

First Name Second Name
Name of Company
123 Street Name
POST CODE
Country

01 June 2022

Dear

Further notification in relation to our change in legal structure

Further to our letter of 4th February 2022, we are writing to update you on our proposed change of legal structure which is intended to simplify our organisation and enable us to better serve you and other stakeholders. You are not required to take any action as a result of this change, but it is in your interests to be aware of the proposed changes. There may be some changes that could affect a limited number of clients where we may ask you to take some actions. We will contact you separately if this is relevant to you.

We are proposing to transfer the business of SG Kleinwort Hambros Bank (Gibraltar) Limited (the "**Gibraltar Bank**") to a new Gibraltar branch of SG Kleinwort Hambros Bank Limited (the "**New Gibraltar Branch**") by an Act of the Gibraltar Parliament (the "**Transfer**"). We expect the Act of Parliament to be debated in June 2022, and subject to approval by the Gibraltar Parliament, the Transfer is expected to occur on 1st October 2022. Details about the progress of the Transfer will be posted on our website at <https://www.kleinworthambros.com/en/important-information/bank-transfer>. The New Gibraltar Branch will also be writing to you after the Transfer to confirm the date when the Transfer has taken effect and you have become a customer of the New Gibraltar Branch.

Please find enclosed the following documents in relation to the Transfer:

1. New Terms of Business governing your relationship with the New Gibraltar Branch (the "**New ToBs**"); and
2. A Q&A document which provides answers to a number of frequently asked questions (the "**Q&A document**"), including explanations about practical and key regulatory impacts and changes in the New ToBs resulting from the Transfer.

The key points for each document are summarised below:

1. The New ToBs

Enclosed are the complete set of the New ToBs which will be effective upon the Transfer. The changes to the existing Terms of Business have been kept to a minimum and have been made only where strictly necessary in relation to the Transfer. We have included the change of name of the service provider from the Gibraltar Bank to the New Gibraltar Branch to reflect the Transfer effected under the provisions of the proposed Act of Parliament. We have also changed the

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regulatory status of the service provider and included some applicable UK regulatory provisions. Further details of the key changes in the New ToBs are included in the Q&A document.

2. The Q&A document

This document sets out a series of answered questions, that are frequently asked in these circumstances, so please refer to this Q&A document in the first instance if you have any questions. **We strongly advise you to read the Q&A document.**

Section 2 of the Q&A document includes important information about practical changes resulting from the Transfer. Some of these may require action on your part in due course. Where relevant to the services we provide to you, **we will contact you separately if any action is required by you.** Where relevant to you, we will be writing to you about new settlement details for non-Sterling payments and additional documentation for dealing in derivatives. However, please note that **none of our fees will be changing** as a result of the Transfer.

Section 3 of the Q&A document includes a summary of the key regulatory changes resulting from the Transfer. These regulatory changes will vary depending upon your circumstances (e.g. whether you are UK resident) but this document provides information on topics such as how certain UK regulations will or will not apply to certain activities of the New Gibraltar Branch, including rules applicable to safe custody, advisory services and execution only transactions. It also includes regulatory disclosures that the New Gibraltar Branch is required to make on certain topics, such as best execution and conflicts of interest.

It is important to note that there will be **changes to the Compensation Scheme** arrangements for your savings. Clients of the New Gibraltar Branch will fall under the protection of the UK's Financial Services Compensation Scheme ("**FSCS**") if the New Gibraltar Branch cannot meet its obligations, instead of under the Gibraltar Deposit Guarantee Scheme and the Gibraltar Investor Compensation Scheme. The FSCS protection will apply to eligible claims relating to deposit and investment services, as outlined in the New ToBs. There will be no change in the Complaints Handling Policy in the event that you have a complaint against the New Gibraltar Branch. However, in certain cases you may be eligible to refer a complaint to the UK's Financial Ombudsman Service subject to eligibility criteria being met.

Section 4 of the Q&A document explains the key changes to the New ToBs. The key changes are:

Part 1: para 3.3: Recognition of the UK Bail-in option;

Part 1: para 29: Reference to the UK Financial Services Compensation Scheme applying; and

Part 3: para 36.2: Statement that the UK Client Money Rules will apply.

Do I need to do anything in relation to the New ToBs?

No. No further action is required by you and, assuming the Act of Parliament is enacted by the Gibraltar Parliament, the New ToBs will become effective upon the Transfer. It is currently envisaged that the Transfer will take effect on 1st October 2022. If, however, you do not wish to be bound by the changed terms, please contact your Private Banker before 1st August 2022 to discuss the options available to you. You can arrange to close your account without incurring additional charges*.

Do I need to do anything in relation to the Transfer?

You do not need to do anything in relation to the Transfer. If, however, you object to the Transfer, you are entitled to close your account without incurring additional charges*. If there are any changes to the proposed Transfer, we will let you know at <https://www.kleinworthambros.com/en/important-information/bank-transfer>.

If anyone else should need to be made aware of these changes, please let them know. This could include anyone linked to your account, the beneficiary of an account including a joint account holder, or someone on whose behalf you hold an account.

If you require any further information or have any questions regarding the Transfer, please contact your Private Banker or usual Kleinwort Hambros contact.

Yours sincerely,

Emma Perez

Gibraltar CEO

**Your obligations and liabilities, including the payment of account, product and portfolio fees and charges due and unpaid, will continue to apply until all services, accounts and transactions have been closed or completed and all outstanding amounts and liabilities have been paid or satisfied in full.*
