Information on the investment activities business of Founders Bank Ltd.

Issue November 2021

FOUNDERS BANK

All references in this text should be interpreted as equally applicable to all genders, and applying equally to individual or multiple individuals.

1 Client segmentation

The Bank classifies all its clients as private clients under the Swiss Federal Act of 15 June 2018 on Financial Services (Financial Services Act, FinSA; Bundesgesetz vom 15. Juni 2018 über die Finanzdienstleistungen, Finanzdienstleistungsgesetz, FIDLEG). The Bank's principle is to provide the client with the highest possible level of protection.

2 Information on the financial services offered by the Bank

2.1 Execution only

2.1.1 Nature, characteristics and functioning of the financial service

Execution only refers to all financial services that relate to the mere execution or transmission of client orders without any advice or management by the Bank. The Bank buys or sells financial instruments in the name and for the account of its client. In the case of execution only, orders are initiated exclusively by the client. The Bank does not check to what extent the transaction in question corresponds to the knowledge and experience (appropriateness) as well as the financial circumstances and investment objectives of the client (suitability). In connection with the future placing of orders by the client, the Bank will not state again that no appropriateness and suitability test will be carried out.

Bank information

Founders Bank Ltd.
Bahnhofstrasse 4
CH-6431 Schwyz
+41 (0)58 442 12 91
foundersbank.ch/en/contact-information

Founders Bank Ltd. (hereinafter referred to as the "Bank") is a bank with its registered office in Schwyz. It offers services related to savings, occupational pension benefits, financing, investing, payments etc.

Founders Bank is subject to the Swiss Federal Act of 8 November 1934 on Banks and Savings Banks (Banking Act, BankA; Bundesgesetz vom 8. November 1934 über die Banken und Sparkassen, Bankengesetz, BankG) and governed by the Swiss Financial Market Supervisory Authority FINMA. Contact information for the FINMA:

Swiss Financial Market Supervisory Authority FINMA
Laupenstrasse 27
CH-3003 Bern
+41 (0)31 327 91 00

www.finma.ch/en/contact

2.1.2 Rights and obligations

With execution only, the client has the right to place orders to buy or sell financial instruments within the scope of the market offer considered. The Bank has a duty to execute orders placed with the same diligence that it applies to its own affairs. The Bank informs the client immediately of any material circumstances that could affect the correct processing of the order. Furthermore, the Bank regularly informs the client about the composition, valuation and development of the execution only portfolio as well as about the costs associated with the executed orders.

2.1.3 Risks

Execution only generally gives rise to the following risks, which fall within the client's sphere of risk and are therefore borne by the client:

— **Asset preservation risk, or the risk that the financial instruments in the client's custody account will lose value:** this risk, which may vary depending on the financial instrument, is borne entirely by the client. For information on the risks of individual financial instruments, please refer to the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association.

— **Information risk on the part of the client or the risk that the client** has too little information to make an informed investment decision: in the case of execution only, the client makes investment decisions without the Bank's intervention. Accordingly, the client needs specialist knowledge to understand the financial instruments and time to be able to study the financial markets. If the client does not have the necessary knowledge and experience, they run the risk of investing in a financial instrument that is inappropriate for them. Lack of or inadequate financial knowledge could also cause the client to make investment decisions that do not correspond to their financial circumstances and / or investment objectives.

— **Risk regarding the timing of order placement** or the risk that the client chooses a bad time to place the order, which results in price losses.

— **Risk of lack of monitoring** or the risk that the client does not monitor or insufficiently monitors his/her execution only portfolio: at no time does the Bank have a duty to monitor, warn or inform. Insufficient monitoring by the client can result in various risks, such as cluster risks.

Furthermore, execution only gives rise to risks that fall within the Bank's sphere of risk and for which the Bank is liable to the client. The Bank has taken appropriate measures to counter these risks, in particular by observing the principle of good faith and the principle of equal treatment when processing client orders. Furthermore, the Bank ensures the best possible execution of client orders.

2.1.4 Market offer considered

The market offer considered in the selection of financial instruments includes own and third-party financial instruments. The following financial instruments are available to the client for execution only:

— Equity securities (e.g. shares)
— Debt securities (e.g. bonds)
— Units in collective investment schemes (e.g. investment funds)
— Structured products
— Derivatives
— Other financial instruments

2.2 Comprehensive investment advice

2.2.1 Nature, characteristics and functioningof the financial service

Within the scope of comprehensive investment advice, the Bank advises the client on transactions involving financial instruments, taking into account the advisory portfolio. To this end, the Bank ensures that the recommended transaction corresponds to the financial circumstances and investment objectives (suitability test) as well as the needs of the client or the investment strategy agreed with the client. The client then decides for themselves to what extent they want to follow the Bank's recommendation.

