

ARTICLES OF ASSOCIATION
of the
DEPOSIT GUARANTEE AND INVESTOR COMPENSATION
FOUNDATION PCC

Vaduz

FL-0002.039.614-1

I. FORM AND PURPOSE

Art. 1
Name and Form

Under the name

DEPOSIT GUARANTEE AND INVESTOR COMPENSATION FOUNDATION PCC
EINLAGENSICHERUNGS- UND ANLEGERENTSCHÄDIGUNGS-STIFTUNG SV

a Foundation that is registered in the commercial register exists according to these Articles of Association and according to Art. 552 et seq. of the Liechtenstein Persons and Companies Act (PGR) with independent legal personality and in the form of a protected cell company pursuant to Art. 243 et seq. PGR.

Art. 2
Duration

The Foundation is established for an indefinite period of time.

Art. 3
Domicile

The Foundation is domiciled in Vaduz, Liechtenstein. The Foundation Board may at any time relocate the domicile to another domestic place under consideration of the statutory provisions and the Articles of Association.

Art. 4
Applicable Law and Jurisdiction

The applicable law and the legal circumstances of the Foundation shall be governed exclusively by Liechtenstein law. The courts of Vaduz, Liechtenstein, shall have exclusive jurisdiction over lawsuits against the Foundation.

Art. 5
Purpose

- a) Together with the participating banks and other entities that perform investment services and ancillary services according to Art. 3 para. 4 of the Liechtenstein Banking Act (BankG) (hereinafter referred to as "MiFID service provider"), the Foundation represents a protection organisation according to Art. 59c BankG whose purpose is to guarantee the deposits and compensate the investors at the banks and other MiFID service providers participating in the protection scheme in accordance with the Articles of Association and the statutory provisions.
- b) The Foundation does not run a commercial business (Art. 552 para. 1 PGR).

Art. 6
Core and Cells of the PCC

- a) The core of the Foundation as a protected cell company according to Art. 243 et seq. PGR, to which the core assets are available, intends to operate and administer the Foundation and take care of the administrative settlement of deposit guarantee and investor compensation events (compensation cases) within the meaning of the following provisions. For this, the Foundation will raise appropriate fees from the participating banks and other MiFID service providers according to these Articles of Association, the regulations and participation contracts. The Foundation will set up appropriate reserves within the scope of its purpose, but is not profit-oriented.

- b) For the purpose of financing and any liability of the protection scheme, individual, separate and independent cells shall be set up for the
- (i) banks according to BankG,
 - (ii) investment firms according to BankG,
 - (iii) asset management companies according to the Liechtenstein Asset Management Act (VVG) and
 - (iv) management companies according to the Liechtenstein Undertakings for Collective Investment in Transferable Securities Act (UCITSG) and the Liechtenstein Alternative Investment Fund Managers Act (AIMFG) with licence for individual portfolio management,

which participate according to these Articles of Association. The assets of these cells shall be accumulated with the contributions of the participating banks and other MiFID service providers.

- c) The designations of the individual cells and their fields of activity are regulated by the respective regulations (Art. 243c para. 2 and 3 PGR). The rights and obligations of the participating banks and other MiFID service providers, such as the payment of fees and contributions and their calculation as well as all other provisions, are regulated within the scope of these Articles of Association, the regulations and participation contracts.
- d) If necessary, new cells may be formed, individual cells may be dissolved or several cells may be merged in compliance with the statutory provisions.

Art. 7 Assets

- (a) The assets of the Foundation consist of the capital and the reserves of the core assets and of the separated cell assets. The capital amounts to CHF 30,000.00 (in words: thirty thousand Swiss francs).
- (b) The statutory reserves of the separated cells amount to CHF 30,000.00 each.
- (c) The Foundation assets may at any time be increased by means of endowments of the Founder or third parties, especially participating banks or other MiFID service providers, e.g. by means of endowments to the capital, endowments to the reserves or endowments to the individual cell assets.

