SWISSQOIN - DISTRIBUTION MEMORANDUM

This document sets forth the terms on which up to 200,000,000 debt instruments (the "**Swissqoins**" or "**SWQ**") will be distributed, the terms and conditions governing the Swissqoins, as well as important disclosures and explanations relating to such instruments.

The Swissqoins are securities issued by Swissquote Bank Ltd (the "**Issuer**") and may be distributed by the Issuer to holders of "Yuh" bank accounts ("**Yuh Accounts**"). Yuh Accounts are bank accounts accessed and managed substantially or exclusively through a mobile application (the "**Yuh App**"). The Yuh Accounts form part of the services offered under the "Yuh" brand (the "**Yuh Services**"). The Issuer offers the Yuh Services in cooperation with Yuh Ltd, as part of a joint venture with PostFinance AG. Neither Yuh Ltd nor PostFinance AG assumes any liability in connection with the Swissqoins or this document.

Each Swissqoin represents a claim against the Issuer for CHF 0.01 plus a pro rata portion of certain amounts credited on a special bank account. The Swissqoins do not bear interest and have no set maturity date. The Issuer intends to periodically offer to repurchase Swissqoins from holders of Swissqoins ("**SWQ Holders**"), subject to certain conditions, including that the relevant Swissqoins be held on an account with the Issuer. The Swissqoins are represented by digital tokens registered in the Ethereum distributed ledger.

The Swissqoins are distributed free of charge by the Issuer to eligible holders of Yuh Accounts as part of a program to reward users of the Yuh Services (the "**Rewards Program**"). The Issuer intends to distribute Swissqoins for as long as the Rewards Program is ongoing and has not been discontinued.

As the Issuer is not selling the Swissqoins for a consideration and is also not requesting the admission of the Swissqoins to trading on a stock exchange or multilateral trading facility, no prospectus in accordance with the Swiss Financial Services Act ("**FinSA**") is required. This distribution memorandum does not constitute a prospectus within the meaning of FinSA and has not been and will not be approved by an official prospectus review body in Switzerland.

Holding, buying or selling the Swissqoins is not without risks. For a discussion of certain factors that should be considered in relation to Swissqoins, see the risk factors presented in Section 2 of this distribution memorandum.

IMPORTANT

Although the Swissqoins are distributed free of charge, the distribution of this document and the distribution and use of Swissqoins may be restricted by law in certain jurisdictions. Therefore, persons who access this distribution memorandum and persons who receive Swissqoins should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. The distribution of Swissqoins to persons resident in jurisdictions other than Switzerland may be affected by the laws of such other jurisdictions. Unless stated otherwise herein, no action has been or will be taken in any jurisdiction other than Switzerland that would permit a distribution of the Swissqoins or the possession, circulation or distribution of this distribution memorandum or any other material relating to the Issuer or the Swissqoins in any jurisdiction where action for that purpose is required. Accordingly, the Swissqoins may not be distributed, directly or indirectly, and neither this distribution memorandum nor any other material or advertisement in connection with the Swissqoins may be distributed or published, in any form or in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction. Persons resident in countries other than Switzerland should consult their professional advisors as to whether they require any governmental or other consents or need to observe any formalities to enable them to receive Swissqoins.

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Notice to prospective SWQ Holders in the United States, Australia, Canada and Japan
This document and the information contained herein is not for distribution, publication or release, whether directly or indirectly and whether in whole or in part, in or into the United States of America, Australia, Canada, Japan or any other jurisdiction in which such distribution, publication or release would be prohibited by applicable law. The Swissqoins may not be offered, and – except if otherwise permitted under applicable laws – sold, resold, transferred, delivered or acquired, directly or indirectly, in Australia, Canada and Japan.

This document does not and will not constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any Swissqoins in the United States of America. The Swissqoins have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") or registered or qualified under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States of America except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the United States of America. There will be no public offer of the Swissqoins in the United States of America.

Notice to prospective SWQ Holders in the United Kingdom
This document and the information contained herein is for information purposes only. This document and its content is not intended to constitute, nor does it constitute, an invitation or inducement to engage in investment activity or financial advice. This document is not a prospectus for the purposes of United Kingdom law and any person who becomes a holder of a Swissqoin and is resident in the United Kingdom should consider seeking advice from an independent financial adviser authorised to provide financial advice before deciding whether to transfer or dispose of Swissqoins.

