

Julius Bär

Document title:	D-1019-00 Personal Account Transactions by Employees
Version:	10.0
Effective as from: (dd.MM.yyyy)	01.01.2020
Scope:	Legal Entities Worldwide
Replaces:	Version 9.0
Language(s):	English
Appendices:	5

1. Purpose

This Personal Account Transactions Policy (the "Policy") is designed to protect Julius Baer Group (the "Group") and its employees from reputational or financial damage that may result from the misuse of privileged information for personal account trading purposes. Personal investment decisions may create potential conflicts between the interests of the Group, its employees and clients. This Policy is designed to prevent actual or potential conflicts of interest, or the appearance of such a conflict and potential abuse of an individual's position of trust and responsibility.

2. Scope

2.1. General

All provisions of this Policy are to be considered as global standards except for specific provisions referring to employees in Switzerland. Legal entities outside Switzerland are required to supplement this Policy with additional and more stringent requirements, where required in order to comply with applicable laws or regulations.

This Policy applies to all personal account transactions effected by or on behalf of employees of the Group via an account/custody account held with a banking entity of the Group or a third party bank/broker.

Not in the scope of this Policy are in particular:

- Current accounts
- Savings accounts
- Trust accounts
- Post office accounts
- Pension fund accounts
- Investment fund saving plans

- Third pillar accounts (Swiss retirement scheme)
- Safe deposit boxes
- Direct investments in wallets and digital storage utilities for cryptocurrencies and block chain based assets without security character

2.2. Type of transactions covered

The following categories of Personal Account Transactions ("PAT") are subject to the present Policy and include the purchase and sale of any kind of:

- Securities, including, but not limited to:
 - Shares and derivatives thereof
 - Bonds (including, but not limited to straight- & convertible bonds)
 - Shares or units in open-end / closed-end funds
 - Alternative Investments as defined in policy [D-1249-00 Alternative Investment Processing](#)
- Interest rate products
- Foreign Exchange (Spot/Swap/Forward)
- Precious Metals
- Commodities
- Index products
- Cryptocurrencies and any transferable assets on block chain technology with security character
- Any derivatives of the above mentioned (including without limitations options, warrants, structured products, futures, forwards, swaps/contracts for differences)

The employee effects

- economically for his/her own account using his/her own resources or by drawing on loans or
- in exercising a power of attorney or acting as a signatory and the employee is the decision taker of the transaction.

PAT with respect to which the employee has an economic entitlement (e.g. via an investment club, foundation, trust, domiciliary company etc.) or a joint entitlement (joint account) are also expressly included in the definition of "PAT" for the purpose of this Policy.

Excluded from the scope of this Policy are purchases or sales executed in any account over which the employee has no direct control regarding the investment decision-making process (e.g. accounts managed on a discretionary basis).

3. Account / Custody account maintenance

3.1. Use of a Julius Baer bank account in Switzerland

Employees working with the Group but being based outside Switzerland are allowed and encouraged (subject to legal, regulatory and/or contractual restrictions or limitations) to open and hold an account / custody account with Bank Julius Baer & Co. Ltd., Switzerland and to administer their personal wealth and/or execute PAT in scope of this Policy as per section 2.2.

3.2. Employees working in Switzerland

Employees working with the Group or its subsidiaries in Switzerland (except for the employees of External Asset Managers of the Group located in Switzerland) are obliged to effect all PAT via a custody account held with the Bank (including e.g. JB Market Link). The provisions of this Policy apply to all PAT irrespective of the tool and/or platform used.

Employees holding securities positions on a custody account with a third party bank/broker at the time of joining the Group must transfer such positions to the Bank and close the external custody account within one month after the expiry of the probation period.

Any exceptions to this rule require the approval of the responsible member of the Executive Board of the Bank (see Appendix 1) respectively a delegated person thereof (Head HR, Head Group Internal Audit etc.). In the case of an exemption granted comprehensive custody account excerpts and/or copies of the respective transaction statements shall, on demand, be submitted to Compliance for monitoring purposes.

