

Basic Documents

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A General Terms and Conditions (GTC)

The following general terms and conditions serve the clear definition of the mutual relations between the Customer and the Cantonal Bank of Saint Gall Ltd (hereinafter referred to as «Bank»). Special arrangements, special rules of the Bank and relevant customary practices remain reserved.

All texts apply analogously to both genders as well as a plurality of persons.

A1. Legitimation and Diligence

The Bank shall verify the legitimation of the Customers and their representatives with the customary care of established banking practice. It will take appropriate measures for the avoidance of fraud.

The Customer shall safely retain its banking documents and shall keep information enabling banking transactions secret, so that unauthorized parties cannot obtain access to it. When the Customer issues orders it will observe all acceptable precautionary measures to avoid acts of fraud. Theft or loss of identification documentation, cards and codes shall be reported to the Bank immediately.

The party acting in violation of its diligence obligations shall bear the damage resulting thereof. If both the Bank as well as the Customer have contributed to an event of damage, the extent to which the Bank and the Customer will have to bear the loss shall be determined by the principle of damage contribution.

A2. Right to Information and Right of Disposition 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 information and disposition rights, and also the submission of a certificate for the execution of the will or another official legitimation document. This shall apply analogously to extra-cantonal and foreign deeds as well. Deeds in foreign languages shall be submitted in German or English translation prepared by a publicly appointed and sworn translator.

A3. Representative's Incapacity to Act

The Customer shall immediately inform the Bank in the case its representative becomes incapable to act. The Customer will bear any damage that arises from its representative's incapacity to act, unless it has informed the Bank thereof, or if the Bank violates the customary care of established banking practice.

A4. Bank Client Confidentiality

Bodies, employees and appointed representatives of the Bank are obligated by law to maintain confidentiality about the business transactions with the Customer. The legal information and reporting duties of the Bank remain reserved.

The Customer shall hereby release the Bank from its bank client confidentiality obligation, insofar as such is required for maintaining the Bank's justified interests:

- a) in case of legal action by the Customer against the Bank;
- b) in case of allegations by the Customer against the Bank in public or to authorities in the domestic and foreign territory;
- c) in case of default or the sale of non-performing due claims held by the Bank against the Customer;
- d) for collateralization of the Bank's claims and the liquidation of the Customer's or third parties' collateral.

The Bank is entitled to issue information to child and adult protection authorities with a view to clarifying official measures to protect the Customer and to ensure the supervision of such measures by the public authorities.

The Customer acknowledges that data will be transmitted via an open network that is accessible for anyone by means of using the internet and mobile phone networks and that the data may possibly be transferred without controls across borders, even if the sender and recipient are in Switzerland. In unencoded transmission the bank client confidentiality will not be guaranteed. Sender and recipient will also be unencoded even in encoded transmission. Any conclusion as to the existing banking relationship by third parties might therefore be possible.

A5. Outsourcing of Business Segments

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 may process customer data and data from third-party sources for the processing and maintenance of the business relationship and disclose same to selected cooperation partners in the context of the outsourcing of business activities.

The Bank is entitled to record telephone conversations for purposes of securing evidence of business closings.

In the processing of domestic and foreign payments and deposit transactions the Bank will disclose the Customer's name, address and account number among other things to the operators of the processing systems. Crossborder transactions and as exception those also within Switzerland (e.g. payments in foreign currency) may be processed via international channels. In foreign countries the data will not be subject to the Swiss bank client confidentiality or the Swiss data protection law. Foreign laws and regulations may provide for the forwarding of this data to the authorities.

A7. Customer Profile and Marketing

The Bank may create profiles from customer data and data from third-party sources for service and product offers tailored to the Customer's requirements and for market research, marketing and risk management purposes.

A8. Notifications

The Customer shall inform the Bank without delay of any changes to the information he or she has provided to the bank (for example, name, address, place of residence, telephone numbers).

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

A9. Avoidance of Dormant Accounts

The Customer shall take all reasonable steps to ensure that he or she can be contacted by the bank. The Customer shall in particular keep his or her personal information up to date. If necessary, the Bank shall attempt to restore contact with the Customer, while observing bank client confidentiality requirements. 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. Defective Execution of Orders

If orders (except for stock exchange orders and other investment transactions) are processed without the customary care of established banking practice and if damage arises thereby, the Bank will merely be liable for the loss of accrued interest, unless the impending risk of greater damage has been advised of in advance in the individual case.

