

# Equatex Group

## General MiFID II Information Brochure

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## 1. Introduction – What you should know about MiFID II and MiFIR

Dear Clients,

This brochure has been prepared for the clients of Equatex AG and its affiliated group companies (hereinafter, "Equatex") and contains important information on the Markets in Financial Instruments Directive 2014/65/EU (known as "MiFID II") and the Markets in Financial Instruments Regulation No. 600/2014 (known as "MiFIR"), which both apply from 3 January 2018. The aim of this new legislative framework is to strengthen investor protection and to improve the functioning of financial markets by making them more efficient, resilient and transparent.

The purpose of this brochure is to provide you with an overview on Equatex and its services. We are fully committed to ensuring the highest level of protection for our clients, mainly by providing services and products that comply with the MiFID II requirements. Your relationship manager will be happy to answer any queries you may have.

We reserve the right to inform you only of significant changes to the content of this brochure.

Yours sincerely,

Equatex

## 2. General Information

### 2.1. General Information about Equatex

Equatex provides international employee and executive compensation plan services for today's global enterprise, supporting clients with participants throughout the world. With world-class cloud technologies and market leading financial reporting capabilities, Equatex enables companies to deliver engaging compensation schemes across borders, languages and currencies. Equatex supports over 200 international businesses and their 1.5 million employees, providing customised end-to-end solutions from funding instruments to administration, execution, accounting and financial reporting.

#### **Registered office and address of the headquarters:**

**Equatex AG**

Vulkanstrasse 106

8048 Zurich

Email: [communications@equatex.com](mailto:communications@equatex.com)

Tel: +41 44 403 61 00

|                |                   |
|----------------|-------------------|
| Licensing type | Securities dealer |
|----------------|-------------------|

Equatex AG is supervised by the Swiss Financial Market Supervisory Authority (FINMA).

**Registered office and address of Equatex UK Limited:**

**Equatex UK Limited**

1 King William Street | London | EC4N 7AR | United Kingdom  
Email: communications@equatex.com  
Tel: +44 203 705 9665

|                |                   |
|----------------|-------------------|
| Licensing type | FCA Broker Dealer |
|----------------|-------------------|

Equatex UK Limited is supervised by Financial Conduct Authority (FCA).

**2.2. Language and Communication Channels**

The contract language used between Equatex and the client is English. In addition to direct verbal communications, the following communication channels may, if agreed, also be used: postal mail, telephone and e-mail.

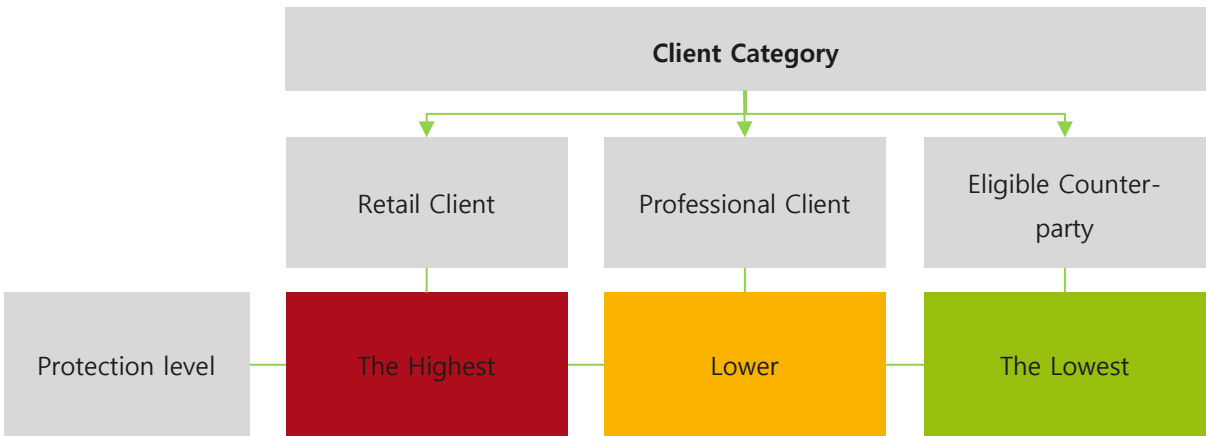
**2.3. Service Agreements**

The mutual rights and duties in connection with the execution of Equatex’ services are set out in Equatex’ Service Agreements. This brochure is provided as supplementary information only.