FORWARD-LOOKING STATEMENTS

This distribution memorandum contains forward-looking statements that are based on the Issuer's management's beliefs and assumptions and on information currently available to the Issuer's management. All statements other than present and historical facts and conditions contained in this distribution memorandum, including statements regarding future results of operations and financial positions, business strategy, plans and objectives for future operations, are forward-looking statements. When used in this distribution memorandum, the words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "ongoing", "objective", "plan", "potential", "predict", "should", "will" and "would", or the negative of these and similar expressions, identify forward-looking statements.

Prospective SWQ Holders should refer to the risk factors disclosed in Section 2 below for a discussion of important factors that may have a significant impact on the value of the Swissqoins. As a result of these factors, the Issuer cannot guarantee that the forward-looking statements in this distribution memorandum will prove to be accurate. Furthermore, if the forward-looking statements in this distribution memorandum prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, these statements should not be regarded as a representation or warranty by the Issuer or any other person that the Issuer will achieve its objectives and plans in any specified time frame or at all. The Issuer undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Prospective SWQ Holders should read this distribution memorandum and the documents referenced herein completely and with the understanding that the Issuer's actual future results may be materially different from what the Issuer currently expects. The Issuer qualifies all of its forward-looking statements by these cautionary statements.

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1. SUMMARY

The following summary highlights selected information contained elsewhere in this distribution memorandum. This summary must be read as an introduction to the distribution memorandum and does not contain all of the information that might be of relevance to prospective SWQ Holders. Prospective SWQ Holders are encouraged to carefully read this distribution memorandum in its entirety, including the referenced financial statements and the related notes and other documents contained or incorporated by reference in this distribution memorandum.

Issuer	Swissquote Bank Ltd.
Registered office of the Issuer	Chemin de la Crétaux 33, 1196 Gland, Switzerland
Legal form	The Issuer is a stock corporation (*société anonyme / Aktiengesellschaft*) organized under the laws of Switzerland.
Distribution	The Issuer will distribute free of charge up to 200,000,000 Swissqoins.
Background	The Issuer opens and maintains Yuh Accounts, i.e. bank accounts that form part of the services offered under the Yuh brand. To reward holders of Yuh Accounts for performing certain actions, the Issuer intends to distribute Swissqoins free of charge to such holders of Yuh Accounts. The Issuer may for example distribute Swissqoins to holders of Yuh Accounts who have deposited a minimum amount on their Yuh Account, or to those who regular use their Yuh Account. The specific terms of the rewards program as part of which Swissqoins will be distributed can be accessed on www.yuh.com (the "**Yuh Website**") or through the Yuh App and are subject to change without prior notification.
Type of debt instrument	Each Swissqoin represents a claim against the Issuer for the payment of a fixed amount of CHF 0.01 plus a pro rata portion of the amounts credited on the Reserve Account. No interest will be paid on the Swissqoins.
Funding Amount	"**Funding Amount**" means an amount determined by multiplying (a) the total number of Yuh Accounts that are opened as of the end of a calendar month by (b) a Swiss franc amount determined by the Issuer from time to time. The Swiss franc amount by which the number of Yuh Accounts is multiplied is published on the Yuh App or on the Yuh Website.
Reserve Account	To provide transparency, the Issuer has set up a bank account (the "**Reserve Account**") which it has credited with CHF 2,000,000 (i.e. the base price for the 200,000,000 Swissqoins). The Issuer expects to make the following credits and debits on the Reserve Account: • the Reserve Account will be credited with the Funding Amount each month following the calculation of such Funding Amount; • if the Issuer deems it appropriate, the Issuer may (in its sole discretion) credit additional amounts to the Reserve Account without issuing additional Swissqoins; and • in case the Issuer cancels Swissqoins it has bought back, the Reserve Account will be debited with an amount equal to the Swissqoins cancelled multiplied with the then prevailing Redemption Price.

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Buyback	The Issuer will offer to buy back Swissqoins from SWQ Holders at the then prevailing Redemption Price (which will be a Swiss franc amount).
	Buybacks will be effected through a dedicated function of the Yuh App or of the Yuh Website. The Issuer may define, in its sole discretion, certain hours or days during which buybacks will be executed and may in particular interrupt buybacks on the day on which the Funding Amounts are calculated.
Redemption Price	The "**Redemption Price**" will be a Swiss franc amount calculated by the Issuer each time the Reserve Account is credited or debited in accordance with the following formula:

