



General information
for clients

Index

- 1. General information on the bank**
- 2. Information on the safeguarding of client assets**
- 3. Information on financial services**
 - 3.1 Services provided
 - 3.2 Information on services and risks associated with financial instruments
 - 3.3 Classification of customers
 - 3.4 Adequacy and appropriateness
 - 3.5 Investment universe
 - 3.6 Best execution
 - 3.7 Conflicts of interest and compensation from third parties
- 4. Costs**

The purpose of this brochure is to provide general information on the structure and activities of Axion SWISS Bank. It is intended as a general, non-personalised presentation and in no way constitutes a proposal or offer of banking or financial services.

The information in this brochure has no contractual value. Relations between the bank and its clients are governed exclusively by the General Terms and Conditions and any specific agreements, which specify what is contained in this brochure for information only.

Our consultants will be happy to answer any questions you may have.

1. General information on the bank

Bank information

- Company name: Axion SWISS Bank SA
- Legal form: Limited company under Swiss law
- Registered office: Via Stefano Francini 22, 6901 Lugano (Switzerland)
- Commercial register entry: CHE-104.897.809
- LEI code: 213800GLP1CKLW9KFM35
- BIC code: UNCECH22XXX
- FATCA GIIN Number: UKNN1K.00001.756
- Ownership: The bank is 100% owned by the State Bank of Canton Ticino (BancaStato)
- Supervisory status: The bank is licensed to carry out banking, asset management, collective asset management and securities brokerage activities by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, CH - 3003 Bern (www.finma.ch)
- Professional associations: the bank is a member of the Swiss Bankers Association (www.swissbanking.org) and the Ticino Bankers Association (www.abti.ch) and is subject to their self-regulation rules.

Methods of communication between the client and the bank

Clients can communicate with the bank in Italian and English. The bank communicates with its clients in Italian and English. The methods of communication between the bank and its clients are governed by the General conditions and any specific agreements that have been entered into.

The general contact details of the bank are as follows:

- Telephone number: +41(0)91 9109510
- Fax number: +41(0)91 9109514
- E-mail: mail@axionbank.ch

The bank has its own website, www.axionbank.ch, which provides information on the bank, on the BancaStato Group to which the bank belongs (www.bancastato.ch), and on the financial and banking services it offers.

The bank may make legally relevant information, terms and documents available to its customers on its website and fulfil its information, clarification and notification obligations (e.g. under financial market regulations on investor protection and transparency).

Complaints

The client may address any complaints in writing to the bank's Legal & Compliance department, in accordance with the General terms and conditions.

In the event of a dispute, the client may initiate a mediation procedure with the Swiss banking ombudsman before going to court. More information on this can be found at www.bankingombudsman.ch.

Additional financial and governance information

Up-to-date information can be found directly on the bank's website www.axionbank.ch.

2. Information on the safeguarding of client assets

Guarantee of deposits

Under the deposit guarantee scheme *esisuisse*, to which the bank belongs, client deposits are guaranteed up to a maximum of CHF 100,000 per client.

Cash bonds deposited in the name of the depositor with the issuing bank also count as deposits.

The deposit guarantee scheme is explained in detail at www.esisuisse.ch.

Financial instruments

The financial instruments / book-entry securities of individual clients held by the bank for any reason whatsoever shall constitute assets that are to all intents and purposes separate from those of the bank itself and from those of other clients. Claims by or on behalf of the creditors of the bank, as well as claims by or on behalf of creditors of any sub-custodian(s), are not permitted. Actions by creditors of individual clients are allowed within the limits of the assets owned by those clients.

Unclaimed or non-contact assets

If the relationship with the bank is discontinued and it is not possible to resume contact with the client, the bank shall notify the account to an appropriate central office, subject to banking secrecy, in accordance with the relevant guidelines of the Swiss bankers association. If you are aware of any uncontacted or unclaimed assets to which you are entitled, you can contact the bank directly or conduct a general search through the Swiss banking ombudsman (www.bankingombudsman.ch).