Employees with an exemption granted are asked to confirm the respective accounts / custody accounts on a yearly basis respectively to report any changes relating to these accounts / custody accounts.

All exceptions granted will be reported for review to the relevant members of the Executive Board respectively a delegated person thereof (Head HR, Head Group Internal Audit etc.) by Compliance on a yearly basis.

4. Disclosure of accounts

4.1. Disclosure by employees outside Switzerland

If an employee working with the Group outside Switzerland holds or opens an account / custody account with a banking entity of the Group or with a bank / broker outside of the Group as account holder, beneficial owner, power of attorney holder, with a signatory right or with a discretionary mandate through which PAT may be effected he/she must inform local Compliance (or Compliance Control Room at Head Office if no local Compliance is on-site) by submitting the relevant Disclosure Form (see Appendix 2). Employees are asked to confirm or report changes regarding their disclosed accounts / custody accounts on a yearly basis respectively

employees who confirmed on the disclosure form not having accounts/custody accounts as described above report any changes at any time.

4.2. Disclosure by employees working in Switzerland

If an employee working with the Group in Switzerland holds a power of attorney or has a signatory right with respect to an account / custody account held with a banking entity of the Group or with a third party bank / broker and is responsible for the investment decisions taken or has, according to the power of attorney or to the signatory right, the possibility to make investment decisions, he/she must disclose such an account / custody account submitting the relevant form to Compliance (see Appendix 3).

By disclosing the account, the employee automatically authorises Compliance to request external documents (e.g. custody account excerpts etc.) necessary to monitor PAT. Before disclosing such account to Compliance and providing them with the authority to request respective documentation, the employee shall obtain the respective authorization to do so from the account holder(s).

Employees holding a custody account with a bank outside the Group managed by a discretionary mandate have to disclose the mandate by completing and submitting the relevant form to Compliance (see Appendix 4) and to confirm that they are not responsible for the investment decisions and will not make such decisions.

Employees are asked to confirm or report changes to their disclosed accounts / custody accounts on a yearly basis.

5. Monitoring

Local Compliance is responsible for the monitoring of the PAT effected by the respective local employees via a custody account held with a third party bank / broker.

Compliance of the Booking Centres which offer the employees the possibility to open / maintain an account / custody account is responsible for the monitoring of the respective PAT.

PAT effected by employees working in entities without local Compliance representation are monitored based on the relevant form (see Appendix 2) by Compliance in Switzerland. Furthermore, PAT effected via a custody account held with Bank Julius Baer & Co. Ltd., Switzerland, by employees working outside Switzerland are also monitored by Compliance in Switzerland.

In case of breach of policy, local Compliance notifies the respective employee and, if deemed necessary, his/her line manager. Possible sanctions are taken according to the Bank's policy breach process in consideration of section 12.

6. Minimum holding periods

6.1. In general

Minimum holding period of **seven (7) calendar days** applies to:

- Single stocks and bonds
- Allocation of stocks and bonds in the context of Initial Public Offerings (“IPOs”) / new issues
- Financial instruments of above mentioned (which price development/performance depends to 50% and more on a single stock or bond as underlying) including limit orders

Please see additional stricter holding periods outlined in sections 6.2. and 6.3.

In order to measure the holding period to a certain financial instrument, the concept of “risk exposure” is applied.

The lowest time period in terms of risk exposure is **one (1) calendar day. Thus, this is to be considered the lowest possible holding period.** Intraday trading is not allowed, i.e. it is not permitted to change any risk exposure during the same calendar day, unless it is a loss) applies to all other financial instruments (whether listed or unlisted, securitized or over-the-counter (“OTC”) such as:

- Foreign Exchange (“FX”, Spot/Swap/Forward)
- Index Products
- Precious Metals
- Commodities
- Shares or units in open-end / closed-end funds or alternative investment funds
- Interest rate products
- Securitised financial instruments traded on an official exchange or OTC transactions with cryptocurrencies or with any kind of block chain technology related transferable asset as underlying
- Financial instruments of above mentioned (including options, warrants, structured products, futures, forwards, swaps / contracts for difference)

Important

Basis for all calculations of holding periods of derivatives is always the underlying.

