange, cheques and other securities**

The Bank may charge back discounted or credited bills of exchange, cheques and other papers, if these are not paid. Until settlement of a debt balance, the Bank shall retain the claims under the rights for bills of exchange, cheques or other papers for the payment of the full amount of the bills of exchange, cheques and other papers including secondary claims against every debtor for the paper.

If the Bank has observed the customary care, the Customer shall bear the consequences of the loss, abuse or forgery of cheques or order forms. This also applies if a loss has been reported to the Bank.

The Customer shall bear the consequences in case of a missing or unclear currency denomination.

#### **A17. Lien and right to offset**

The Bank holds liens to all assets, which it respectively retains in its possession or elsewhere for the Customer's account, and, irrespective of maturity or currency, the Bank has the right to offset all claims arising for the Bank under the banking relationship. This also applies to credits and loans with special or without any collateral. The Bank is entitled to the enforced or private sale of the collateral at its discretion as soon as the Customer is in default with payment. It may also engage in legal actions for enforcement or bankruptcy against the Customer in upholding the lien. In the sale of the collateral, the Bank is entitled to its own entry to the proceeding.

#### **A18. Compliance with laws and regulations**

The Customer is responsible for compliance with the legal and regulatory provisions applicable to him. This includes, among others, compliance with his tax obligations, which he shall document to the Bank on request.

#### **A19. Termination of the business relationship**

Unless otherwise agreed, the Bank and the Customer may terminate the existing business relationship, individual services and promised or used credits at any time without observation of a notice period. The Bank's receivables shall become due for repayment immediately in this case.

Following termination or in cases where the Bank is no longer able to hold individual credit balances or assets in safe custody for product-specific, regulatory or other reasons, the Customer must inform the Bank where his credit balances and assets are to be transferred or remitted. If the Customer fails to do so, or if a transfer is not possible for whatever reason (e.g. invalid or incomplete transfer details), the Bank may, after a reasonable period of grace has expired unused, physically deliver the assets to the last address notified by the Customer or liquidate them. The Bank may, with discharging effect, deposit the liquidation proceeds and the credit balances at the place designated by the judge or send them in the form of a cheque in a currency determined by the Bank to the last address notified by the Customer.

#### **A20. Equivalent status of Saturdays and public holidays**

For the purpose of business transactions with the Bank, Saturdays are deemed equivalent to a public holiday.

#### **A21. Changes to the Basic Documents**

The Bank reserves the right to amend the basic documents (General Terms and Conditions, Conditions for Safe Custody Accounts, Conditions for Payment Transactions) at any time. The changes shall be notified to the Customer in an appropriate manner and shall be deemed to have been approved without written objection within 30 days of notification.

## **B. Conditions for Safe Custody Accounts**

The Conditions for Safe Custody Accounts apply to the safekeeping and administration of custody assets by Cantonal Bank of Saint Gall Ltd (hereinafter Bank) and in addition to the General Terms and Conditions and special contractual agreements.

### **B1. Custody assets**

The Bank accepts and enters as custody assets:

- a) book-entry securities, securities, money and capital market investments and other financial instruments for safekeeping and management;
- b) fungible precious metals and coins in commercial form for safekeeping and management;
- c) other valuables, documents and objects for safekeeping, provided they are suitable for this purpose.

### **B2. Acceptance of custody assets**

The Bank may refuse to accept custody assets without stating reasons and may demand the immediate redemption of accepted custody assets at any time. The Bank reserves the right to enter custody assets only after they have been received in the safe custody account. The Bank may refuse or postpone the execution of disposal transactions and other transactions if the custody assets have been entered but not yet received.

### **B3. Verification of custody assets**

The Bank is entitled to check the authenticity and blocking notifications of custody assets at any time without assuming any liability. It may instruct third parties domestically or abroad (e.g. foreign depositories) to do so. During an ongoing verification, the Bank does not have to carry out any administrative acts, re-registrations, sale and issue orders or other actions and orders.

### **B4. Safekeeping of custody assets**

#### **B4.1. Collective and third-party safekeeping**

The Bank may hold custody assets in collective custody unless otherwise instructed. It may also hold custody assets in its own name, but for the account and at the risk of the Customer, by a third-party custodian of its choice in Switzerland or abroad, either separately or in collective custody accounts.