II. ORGANISATION

Art. 8

Bodies of the Foundation

- (a) The governing bodies of the Foundation are the Foundation Board (Art. 9) and the Statutory Auditors (Art. 12).
- (b) Additional bodies may be set up if deemed appropriate for the fulfilment of the purpose. The appointment shall be made by the Foundation Board, which shall regulate the composition and duties in regulations.

Art. 9

Foundation Board

- (a) The Foundation Board is the statutory body of the Foundation. It shall consist of at least three and no more than seven individuals as members. They shall be appointed by the Founder for an indefinite term (for the first time in the Foundation Deed) and be dismissed by him.
- (b) A maximum of five seats on the Foundation Board shall be staffed with representatives of the banks. The Association of Independent Asset Managers in Liechtenstein (VuVL) and the Liechtenstein Investment Fund Association (LAFV) shall be entitled to one seat each on the Foundation Board; they shall nominate their representatives to be appointed to the Foundation Board. The VuVL and the LAFV shall be entitled to appoint one representative each to the Foundation Board for as long as the MiFID service providers united under them belong to this protection scheme under ongoing participation contracts.
- (c) The Foundation Board shall manage the Foundation and represent it externally. The representation shall be performed by two members of the Foundation Board. The Foundation Board may appoint and dismiss authorised agents and determine the scope of their authorisation.
- (d) The Foundation Board shall elect a Chairman and a Vice-Chairman from its midst. In case the Chairman is unavailable, the Vice-Chairman shall assume his duties.
- (e) The Foundation Board shall convene by invitation of the Chairman as often as necessary or appropriate or is requested by a member of the Foundation Board, specifying the agenda, but at least once a year within six months of the end of the financial year. The invitation shall contain the location, time and agenda and be served

at least five days prior to the meeting. If all members of the Foundation Board are present or represented and if no authorised party objects, the meeting may also be held without observing the convening formalities that are normally required (plenary meeting).

- (f) Each member of the Foundation Board may have itself represented by another member of the Foundation Board by written proxy. Multiple representation is not permitted.
- (g) Meetings shall be chaired by the Chairman or, if he is not available, by the Vice-Chairman. If neither a Chairman nor a Vice-Chairman has been elected, the longest-serving member shall assume the chair.
- (h) The Foundation Board may conduct negotiations and shall have quorum if at least three of its members are present or at least represented. If this is not the case, an invitation for another meeting with the same agenda, which shall take place within no more than 10 days (counting from the date of the first meeting) shall be served, provided the members of the Foundation Board do not handle the matter otherwise by mutual agreement. This second meeting may conduct negotiations and shall have quorum regardless of the number of members presented or represented.
- (i) The Foundation Board shall adopt all resolutions with the simple majority of the votes of all members present or at least represented. In the event of a tie, the Chairman or, if he is not available, the Vice-Chairman shall have a decisive vote.
- (j) Minutes shall be kept for all resolutions of the Foundation Board and shall be signed by the Chairman and by the keeper of the minutes. The keeper of minutes, who shall be appointed by the Chairman of the meeting, does not need to be a member of the Foundation Board.
- (k) Provided that all members of the Foundation Board approve, resolutions of the Foundation Board may be adopted in writing by circular procedure. Representation is not permitted.
- (l) Every member of the Foundation Board may at any time resign without specifying reasons. Notice of resignation shall be given in writing.
- (m) If necessary, the Foundation Board shall adopt rules of procedure.
- (n) To exercise his duties, the Foundation Board may establish a secretariat that shall report to it.

Art. 10
Representation and Signature

- (a) Within the scope of the legal transactions they perform on behalf of the Foundation, the authorised representatives shall duly indicate whether they are acting for the core of the Foundation or for a particular cell.
- (b) Legally binding signatures on behalf of the Foundation shall be executed in that authorised representatives add their personal signatures to the name of the Foundation and, if applicable, to the designation of the cell in the required number (Art. 189 para. 2 PGR).

Art. 11
Operation

Depending on the requirements, the Foundation may entrust the Liechtenstein Bankers Association, participating banks and other MiFID service providers as well as suitable third parties with ongoing administrative tasks, including but not limited to the settlement of compensation cases.

