



SMBC

**Notice to Customers of Sumitomo Mitsui  
Banking Corporation Düsseldorf branch  
and Frankfurt branch (“SMBC”)  
(status: January 2018)**

This Notice is given based on the practice of the Sumitomo Mitsui Financial Group (SMFG) to each person (a “Customer”) to whom SMBC provides any product or service and/or with whom SMBC enters into any transaction.

In the event of any conflict between a provision of this Notice and an express term of any other agreement between SMBC and the Customer, the relevant term in that other agreement shall prevail.

## GENERAL NOTICES

### 1. Regulations

In connection with the provision of any product or service, SMBC may take or omit to take any action it considers necessary to ensure compliance by any SMFG group company (meaning, (i) Sumitomo Mitsui Financial Group, Inc., (ii) Sumitomo Mitsui Banking Corporation and (iii) any of their respective subsidiaries or branches) with the rules and guidance of the relevant laws, rules, regulations, procedures, policies and guidance (together “Regulations”).

### 2. Recording of Telephone Conversations and Electronic Communications

Irrespective of other existing regulatory requirements for recordings, since 3 January 2018 SMBC is obliged to arrange for recordings of telephone conversations or electronic communications (including email communication) involving investment services and the reception, transmission and execution of client orders. This obligation of recording also applies if those conversations or communications do not result in the conclusion of such transactions or in the provision of client order services. In any case the Customer will be informed before the recording about the recording and the possibility to object. If the Customer objects to the recording of telephone conversations or electronic communications where such investment services and activities relate to

the reception, transmission and execution of client orders, SMBC may not provide such services via telephone calls and electronic communication.

Any recordings shall remain SMBC’s sole property. SMBC will store the recordings for a period of five years; where requested by BaFin for a period of up to seven years. A copy of any recordings will be available free of charge upon request of the Customer in accordance with the Regulations.

### 3. Record Keeping

SMBC’s records (including recordings as described in paragraph 2 above), unless shown to be manifestly wrong, shall be conclusive evidence of the Customer’s dealings with SMBC. The records can be submitted as evidence in legal proceedings.

### 4. Prevention and Detection of Financial Crime

The Customer shall provide SMBC with any information it may reasonably request for any SMFG group company to undertake action considered necessary to comply with any Regulations relating to the prevention or detection of financial crime (including money laundering). If such information relates to the Customer’s own due diligence on a third party, SMBC – if not legally obliged to an own due diligence – may decide to rely on such due diligence and request that the Customer notifies SMBC if it does not consent to such reliance. SMBC further requests that the Customer notifies it of any failure to comply with any applicable anti-bribery and corruption laws and regulations and of any conviction or charge relating to financial crime committed or in formal proceedings substantially alleged to be committed by it or its officers.

### 5. Information Sharing

SMBC may transmit to any SMFG group company information regarding the Customer’s accounts, or any product or service provided to the Customer, or the Customer’s business, if SMBC reasonably thinks it necessary to comply with its contractual and legal obligations. Such information may be used for credit

SMBC is regulated by the Germany Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) and the German Central Bank (Deutsche Bundesbank). BaFin’s address is: Graurheindorfer Str. 108, 53117 Bonn. The address of Deutsche Bundesbank is: Berliner Allee 14, 40212 Düsseldorf.

assessment, “know-your-customer” checks, sanctions screening, detection of crime (in particular anti-money laundering) and if required by law or for the performance of the contractual relationship. In addition, SMBC may disclose such information to its regulators and other public authorities if so required or (to the extent permitted by law) requested to do so.

## 6. Data Protection

Any information relating to identifiable living individuals (“**Personal Data**”) SMBC collects and holds will be used in accordance with applicable data protection laws. SMBC will use Personal Data in performing its contractual obligations, functions and services and as required by the Regulations, in particular in respect of important public interest grounds such as the prevention or detection of crime (including, but not limited to, financial crime). SMBC may also, in connection with the above purposes, transfer Personal Data to any SMFG group company inside EEA and outside the EEA under and in accordance with applicable data protection laws and may be required to send to SMBC in Japan the names of directors, officers, board members, staff members or shareholders of its corporate Customers who are Japanese nationals or non-Japanese nationals (in the latter case, whether residing in Japan or otherwise) for screening checks.

## 7. Settlement/Administration of Accounts

SMBC will process credits and debits to any account without undue delay (normally at the same day) in accordance with the law if not agreed otherwise with the Customer.