$$REDEMPTION\ PRICE\ =\ \frac{RESERVE\ ACCOUNT\ BALANCE}{TOTAL\ SUPPLY}$$

	where
	"**Reserve Account Balance**" corresponds to the total amount standing to the credit of the Reserve Account at the time of calculation,
	and
	"**Total Supply**" is the number of Swissqoins outstanding at the time of the calculation (including Swissqoins held by the Issuer).
Cancellation	The Issuer is entitled (but not obligated) to cancel all or part of the Swissqoins it has bought back. When cancelling Swissqoins, the Issuer will debit from the Reserve Account the relevant aggregate Redemption Price that is prevailing at the time of the cancellation.
Mandatory Buyback	The Issuer may at any time initiate a mandatory buyback of all outstanding Swissqoins.
	Upon occurrence of a mandatory buyback, all Swissqoins held on accounts held with the Issuer will be debited against payment of the then prevailing Redemption Price. Swissqoins held on external wallets will no longer be transferrable, except to wallets controlled by the Issuer and subject to the Issuer's consent. Payment of the Redemption Price will be conditioned upon the SWQ Holders satisfying account opening formalities with the Issuer and the Swissqoins being accepted by the Issuer. SWQ Holders who fail to transfer their Swissqoins within one year of the mandatory buyback will no longer be entitled to payment of the Redemption Price.

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Tokens	The Swissqoins are issued in the form of uncertificated securities and are represented by digital tokens recorded on the Ethereum blockchain (the "**SWQ Tokens**"). Each SWQ Token represents one Swissqoin.
	The SWQ Tokens are digital tokens recorded on the Ethereum blockchain. Their functions build up on Ethereum's ERC-20 standard. The SWQ Tokens are visible on https://etherscan.io/token/0x2521e19666f4e678ff5af3593c38d3dabd72d4da and on similar platforms. The purpose of the SWQ Tokens is to allow the transfer of the Swissqoins and serve as a record of the ownership of the Swissqoins. The SWQ Tokens cannot be transferred without transferring the related Swissqoins and vice-versa. The SWQ Token itself does not provide its holder with any rights.
	The Issuer reserves the right to de-couple the Swissqoins from the SWQ Tokens at any time and at its sole discretion. In such a case, the SWQ Tokens may be cancelled and will in any case cease to represent Swissqoins and to serve as a valid means to transfer Swissqoins. Such a decision will however not affect the rights of the SWQ Holders under the terms and conditions of the Swissqoin (although the exercise of such rights may be complicated by the de-coupling of the Swissqoins from the SWQ Tokens).
Smart contract	Solidity code available on: **https://github.com/swissquote/swissqoin**. The smart contract address for the SWQ Tokens is 0x2521e19666f4e678ff5af3593c38d3dabd72d4d.
Decimals	The smart contract makes it possible for the SWQ Tokens to be divided down to 8 decimal places.
Distribution period	From the launch of the Yuh Services offering onward. There is no set end date for distribution. However, the Issuer reserves the right to cease distributing Swissqoins at any time.
Delivery	Swissqoins received in connection with the rewards program of the Issuer will be credited to the Yuh Account eligible for such rewards.
Transfer	Initially, only to other Yuh Accounts. The Issuer may permit the transfer to or between external Ethereum wallets, subject to the Issuer's approval and other terms and conditions in force from time to time under the agreements between SWQ Holders and the Issuer.
Distribution restrictions	Customers outside of Switzerland may be subject to eligibility requirements to receive Swissqoins, or be prevented from receiving Swissqoins altogether.
Admission to trading	As of the date hereof, the Swissqoins are not admitted to trading on any regulated or unregulated trading venue. At a later date, the Issuer may (but does not undertake to) admit the Swissqoins to an organized trading facility it operates.
Date of this document	This distribution memorandum is dated 25 March 2022.

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2. RISKS RELATED TO THE SWISSQOINS

To understand the risks associated with the Swissqoins, each prospective SWQ Holder should carefully assess and analyze this distribution memorandum and the documents incorporated by reference herein. Prospective SWQ Holders should carefully consider each of the risks described below and all of the other information in this distribution memorandum before making any investment decision regarding the Swissqoins. The risks described below are not the only ones applicable to the Swissqoins. Additional risks that are not known to the Issuer at this time, or that the Issuer currently considers to be immaterial based on its risk assessment, could significantly affect the Swissqoins. The order in which these risks are presented is not intended to provide an indication of the likelihood of occurrence nor of their severity or significance.

2.1 RISKS RELATED TO THE DEVELOPMENT OF THE YUH SERVICES

2.1.1 THE YUH SERVICES MIGHT NOT SUCCEED

The Swissqoins are distributed as part of the Rewards Program. The value of Swissqoins, as well as any Redemption Price set by the Issuer, is expected to be linked to the number of Yuh Accounts holders, which in turn depends on the success of services provided under the "Yuh" brand. If the Yuh Services are not successful, there may be few Yuh Accounts, in which case the value of the Swissqoins might not increase, or only marginally.