Additional rules

The applicable holding periods start with and include the calendar day upon which the transaction is executed (i.e. a security bought on a Monday being subject to a 7 days holding period may be sold from the following Monday onwards). With regard to the allocation of stocks and bonds in the context of IPOs / new issues the booking

date of the instruments shall determine the start of the holding period (see also section 10 below).

Additionally, every employee is subject to any other holding period(s) and/or trading/selling restrictions as applicable, such as e.g. instrument, product and market specific subscription and redemption periods as well as instrument specific minimum holding or lock-up periods.

Adherence to the holding period shall be monitored on the basis of the last movement in the relevant security (principle of “last in – first out”). Accordingly, if multiple purchases (or sales) in a particular security have been effected no part of that position may be sold (or purchased) until the minimum holding period relating to the most recent purchase (or sale) has lapsed. Further purchases (or sales) of that security may however be effected during this holding period. Should a transaction not have been fully closed (partial liquidation) and have been rebuilt, the minimum holding period (for the whole position) applies and shall start with the last sale (or purchase).

Transactions in financial instruments with identical economic exposure to the underlying effected within the holding period in the opposite direction (such as exchange traded derivatives, OTC derivatives, structured products) are not permitted. Strategies which serve for hedging purposes and usual option strategies (such as spread strategies) are permitted.

With regard to FX transactions, the opening and closing of positions in the same currency pairs with different value dates and different amounts is not allowed on the same day if resulting in a profit. Intraday trading is not allowed.

An existing position may be sold / closed prior to the expiry of the holding period at a loss at any time. If during the holding period multiple purchases in a particular security have been effected and the position has been sold / closed, the average price of these purchases has to be considered to determine whether a loss resulted.

Once a position has been fully closed, a new position in the same instrument may be built up as from the next day only.

The holding period does **not** apply to:

- Securities that are offered on the basis of existing subscription rights (entitlements) during a capital increase or with regard to rights of conversion and option rights. Active trading in subscription rights is, however, subject to the holding period.
- PAT effected by a third party for the account of an employee and without any influence taken by the employee on the investment decision (for example based on a discretionary mandate).
- The exercise of options based on a Long Term Incentive (“LTI”) Option Plan provided that the purchase and sale of the shares are executed on the same day.
- The assignment of options.

6.2. Holding period of Fixed Income traders who run a book for a banking entity

A holding period of **thirty (30) calendar days** in fixed income instruments (cash instruments and derivatives thereof) applies to Fixed Income traders who run a (proprietary) book for the respective banking entity.

6.3. Holding period in financial instruments of Julius Baer Group Ltd.

A holding period of **thirty (30) calendar days** applies to PAT in Julius Baer Group Ltd. securities and financial instruments thereof (which price development/ performance depends to 50% and more on (a) Julius Baer Group Ltd. security(-ies) as underlying(s)). However, for financial instruments issued by any of the Group entities with or without an initial dependency lower than 50% to (a) Julius Baer Group Ltd. security(-ies) a holding period of **seven (7) calendar days** applies.

6.4. 4-eye principle when trading OTC PAT in Markets

Markets traders whose nostro mandates contain financial instruments traded OTC may trade such OTC PAT only in case the respective transactions are entered into the applicable order entry system by another Markets Execution employee (4-eye-principle). This principle applies to all Business Areas in Markets.

7. Additional restrictions for financial analysts and recipients of advance information within this area

According to section "Personal account transactions by Financial Analysts and recipients of advance information" of policy [D-1097-00 Principles for the Independence of Investment Research](#), additional PAT restrictions are applicable for financial analysts and recipients of advance information¹.