Art. 12
Statutory Auditors

The Foundation Board shall appoint a qualified company (Art. 37 BankG) as Statutory Auditors.

III. DEPOSIT GUARANTEE AND INVESTOR COMPENSATION

Art. 13
Participating Banks and Other MiFID Service Providers

- (a) The banks participating in the protection scheme are Liechtenstein banks or Liechtenstein branches of banks which have its head offices in a third country with a licence to operate in Liechtenstein (Art. 15 or Art. 30p BankG), which have ongoing contractual relationships with the Foundation on the basis of effectively concluded participation contracts.

- (b) The other MiFID service providers participating in the protection scheme are Liechtenstein MiFID service providers or Liechtenstein branches of MiFID service providers which have its head offices in a third country with a licence to operate in Liechtenstein (investment firms according to Art. 15 and Art. 30v or Art. 30p BankG, asset management companies according to Art. 5 VVG and management companies according to Art. 13 UCITSG or managers of alternative investment funds according to Art. 28 AIFMG with licence for individual portfolio management), which have ongoing contractual relationships with the Foundation on the basis of effectively concluded participation contracts.

Art. 14

No Effect Towards Depositors/Investors or Participating Banks/Other MiFID Service Providers

- (a) The provisions concerning the protection scheme that are contained in the Articles of Association or regulations do not establish any legal claim of participants or depositors/investors. Their rights are governed by the respective participation contracts.
- (b) The purpose of the Foundation is the operation of a protection scheme as such, without making depositors/investors or participants beneficiaries of the Foundation.

Art. 15

Compensation Case

- (a) In a compensation case according to Art. 18 para. 2 of the Liechtenstein Banking Ordinance (BankV), the protection scheme grants coverage for unavailable deposits with a bank participating in the protection scheme, which are due and payable according to the applicable statutory and contractual conditions, but have not been paid.
- (b) In a compensation case according to Art. 18 para. 3 and 4 BankV, the protection scheme grants coverage for claims that have arisen due to the fact that a bank or other MiFID service provider participating in the protection scheme has been unable
- (i) to pay back funds that are owed or that belong to investors and that are held for their account in connection with investment services, or

- (ii) to return instruments pursuant to Appendix 2 Section C BankG to the investors that belong to them and that are held, kept in custody or managed for their account in connection with investment services according to the applicable statutory and contractual conditions although they are due.
- (c) The conditions for the compensation of depositors or investors and the amount of their claims are governed by the participation contracts and by the applicable General Terms and Conditions.
- (d) A compensation case can only occur in one cell.

Art. 16

Coverage, Scope and Reason for Compensation

- (a) Within the scope of the statutory deposit guarantee scheme, the Foundation grants coverage up to the equivalent of CHF 100,000.00 per depositor. Any further liability is excluded.
- (b) Within the scope of the statutory investor compensation scheme, the Foundation grants coverage up to the equivalent of CHF 30,000.00 per investor. Any further liability is excluded.
- (c) The liability shall be limited to the respective cell and the cell assets that are allocated to it and available, in whose area the compensation case occurred. The liability in a compensation case is capped at the compensation limit or target level determined in the regulations.
- (d) The compensation limits/caps apply to all deposits of a depositor and to all claims (total claim) of an investor with one and the same bank or one and the same other MiFID service provider, irrespective of the number, currency and geographic location of the deposits in the European Economic Area or in third countries and investor claims in the European Economic Area. No claim shall be compensated redundantly on the basis of the deposit guarantee and the investor compensation. In cases of doubt, a decision of the Financial Market Authority Liechtenstein (FMA) shall be obtained with respect to the allocation of the claim.
- (e) In connection with the investor compensation, only claims according to Art. 15 (b) that are directly related to the financial circumstances of the bank or other MiFID service provider will be compensated. No compensation will be paid if the investor incurs a loss arising from fraud, prohibited practices, operating errors or bad investment advice with respect to the good conduct rules for the performance of MiFID services or if the

value of an investor's investment drops due to market events or other economic events. In cases of doubt, a decision of the Financial Market Authority Liechtenstein (FMA) shall be obtained with respect to the allocation of the claim.