The Yuh Services may be terminated at any time, for example if they are deemed not to be successful. In such a case, the Issuer may cease to credit amounts on the Reserve Account (which will result in the Redemption Price no longer increasing) or terminate the Swissqoins.

2.1.2 FUNDING AMOUNTS ARE NOT CORRELATED TO REVENUES OF THE YUH SERVICES AND ARE SET BY THE ISSUER IN ITS DISCRETION

The Issuer initially intended to link payments to the Reserve Account with revenues generated by services provided under the "Yuh" brand, specifically those generated with subscription amounts that would have been paid by Yuh Account holders. The Issuer has however not implement subscriptions within the timeframe contemplated when the Swissqoins were issued. The Issuer has therefore decided to provide instead that the Reserve Account will be credited by the Funding Amounts. The Funding Amounts are not directly correlated with revenues generated by the Yuh Services, but with the number of Yuh Accounts. The evolution of the Swissqoins' value may therefore not correlate with the evolution of the revenues generated by the Yuh Services.

In addition, Funding Amounts are calculated by multiplying the number of Yuh Accounts by a Swiss franc amount that is determined by the Issuer in its discretion and can be amended at any time without prior notice. The Issuer may for example decide to reduce the Swiss franc multiplier or even to decide that it will be CHF 0, in which case the Issuer would cease to credit amounts on the Reserve Account (and the Redemption Price would no longer increase).

2.1.3 THE ISSUER HAS NO OBLIGATION TO ADJUST THE REWARDS PROGRAM

The Swissqoin's value is expected to derive mainly from the Funding Amounts. As time goes by, the value of a single Swissqoin is expected to keep increasing. Such a mechanism may disadvantage early adopters, as if the Rewards Program is not adjusted periodically to reduce the amount of Swissqoins being distributed as rewards, the value of such rewards will be progressively higher.

Although the Issuer expects to periodically adjust the Rewards Program, the Issuer has no obligation to ensure that the rewards distributed as part of the Rewards Program remain of the same value over time.

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2.1.4 SWQ HOLDERS BEAR A CREDIT RISK

The Swissqoin is an unsecured debt of the Issuer. As such, SWQ Holders bear a credit risk relating to the Issuer. If the Issuer becomes insolvent or bankrupt, SWQ Holders should expect significant losses, or even the loss of the entire amount they may have invested in the Swissqoins.

The Issuer's obligations under the Swissqoins are not guaranteed by any other entity. In particular, neither Yuh Ltd nor PostFinance AG assumes any obligation in relation to the Swissqoins.

2.1.5 A SECONDARY MARKET FOR THE SWISSQOINS MAY FAIL TO DEVELOP OR BE HIGHLY VOLATILE

If a secondary market for the Swissqoins exists, it may be highly volatile. Such volatility could be caused by the (expected) success or failure of the Yuh Services, the Issuer's general operational performance or other events involving the Issuer and/or its customers, suppliers or competitors, but also by changes in general conditions in the economy or the financial markets, and the banking industry in particular. As a result of such fluctuations, SWQ Holders may not be able to sell the Swissqoins at or above the Redemption Price. To the extent SWQ Holders have purchased Swissqoins on the secondary market, they may also incur losses.

2.2 RISKS RELATED TO THE SWQ TOKENS AND DISTRIBUTED LEDGERS

2.2.1 THE SMART CONTRACT GOVERNING THE SWISSQOINS MAY NOT FUNCTION PROPERLY

The Swissqoins are associated with the SWQ Tokens, i.e. digital tokens, which are recorded on the public version of the Ethereum blockchain. Under the terms of the Swissqoins set forth herein, the SWQ Tokens and the underlying Swissqoins are tied to each other in a manner that will prevent the Swissqoins from being transferred without the corresponding SWQ Tokens and vice-versa.

The SWQ Tokens will be created and managed under the terms of a so-called "smart contract", i.e. computer code that defines the manner in which digital tokens can be created, transferred and cancelled. Smart contracts are non-trivial pieces of computer code and their interactions with the distributed ledger for which they have been created are complex. The smart contract governing the SWQ Tokens has been developed by the Issuer and there is no guarantee that the code of the smart contract is free of flaws, errors, defects and bugs, which may disable some functionality of the SWQ Tokens, expose SWQ Holders' information or otherwise be harmful to the SWQ Holders or the Issuer. Prospective SWQ Holders should review the functioning of the smart contract underpinning the SWQ Tokens and seek advice from third party experts, if necessary, to understand it.

