

General Conditions

Version 2017

Purpose and scope of application

These conditions govern the relationship between the client and the Bank. Special agreements remain reserved. Certain categories of business are subject to the Bank's special regulations as well as to established rules of banking practice.

For ease of understanding, the following document uses the masculine form only. This, however, shall also include the Bank's female clients.

1. Power of disposition

Instructions pertaining to authorized signatures communicated to the Bank shall be valid until any change is notified in writing, regardless of any other register entries or public announcements. Where account or custody account is held in the names of several persons, the signatories may only dispose of the account jointly, unless otherwise agreed.

2. Responsibility for risk in the event of inadequate proof of identity

Damage resulting from the failure to recognize inadequate proof of identity, especially such arising from signature and document forgeries, the misuse of fax machines or any other electronic systems of transmission, shall be borne by the client unless the Bank has acted in a grossly negligent manner. In transactions with the client and his authorized agents, the Bank shall be authorized to take measures it deems appropriate, at any time, in order to examine proof of identity. Damages occasioned by delays incurred as a result of this shall be borne by the client.

3. Insufficient legal capacity to act

The client shall bear the damages arising from his legal incapacity to act or that of third parties, unless incapacity to act on his own behalf is published in the Basel City cantonal gazette and has been notified in writing to his authorized agents or other third parties of the Bank.

4. Transmission errors and system failures

Unless it has acted in a grossly negligent manner, the Bank shall bear no responsibility for any damage arising from the use of postal services, telephone, fax, Internet or other systems of transmission, and especially from misunderstandings, loss, delay, distortion or duplicates.

Unless it has acted in a grossly negligent manner, the Bank shall not be liable for damages arising as a result of malfunctions and interruptions to telephone or Internet systems, or in systems provided by the Bank or third parties.

5. Communications from the Bank

Communications from the Bank shall be deemed to have been delivered in a legally effective manner if sent to the latest address provided by the client or deposited elsewhere as per the client's instruction.

The date on the copies or mailing lists held physically or electronically by the Bank shall be considered the mailing date.

6. Client complaints

Complaints from a client relating to the execution, non-execution or incorrect execution of orders of any kind or objections to communications must be lodged immediately, and no later than the deadline specified by the Bank.

If the Bank fails to send an advice which is expected by the client and which relates to a transaction, the client must lodge an objection as soon as he should have received the said advice in the course of normal business.

Objections relating to account or custody account statements must be lodged no later than the deadline specified by the Bank, or, in the absence of such a deadline, within one month of having been sent.

If no immediate or timely objection is received, the execution or non-execution as well as the relevant statements and communications shall be deemed to have been approved.

This shall also apply to account statements irrespective of whether the Bank has received a certificate of correctness to be signed by the client within the deadline. Express or tacit approval of account statements implies acknowledgement of all items contained therein and of any reservations on the part of the Bank.

In each case, damages arising from a late objection shall be borne by the client.

7. Inadequate execution of orders

Where damage is incurred as a result of non-execution, defective or late execution of orders, the Bank shall be liable in cases of gross negligence only, with liability being limited in any case to loss of interest where payment transactions are concerned, unless in individual cases the Bank has been advised of the impending risk of greater damage.

8. Right of lien and set-off

The Bank has a right of lien on all the client's assets and on all assets it holds for the client's account, either at its own premises or elsewhere, and a right of set-off relating to all receivables for all claims, irrespective of the due date or currency. This also applies to credits, irrespective of whether they include special collateral or not. Claims and other assets not made out to the holder are herewith assigned to the Bank. If the client is in arrears with his obligations, the Bank may, at its discretion, choose to liquidate the pledged items either by enforcement or freely, or to initiate proceedings against the client for distraint or bankruptcy, in accordance with the right of lien.

9. Conditions

The Bank may readjust its interest and commission rates at any time, especially if money market conditions change and business risks are reassessed. The client will be informed of these readjustments in a circular letter or other suitable means.

For Bank services not included in a terms, price or similar summary but which are rendered on the client's instructions or are presumed to be in the client's interest and which are customarily only rendered for a fee, the Bank may, at its own discretion, determine an appropriate fee.

10. Account transactions

Credits and debits of interest, commissions, and default interest since maturity, which are customary or set by the Bank, as well as charges, fees, taxes etc. shall be made quarterly, semi-annually or annually, at the discretion of the Bank, provided no particular arrangement has been agreed with the client.

The Bank shall not be required to carry out orders for the client, the value of which exceeds his available balance or the credit granted to him. Where there are several client orders, whose total amount exceeds the client's available balance or the loan granted to him, the Bank may, at its own discretion, determine which orders it shall carry out, regardless of the date or time of receipt. If, in the event of several instructions by the client, their total value exceeds the available balance or the credit granted to the client, then the Bank may determine, at its discretion and without regard to the date or time since receipt, which instructions it carries out.