- (f) Deposits made after the occurrence of a compensation case and investor claims that arise after the occurrence of a compensation case will not be covered.

Art. 17 Exceptions

The coverage exceptions within the scope of the statutory deposit guarantee and investor compensation schemes according to Art. 16 (a) and (b) shall be regulated in detail in Art. 18a BankV and in the regulations and/or in the participation contracts which shall especially contain provisions with respect to

- (i) deposits and investor claims which are not regarded as eligible;
- (ii) excluded deposits from repayment or compensation within the deposit guarantee scheme;
- (iii) excluded investor claims from repayment or compensation within the investor compensation scheme.

Art. 18 Calculation Principles

The calculation of the compensation limits and caps according to Art. 16 (a) and (b) shall be regulated in detail in the regulations and/or in the participation contracts and shall especially contain provisions with respect to

- (i) the interest in the deposit on a joint account or in a joint investment or investor claim that is attributable to each depositor or investor;
- (ii) the handling of joint investments and joint accounts;
- (iii) the conditions for the consideration of third parties on whose behalf the depositor or investor is acting;
- (iv) the application of the applicable statutory and contractual provisions for set-off and counterclaims.

Art. 19**Filings of Claims and Payment**

- (a) The conditions and the procedure for the filing of claims and the payment of compensation shall be regulated in the respective regulations and shall especially contain provisions with respect to
- (i) the timely and correct filing of claims of the investors with the Foundation as well as any consequences of the failure to file claims in due time and/or correctly;
 - (ii) the periods and other conditions for the payment of compensation, such as the due date of the claim;
 - (iii) the reasons for an exclusion (apart from letter (b)), postponement or reduction of claims of the depositors or investors as well as the assignment of the claims to the Foundation;
 - (iv) the information of the depositors or investors about the conditions and the procedure for the filing of claims and the payment of compensation.
- (b) If the depositor, investor or another person that is entitled to the deposited amount or an investment or holds an interest in it is charged with a criminal offence as a result of or in connection with prohibited activities such as money laundering, insider trading or market manipulation within the meaning of the Liechtenstein Criminal Code (StGB) or a corresponding foreign provision, compensation payments from the protection scheme may be suspended until final judgement is handed down.

**IV. OBLIGATIONS OF THE PARTICIPATING BANKS AND
OTHER MIFID SERVICE PROVIDERS****Art. 20****Fees**

- (a) For the operating and financing expenses that arise in connection with the operation and administration of the protection organisation, the participating banks and other MiFID service providers shall pay the Foundation appropriate fees on the basis of the following provisions, the regulations and the participation contracts.
- (b) Upon conclusion of the participation contracts, the banks and MiFID service providers shall pay a one-time admission fee per participation contract as lump-sum compensation for the expenses related to the establishment and further development of the protection organisation.

- (c) The admission fee shall be determined separately for each cell and may differ depending on the financial intermediary category. The admission fee may be credited in full or in part both to the core and to the respective cell.
- (d) Furthermore, the banks and other MiFID service providers shall, for each participation contract, periodically pay fees to cover the costs of the ongoing administration of the protection organisation (administrative fees), namely for those periods during which the banks and MiFID service providers are attached to the protection organisation.
- (e) The administrative fees shall be determined separately for each cell and shall be equal for all participants within the cell. The administrative fees shall be credited to the core assets of the Foundation.
- (f) The fees shall be owed for the entire calendar year. Repayment is excluded.