A11. Review and Complaint Obligation of the Customer

If the Customer wishes to complain about accounting/deposit 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 shall be made as soon as the notification should have been received by the Customer had it been served ordinarily.

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

A12. Account Business

The agreed or customary interest, commissions, expenses and taxes will be credited or charged to the Customer immediately or periodically.

The Bank may change its interest and commission rates at any time, specifically in case the money-market situation changes. It shall inform the Customer thereof by suitable means.

If the Customer has given various instructions which exceed its available credit balance or granted credit in their total amount the Bank will be entitled to decide at its own discretion to what extent it will execute the instructions regardless of the date or time of receipt.

A13. Foreign Currency Accounts

The counter investments in the equivalent of credit balances in foreign currency will be invested at the Bank's correspondents inside and outside of the specific currency area in the name of the Bank, yet at the expense and risk of the Customer. In particular, the Customer will bear the risk of legal or official regulations and restrictions, as well as any taxes and charges in the countries involved.

A14. Credits and Charges in Foreign Currency Amounts

Credits and debits in foreign currency amounts will be made in Swiss francs, namely at the exchange rate of the particular day on which the amount is credited to or debited from the Bank, unless the Customer has given timely other instructions, or if the Customer is the owner of an account in the respective foreign currency. If the Customer only holds foreign currency accounts, the Bank may credit or debit such amounts in any one of these currencies at its own discretion.

A15. Bills of Exchange, Checks and other Securities

The Bank is entitled to make back-charges for discounted or credited bills of exchange, checks and other papers, if these are not paid. Until settlement of a debt balance, the Bank will retain the claims under the rights for bills of exchange, checks or other papers for the payment of the full amount of the bills of exchange, checks and other papers with secondary charges against every debtor for the paper.

If the Bank has observed the customary care of established banking practice, the Customer will bear the consequences of the loss, abuse or forgery of checks or order forms. This also applies if a loss has been reported to the Bank.

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

A16. Lien and Right to Offset

The Bank holds liens to all assets, which it respectively retains in its possession or elsewhere on the customer's account, and irrespective of maturity or currency the Bank has the right to offset all receivables respectively created for the Bank from the banking relationship. This also applies to credits and loans with special or without any collateral. The Bank is entitled to enforcement or offhand liquidation 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 disposal of the collateral the Bank is entitled to its own entry to the proceeding.

A17. Compliance with Laws

The Customer is responsible for compliance with the legal and regulatory provisions applicable to him or her. This includes, among others, the obligation to pay and declare tax.

A18. Cancellation of Business Relations

The Bank may cancel the existing business relations or promised or used credits at any time without observation of a cancellation period, unless it was agreed otherwise. The Bank's receivables will become due for repayment immediately in this case.

A19. Equivalent Status of Saturdays and Holidays

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

A20. Changes to the General Terms and Conditions

The Bank reserves the right to change the general terms and conditions at any time. These terms and conditions will be sent to the Customer and will be deemed approved in absence objection within 30 days since mailing.

B Depot Rules

B1. Scope

These depot rules apply to the retention and management of depot assets. They apply in addition to the general terms and conditions and to special contractual agreements between the Customer and the Bank.

B2. Depot assets

The following will be accepted and posted to the Customer's depot by the Bank:

- a) money and capital market investments and other financial instruments;
- b) precious metals and coins;
- c) documents and valuables to the extent these are suitable.

The Bank may refuse the acceptance of depot assets.

B3. Diligence Obligation

The Bank will retain the depot assets with the customary care of established banking business.

B4. Depot Statements

The Customer will periodically, generally at the end of the year, receive a statement for the depot assets. Valuations of the depot assets are based on the prices from common industry sources.

B5. Payments

B5.1. Deposit and other Fees

Deposit and any other fees shall be charged to the Customer at the current applicable rates which are set out in the price table. The Bank reserves the right to adjust these tariffs at any time and shall notify the Customer of such adjustments in a suitable manner. Third-party commission and fees, levies and taxes payable by the Bank (including value added tax, withholding taxes and stamp duties) and extraordinary expenses are not included in the price and can be additionally deducted by the Bank from the Customer's account.