3. Information on financial services

3.1 Services provided

In addition to the usual banking services, in particular deposits and loans, the bank provides the following financial services within the meaning of the Federal act on financial services (FINSA):

- purchase and sale of financial instruments;
- acceptance and transmission of mandates involving financial instruments;
- management of financial instruments (asset management);
- making personalised recommendations concerning transactions with financial instruments (investment advice);
- granting credit to execute transactions with financial instruments.

The offer of such services depends on the legislation applicable in the country of domicile of each client and may therefore not apply to all clients or may apply only in part.

The individual services, in particular the rights and obligations of the client arising therefrom, are governed by specific agreements and the bank's General terms and conditions.

3.2 Information on services and risks associated with financial instruments

Investments in financial instruments (e.g. shares, bonds, funds, structured products) present opportunities for gain but also entail risks of loss.

It is therefore essential that clients understand the risks of the financial instrument in which they are investing.

The brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association (SBA) contains general information on the financial services listed above as well as on the characteristics and risks of financial instruments. This brochure can be downloaded from the following link www.axionbank.ch/axion/infi.html or obtained from the client advisor or contact person, who can provide further detailed information.

3.3 Client segmentations

According to the Federal act on financial services (FINSA), the bank classifies its clients into the following three categories: (i) private client; (ii) professional client; (iii) institutional client.

Each of these categories corresponds to a different level of protection, which is reflected in the bank's obligations and responsibilities towards the client.

Private customers

Private clients are the category to which the law provides the highest level of protection both at the pre-contractual stage and at the stage of provision of investment services, since it is considered that this category of clients does not have the experience, knowledge and competence in investment matters necessary to make informed investment choices without the support of the bank.

Private clients are all those who are not professional or institutional clients.

Professional and institutional clients

Professional clients are those who are considered by the regulation to have the necessary experience, knowledge and expertise to make informed investment decisions and assess the risks involved. They therefore have a lower degree of protection than private clients.

A client may be deemed professional by law (*per se*) or, if he is a so-called wealthy private individual, by virtue of his request for a change of classification (opting-out). In this case, the client may at any time request to be reclassified as a private client (opting-in).

Institutional clients are a sub-category of professional clients (e.g. banks, insurance companies, asset managers and trustees). Since they are particularly qualified clients, the bank is not required to comply with the rules of conduct set out in the FINSA. They may, however, at any time request to be considered as professional clients (opting-in).

3.4 Suitability and appropriateness

The bank can offer one-off wealth advisory services (without a view of the entire portfolio - spot advisory) or full advisory services (with a view of the entire portfolio - full

advisory).

In the case of a Spot advisory, depending on the classification of the client (point 3.3), the bank may have to carry out an analysis of the appropriateness of the individual investment in relation to the knowledge and experience of the client or his representatives.

In the case of Full advisory, as well as in the case of Discretionary management mandate granted to the bank, the latter will verify the suitability of the investment or investment strategy with respect to the risk appetite, risk capacity and investment objectives declared by the client. In this respect, the private client fills in a form (risk profile) and provides the bank with the relevant information.

In the case of transactions carried out by the client without advice from the bank (execution only), the bank does not check the appropriateness or suitability of the investment. Further information is available in the General terms and conditions and in any Advisory or Discretionary management mandate contracts signed by the client.

3.5 Investment universe

The bank selects financial instruments for its Discretionary management mandate and advisory services on the basis of products from both BancaStato Group entities and a wide range of third party providers.

3.6 Best execution

Best execution means the obligation to take all necessary steps to obtain the best possible result for customers in the execution of transactions on their behalf (including the right to use third party financial institutions to execute transactions). The bank considers the following factors in determining what is the best possible outcome for its clients:

- price: shall mean the price at which a transaction in a financial instrument is executed;
- cost: this includes implicit and explicit costs as well as internal costs (the bank's own commissions and expenses) and external costs (e.g. foreign exchange commissions and clearing fees);
- speed: time needed to perform a customer transaction;
- probability of execution and settlement: the probability that the bank will be able to complete a transaction for the client;
- volume: the volume of the transaction executed for a client and its influence on the execution price;

- nature of the transaction or other aspects relevant to the execution of the transaction (such as market impact): factors which, depending on the particular characteristics of a client transaction, may influence the achievement of best execution.

