



Third-party Payments

Basler Kantonalbank (the "Bank") enables its Clients access to wide range of financial instruments, including investment funds and structured products. The Bank may receive financial and non-financial compensation from vendors of financial instruments (product vendors; incl. Group companies) for the distribution and/or custody of financial instruments (third-party payments). This third-party payments may also be called payments from third parties, retrocession premiums, trailer fees, or discounts.

The relevant business relationship with the Bank's Client notwithstanding, these third-party payments between the Bank and product vendor will be set out in special contracts.

The following calculation bases illustrate the maximum ranges within which third-party payments may be paid to the Bank:

Investment funds

The amount of third-party payments is calculated according to the investment volumes retained in such financial instruments across the entire Bank. With investment funds the third-party payments forms part of the effective administration fee indicated in the relevant fund prospectus. The third-party payments based on the amount the Client invests in the relevant investment fund (investment volume) falls within the following ranges and is paid periodically (quarterly, half-yearly, or annually):

| | |
|--|--------------|
| Money market funds | 0–1.0 % p.a. |
| Bond funds | 0–1.5 % p.a. |
| Equity funds | 0–2.0 % p.a. |
| Real estate funds | 0–1.0 % p.a. |
| In-house investment funds (e.g. BKB Investment Solution) | 0–1.0 % p.a. |
| Other investment funds (e.g. fund of funds, strategy funds, alternative investment funds) | 0–2.0 % p.a. |

Structured products

In the case of structured products, the third-party payments form part of the issue price, which is paid to the Bank either in the form of a discount on the issue price or as remuneration of part of the issue price. Its maximum amount is 3% of the amount invested by the Client (transaction volume). Instead of, or in addition to, this the

Bank can receive recurring third-party payments amounting to a maximum of 1% p.a. of the investment volume.

Sample calculations

The maximum amount of third-party payments receivable by the Bank is calculated as follows:

For a Client relationship with one single financial instrument: Multiply the investment volume with the maximum percentage rate applicable to the financial instrument in question.

1. Example: For an investment volume of 10,000 CHF in an equity fund, 2.0 % p.a. of 10,000 CHF produces a maximum annual third-party payment of 200 CHF.

2. Example: For an investment volume of 10,000 CHF in an investment fund belonging to the BKB Investment Solution, 1.0 % p.a. of 10,000 CHF produces a maximum annual third-party payment of 100 CHF.

For a Client relationship with multiple financial instruments:

Multiply the investment volume of each individual financial instrument with the maximum percentage rate applicable to the financial instrument in question, and then add up these amounts. For the calculation of the maximum percentage rate of third-party payment based on the entire Client relationship, it is necessary to find the proportion of the calculated total amount compared to the total assets under the Client relationship.

Example: Client relationship with total assets of 250,000 CHF. Of this amount, 60,000 CHF is invested in the following financial instruments:

- Bond fund with a total investment volume of 25,000 CHF: 1.5 % p.a. of 25,000 CHF results in a maximum annual third-party payment of 375 CHF;
- Real estate funds with a total investment volume of 20,000 CHF: 1 % p.a. of 20,000 CHF results in a maximum annual third-party payment of 200 CHF;
- BKB Investment Solution with a total investment volume of 15,000 CHF: 1.0 % p.a. of 15,000 CHF results in a maximum annual third-party payment of 150 CHF.

For the entire Client relationship, this results in a maximum annual third-party payment of 725 CHF. The maximum percentage rate of third-party payment based on the entire Client relationship therefore amounts to 0.29 % p.a. (725 CHF ÷ 250,000 CHF × 100).



Non-financial third-party payments

Some product vendors may grant the Bank non-financial benefits in connection with the provision of services for their Clients. These may include free-of-charge financial analyses, staff training, or other promotional services.