

# Equatex Group

## General FinSA Information Brochure

## Table of Content

1.	Introduction – What you should know about FinSA	3
2.	General Information	3
2.1.	General Information about Equatex	3
2.2.	Language and Communication Channels	4
2.3.	Service Agreements	4
3.	Client Classification	4
3.1.	General Information about Client Classification under FinSA	4
3.2.	Retail Clients	4
3.3.	Professional Clients	4
3.4.	Institutional Clients	5
3.5.	Opting-In and Opting-Out	5
3.6.	Treatment of Plan Participants by Equatex	6
3.7.	Classification of Corporate Clients by Equatex	6
4.	Suitability and Appropriateness	6
5.	Information about Services and Financial Instruments	6
5.1.	Services	6
5.1.1.	Plan Administration	6
5.1.2.	Banking Services	6
5.1.3.	Accounting and Financial Reporting	7
5.1.4.	Data Analytics	7
5.2.	Financial Instruments	7
6.	Best Execution	7
7.	Costs and Associated Charges	8
8.	Principles for Dealing with Conflicts of Interest	8
9.	Client Statements/Reporting	8
10.	Recording of Telephone Conversations and Electronic Communications	8
11.	Complaint Handling	8

## 1. Introduction – What you should know about FinSA

Dear Clients,

This brochure has been prepared for the clients of Equatex AG (hereinafter, "Equatex") and contains important information on the Swiss Financial Services Act of 15 June 2018, known as "FinSA") which applies from 1 January 2020, subject to certain transition periods. 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 FinSA 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 and its affiliated group companies support 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 firm
----------------	-----------------

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

## 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.

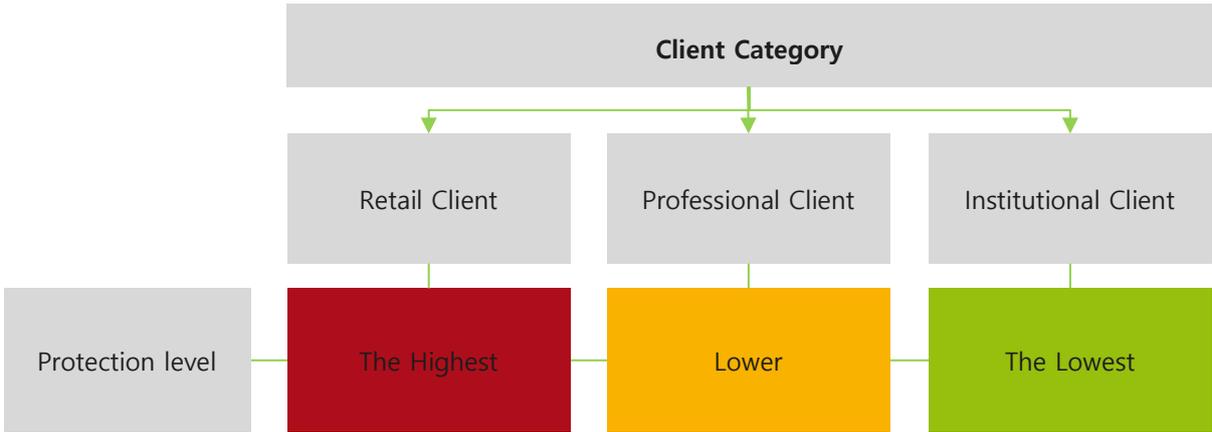
## 2.3. Service Agreements

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 FinSA

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



## 3.2. Retail Clients

Retail Clients are by default clients who are neither Professional Clients nor Institutional Clients.

## 3.3. Professional Clients

Pursuant to FinSA, the following are treated as Professional Clients (subject to opting-out and opting-in, see below):

- Financial intermediaries subject to prudential supervision, i.e. banks, portfolio managers, trustees, managers of collective assets, fund management companies, securities firms, investment companies with variable capital (SICAV), limited partnerships for collective investments and investment companies with fixed capital (SICAF);
- Insurance companies;
- Foreign clients that are subject to an equivalent prudential supervision as financial intermediaries or insurance companies;
- Central banks;

- Public-law corporations and bodies with professional treasury operations;
- Pension funds and other entities offering pension plans with professional treasury operations;
- Companies with professional treasury operations;
- Large companies which exceed two of the following parameters on a company basis:
  - balance sheet total of CHF 20 million;
  - turnover of CHF 40 million; and/o
  - equity of CHF 2 million; and
- Private investment structures with professional treasury operations created for high-net-worth Retail Clients.