8. Prohibited transactions

Employees must always comply with applicable laws and regulations relating to the execution of PAT. More particularly, employees are prohibited from effecting PAT under the following circumstances:

- Insider Trading: Misuse of insider information (confidential information which, if being published, is likely to have a significant influence on the price of publicly traded stocks) in order to purchase or sell publicly traded stocks, by disclosing such information to third parties or by influencing third parties to purchase or sell such stocks (see Appendix 5 with regard to local insider trading regulation).

If an employee is uncertain of whether information constitutes insider information or not, he/she shall contact Compliance prior to engaging in any transactions or disclosing this information to any third party.

- "Front running", "parallel running" and "after running": Exploitation of confidential or privileged information on existing or expected orders from clients or the Group through the advance (front), simultaneous (parallel) or

¹ Non-public, confidential information as defined in FINMA Circular 13/8, recital 9.

post (after) execution of PAT. Details (e.g. time definition) are described in [D-1205-03 Front-, Parallel- and After running and its implementation by Julius Baer Group Ltd.](#)

- PAT when receiving (“buy side”) inside information as part of any kind of market soundings².
- PAT through which personal privileges are created for third parties who are not entitled to them.
- PAT effected via account / custody account with a banking entity of the Group where the employee does not have a corresponding credit balance, holding or available credit limit.
- Except for Exchange Traded or OTC options, uncovered short positions are not permitted on custody accounts with a banking entity of the Group and on approved/disclosed third party custody accounts. Should a short position result from an assignment of options, the short position must be covered on the same day. If a short position is intended to be covered by securities borrowing, this must not be effected for a later value date than the value date of the assignment.
- PAT with clients or with other employees as direct contractual partners.
- PAT with a nostro account as direct contractual partner/contracting counterparty.
- PAT in instruments traded in the secondary market (e.g. as a market maker) when having influence on the pricing process/pricing terms or mechanism.
- The placing of PAT together with customer orders in the form of collective orders. The use of a collective order to effect several employee PAT together is, however, permitted.
- Direct PAT with brokers in the name of a company of the Group.
- PAT in options that expire within the minimum holding period of the respective instrument.
- PAT in derivatives, if known by the employee prior to establishment that these can be exercised during a Blackout Period or other trading ban, due to Insider Lists/Watch Lists or ad-hoc confidentiality areas/Restricted Lists. Persons involved are not allowed to trade such PAT or they must close the position before the start of the respective trading ban.
- Splitting of orders into individual small transactions or repeated placing of small orders to avoid minimum brokerage fees.

² As defined in the EU Market Abuse Regulation 596/2014 its Directives and ESMA Regulatory Technical Standards (RTS).

- PAT in securities, loan stock rights and derivatives from companies that appear on internal monitoring or Restricted respectively Insider / Watch Lists by those employees notified by Compliance.
- PAT to the obvious detriment (financial and/or reputational) of the Group or its clients.
- PAT that represent an attempt to circumvent the provisions or the spirit of this Policy or of applicable laws and regulations, (e.g. by involving third parties or by using their accounts / custody accounts, irrespective of whether the employee is authorised to do so or by executing transactions for and/or on behalf of third parties).
- The Group reserves the right to prohibit or otherwise restrict PAT in individual products or product groups from time to time without prior notice.

9. Handling of conflicts of interest

9.1. Blackout Periods

The following individuals,

- members of the Board of Directors of Julius Baer Group Ltd. and of Bank Julius Baer & Co. Ltd.;
- members of the Executive Board of Julius Baer Group Ltd. and of Bank Julius Baer & Co. Ltd.; and
- any other persons / employees with specific or potentially specific knowledge about the financial situation of the Group as may be notified from time to time

must not effect any PAT in shares in Julius Baer Group Ltd. securities (shares, bonds and derivatives thereof) during the Blackout Period. The Blackout Period starts thirty (30) trading days (according to the stock exchange trading calendar of SIX Swiss Exchange Ltd.) before the publication of the full-year respectively the half-year results and ten (10) trading days before the publication of the interim management statements and end on the date of the official publication of the respective results respectively statements. Any PAT effected in breach of the above prohibition must be immediately cancelled.