Should the smart contract based on which the SWQ Tokens are operated cease to function properly for any reason, this could impair the ability of the Issuer to meet its obligations as set forth in the terms of the Swissqoins, complicate the process through which SWQ Holders can exercise the rights associated with the Swissqoins, or limit the Issuer's ability to buy back existing Swissqoins.

2.2.2 RISKS RELATED TO THE ETHEREUM DISTRIBUTED LEDGER IN GENERAL

The SWQ Tokens are digital tokens recorded on the Ethereum blockchain, a distributed ledger.

The distributed ledger technology is new and to a large extent untested and subject to known and unknown risks. In particular, the distributed ledger technology functions based on concepts belonging to asymmetric cryptography, or public key cryptography. Scientific research regarding the distributed ledger technology is still at an early stage. Code cracking or technical advances such as the development of quantum computers, could present a risk for the Ethereum distributed ledger. This could result in the theft, loss, disappearance, destruction or devaluation of SWQ Tokens.

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Hackers or other groups or organizations may attempt to interfere with wallets maintained by tokenholders in any number of ways, including without limitation denial of service attacks, spoofing, smurfing, malware attacks or consensus based attacks. In addition, the Ethereum blockchain is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks (or "51% attacks"), "selfish-mining" attacks, and race condition attacks.

The Ethereum source code could be updated, amended, altered or modified from time to time by the developers and/or the community of Ethereum users. There can be no guarantee that such update, amendment, alteration or modification will not adversely affect the functionality of the SWQ Tokens.

2.2.3 RISKS RELATED TO "HARD FORKS" OF THE ETHEREUM DISTRIBUTED LEDGER

Changes to the protocol that govern the Ethereum distributed ledger may result in the development of parallel chains of blocks (so-called "hard forks") when some of the distributed ledger's nodes are validating transactions on the basis of the old version of the protocol, while other nodes are validating transactions on the basis of the new protocol. Such events may result in the SWQ Tokens being duplicated, which may cause uncertainty as to which version is representing the Swissqoins.

2.2.4 RISK OF LOSS OR THEFT OF THE DIGITAL TOKENS ASSOCIATED WITH THE SWISSQOINS

Control over the SWQ Tokens requires a so-called "private key", i.e. a code that is paired with the distributed ledger address on which the digital tokens associated with the relevant Swissqoins have been recorded. Loss or theft of the private key associated with a particular distributed ledger address may make it impossible for the owner of such private key to identify itself as the legitimate owner of the digital tokens recorded on the relevant distributed ledger address.

Swiss law may provide ways for holders of rights that are represented by digital tokens to exercise their rights even if such holders have lost their accesses to the digital tokens. However, the relevant process may take time and the enforcement of decisions on the distributed ledger may be difficult in practice.

2.2.5 THE COMPLETE TRADING HISTORY OF EACH DIGITAL EXTERNAL WALLET WILL BE AVAILABLE TO THE GENERAL PUBLIC AND IT MAY BE POSSIBLE FOR MEMBERS OF THE PUBLIC TO DETERMINE THE IDENTITY OF SWQ HOLDERS

The Swissqoins are associated with the SWQ Tokens, i.e. digital tokens recorded on the public version of the Ethereum distributed ledger. Any transfer of Swissqoins between external wallets will be public shortly after such trades are entered into. Although the data made available on the public version of the Ethereum distributed ledger is anonymous, it includes the distributed ledger address of each SWQ Holder transacting in Swissqoins, and the entire trading history of each distributed ledger address (including the number of digital tokens traded by each digital wallet and the balance of the digital tokens held in each digital wallet). As a result, the trading history of each distributed ledger address is available to the general public. It may be possible for members of the public to determine the identity of the holders of certain distributed ledger addresses based on publicly available information.

2.3 RISKS RELATED TO TAXATION

2.3.1 THE SWISSQOINS ARE LIKELY REPORTABLE FOR TAX PURPOSES

Even if they are distributed free of charge and without any further action required from their recipients, the Swissqoins are likely to be considered as movable assets under Swiss tax law. Accordingly, the Swissqoins would be subject to any applicable (cantonal or municipal) wealth tax and would need to be reported to competent tax authorities, at their market value.

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2.3.2 THE TAX TREATMENT OF THE SWISSQOINS IS UNCERTAIN

The Swissqoins are novel instruments. The Issuer has not requested any confirmation or tax ruling from tax authorities in Switzerland or abroad. Accordingly, the tax treatment of the Swissqoins is subject to uncertainties. In particular, it cannot be excluded that all or a portion of the Redemption Price that may be paid to SWQ Holders would constitute taxable income under Swiss law. SWQ Holders should consult their own tax advisors to assess the consequences that receiving, holding and selling Swissqoins may have on their tax situation.