B5.2. Third-party Remuneration

The Customer acknowledges that the Bank can receive distribution payments or other non-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 Remuneration»). This Third-party Remuneration is strictly purposebound and is 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 Remuneration differ from product to product and provider to provider. Additional details about the subject and the amount of this Third-party Remuneration (calculation rates) are set out in the current applicable version of the price table, which can be found on the Bank's website. The Customer understands and accepts that 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 Remuneration 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.

The Customer understands and accepts that Third-party Remuneration can lead to potential conflicts of interest in that they can be an incentive to choose investment products for which the Bank receives Third-party Remuneration (e.g. when purchasing investment funds or structured products instead of shares or bonds) or for which it receives higher Third-party Remuneration (e.g. by favouring products of certain providers or categories of products for which higher Third-party Remuneration is payable). The Bank shall ensure, in a reasonable manner, that no conflicts of interest arise, particularly where there is an investment advisory relationship or, where conflicts of interest are unavoidable, that these do not lead to disadvantages for the Customer.

B5.3. Waiver of Surrender Claim

The Customer hereby waives any surrender claim to which it is entitled pursuant to Art. 400(1) of the Swiss Code of Obligations (Obligationenrecht – OR) as well as any further surrender claims with respect to Third-party Remuneration while acknowledging the calculation rates for Third-party Remuneration set out in the price table. This waiver shall continue to apply unchanged even in the event of an adjustment of the current Third-party Remuneration.

B6. Retention

At the expense and risk of the Customer the Bank is entitled to safe-keep the depot assets in the appropriate way for the asset type, or to transfer these assets to a third party for safe keeping or to have them retained at a collective depository. The Customer is entitled to a right of shared ownership, subject to legal regulations providing otherwise, in the relation of the assets deposited by it to the respective inventory of the collective depository, if the collective depository is located in Switzerland. In the safekeeping in foreign countries, the depot assets will be subject to the laws and customary practices at the place of their safekeeping. If the return of the depot assets in safekeeping in foreign countries or the transfer of the sales proceeds is made impossible or more difficult due to the foreign jurisdiction, the Bank will only be obligated to provide the Customer a claim for proportional return or payment at the place of the foreign depository.

Registered assets will be recorded upon an appropriate order by the Customer. If the registration in the name of the Customer is not customary or impossible, the Bank may have the assets registered in its own name or in the name of a third party at the expense and risk of the Customer.

If depot assets in safekeeping by asset type are drawn by lot, the Bank will distribute the drawn assets among its customers, whereat in the second drawing the Bank will use the method that guarantees an equivalent prospect for consideration to all parties involved as was the case in the initial drawing.

B7. Administrative Actions without Specific Order

Without specific order from the Customer and to the extent it has applicable information available, the Bank will ensure the following:

- a) acceptance or realization of any due interest, dividends or other disbursements as well as redeemable titles;
- b) control over drawn, cancelled and missing papers;
- c) subscription of new coupon sheets and exchange of interim certificates against definitive titles;
- d) sale of exercised subscription rights at the latest as of the last day of trading.

Other administrative acts – especially the exercise, purchase or sale of subscription rights, the exercise of conversion and option rights, and the acceptance or rejection of takeover bids – shall only be performed by the Bank if it receives timely instructions from the custody account holder. If timely instructions are not received, the Bank shall act at its own discretion.

B8. Administrative Actions with Specific Order

The Bank will ensure the following in particular to the timely issued order of the Customer:

- a) purchase and sale of domestic and foreign money and capital market investments and other financial instruments under the terms applicable for trading in notes;
- b) brokerage of deposit payments to not fully paid titles;
- c) exercise of subscription rights or their purchase or sale;
- d) compilation of directories for tax purposes.

If the required instructions from the Customer are not at all received or not on time, the Bank will be entitled, but not obligated, to act at its own discretion.

B9. Entry on Own Account

For stock exchange transactions the Bank may act as trader on own account.

B10. Reporting Obligations

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 or her obligation to inform.

B11. Litigation and Insolvency Proceedings against Issuers and Third Parties

The Customer is responsible for asserting his or her rights from custody account assets in court and bankruptcy proceedings against the issuer and/or other third parties, and to obtain the necessary information for this purpose.

B12. Changes to the Depot Rules

The Bank reserves the right to change the depot rules at any time. These will be sent to the Customer and will be deemed approved in absence of objection within 30 days since mailing.