

Third-party payments in investment business

This information sheet informs you as the client about the third-party payments that St.Galler Kantonalbank AG (SGKB) may receive in connection with the performance of financial services.

1. Handling of third-party payments

SGKB offers its clients a wide range of financial instruments and services. In this context, clients note that the bank may receive sales remuneration or other monetary benefits from third-party or group companies of the bank for the distribution of financial instruments such as collective investments or structured products («third-party payments»). As a matter of principle, these third-party payments are for a specific purpose and represent remuneration for the sales activity and associated services such as product research, free financial analyses, free offer of basic information sheets, training of SGKB employees or the ongoing monitoring of products. The subject and amount of these third-party payments differ depending on the product and product provider.

Third-party payments may arise regardless of whether or not a client has given the bank an asset management mandate or requests investment advisory services (portfolio- or transaction-specific) or merely asks SGKB to buy a particular investment product ("execution-only").

This information sheet establishes the required transparency with regard to the extent of the client's waiver of the surrender or forwarding of any third-party payments collected by the bank.

2. Amount of third-party payments

Detailed information on the subject and amount (in percentage bandwidths) of these third-party payments ("calculation values") are indicated in the respective applicable <u>price table</u>, which can also be accessed on the bank's website or requested from the client advisor. The client understands and accepts that the bank may amend the respective terms and conditions at any time, e.g. in the case of amendments to the distribution agreements between the bank and the providers of the products, which will be communicated in a suitable manner.

On request, the bank will give the client detailed information about the amount of third-party payments concerning them, insofar as these third-party payments can be clearly allocated to the respective client relationship with reasonable effort. For this special work, the bank may charge a fee to cover its costs.

3. Forwarding of third-party payments

On a product-specific basis, SGKB determines whether to keep the third-party payments received or whether to refund them to the client. SGKB documents this using methods such as the price table or in respective contractual documentation.

4. Protection of client interests - declaration of waiver of surrender

The client understands and agrees that third-party payments result in potential conflicts of interests, as they can represent an incentive to select investment products for which the bank receives third-party payments (e.g. when buying investment funds or structured products instead of equities or bonds) or for which it receives higher third-party payments (e.g. by giving preference to products from certain providers or categories of products for which higher third-party payments are incurred). Unless the bank has undertaken to surrender the third-party payments, the client expressly waives a surrender claim pursuant to Art. 400 (1) CO as well as any other surrender claims with regard to third-party payments. The client is aware of the calculation figures for third-party payments as specified in the price table. This waiver will continue to apply without any changes even if the amount of the current third-party payments changes. The bank shall duly ensure that, especially in the case of an investment advisory relation-

5. Further information

Clients can find further information in the custody account regulations and in the price table ("Investment transaction services and prices").

ship, no conflicts of interests arise or, if conflicts of interests cannot be avoided, that these will not put the client at a disadvantage.

Please feel free to contact your advisor if you have any questions concerning this information.

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