3. THE YUH SERVICE AND DISTRIBUTION OF SWISSQOINS

3.1 THE YUH SERVICES

The Issuer opens and maintains Yuh Accounts, which form part of the Yuh Services. The Yuh Services are a range of innovative "neo-bank" services accessible through a mobile application (the Yuh App). To provide the Yuh Services, the Issuer has entered into a joint venture agreement with PostFinance AG. Pursuant to this agreement, the Issuer and PostFinance AG have agreed to create Yuh Ltd, a company jointly owned by the Issuer and PostFinance AG.

Yuh Accounts are bank accounts accessed and managed through the Yuh App. Yuh Accounts allow their holders to make payment, manage their savings and invest.

In this context, to foster the growth of the "Yuh" community and reward the holders of Yuh Accounts for using the Yuh Services, the Issuer expects to continue distributing Swissqoins to holders of Yuh Accounts and to offer repurchasing the Swissqoins at the Redemption Price. The Swissqoins' value is expected to increase as the "Yuh" community grows larger, because the Redemption Price ultimately mostly depends on Funding Amounts, which in turn depend on the number of Yuh Accounts.

At a later stage, the Issuer may admit the Swissqoins to trading on an organized trading facility it operates. If the Swissqoins are admitted to trading on such an organized trading facility, or if a secondary market otherwise develops for the Swissqoins, SWQ Holders may also have the possibility to buy or sell Swissqoins on the secondary market.

3.2 DISTRIBUTION OF SWISSQOINS AND FURTHER USES

3.2.1 REWARDS SCHEDULE

Under the Rewards Program, the Issuer will distribute Swissqoins free of charge upon fulfilment of certain criteria (such as depositing money in a Yuh Account or the regular use of a Yuh Account). The Issuer will only distribute Swissqoins to holders of Yuh Accounts and does not undertake to open a Yuh Account for any person interested in receiving Swissqoins.

The Issuer expects to distribute Swissqoins in accordance with the indicative rewards schedule (the "**Rewards Schedule**") available on the Yuh Website or on the Yuh App. The Issuer may amend the Rewards Schedule at any time and without prior notice.

3.2.2 EXPECTED ADJUSTMENTS TO THE REWARDS SCHEDULE

Each Swissqoin will have the same value and the Swissqoins will be fungible instruments. As the Issuer credits Funding Amounts on the Reserve Account, the value of each individual Swissqoin will increase. While this is intended to benefit

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early adopters who keep their Swissqoins and refrain from selling them, it may actually favor new clients if the Rewards Schedule is not adapted to reduce the quantity of Swissqoins distributed over time. Indeed, if the Rewards Schedule is not adapted, the Issuer may distribute the same amount of Swissqoins to reward the same actions, but those newly distributed Swissqoins will be worth more than those the Issuer had previously distributed.

The Issuer therefore expects to periodically adjust the Rewards Schedule, so as to gradually reduce the number of Swissqoins distributed by the Issuer over time. The Issuer does not undertake to make any adjustment of the Rewards Schedule. Further, the Issuer does not warrant that any adjustment made will ensure that the value of any distribution of Swissqoins under the Rewards Schedule will be constant over time.

3.2.3 FURTHER USES OF THE SWISSQOINS

At a later stage of the Swissqoins' lifetime, the Issuer may allow or encourage the use of Swissqoins as means of payment for goods and services commercialized by the Issuer, its business partners and third parties.

4. TERMS AND CONDITIONS OF THE SWISSQOINS

The terms and conditions of the Swissqoins (each a **"Condition"**, and together the **"Terms of the SWQ"**) are as set forth in this Section 4.

CONDITION 1 – ISSUANCE AND CANCELLATION

The Issuer has issued 200,000,000 Swissqoins and plans to distribute such Swissqoins to holders of Yuh Accounts in accordance with Condition 2.

The Issuer is entitled (but not obligated) at any time to cancel all or part of the Swissqoins it holds for its own account.

CONDITION 2 – DISTRIBUTION

The Issuer is entitled to distribute the Swissqoins at its sole discretion. The Issuer expects to distribute Swissqoins free of charge and in accordance with the Rewards Schedule. The Issuer is not bound by the Rewards Schedule and may, in any event, amend it at any time.

CONDITION 3 – CLAIM

The Swissqoins are debt securities of the Issuer.

Each Swissqoin represents a claim of the relevant SWQ Holder against the Issuer for the Redemption Price, i.e. for the payment of an amount of CHF 0.01 plus a pro rata portion of (a) the Funding Amounts, and (b) Additional Contributions made by the Issuer, as further defined and described in Condition 4. The Issuer shall pay the Redemption Price when buying back Swissqoins pursuant to Condition 5. SWQ Holders have no right to demand payment from the Issuer other than in accordance with Condition 5.