2.2.2 Rights and obligations

In the case of comprehensive advice, the client has the right to personal investment recommendations that are appropriate for them. Comprehensive investment advice is provided in accordance with the separate contractual provisions relating to financial instruments within the scope of the market offer considered. In doing so, the Bank advises the client to the best of its knowledge and with the same diligence that it applies to its own affairs.

If agreed in writing, the Bank regularly checks whether the structuring of the advisory portfolio for comprehensive investment advice corresponds to the agreed investment strategy. The Bank will recommend a corrective measure to the client if there is a deviation from the agreed percentage structuring.

The Bank informs the client immediately of any material difficulties that could affect the correct processing of the order. Furthermore, the Bank regularly informs the client about the composition, valuation and development of the advisory portfolio as well as about the costs associated with the executed orders.

2.2.3 Risks

Comprehensive investment advice generally gives rise to the following risks, which fall within the client's sphere of risk and are therefore borne by the client:

— **Risk of the investment strategy selected:** different risks may arise from the agreed investment strategy, which is based on the established risk profile (see below). The client bears these risks in full. A presentation of the risks and a relevant risk disclosure are provided before the investment strategy is agreed.

— **Asset preservation risk** or the risk that the financial instruments in the advisory portfolio may lose value: this risk, which may vary depending on the financial instrument, is borne entirely by the client. For information on the risks of individual financial instruments, please refer to the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association.

— **Information risk on the part of the Bank** or the risk, that the Bank has too little information to provide a suitable recommendation: When providing comprehensive investment advice, the Bank takes into account the client's financial circumstances andinvestment objectives (suitability test) as well as the client's requirements. There is a risk that if the client provides the Bank with insufficient or inaccurate information about his/her financial circumstances, investment objectives or requirements, the Bank will not be able to advise them appropriately.

— **Information risk on the part of the client** or the risk that the client has too little information to make an informed investment decision: even if the Bank takes the client portfolio into account in the comprehensive investment advice, it is the client who makes the investment decisions. Accordingly, the client requires specialist knowledge in order to understand the financial instruments. This creates the risk for the client that he/she will not follow investment recommendations that are suitable for them due to a lack of or inadequate financial knowledge.

— **Risk regarding the timing of order placement** or the risk that the client, after receiving advice, acts too late in issuing a sell or buy order, which may result in price losses: the recommendations made by the Bank are based on the market data available at the time of the advice and are only valid for a short period of time due to market volatility.

— **Risk of lack of monitoring** or the risk that the client does not monitor or insufficiently monitors his/her advisory portfolio: before issuing an investment recommendation, the Bank reviews the composition of the advisory portfolio. Outside of the advisory services, the Bank – unless otherwise agreed in writing – has at no time a supervisory duty with regard to the structuring of the advisory portfolio. Insufficient monitoring by the client can result in various risks, such as cluster risks.

— **Risk as a qualified investor in collective investment schemes:** clients who take advantage of comprehensive investment advice are considered qualified investors under the Swiss Federal Act of 23 June 2006 on Collective Capital Investment Schemes (Collective Investment Schemes Act, CISA; Bundesgesetz vom 23. Juni 2006 über die kollektiven Kapitalanlagen, Kollektivanlagengesetz, KAG). Qualified investors have access to forms of collective investment schemes that are open exclusively to them. Such status enables a broader range of financial instruments to be taken into account in the design of the client portfolio. Collective investment schemes for qualified investors may be exempt from regulatory requirements. Such financial instruments are therefore not, or only partially, subject to Swiss regulations. This may give rise to risks, in particular due to liquidity, investment strategy or transparency. Detailed information on the risk profile of a particular collective investment scheme can be found in the constituent documents of the financial instrument and, where applicable, the key information document and prospectus.

Furthermore, comprehensive investment advice gives rise to risks that fall within the Bank's sphere of risk and for which the Bank is liable to the client. The Bank has taken appropriate measures to counter these risks, in particular by observing the principle of good faith and the principle of equal treatment when processing client orders. Furthermore, the Bank ensures the best possible execution of client orders.

2.2.4 Market offer considered

The market offer considered in the selection of financial instruments includes own and third-party financial instruments. The following financial instruments are available to the client within the scope of comprehensive investment advice, depending on the product selected:

— Beteiligungspapiere (z. B. Aktien)
— Forderungspapiere (z. B. Anleihen)
— Anteile an kollektiven Kapitalanlagen (z. B. Anlagefonds)
— strukturierte Produkte
— Derivate
— weitere Finanzinstrumente

2.3 Asset management

2.3.1 Nature, characteristics and functioning of the financial service

Asset management is defined as the management of assets that the client deposits with the Bank for management in their name, for their account and at their risk. The Bank executes transactions at its own free discretion and without consulting the client.