Art. 21 Contributions

- (a) The banks respectively the other MiFID service providers shall pay in the event of default respectively periodic contributions for the accumulation of the cell assets that concern them for any compensation cases that may occur as well as for the settlement of such (compensation costs) according to the detailed provisions in the regulations issued on this subject as well as in the participation contracts including the General Terms and Conditions.
- (b) For the banks, an ex-post financing model may be provided, which requires the banks, in the event of default, to pay the liability up to the compensation limit depending on the sum of covered deposits/investor claims and liability quotes which are annually determined and set forth by the Foundation Board. Moreover, the banks shall, upon first demand, pay the contributions that cannot be paid by another bank because contributions cannot be collected from the respective bank.
- (c) Pre-financing (ex ante) is mandatory for other MiFID service providers. The contributions of the other MiFID service providers shall be determined by a particular target level of the covered investor claims that must be reached within a particular number of years. The contributions of each individual other MiFID service provider shall be calculated variably in relation to the covered assets under management. Additionally, a base contribution that does not depend on the amount of the covered investor claims may be defined. The base contributions shall be offset against the total contribution to be paid.

- (d) The contributions according to this provision shall be credited to the respective cell assets.

Art. 22

Information Obligations and Data Collection

- (a) The participating banks and other MiFID service providers are under the obligation to communicate all data confirmed by the statutory auditors and surrender documents required by the protection organisation for its activity to the protection scheme in writing at annual intervals and upon specific request, including but not limited to the data
 - (i) that reveal the scope of the protection obligation (protection amount) for the determination of the contributions and the pro rata liability;
 - (ii) that the protection organisation needs in order to be able to perform the due review of the claims of the depositors or investors and the payment in a compensation case. The bank or other MiFID service provider shall without delay communicate the respective data in writing and surrender the documents to the protection organisation in the compensation case that concerns it.
- (b) Moreover, the participating banks shall submit a reasonable liquidity statement (supporting document) to the Financial Market Authority Liechtenstein (FMA) (with copy to the protection organisation), thereby confirming that they have sufficient free cash or can at least obtain sufficient free cash to pay the contributions that the banks owe the protection scheme if a compensation case occurs at the bank that accounts for the highest protection amount. The bank that accounts for the highest protection amount shall issue its statement for the bank that accounts for the second-highest protection amount.
- (c) Moreover, in a compensation case that concerns them, the participating banks and other MiFID service providers shall support the protection organisation in the settlement of this case by providing personnel, office facilities and data processing free of charge. Furthermore, the protection organisation shall have unlimited access to the accounts and other records concerning the business activity to the extent necessary or useful for the settlement of the compensation case.
- (d) Further information and documentation obligations of the banks and other MiFID service providers, which are necessary for the activities of the protection organisation, may be regulated in regulations and in the participation contracts.

Art. 23**Termination of the Participation**

- (a) If a participating bank or a participating other MiFID service provider fails to comply with its contractual or statutory obligations, the protection organisation shall without delay inform the responsible authorities in order for them to take all necessary measures, including the imposition of sanctions in order to ensure that the bank or the other MiFID service provider complies with its obligations.
- (b) If the bank or the MiFID service provider fails to comply with its obligations despite these measures, the protection organisation (in the name of the cell) will, subject to the approval of the Financial Market Authority Liechtenstein (FMA), terminate the participation contract with the defaulting bank or the defaulting other MiFID service provider with 12 months' prior notice. Any deposits and investment services made at the bank or the other MiFID service provider during this period will remain eligible for compensation by the protection scheme.
- (c) In the event of expiry, withdrawal or cancellation of a licence or approval for business activity in Liechtenstein (Art. 15 BankG, Art. 13 UCITSG, Art. 28 AIMFG, Art. 5 VVG), the participation contract shall expire with immediate effect ipso iure. Only the deposits and claims from investment services made at the participating bank or the participating other MiFID service provider until such time shall be eligible for compensation by the protection scheme.

Art. 24**Obligations upon Termination of the Participation**

Even after the termination of the participation in the protection scheme, the participating banks and other MiFID service providers render the following performance:

- (a) The banks shall pay the fees and contributions to the protection organisation upon first demand
 - (i) to cover the costs of the ongoing administration of the Foundation that are attributable to the time prior to the termination of the participation (administrative costs),
 - (ii) to cover the depositor and investor claims against the protection scheme from payments owed due to a compensation case that occurred prior to the termination of the participation and to cover the costs of the settlement of this compensation case (compensation costs);

- (iii) to cover the defaults that have occurred at another bank because contributions could not be collected.
- (b) The other MiFID service providers shall pay the protection organisation the fees and contributions that they owe the protection organisation due to the participation, but that have not yet been paid, upon first demand.