The Swissqoins do not bear interest and do not entitle the SWQ Holder to any other rights except to sell back the Swissqoins to the Issuer in accordance with the modalities set forth in Condition 5.

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CONDITION 4 – REDEMPTION AND CALCULATION OF THE REDEMPTION PRICE

4.1   RESERVE ACCOUNT

To calculate the Redemption Price, the Issuer has set up the Reserve Account, a dedicated bank account held by and with the Issuer. The purposes and functioning of the Reserve Account are set forth in the following sub-sections.

4.2   INITIAL CREDIT

To issue the 200,000,000 Swissqoins, the Issuer has made an initial credit of CHF 2,000,000 on the Reserve Account.

4.3   CREDIT OF FUNDING AMOUNTS

The Issuer will credit the Reserve Account with the Funding Amounts. The Funding Amounts are calculated by multiplying the number of Yuh Accounts that are opened as of the end of a calendar month by an amount determined by the Issuer from time to time and published on the Yuh App and/or Yuh Website. For the avoidance of doubt, all Yuh Accounts appearing as opened in the Issuer's systems as of the end of the last day of the relevant month will be taken into account in the calculation.

On the Calculation Date, the Issuer will (a) calculate the Funding Amount in respect of the preceding calendar month and (b) credit the Funding Amount on the Reserve Account.

Any calculation of the Funding Amount will be made by the Issuer at its sole discretion and will – absent manifest error – be binding on all SWQ Holders. The Issuer is under no obligation to publish or otherwise make available any details of the calculation of the Funding Amount, including evidence of the number of Yuh Accounts.

For the purposes of the Terms of the SWQ,
- a "**Business Day**" is a day (other than a Saturday or a Sunday) on which banks are opened for general business at the seat of the Issuer in Gland, Switzerland; and
- the "**Calculation Date**" is the fifteenth day of each calendar month or, if such day is not a Business Day, on the Business Day immediately following such day.

4.4   ADDITIONAL CONTRIBUTIONS

The Issuer is entitled to make additional payments to the Reserve Account at any time without issuing new Swissqoins (each, an "**Additional Contribution**"). The Issuer may (but does not undertake to) make Additional Contributions to increase the Redemption Price for marketing purposes.

4.5   DEBIT IN CASE OF CANCELLATION OF SWQ

In case the Issuer cancels Swissqoins held by it for its own account, the Issuer will debit from the Reserve Account an amount equal to the number of cancelled Swissqoins multiplied by the applicable Redemption Price.

4.6   REDEMPTION PRICE

The Redemption Price will be calculated by the Issuer each time the Reserve Account is credited or debited in accordance with this Conditions 4, as follows:

$$REDEMPTION\ PRICE\ =\ \frac{RESERVE\ ACCOUNT\ BALANCE}{TOTAL\ SUPPLY}$$

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where:

"Reserve Account Balance" corresponds to the total amount standing to the credit of the Reserve Account at the time of calculation,

and

"Total Supply" is the number of Swissqoins outstanding at the time of the calculation.

The Issuer will publish the Redemption Price following its calculation on the Yuh App and/or the Yuh Website.

CONDITION 5 – BUYBACK

SWQ Holders will be able to sell their Swissqoins back to the Issuer at the then prevailing Redemption Price. Such buybacks will be made through a dedicated function accessible through the Yuh App or the Yuh Website. Buybacks will only be made during certain hours or days, as determined in the sole discretion of the Issuer and as communicated on the Yuh App or the Yuh Website. In particular, the Issuer expects to stop buyback activities for a few hours at least on Calculation Dates and on such other dates when the Issuer publishes an updated Redemption Price.

Payment of the Redemption Price will be made in Swiss francs to the Yuh Account of the SWQ Holder whose Swissqoins are bought back by the Issuer. The Issuer will not wire the Redemption Price to any other bank account or wallet. Therefore, SWQ Holders who wish to be paid the Redemption Price must hold a Yuh Account. To open a Yuh Account, separate account opening formalities will have to be completed. The Issuer does not undertake to open a Yuh Account for any SWQ Holder wishing to be paid the Redemption Price.

The credit of the (aggregate) Redemption Price to the Yuh Account will be in full and final settlement of the Issuer's obligations under or in connection with the bought back Swissqoins, and the relevant SWQ Holder will have no further rights or claims against the Issuer under or in connection such Swissqoins.