**3. Client Classification**

**3.1. General Information about Client Classification under MiFID II**

A client in the sense of MiFID II is anyone to whom Equatex provides a MiFID II service. MiFID II has three main client categories:



**3.2. Retail Clients**

Retail clients are by default clients who are neither Professional Clients nor Eligible Counterparties.

**3.3. Per-se Professional Clients**

Pursuant to MiFID II, the following are treated as Per-se Professional Clients:

- Entities, which are required to be authorised or regulated to operate in the financial markets;

- Credit institutions;
- Investment firms;
- Other authorised or regulated financial institutions;
- Insurance companies;
- Collective investment schemes and management companies of such schemes;
- Pension funds and management companies of such funds;
- Commodity and commodity derivatives dealers;
- Locals;
- Other institutional investors;
- Large undertakings meeting two of the following size requirements on a company basis:
  - balance sheet total: EUR 20 million
  - net turnover: EUR 40 million
  - own funds: EUR 2 million
- National and regional governments, including public bodies that manage public debt at national or regional level, central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations;
- Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

### 3.4. Eligible Counterparties

Eligible Counterparties constitute a subcategory of the Per-se Professional Clients and are classified as such upon the provision of certain investment services. Due to their extensive knowledge and experience with financial markets, Eligible Counterparties are subject to the lowest level of investor protection. The following are recognised as eligible counterparties:

- Credit institutions;
- Investment firms;
- Insurance Companies;
- Collective investment schemes and management companies of such schemes;
- Pension funds and management companies of such funds;
- Other financial institutions authorised or regulated Member State's national law;
- National governments and their corresponding offices including public bodies that deal with public debt at national level;
- Central banks,
- Supranational organisations.

### 3.5. Treatment of Plan Participants by Equatex

Equatex treats Plan Participants as Retail Clients by default to ensure the highest level of investor protection. The possibility to opt-up (i.e. from Retail Clients to Professional Clients) is not granted to Plan Participants.

### 3.6. Classification of Corporate Clients by Equatex

Equatex classifies Corporate Clients as Professional Clients by default (even if they would qualify as an Eligible Counterparty pursuant to MiFID II).

It is possible for Professional Clients to request a reclassification, hence to be treated as Retail Clients (opting-down).

In this case, you must submit to us a written application. Equatex Legal & Compliance is happy to assist you in this regard and to provide you with the application for the reclassification. We will advise you on the precise procedure and the impacts of such reclassification.

## 4. Suitability and Appropriateness

Equatex will be required to carry out an Appropriateness Test when providing execution only services for complex products to Retail Clients. In such cases, Equatex will assess the client's investment sector knowledge and experience relating to the specific type of offered or demanded financial instrument or service in order to ensure that the client understands the risks in each case.

Plan Participants are classified as Retail Clients by default. It is within the inherent nature of Equatex's business model that Plan Participants are only able to purchase non-complex financial instruments (such as shares). Therefore, Equatex is not required to carry out an Appropriateness Test for Plan Participants, and no information on knowledge and experience needs to be collected from Plan Participants.

Corporate Clients are classified as Professional Clients by default. For professional clients, a legal presumption exists that they possess the relevant knowledge & experience.

## 5. Information about Services and Financial Instruments

### 5.1. Services

#### 5.1.1. Plan Administration

Equatex offers advanced and customized end-to-end administration solutions for global compensation plans via its internet-based application "EquatexPlus".

#### 5.1.2. Banking Services

Equatex is focused on delivering reliable straight through solutions, simplified and streamlined processes and a comprehensive service offering:

- American Depositary Receipts (ADR)
- Trading and execution
- Payment and foreign exchange services

- Custody and funding solutions
- Share transfer and share registration
- Corporate actions, dividends and proxy services
- Account reconciliation

### 5.1.3. Accounting and Financial Reporting

Equatex offers advanced and customized accounting and financial reporting solutions for global compensation plans via its internet-based application "EquatePyramid". The platform handles complex features such as pay-out caps, variable strike prices, intricate vesting schedules, performance conditions and mobility.