In the case of third-party custody, the Bank shall be liable for the customary care in selecting and instructing the third-party custodian. It shall not be liable if the Customer has requested custody at a depository not recommended by the Bank.

Subject to any statutory provisions to the contrary, the Customer shall be entitled to a right of joint ownership in proportion to the assets deposited by him in relation to the respective holdings in the collective custody account, provided that the collective custody account is located in Switzerland.

If custody assets held in collective custody by asset type are drawn by lot, the Bank shall distribute the drawn assets among the Customers, using a method for the second drawing which guarantees all entitled persons an equal chance of being considered as in the first drawing.

#### **B4.2. Custody abroad**

Custody assets which are traded exclusively or predominantly abroad are generally also held in custody there and, if necessary, transferred there for the account and risk of the Customer. In the case of custody abroad, the custody assets are subject to the laws and customs at the place of custody.

If the return of the custody assets held in custody abroad or the transfer of the proceeds of sale is made difficult or impossible for the Bank by foreign law or by extraordinary circumstances, the Bank shall only be obliged to procure for the Customer a pro rata claim for return or payment at the place of the foreign depository or at a correspondent bank of its choice, provided that such a claim exists and is transferable.

#### **B4.3. Registration**

Registered custody assets are entered in the relevant register (e.g. share register) with the authorisation of the Customer.

#### **B4.4. Conversion**

The Bank may cancel accepted documents at the Customer's expense and have them replaced by book-entry securities if this is permitted under applicable law.

## **B5. Management of custody assets**

### **B5.1. Administrative acts without a specific order**

If the Bank has the relevant information at its disposal, it shall take care of the following without a special order from the Customer:

- a) the collection of interest, dividends, repayable capital sums and other distributions due; in the case of couponless registered shares, however, only if the delivery address for dividends and subscription rights is the Bank;
- b) the monitoring of draws, terminations and amortisation of portfolio assets;
- c) the subscription of new coupon sheets and the exchange of securities;
- d) the sale of unexercised subscription rights no later than the last day of trading.

The Bank is authorised to carry out the necessary administrative acts, to give the issuer or its depository the necessary instructions and to obtain the necessary information from it.

### **B5.2. Administrative acts with a specific order**

The Bank shall take care of orders from the Customer, which are given in good time, namely:

- a) the purchase and sale of domestic and foreign money and capital market investments and other financial instruments at the conditions applicable to securities transactions;
- b) the mediation of payments on titles that are not fully paid up;
- c) the exercise of subscription rights or the purchase or sale of such rights;
- d) the exercise of conversion and option rights;
- e) the acceptance or rejection of public takeover bids;
- f) the drawing up of lists for tax purposes.

Provided that sufficient time is available, the Bank shall inform the Customer in an appropriate manner of forthcoming events and request him to give instructions to the Bank. If immediate action is required or if the necessary instructions from the Customer are not received or not received in time, the Bank is entitled to act at its own discretion.

The Bank reserves the right to refuse an order, in particular if the custody assets are mortgage securities, insurance policies or items in a sealed custody account.

### **B5.3. Litigation and insolvency proceedings against issuers and third parties**

It is the Customer's responsibility to assert his rights from the custody assets in court and insolvency proceedings against the issuer and/or other third parties and to obtain the necessary information for this purpose.

### **B5.4. Information and reverse transactions**

The Bank shall base all administrative acts and information on the customary means of information available to it in the industry. The Bank may rely on such information and is not obliged to obtain additional information from publicly available or special sources or to forward such information to the Customer.

If an administrative act has been performed wrongly, in particular in error, incorrectly or unlawfully, the Bank may reverse such act without the Customer's consent (e.g. debit the credited amount back to the Customer's account). The Bank shall inform the Customer within a reasonable period of time and in a suitable form about the reversal.

## **B6. Delivery and transfer of custody assets**

The delivery and transfer of custody assets shall be effected in accordance with the legal provisions applicable to the custody assets concerned at the place of custody and in the usual delivery period and form. This is subject to mandatory legal provisions and official orders, liens and other rights of retention of the Bank as well as special contractual agreements.

Physical delivery shall be effected for the account and at the risk of the Customer and shall only be possible if this is provided for by the issuer. In the case of delivery of securities from a collective custody account, there is no entitlement to specific numbers or denominations, and in the case of bars and coins, there is no entitlement to specific vintages and mintages. Delivery abroad is not possible.