11. Foreign currencies

Counterpart funds that correspond to the client's foreign currency assets shall be invested in the same currency either inside or outside the country of the currency in question under the Bank's name but for the account of and at the risk of the client. The client shall bear every risk affecting the whole investment in proportion to his assets, especially those arising from statutory or official restrictions and taxes and other encumbrances in every participating country.

The client may automatically dispose of funds in foreign currencies by sale or transfer as well as by drawing or purchasing cheques; any other methods require the approval of the Bank.

The Bank shall be entitled to make credits and debits of amounts in foreign currencies in Swiss francs, and at the price on the date of receipt or processing, unless the client has issued instructions to the contrary or holds an account in the relevant foreign currency. If the client holds accounts in other currencies, the Bank may credit or debit the respective amount in one of these currencies at its own discretion.

12. Right of redebit for drafts, cheques etc.

The Bank reserves the right to debit the client's account with drafts, cheques or similar instruments previously credited or discounted in the event of their non-payment or if the proceeds are not freely available. Pending the payment of any possible balance, the Bank shall, however, retain claims arising from the securities against all obligors.

13. Termination of the business relationship

The Bank reserves the right, at its discretion, to discontinue existing business relationships, and, in particular, to cancel promised or issued loans and to request immediate repayment of its balances without further notice. This shall also apply to loans with a certain term or notice period, provided the client's financial circumstances or other significant reasons, in the Bank's view, no longer justify continuation of the existing business relationships.

14. Bank Holidays

In all business transactions with the Bank, Saturday shall be treated as an official public holiday.

15. Outsourcing of specific Bank activities

In accordance with the relevant regulations the bank may delegate specific services to third parties either wholly or in part. This concerns mainly payments, administration of securities, printing and mailing of bank documents, information technology, and credit risk management. Within the scope of outsourcing, it may be necessary to transmit data to third parties. All service providers are bound to appropriate confidentiality requirements.

16. Data Security and Banking Secrecy

Governing bodies, employees, and agents of the Bank are subject to legal obligations regarding the protection and confidentiality of data relating to the business relationship with the client ("Client Data"). The client acknowledges that the Bank is authorized to disclose Client Data to group companies in Switzerland with a view to group-wide risk management. To this extent, the client releases the Bank from the obligations of secrecy. The Bank will ensure that the recipient of Client Data is obligated to appropriate secrecy and data security obligations.

The client acknowledges that the Bank is authorized to disclose Client Data domestically and abroad in the fulfilment

of legal or regulatory information or reporting obligations and for safeguarding of legitimate interests. This applies, for instance, in connection with services performed by the Bank for the client, such as account and custody-account management or processing of payments, securities, currency, and other client transactions (which may have international connection; further information on this subject is available at www.swissbanking.org), in case of impending or initiated proceedings of the client against the Bank, for securing and enforcement of claims or other rights of the Bank against the client, for exercise of securities furnished for the client, or objections of the client against the Bank in public, to the media, or to authorities.

The Bank is authorized to store, process, and create profiles from Client Data and data from third-party sources. These data will be used by the Bank in particular to provide the client with individual advice, if applicable, personalized offers, and information regarding products and services of the Bank, as well as for market research, marketing, and risk management purposes. This applies in particular to the following data: master data, financial data, and client requirements.

17. Dormancy

The client undertakes to take the necessary measures to prevent dormancy in the existing business relationships between himself and the Bank as defined by the relevant regulations. In particular, the client is obliged to inform the Bank immediately in writing of any change in name or address (e.g. as a result of marriage).

The client notes that the Bank is required to report the business relationship to a central reporting office as soon as it becomes dormant and unless contact can be resumed within the specified periods.

In addition to the agreed charges, fees and the like, which shall continue to apply even in the event of dormancy, the Bank shall be entitled to impose a special charge for activities carried out in the event of dormancy, and to demand restitution of all expenses from the client.

18. Amendments to the General Conditions

The Bank reserves the right to amend the General Conditions. The client shall be notified of these amendments by means of circular letter or other suitable means. The amendments shall be deemed as approved if the client does not contest them within one month.

19. Applicable law and place of jurisdiction

All legal relationships between the client and the Bank are subject to **Swiss law exclusively**.

The place of performance, place of debt collection for clients with a foreign domicile and the **sole place of jurisdiction for all legal proceedings shall be Basel**. The Bank shall also be entitled to initiate legal proceedings against the client at the competent court of his domicile or at any other competent court.

Binding stipulations as to the place of jurisdiction under Swiss law shall take precedence.

Should differences of interpretation arise between the German and English versions of this document, only the German-language version is legally binding.

Basler Kantonalbank