In doing so, the Bank ensures that the transaction executed is in line with the client's financial circumstances and investment objectives or the investment strategy agreed with the client and ensures that the portfolio structuring is appropriate for the client.

2.3.2 Rights and obligations

In asset management, the client has the right to have the assets in in his/her portfolio managed. In the process, the Bank selects the investments to be included in the management portfolio with due diligence regarding the market offer considered. The Bank ensures an appropriate distribution of risk to the extent permitted by the investment strategy. It regularly monitors the assets it manages and ensures that the investments are in line with the investment strategy agreed in the investment profile and are appropriate for the client. Furthermore, the Bank regularly informs the client about the composition, valuation and development of the management portfolio as well as about the costs associated with the executed orders.

2.3.3 Risks

Asset management generally gives rise to the following risks, which fall within the client's sphere of risk and are therefore borne by the client:

— **Risk of the investment strategy selected:** different risks may arise from the agreed investment strategy, which is based on the established risk profile (see below). The client bears these risks in full. A presentation of the risks and a relevant risk disclosure are provided before the investment strategy is agreed.

— **Asset preservation risk** or the risk that the financial instruments in the management portfolio will lose value: this risk, which may vary depending on the financial instrument, is borne entirely by the client. For information on the risks of individual financial instruments, please refer to the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association.

— **Information risk on the part of the Bank** or the risk that the Bank has too little information to make an informed investment decision: When it comes to asset management, the Bank takes into account the client's financial circumstances and investment objectives (suitability test). There is a risk that if the client provides the Bank with insufficient or inaccurate information about his/her financial circumstances and or investment objectives, the Bank may not be able to make investment decisions that are appropriate for the client.

— **Risk as a qualified investor in collective investment schemes:** clients who take advantage of asset management are considered qualified investors under the Swiss Federal Act of 23 June 2006 on Collective Capital Investment Schemes (Collective Investment Schemes Act, CISA; Bundesgesetz vom 23. Juni 2006 über die kollektiven Kapitalanlagen, Kapitalanlagengesetz, KAG). Qualified investors have access to forms of collective investment schemes that are open exclusively to them. Such status enables a broader range of financial instruments to be taken into account in the design of the client portfolio. Collective investment schemes for qualified investors may be exempt from regulatory requirements. Such financial instruments are therefore not, or only partially, subject to Swiss regulations. This may give rise to risks, in particular due to liquidity, investment strategy or transparency. Detailed information on the risk profile of a particular collective investment scheme can be found in the constituent documents of the financial instrument and, where applicable, the key information document and prospectus.

Furthermore, asset management gives rise to risks that fall within the Bank's sphere of risk and for which the Bank is liable to the client. The Bank has taken appropriate measures to counter these risks, in particular by observing the principle of good faith and the principle of equal treatment when processing client orders. Furthermore, the Bank ensures the best possible execution of client orders.

2.3.4 Market offer considered

The market offer considered in the selection of financial instruments includes own and third-party financial instruments. The following financial instruments are available to the client within the scope of asset management, depending on the product selected:

— Equity securities (e.g. shares)
— Debt securities (e.g. bonds)
— Units in collective investment schemes (e.g. investment funds)
— Structured products
— Derivatives
— Other financial instruments



3 Managing conflicts of interest

3.1 In general

Conflicts of interest may arise from various different business transactions of the Bank. The Bank takes measures to avoid conflicts of interest and to protect clients from disadvantages. Examples of such measures include imposing bans on information, separate management processes and foregoing direct compensation incentives. In the event that a client disadvantage cannot be excluded, the conflict will be disclosed, and consent obtained from the affected client. The Bank can provide you with further information as to how the Bank handles conflicts of interest on request.

3.2 Compensation paid by and to third parties

In the course of providing financial services, the Bank may receive compensation from third parties, which it passes on in full to the client. This avoids the conflicts of interest that arise in connection with compensation from third parties.



4 Ombudsman

The satisfaction of our clients is of the utmost priority to us. If we fail to meet your expectations at any time,we will do everything we can to find a solution to your issue. If we do not manage to do so, you have the option of referring to a Swiss ombudsman, a cost-effective or free and neutral information and mediation agency. The ombudsman generally only gets involved after receiving a written client complaint with a corresponding statement from the Bank.

You can obtain specific contact details for the relevant ombudsman from your client adviser or here:

Swiss Banking Ombudsman
Bahnhofplatz 9
CH-8021 Zürich

bankingombudsman.ch/en/

FOUNDERS BANK

Founders Bank Ltd-
Bahnhofstrasse 4
CH-6431 Schwyz

+41 58 442 10 00
bank@foundersbank.ch
foundersbank.ch