## **B7. Due diligence and liability**

The Bank shall hold and manage the custody assets with the customary care.

If the custody assets accepted do not correspond to the customary quality or show other defects, the Customer shall be liable to the Bank for any resulting loss.

## **B8. Reporting obligations and compliance with regulations**

The Customer is responsible for the fulfilment of any obligations to notify companies, stock exchanges, authorities and/or other third parties. The Bank is not obliged to notify the Customer of his obligation to inform. The Bank is entitled to not carry out administrative acts in whole or in part for custody assets which result in reporting obligations on the part of the Bank, and to notify the Customer of such acts.

It is the Customer's responsibility to comply with any restrictions, conditions or necessary authorisations under applicable domestic and foreign law when conducting or arranging for transactions with custody assets.

## **B9. Third-party payments**

The Bank may receive sales remuneration or other monetary benefits for the distribution of investment products such as collective capital investments and structured products from third parties or group companies of the Bank (hereinafter referred to as «Third-party Payments»). These Third-party Payments are basically purpose-tied and constitute a fee for the distribution activity and the associated services such as product research and continuous monitoring of the products. The subject and amount of this Third-party Payments differ from product to product and provider to provider. Additional details about the subject and the amount of these Third-party Payments (calculation rates) are set out in the price table «Services and prices for investment transactions». The Bank can adjust the corresponding conditions at any time, for example when amendments are made to the distribution agreements between the Bank and the product providers. The Bank shall notify the Customer of such adjustments in a suitable manner.

On request the Bank shall provide the Customer with additional information on the exact amount of the Third-party Payments concerned in the Customer's case, providing that it is possible to clearly allocate this to the Customer relationship concerned without a disproportionate amount of work. The Bank can charge a fee to cover its costs for this additional work.

Any Third-party Payments for asset management and, unless otherwise agreed, for portfolio-related investment advice are paid to the Customer. The Bank is entitled to Third-party Payments for transaction-related investment advice or for the mere execution and transmission of Customers orders (execution only), and the Customer waives any claim for restitution. This waiver continues to apply unchanged even if the amount of the current Third-party Payments is changed.

Further information on Third-party Payments is contained in the fact sheet «Third-party payments SGKB» and the price table «Services and prices for investment transactions», which are published in their current version under [sgkb.ch/legal](http://sgkb.ch/legal) or [sgkb.ch/conditions](http://sgkb.ch/conditions) or can be obtained in printed form from the Bank.

## **B10. Conflicts of interest in the case of Third-Party Payments and in the use of own investment products**

Third-party Payments and the use of own investment products can lead to potential conflicts of interest. The Bank ensures in an appropriate manner that no conflicts of interest arise or that unavoidable conflicts of interest do not adversely affect the Customer.

Further information on conflicts of interest can be found in the information sheet «Conflicts of interest SGKB», the latest version of which is published at [sgkb.ch/legal](http://sgkb.ch/legal) or can be obtained from the Bank in printed form.

## **B11. Statements**

The Customer shall receive a periodic statement of the custody assets held in custody, usually once a year. Valuations of the custody assets are based on non-binding prices from information sources customary in the industry.

## **B12. Special provisions for sealed custody accounts**

Only valuables, documents and other objects suitable for safekeeping in a sealed custody account shall be accepted as sealed custody assets. If the Customer delivers unsuitable (e.g. fragile, temperature- or moisture-sensitive) objects, he shall be liable for the resulting damage. In addition, the Customer shall not be entitled to compensation in the event of damage to the sealed custody assets.

In justified cases, the Bank may require the Customer to provide evidence of the nature of the objects held in custody or to inspect the contents of the sealed custody accounts, if possible, in the presence of the Customer.

If the Bank breaches customary care in the safekeeping of sealed custody assets, it shall be liable for losses proven by the Customer, but not exceeding the declared value.

The Customer must complain about damage to the packaging of sealed custody assets immediately upon their return. By signing the confirmation of receipt, he releases the Bank from any liability.