V. FURTHER PROVISIONS

Art. 25 Borrowing

The protection organisations may borrow loans for the purpose of making the payments owed to depositors and investors in the compensation case and to cover the costs of the ongoing administration (administrative costs) and the settlement of a compensation case (compensation costs).

Art. 26 Financial Year and Information of the Financial Market Authority Liechtenstein (FMA)

- (a) The financial year corresponds to the calendar year. However, the first financial year shall begin as of the date of the establishment of the Foundation and end on 31 December 2001.
- (b) Within four months of the end of the financial year, the protection organisation shall submit a detailed report on its activity to the Financial Market Authority Liechtenstein (FMA).

Art. 27 Issue and Amendment of Regulations

- (a) The Foundation Board shall issue regulations to supplement the Articles of Association as stipulated therein, namely in writing.
- (b) The Foundation Board may amend the regulations at any time if this is necessary due to legal or statutory requirements or if this is conducive to the administration and the performance of the protection organisation.

- (c) The issue and amendment of regulations are subject to the approval of the FMA (Art. 18f para. 3 BankV).

Art. 28

Amendments to the Articles of Association

- (a) In its capacity as Founder, the Liechtenstein Bankers Association may amend the Articles of Association at any time. Such amendments are subject to the approval of the FMA (Art. 18f para. 3 BankV).
- (b) Should the Founder no longer be able to amend the Articles of Association, especially for legal reasons, the Foundation Board shall have the right to amend them under consideration of the legal requirements.

Art. 29

Protection of Secrecy

- (a) As the protection organisation is active for the participating banks and other MiFID service providers, the members of the bodies of the protection organisation and its employees are subject to banking secrecy (Art. 14 BankG).
- (b) The protection organisation shall impose the contractual obligation upon its bodies and its employees as well as third parties who make use of the protection organisation for the fulfilment of their duties to keep confidential facts about clients of a participating bank or a participating other MiFID service provider that become known to the bodies, employees or third parties in the course of their activity on behalf of the protection organisation, provided that their disclosure, forwarding or other utilisation is not required for the settlement of a compensation case.

Art. 30

Termination of the Foundation

- (a) In its capacity as Founder, the Liechtenstein Bankers Association may revoke the Foundation at any time.
- (b) If the Liechtenstein Bankers Association, in its capacity as Founder, is permanently unable to exercise the right of revocation, the Foundation Board may dissolve the Foundation if the purpose according to Art. 5 can no longer be pursued meaningfully.

- (c) After the revocation and dissolution, the Foundation shall be liquidated and subsequently deleted in the commercial register.
- (d) In the event of dissolution of an individual cell, the remaining assets shall be transferred to another cell of the same protection organisation or another protection organisation that takes over the function of the respective cell.

Art. 31

Transformation of the Foundation

In its capacity as Founder, the Liechtenstein Bankers Association may at any time transform the Foundation into a Liechtenstein "Anstalt" or a trust company (Art. 570 PGR) or into a non-cellular legal entity. The transformation is subject to the approval of the FMA (Art. 18f para. 3 BankV).

Art. 32

Copies of the Articles of Association

The Articles of Association are issued in five copies. One shall be submitted to the commercial register for registration of the Foundation, one to the FMA for the supervision of the Foundation and one to the tax administration.

Art. 33

Publication to Third Parties and Participants

As far as it is required by law, general announcements are published in the Liechtenstein national newspapers. The announcements and information made in the course of the specific activities of the protection organisation shall occur in accordance with the provisions laid down in the foundation documents and in the participation contracts as well as the general terms and conditions applicable to them.

Vaduz, 15 March 2017

(Replaces the version of 21 October 2015 and enters into force on 1 April 2017)

Founder:

LIECHTENSTEIN BANKERS ASSOCIATION

Adolf E. Real, Chairman

Norbert Biedermann, Vice-Chairman