9.2. Pre-Clearance and Self Attestation obligation

Prior to effecting a transaction in Julius Baer Group Ltd. securities (shares, bonds and derivatives thereof), Members of the Executive Board and Members of the Board of Directors of Julius Baer Group Ltd. and of Bank Julius Baer & Co. Ltd. have to obtain a written Pre-Clearance by Compliance Control Room and confirm that they are not in possession of any insider knowledge.

For employees with potential insider knowledge according to their respective KYC assessment/self-attestation, a post-trade insider self attestation has to be provided as per standard insider monitoring processes of Compliance Control Room.

9.3. Insider Lists / Watch Lists

The Group may maintain a list of issuers (including the Group) in respect of which a specific group of employees of the Group due to their function is in possession of confident, price-sensitive information. An issuer is to be put on the list as soon as knowledge on confident, price-sensitive information about an issuer exists within the Group which, from an objective perspective, may presumably significantly influence a reasonably acting investor in his/her decision to purchase, sell or keep stocks of the issuer. Affected employees are not allowed to effect any PAT in the respective issuer. Compliance monitors adherence to this restriction.

9.4. Ad hoc confidentiality areas / Restricted List

Ad hoc confidentiality areas are established in order to ensure that employees are not misusing price-sensitive, confidential information of which they become aware in the context of the structuring or execution of (including client or client order driven) transactions. To this purpose, the so called “deal team members”, i.e. employees involved or being aware of the structuring / execution of such transactions are informed by Compliance that they are not allowed:

- to share information in relation with the structuring of a specific transaction with anybody outside the confidentiality area and
- to effect any PAT in shares and derivatives of the affected stock(s) as long as the information is not public or the transaction has been formally cancelled.

The respective stocks are put on the Restricted List. Compliance monitors the adherence to these restrictions.

9.5. Management of accounts with involvement of the employee

An employee must not act as Relationship Manager with regard to any account in case he/she is personally involved as account holder, beneficial owner, power of attorney holder or holder of a signatory right. For further information, reference is made to the [D-1271-00 Employee Banking Policy](#).

9.6. Management of accounts held by relatives

Due to conflicts of interest, employees must not manage accounts of their close relatives as a Relationship Manager. Close relatives are defined as spouse, children, parents, brothers and sisters (reference is made to the articles 457 et seq. of the Swiss Civil Code) and significant others (such as extra-marital cohabitation partners with or without contract). For further information, reference is made to the [D-1271-00 Employee Banking Policy](#).

9.7. Further conflicts of interest

Any additional potential conflict of interest such as (not exhaustive list):

- servicing the in-laws or other relatives
- having a power of attorney and/or signatory right on accounts not eligible for or waived Employee Banking conditions
- having a function or role (director, board member) in a company or structure not eligible for or waived Employee Banking conditions
- having a function or role on another employee account

has to be disclosed to the Employee's and Relationship Manager's direct superior and Compliance.

10. Initial Public Offerings ("IPOs") / New Issues

As a general rule, employees are permitted to subscribe for Initial Public Offerings / New Issues with their subscriptions receiving the same treatment as client subscriptions. Employees do not, however, have an automatic right to receive an allocation. Subscription applications must in all cases be covered by a corresponding credit balance. Under certain conditions employees may be blocked from subscribing (e.g. in the event of a conflict of interest). Further reference is made to section 6.1. above and policy [D-1042-00 IPO and New Issue Subscription](#).

11. Trading behaviour of employees

The number and extent of PAT effected during working hours shall not take up a disproportionate amount of the employee's working time or impede his or her ability to fulfil his or her employment obligations. As a standard rule, the number of PAT effected during working hours should not exceed 60 transactions per quarter, for securities and FX each. On a regular basis, the responsible Region or Division Head (N-1) will be provided with the names of employees exceeding this threshold and decides together with the respective line manager(s) if this is still in line with the conditions outlined in this Policy.

In effecting PAT the employee has to consider the suitability to his or her needs of all range of products and manage his or her exposure to the development of the financial markets and the financial instruments invested in such a way as to avoid any financially distressed situation on his/her private wealth.