## C. Conditions for Payment Transactions

The Conditions for Payment Transactions apply to the execution and receipt of domestic and cross-border transfers in cashless payment transactions of all currencies (hereinafter Payment Orders) and in addition to the General Terms and Conditions. They apply to all Payment Orders processed via Cantonal Bank of Saint Gall Ltd (hereinafter Bank), regardless of the payment transaction product via which the processing is to be carried out. Other product or service-specific agreements (e.g. for credit or debit cards or mobile means of payment) as well as other special payment transaction regulations are reserved.

### I. Outgoing payments

#### C1. Details of the Payment Order

The Customer or his representative (hereinafter Principal) must provide the Bank with the following information:

- Surname, first name and address of residence or company name and address of the Customer's registered office;
- IBAN (International Bank Account Number) or account number of the account to be debited;
- Surname and first name or company name and optionally the residential or registered office address of the payee;
- IBAN or account number of the payee's account to be credited;
- BIC (Bank Identifier Code) or clearing number or national bank code and/or name of the payee's financial institution;
- Amount and currency of the transfer;
- Desired execution date of the Payment Order.

The information must be complete, accurate and consistent.

Specific information applies to Payment Orders with a reference number (e.g. orange payment slip or QR invoices with a reference). For Payment Orders abroad in all currencies or within Switzerland in foreign currencies, further country- or currency-specific information may be necessary. For Payment Orders according to the SEPA standard, please refer to the further information at [sgkb.ch/sepa](http://sgkb.ch/sepa), which can also be obtained in printed form from the Bank.

#### C2. Execution of a Payment Order

If the information pursuant to Section C1 is available, the Bank shall execute the Payment Order if, at the time of execution of the payment, the Customer has a freely available credit balance in his account to be debited or a freely available credit limit in the minimum amount of the transfer amount, including any charges incurred. It is at the Bank's free discretion whether it wishes to execute a Payment Order in spite of a lack of funds.

The Bank may refuse to execute a Payment Order if it has doubts as to the Principal's right of disposal or if it is aware of any prohibitions or restrictions on disposal (in particular statutory or regulatory provisions, official orders, national or international sanctions or special agreements such as the pledging of account balances) which preclude the execution of the Payment Order.

If the conditions are not met until after the desired execution date and in the absence of any instructions to the contrary from the Customer, the Bank may execute the Payment Order after the desired execution date.

The Bank may execute the Payment Order despite incorrect or missing information if this information is designated as optional or can be corrected or supplemented by the Bank beyond a doubt.

#### C3. Execution date

The Bank shall execute a Payment Order on the requested execution date, provided that it has arrived at the Bank's processing centre by that date. In the absence of an execution date, the Payment Order shall be executed within one bank working day of its receipt at the processing centre.

This is subject to Section C5 (Cut-off times) and Section C12 (Date of debit and credit) as well as delays due to clarifications by the Bank that are necessary prior to the execution of the Payment Order (e.g. clarifications within the scope of Section C2). The Customer may not derive any claims against the Bank from such delays.

#### C4. Collective order

If, for individual Payment Orders in a collective order, not all the required information is available, the Bank may reject the entire collective order or individual parts of it without processing.

#### C5. Cut-off times

Cut-off times for Payment Orders depend on the type of Payment Order, the currency and the country of destination. They can be obtained from the Bank.

If a Payment Order is submitted after the relevant cut-off time has expired, the payment is generally not executed until the next bank working day.

#### **C6. Processing the Payment Order and debiting the account**

Once the Payment Order has been executed, the account specified by the Principal is debited on the execution date. Depending on the type of Payment Order to be processed, processing may take place before the desired execution date, whereby the account specified is debited with the value date of the desired execution date at the time of processing.

Once the amount has been debited to the account, the Payment Order is no longer revocable, and the Customer may only request a recall. This is forwarded by the Bank to the recipient bank. However, it is not the Bank's responsibility as to whether the recall leads to a refund.

#### **C7. Non-execution and rejection of the Payment Order**

In the event of non-execution or rejection of a Payment Order by another party involved in the transfer (e.g. by a correspondent bank, by the payee's financial institution), the Bank shall inform the Customer within a reasonable time and in an appropriate manner of the non-execution or rejection and, where known and permissible, of the reason. It shall credit an amount already debited to the account concerned after the credit transfer has been returned.

If the Bank is in a position to remedy the reason for the rejection itself immediately and if the Customer's account has not yet been re-credited, it may execute the Payment Order again without consulting the Principal.