## 8. Conflicts of Interest

SMBC maintains a conflicts of interest policy and has implemented procedures to identify, prevent, and manage any actual or potential conflicts of interest that may arise between SMBC, its managers, employees, other SMFG group companies and its Customers, or between one Customer and another (each, a “**Conflict**”). Where a Conflict is identified, SMBC will take appropriate steps to prevent or manage such Conflict in order to prevent it from adversely affecting the interests of SMBC’s Customers. Where SMBC’s arrangements are not sufficient to ensure, with reasonable confidence, that the risks of damage to the Customer’s interests will not be prevented, SMBC shall clearly disclose to the Customer in a durable medium the general nature and/or sources of the Conflict

and the steps taken to mitigate those risks before undertaking business on the Customer’s behalf. SMBC’s conflicts of interest policy sets out the types of Conflicts which affect SMBC’s business and provides details of how these Conflicts are identified, prevented or managed. A summary of the conflicts of interest policy is available on the website of the Sumitomo Mitsui Banking Corporation. No Conflict shall prevent any SMFG group company from being remunerated for the provision of any product or service or give rise to any liability of any SMFG group company provided that the nature and/or sources of conflicts of interest have been clearly disclosed to the Customer and steps have been taken to mitigate any risk of damage to the Customer’s interests.

## 9. Complaints

SMBC put in place internal procedures for handling complaints fairly and promptly. The Customer may submit a complaint to SMBC by letter, telephone, email or in person. SMBC will work with the Customer to resolve complaints in a timely manner. SMBC will provide the Customer with details of its complaints procedures on request or when acknowledging a complaint.

## 10. Compensation

SMBC is covered by the deposit protection scheme (*Entschädigungseinrichtung deutscher Banken*) which is the compensation scheme for customers of private commercial banks. The protection provided by the deposit protection scheme is limited to EUR 100,000 per eligible depositor per bank. Furthermore, SMBC is member of the Deposit Protection Fund (*Einlagensicherungsfonds*) of the Association of German Banks (*Bankenverband*) which secures the deposits of customers at the private commercial banks up to a ceiling of 20% of the relevant liable capital of the respective bank as at the date of the last published annual financial statements. The Deposit Protection Fund only covers deposits and depositors if and to the extent that these are not already covered by the deposit protection scheme. Further information is available from the website “[einlagensicherungsfonds.de](http://einlagensicherungsfonds.de)”.

## 11. Updates to Notice

This Notice may be amended by SMBC from time to time on reasonable notice. Amendments shall take effect as of such date as SMBC may specify.

## **12. Governing Law**

This notice shall be governed and construed in accordance with German Law.

## **ADDITIONAL NOTICES FOR INVESTMENT BUSINESS**

### **13. Customer Categorisation**

SMBC will notify the Customer of which categorisation (retail or professional client or eligible counterparty) it has attributed to the Customer and the right that client has to request a different categorisation and about any limitations to the level of client protection that a different categorisation would entail by a separate client categorisation letter.

### **14. No Advice and Own Judgment**

Unless otherwise agreed or derived from the contractual relationship or stipulated by law, SMBC shall not provide the Customer with advice (including, but not limited to, tax advice) or recommendations in relation to financial instruments. If such advice or recommendations were not agreed explicitly, derived from the contractual relationship or stipulated by law SMBC does not accept liability for any adverse tax implications of any product or service.

### **15. Instructions**

The Customer may instruct SMBC by any means agreed from time to time, in each case via an officer of SMBC authorised to receive such instructions. SMBC shall be entitled to rely upon an instruction from the Customer or from a person legally authorised to act on the Customer's behalf.

### **16. Best Execution**

SMBC will take all sufficient steps to provide best execution in relation to the Customer's orders in financial instruments in accordance with SMBC's order execution policy. SMBC will provide appropriate information to the Customer on SMBC's order execution policy and need prior consent from the Customer to the order execution policy and to execute the Customer's orders in financial instruments outside of regulated markets, multilateral trading facilities and organised trading facilities in the European Economic Area. SMBC will seek this consent from such Customer through a separate side letter.

### **17. Confirmations and Periodic Reports**

SMBC will provide the Customer with confirmations setting out the principal terms of each transaction in a financial instrument. Further information as required by Regulations will be provided by the end of the following business day. SMBC will also send the Customer periodic reports on the services that SMBC provides where required by the Regulations and taking into account the type and the complexity of the financial instruments involved and the nature of the services provided to the Customer.

### **18. Trade and Transaction Reporting**

Under the Regulations, SMBC may be obliged to make information about certain transactions in financial instruments public and to report the details of transactions to the BaFin or other competent authority. The Customer acknowledges that it is responsible for making public any information relating to transactions which is the Customer's obligation under the Regulations. If necessary, the Customer undertakes to provide in a timely fashion all such information and documentation and to promptly take all such action as SMBC may from time to time reasonably require to enable SMBC to fulfil any reporting requirement.