### 3.4. Institutional Clients

Institutional Clients constitute a subcategory of Professional Clients. Due to their extensive knowledge and experience with financial markets, Institutional Clients are subject to the lowest level of investor protection. The following are recognised as Institutional Clients:

- Financial intermediaries subject to prudential supervision, i.e. banks, portfolio managers, trustees, managers of collective assets, fund management companies, securities firms, investment companies with variable capital (SICAV), limited partnerships for collective investments and investment companies with fixed capital (SICAF);
- Insurance companies;
- Foreign clients that are subject to an equivalent prudential supervision as financial intermediaries or insurance companies;
- Central banks; and
- National and supranational public entities with professional treasury operations.

### 3.5. Opting-In and Opting-Out

Subject to certain conditions pursuant to FinSA, Institutional Clients may declare that they wish to be treated as Professional Clients and Professional Clients who are not Institutional Clients as set out in Section 3.4 above may declare that they wish to be treated as Retail Clients (opting-in).

Furthermore, subject to certain conditions pursuant to FinSA, certain categories of Professional Clients who are not Institutional Clients as set out in Section 3.4 above may declare that they wish to be treated as Institutional Clients and some Retail Clients may declare that they wish to be treated as Professional Clients (opting-out).

### 3.6. 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-out (i.e. from Retail Client to Professional Client) is not granted to Plan Participants.

### 3.7. Classification of Corporate Clients by Equatex

Equatex classifies Corporate Clients as Professional Clients by default (even if they would qualify as an Institutional Client pursuant to FinSA).

In case a Professional Client wishes a reclassification, hence to be treated as a Retail Client based on the opting-in possibility (see Section 3.5 above), a written application must be submitted to us. 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

When providing execution only services, Equatex is not obliged to perform an appropriateness or suitability assessment pursuant to FinSA, no matter whether Equatex is dealing with Retail Clients or Professional Clients.

It is within the inherent nature of Equatex' business model that Equatex is only executing or transmitting Plan Participants' or Corporate Clients' orders. Therefore, Equatex is not required to carry out an appropriateness or suitability test for Plan Participants or Corporate Clients, and no information on knowledge and experience needs to be collected from Plan Participants or Corporate Clients.

## 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 "EquatePlus".

#### 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; and

- 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

Corporate Clients allocate equity-based Financial Instruments issued by themselves to Plan Participants and in their capacity as employers of Plan Participants. Equatex has no influence on the composition of the Financial Instruments allocated to Plan Participants.

Such Financial Instruments are subject to a volatility risk that depends on a variety of factors, including the Corporate Clients' financial health, the general economic situation and interest rate levels. Instead of paying interests, they typically pay out a share of profit, for example in the form of a dividend set by the Corporate Client, usually in line with its business performance. Sometimes, however, no dividend is paid.

Such Financial Instruments are also subject to an issuer risk in that a total loss is possible if the Corporate Client goes bankrupt, in which case Plan Participants as holders of the Financial Instruments are only taken into consideration once the Corporate Client has settled all other claims against it.

## 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 Stock Exchanges, Multilateral Trading Facilities ("MTFs"), Organized Trading Facilities ("OTFs"), or Systematic Internalisers ("SIs", as defined in the Markets in Financial Instruments Directive 2014/65/EU, known as "MiFID II").

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). Equatex reviews the selected third party institutions, including their best execution policy, in order to ensure appropriate best execution standards.

If Equatex instructs a third party financial institution 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 Equatex' 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. 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

FinSA requires Equatex to document the financial services provided to its clients in an appropriate manner.

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

Equatex' aim 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 may have will be dealt with promptly, fairly and free of charge.

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

Pursuant to FinSA, disputes regarding legal claims between Equatex and clients should be settled by an ombudsman in mediation proceedings if possible.

Please note that you may contact the following ombudsman office:

**Financial Ombudsman Office Switzerland (FINOS)**

Address: Talstrasse 20 (1st floor)  
CH-8001 Zurich

Phone: Switzerland: 044 552 08 00  
Abroad: + 41(0)44 552 08 00

E-mail: [info@finos.ch](mailto:info@finos.ch)

Website: <https://www.finos.ch/>

Zurich, ● 2020