As a general rule, the price of the financial instrument and the costs related to the execution of the order (total consideration) are given priority. However, the overall result of a particular transaction for a client may be influenced by other factors. Therefore, the bank may, in specific cases, attach greater importance to other factors than to price and immediate cost.

If the client issues an instruction with specific terms of execution, the bank will execute the transaction as requested regardless of its best execution policy.

3.7 Conflicts of interest and compensation from third parties

Conflicts of interest

Conflicts of interest may arise where the interests of the client and the bank are opposed to each other. If not mitigated, they may result in a financial disadvantage to the client. The following non-exhaustive list illustrates situations of potential conflict of interest:

- the bank's own interest (revenues) from the sale and trading of financial instruments, including instruments issued by an entity controlled by Axion SWISS Bank or by another entity belonging to the BancaStato Group;
- receipt of a compensation from a third party (for details of indemnities see section "Compensation from third parties");
- performance-based remuneration of employees and remuneration of intermediaries or business introducers (where applicable and authorised);
- relationships (e.g. service, collaboration or revenue sharing arrangements) that the bank may have with issuers of financial instruments that are offered or recommended to clients.

The bank aims to act with professional competence and integrity. As regards the management of possible conflicts of interest, the bank has adopted specific rules and codes of conduct binding on all employees.

In addition, the bank has put in place organisational measures to identify, avoid and mitigate conflicts of interest to the best of its ability as follows (non-exhaustive list):

- organisational procedures to safeguard the interests of clients (e.g. confidentiality areas, chinese walls, separation of responsibilities, technical separation);
- rules on accepting, offering and disclosing benefits (including gifts and/or forms of entertainment of various kinds);
- rules concerning transactions on employees' accounts;
- approval and review process for external mandates, secondary professional activities and significant employee shareholdings.

The bank endeavours to identify, avoid or mitigate any conflicts of interest that may arise in connection with the services offered to clients. If the measures taken are not able to avoid unfavorable situations for the client or are only possible with a disproportionate effort, the bank undertakes to disclose the conflict to the client in an appropriate manner.

Compensation from third parties

A compensation is a benefit that the bank may receive from another entity (including Group companies or third parties) that is not paid directly by or on behalf of a client. A compensation is typically paid between suppliers and distributors of financial instruments, where the suppliers transfer a portion of the revenues generated by the financial instruments to the distributor in exchange for distribution services.

For example, in the area of investment funds, the provider charges the investor a fee for managing the fund's assets, which is disclosed in the prospectus. The provider may use part of the revenue generated by this management fee to remunerate distributors, such as banks or financial advisers, for access to their distribution network or for administrative activities carried out by them.

In principle, in the execution of an asset management mandate, the bank trades in financial instruments for which no compensation is paid. Exceptionally, if deemed to be in the client's interest, financial instruments may be used for which the bank receives a fee. In such cases, the bank shall endeavour to ensure the overall cost-effectiveness of the transaction.

In the context of an advisory mandate, the bank generally only actively recommends products for which no compensation is payable. However, the bank may advise on products

requested by the client that do involve the payment of compensation.

The amount of the compensation depends on the financial instrument, its provider and the volume of assets invested in the financial instrument. The bank is entitled to receive and retain these compensations, thus considering it as part of its remuneration, in accordance with the conditions set out in the General terms and conditions or in specific agreements.

If the bank has established a business relationship with a client, e.g. through a third party acting as a business introducer, it may pay the third party a commission (based on revenues, transactions or assets) on a one-off and/or ongoing basis. In the case of clients who are serviced by a financial intermediary, in particular an independent asset manager, who uses the bank for custody and trade execution, the bank may pay the intermediary a one-off and/or ongoing cooperation fee.

Upon request, the bank shall inform its clients of the existence and nature of any such payments to third parties.

4. Costs

The costs of the bank's services are detailed in the specific brochure "Fees and conditions for clients" available on request.

Any changes to the pricing are duly communicated to customers.

Axion SWISS Bank SA
Viale S. Franscini 22
CH 6901 Lugano
Switzerland

Tel: +41(0)91 910 95 10
Fax: +41(0)91 910 95 14
Web: www.axionbank.ch
Email: mail@axionbank.ch