The Group expects its staff to engage in longer term investments as opposed to short term, speculative and high-risk trading. Highest sensitivity is expected from employees with regard to PAT in Julius Baer Group Ltd. securities and financial instruments thereof. Particularly PAT in derivatives of Julius Baer Group Ltd. securities is considered inconsistent with acceptable market behaviour rules and the spirit of share-linked incentive and remuneration concepts as applied by the Group. Against the background of related insider trading risks for the staff, reputational risks for the Group and the risk of loss or default in case of expected trading activity triggered by the derivative during blackout and other restricted periods, the Group

expects its staff to not engage in Julius Baer Group Ltd. securities linked derivative trading activities. Hedging of positions in Julius Baer Group Ltd. securities shall only be allowed through plain vanilla put/call options (as opposed to complex option/derivative structures/yield enhancement products etc.) and, to the extent such positions are based on Julius Baer incentive and remuneration plans, if they are vested and unrestricted, i.e. if such hedging is not prohibited or restricted by such plans. Such options must not be exercised during periods subject to trading ban (e.g. blackout periods or ad hoc restrictions/bans) and consequently will have to expire without being exercised.

Compliance monitors the trading behaviour of the employees on a regular basis. Any violations of the above mentioned principles may trigger disciplinary actions.

Employees are strongly encouraged to place and effect their PAT via the Bank's order entry and execution facilities, via e-banking, JB Market Link or the respective Employee Banking Team. In general, direct access to the Markets front, middle- or back-office staff is not allowed, unless required in very limited instances by the specific circumstances of the particular order. Direct access to the Markets front office trading desks may only be granted subject to the requirements outlined in policy [D-1024-00 Clients with Direct Access to Markets \("DAC"\)](#). Reference is made to policy [D-1271-00 Employee Banking Policy](#) for more information.

12. Sanctions

Where an employee effects a PAT in breach of this Policy the responsible Compliance department may require the employee to liquidate the relevant position. Cancellations of PATs are not permitted (however, please see section 9.1. above).

Employees have no right to profit from, but shall be liable for any loss incurred as a result of any such liquidation.

Any profits that are generated as a result of a PAT which is in breach of this Policy (or the liquidation of such position) shall be claimed by local Compliance and donated to the JB Foundation or Julius Baer Cares. In case an employee refuses to transfer such amount, the provisions defined in the employment conditions apply.

For the avoidance of doubt, the following shall be classified as a gross breach of this Policy:

- the execution of prohibited PAT as set out in section 8;
- the settlement of PAT via a non-disclosed/non-authorized account / custody account held at a bank and/or broker outside the Group;
- the refusal to supply documentation or other information requested by Compliance.

Such breaches may lead to disciplinary action under an employee's contract of employment and in accordance with applicable employment law, extending to potential dismissal.

13. Implementation date

This Policy enters into effect as of 1 January 2020.

Zurich, December 2019

Oliver Bartholet

Chief Risk Officer

Tobias Amiet

Head Markets & Products Compliance

Appendices:

- Appendix 1: [D-1019-01 Application for exemption to hold an account / custody account outside Bank Julius Baer & Co. Ltd., Switzerland](#)
- Appendix 2: [D-1019-02 Declaration of disclosure \(Employees outside Switzerland and EAMs of the Group located in Switzerland\)](#)
- Appendix 3: [D-1019-03 Declaration of disclosure with respect to PAT effected based on a power of attorney and/or a signatory right \(Employees in Switzerland\)](#)
- Appendix 4: [D-1019-04 Notification of a custody account held with a bank outside the Julius Baer Group managed by a discretionary mandate](#)
- Appendix 5: [D-1019-05 Local insider trading regulation](#)

[FS D-1019 Personal Account Transactions by Employees](#)

Questions and answers (Q&A) with regard to policy “Personal Account Transactions by Employees” (D-1019): [D-1019 \(Q&A\) Personal Account Transactions by Employees](#)