### 5.1.4. Data Analytics

Smart insights and custom reports from multiple data fields.

## 5.2. Financial Instruments

- Shares
- Warrants

## 6. Best Execution

Equatex performs all investment services in an honest, fair and professional manner and in the best interests of its clients.

Equatex does not directly deal with execution venues such as Regulated Markets, Multilateral Trading Facilities ("MTFs"), Organized Trading Facilities ("OTFs"), or Systematic Internalisers ("SIs").

It is within the inherent nature of Equatex's business model that Equatex transmits orders to selected third party financial institutions for execution (such as UBS AG for Equatex AG or Interactive Brokers (U.K.) Ltd. for Equatex UK Limited). Equatex reviews the selected third party institutions, including their best execution performance, in order to ensure appropriate best execution standards.

If Equatex instructs a third party financial institutions to execute a client's order, the corresponding transaction is hence governed by the best execution standards that third party financial institutions apply to ensure compliance with best execution principles. For more details about the Best Execution Policy, please contact Equatex Legal & Compliance.

## 7. Costs and Associated Charges

Equatex discloses to clients the costs and associated charges for its services as well as costs and associated charges related to financial instruments. Where Equatex provides information on costs and associated charges on an *ex ante* basis, these constitute estimates. The actual costs and associated charges disclosed on an *ex post* basis may differ from such ex-ante estimates. When preparing a presentation of its costs, Equatex depends on data supplied by third parties. It is possible that such parties may use different settlement dates, different prices (e.g. average daily prices, closing prices) and/or – in the case of foreign

currencies – different conversion rates and times. As a result, there may be divergences as well as accounting and rounding differences. Please approach Equatex Legal & Compliance in case you require more information about the fees applied by Equatex.

## 8. Principles for Dealing with Conflicts of Interest

Equatex has adopted a series of measures to avoid from the outset potential conflicts between the interests of a client and those of Equatex, its employees, or other clients, or to identify and deal with such conflicts, or where this is not possible, to disclose such conflicts. It has set out these measures in its policies on conflicts of interest.

## 9. Client Statements/Reporting

Equatex provides the clients with a transaction statement by electronic means immediately after having executed a securities transaction on their behalf. Prior to executing an order, Equatex informs the clients of the status of the execution only upon specific request by the clients or if there are special circumstances or difficulties.

## 10. Recording of Telephone Conversations and Electronic Communications

MiFID II requires the recording of telephone conversations and/or electronic communications relating to, at least, transactions concluded when dealing on own account and the provision of client order services that relate to the reception, transmission and execution of client orders.

Hereby we would like to notify our clients that Equatex records all relevant internal and external telephone conversations automatically in its entirety, hence from start to end, in order to mitigate the risk of missing any relevant conversation.

These recordings are used in a manner consistent with ethical and professional standards which are designed to safeguard your privacy and confidentiality.

## 11. Complaint Handling

The aim of Equatex is to offer you the products and services that meet your needs, delivered to the standard you would expect. If we do not meet your expectations, please tell us. We aim to ensure any concerns you have will be dealt with promptly, fairly and free of charge.

### 11.1. How to reach us

You may reach us by submitting your enquiry or feedback via "CONTACT US" at [www.equatex.com](http://www.equatex.com).

### 11.2. Information we need from you

To enable us to fully investigate your complaint, please provide us with the following information:

- The date the issue occurred;
- The account, product and service, and our branch/entity relating to the complaint;



- What occurred and how you have been affected.

### 11.3. What you can expect from us

We will make all reasonable efforts to resolve the matter. Upon receipt of your complaint, we will send you a written acknowledgment via email.

We will send you a written response as quickly as possible from the date the complaint is received. If your complaint has not been dealt with within reasonable time, we will send you a written preliminary response informing you about the status of your complaint and inform you of the remaining steps that are going to be followed in order for the complaint to be resolved.

We strive to resolve all complaints as quickly as possible from the date the complaint is received.

Zurich, 11.06.2018

## 12.Version History

| Date       | Version | Department               | Details                        |
|------------|---------|--------------------------|--------------------------------|
| 14.12.2020 | 2.0     | Legal, Risk & Compliance | Updates to contact information |