#### **C8. No data comparison by the payee's financial institution**

The payee's financial institution shall normally credit the amount of the credit transfer solely on the basis of the IBAN or account number indicated in the transfer and without any comparison with the payee's name (or company name) and address. If the payee's financial institution makes this comparison, it may reject the transfer if it does not match.

#### **C9. Third-party, transfer and credit risk**

The Bank shall select and instruct the parties involved in the execution of a transfer (e.g. correspondent bank) with the customary care. If a party not selected by the Bank (e.g. the payee's financial institution) or a party that the Bank had to call in for lack of alternatives does not fulfil its obligations, the Customer may not derive any claims against the Bank from this.

Transfers may be delayed or prevented by circumstances beyond the Bank's control, in particular due to national or foreign rules and measures (e.g. legal or regulatory restrictions such as sanctions, transfer bans or restrictions on currency and payment systems) or due to the insolvency of a participating correspondent or recipient bank. The Bank shall not be liable for any such delay, blocking or non-execution of the transaction, unless it has failed to exercise the customary care.

## **II. Incoming payments**

#### **C10. Crediting and reverse transfer or blocking of incoming payments**

Incoming payments are generally credited to the account in accordance with the IBAN or account number stated in the transfer, without any comparison of the additionally transmitted information with the name (or company name) and address of the account holder. It is at the Bank's discretion whether to carry out such a comparison.

Incoming payments with incorrect or missing information or where a comparison reveals contradictions shall be returned by the Bank. The same procedure shall be followed if other reasons prevent a credit entry (e.g. account closure, legal or regulatory provisions, official orders, national or international sanctions to be observed by the Bank), provided that the Bank is not obliged to block the incoming payment. The Bank may, however, credit payments despite inconsistent, incorrect or missing information, if the Bank is in a position to correct or supplement such information beyond a doubt.

In order to assess the background to a payment received, the Bank may make enquiries and obtain corrected or supplemented payment instructions from the ordering financial institution with a view to possible crediting, in order to decide whether to return, block or credit the payment. The Customer may not derive any claims against the Bank from any delays resulting from this.

In connection with a reverse transfer or blocking, the Bank is entitled to inform all parties involved in the transaction (including the remitter) of the reason for the failure to credit the payment. This does not exclude the possibility of third parties drawing conclusions about the Customer's bank details.

### **C11. Chargeback of a credit**

The Bank may, at any time and irrespective of any account balance that has been closed in the meantime, debit the Customer's account with a credited amount (including interest) or otherwise reclaim such amount if it turns out that the credit was made by the Bank unjustifiably, in particular by mistake, incorrectly or unlawfully.

In the case of incoming payments in foreign currencies which are associated with a cover payment (i.e. acquisition of the corresponding currency by another financial institution), the Bank reserves the right to credit the amount only after receipt of the cover payment has been confirmed to it by its correspondent bank. If the Bank makes the credit entry before receipt of the confirmation, the credit entry is made subject to the proviso that the Bank may at any time debit the amount credited (including interest) from the Customer's account or otherwise reclaim it if it does not receive the cover payment from its correspondent bank within three bank working days of the credit entry being made.

The Bank shall inform the Customer within a reasonable period of time and in an appropriate form about the chargeback.

### **III. Joint provisions**

#### **C12. Date of debit and credit**

If a date of debit or credit falls on a Saturday, Sunday or a (bank) holiday, the Bank may effect the debit or credit on the preceding or following bank working day.

Credits may be delayed at the payee's end due to foreign regulations concerning bank working days and (bank) holidays or other credit regulations of the payee's financial institution.

#### **C13. Debit and credit notes**

Debits and credits are usually notified to the Customer within a month. Special agreements with the Customer are reserved.

#### **C14. Currency conversion and exchange rate risk**

Irrespective of the currency, the debit or credit shall be made to the account specified in the transfer. If the debit or credit involves a conversion to or from the account currency, the exchange rate on the day the corresponding transfer is processed shall normally be applied. If this daily exchange rate is not available (e.g. missing exchange rate delivery), the Bank may apply the last exchange rate available to it.

Any exchange rate gains or losses resulting from a reverse transfer shall be in favour of or at the expense of the Customer.