

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 do not need to take any action if you have no objections to the change, but it is in your interests to be aware of the proposed changes. There will 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. If you have concerns or objections, please see the action below you may take.

Our intention is to open a new Guernsey branch of our existing parent company, SG Kleinwort Hambros Bank Limited, operating under the name of SG Kleinwort Hambros Bank Limited, Guernsey Branch (the "**New Guernsey Branch**"). SG Kleinwort Hambros Bank Limited is a UK regulated bank which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority. It is proposed that the existing Guernsey branch of SG Kleinwort Hambros Bank (CI) Limited (the "**Existing Guernsey Branch**") will transfer all its business to the New Guernsey Branch (the "**Transfer**"). The Transfer will result in you having a new account(s) with the the New Guernsey Branch. We propose to complete the Transfer on 1st October 2022. In addition:

1. the new Terms of Business which will govern your relationship with the New Guernsey Branch are enclosed with this letter;
2. any loans, guarantees, security or other liabilities owed to us will become owed to the New Guernsey Branch;
3. all of your credit balances, investments and/or other assets held with us in Guernsey will transfer to the New Guernsey Branch; and
4. the New Guernsey Branch will assume all of the obligations associated with providing the services currently provided by the Existing Guernsey Branch.

In nearly every case you should notice no difference in the service you receive and, for example, account numbers and payment details will remain the same. You should refer to the Q&A document enclosed with this letter for answers to more questions you may have.

SG Kleinwort Hambros Bank (CI) Limited
Guernsey Branch
PO Box 6
Hambro House
St Julian's Avenue
St Peter Port
Guernsey GY1 3AE

SG Kleinwort Hambros Bank (CI) Limited, Guernsey Branch is regulated by the Guernsey Financial Services Commission and by the Jersey Financial Services Commission. Its address is PO Box 6, Hambro House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3AE.

SG Kleinwort Hambros Bank (CI) Limited (including the branch) is also authorised and regulated by the UK Financial Conduct Authority in respect of UK regulated mortgage business. The firm reference number is 310344. The company is incorporated in Jersey under number 2693 and its registered address is PO Box 78, SG Hambros House, 18 Esplanade, St Helier, Jersey JE4 8PR. Telephone calls may be monitored or recorded.

If you do not contact us and object, we will assume that you consent to the Transfer. If you are not happy for the transfer of your accounts to take place, you should let us know as soon as possible and in any event before 1st August, 2022.

Details about the progress of the Transfer will be posted on our website at <https://www.kleinworthambros.com/en/important-information/bank-transfer>.

Please find enclosed the following documents:

1. New Terms of Business governing your relationship with the New Guernsey 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 from the date we complete the Transfer. The changes to the existing Terms of Business have been kept to a minimum and have been made only where strictly necessary, for example, to reflect the change in name and regulatory status of the service provider (i.e. from the Existing Guernsey Branch to the New Guernsey Branch). As for the existing Terms of Business, the New ToBs cover the SG Kleinwort Hambros Bank Limited business conducted from both Jersey and Guernsey. 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 the following: new settlement details for non-Sterling payments; Legal Entity Identifiers (LEIs); additional documentation for dealing in derivatives; and a new format of costs and charges disclosure for execution only accounts. 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 Guernsey Branch, including rules applicable to safe custody, advisory services and execution only transactions. It also includes regulatory disclosures that the New Guernsey 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 **no change to the Guernsey Banking Deposit Compensation Scheme** arrangements for your savings. If and to the extent that you are currently protected by the Guernsey Banking Deposit Compensation Scheme, your cash savings will continue to be protected, as outlined in the New ToBs. In addition, there will be no change in the Complaints Handling Policy in the event that you have a complaint against the New Guernsey Branch. However, for services other than cash deposits, you may be entitled to compensation under the UK's Financial Services Compensation Scheme ("**FSCS**") in respect of other categories of claim if the New Guernsey Branch cannot meet its obligations in certain cases. This depends upon the circumstances of the claim.

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: Removal of reference to the FSCS not applying, as it will apply in some circumstances; and
Part 3: para 35: Explanation that the UK Client Money Rules do not apply.

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

No. No further action is required by you and you will be deemed to have agreed to the new terms with effect from the date the Transfer completes (which is currently expected to occur 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?

If you are happy for your accounts, assets and liabilities to transfer to the New Guernsey Branch, you do not need to do anything. If, however, you do not want your account to transfer, you must contact us by email, letter or phone at the following address/numbers by 1st August 2022:

By email:

bank-transfer@kleinworthambros.com

By post:

Kleinwort Hambros Bank Transfer
Hambro House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3AE

By phone:

Please call us on either +44 (0)207 597 3290 or +44 (0)1481 726521.

The lines will be open from 09:00 to 17:00 Monday to Friday (excluding bank holidays). Alternatively, you can contact your Private Banker using your normal contact details. If you object to the Transfer, you will be 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, guarantor, a third party who has security over the account 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,

Phil McIlwraith

Channel Islands 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.*