Swissqoins held by the Issuer for its own account are not eligible for buyback. The Issuer may at its sole discretion cancel such Swissqoins at any time as provided for in Condition 1 above.

CONDITION 6 – MANDATORY BUYBACK

The Issuer may at its sole discretion and at any time initiate a mandatory buyback of all then outstanding Swissqoins (a "Mandatory Buyback"). The Issuer will announce the Mandatory Buyback on the Yuh Website or on the Yuh App and will indicate on which date the Mandatory Buyback will take place. Where feasible, the Issuer will give advance notice of an upcoming Mandatory Buyback on the Yuh Website or on the Yuh App.

On the date of the Mandatory Buyback, all Swissqoins held on accounts held with the Issuer will be debited against payment, on the relevant accounts, of the then prevailing Redemption Price. The credit of the Redemption Price to the relevant accounts with the Issuer will be in full and final settlement of the Issuer's obligations under or in connection with the bought back Swissqoins, and the relevant SWQ Holders will have no further rights or claims against the Issuer under or in connection such Swissqoins.

For Swissqoins held on external wallets, the following applies in case of a Mandatory Buyback:

- as from the date of the Mandatory Buyback, such Swissqoins will no longer be transferrable, except to wallets controlled by the Issuer and subject to the Issuer's consent;
- SWQ Holders who held SWQ Tokens on external wallets will be required to transfer such SWQ Tokens on a Yuh Account held with the Issuer in order to receive the Redemption Price;

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- to open a Yuh Account and transfer their SWQ Tokens, SWQ Holders will be required to complete account opening formalities. The Issuer does not undertake to open a Yuh Account for any SWQ Holder. Accordingly, SWQ Holders who hold their SWQ Tokens on external wallets may not be able to receive the Redemption Price in case of a Mandatory Buyback; and
- SWQ Holders who fail to transfer their Swissqoins to a Yuh Account within one year of the Mandatory Buyback will lose all rights or claims against the Issuer under or in connection with the Swissqoins held by such SWQ Holders and will no longer be entitled to payment of the Redemption Price.

CONDITION 7 – ASSOCIATION WITH SWQ TOKENS AND TRANSFERS

7.1   ASSOCIATION OF THE SWISSQOINS WITH THE SWQ TOKENS

The Swissqoins are registered uncertificated securities (*Registerwertrecht / droits-valeurs de registre*) pursuant to Article 973d of the Swiss Code of Obligations (the "**CO**"). The Swissqoins are represented by digital tokens, i.e. by the SWQ Tokens. Accordingly, ownership of any Swissqoin may be transferred only by transferring the associated SWQ Token.

SWQ Holders are not entitled to request the printing or delivery of physical certificates representing the Swissqoins.

The Issuer may however, in its sole discretion, decide that the Swissqoins will no longer be represented by the SWQ Tokens and, instead, issue other digital tokens that will represent the Swissqoins, decide that the Swissqoins will be simple uncertificated securities (*einfache Wertrechte / droits-valeurs simples*) pursuant to Article 973c CO or issue certificates representing the Swissqoins.

7.2   TRANSFERS OF SWISSQOINS

Distribution by the Issuer

Swissqoins received under the Rewards Program will be credited to the Yuh Account that is eligible for such rewards.

Transfer of Swissqoins between securities accounts (including Yuh Accounts) held with the same depositary

Notwithstanding Condition 7.1, Swissqoins held on securities accounts held with a depositary within the meaning of the Intermediated Securities Act ("**ISA**") are transferred to another account held with the same depositary in accordance with ISA, i.e. by debit / credit of the relevant securities accounts.

Other transfers

Transfers of Swissqoins to or from external wallets where ISA does not apply are effected by transfer of the relevant SWQ Tokens on the Ethereum distributed ledger. An assignment of tokenized Swissqoins other than in compliance with ISA is only valid if it is permanently recorded on the Ethereum distributed ledger. The transfer of a private key associated with a distributed ledger address to which SWQ Tokens are allocated does not give rise to a transfer of the corresponding Swissqoins.

Transfers to or from external wallets are only possible if the relevant wallets have not been blacklisted by the Issuers, using the relevant blacklisting function described in Section 5.3.4 below.

7.3   AGREEMENTS BETWEEN THE ISSUER AND SWQ HOLDERS

Transfers between, to or from Yuh Accounts are subject to the requirements and restrictions set forth in the agreements between each of the relevant Yuh Account holder and the Issuer (which may inter alia provide that transfers are possible

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only against payment of certain fees). There can be no assurance that such transfers will in fact be possible and the Issuer does not undertake to allow or facilitate such transfers.

7.4   SMART CONTRACT

The SWQ Tokens are created and managed with a so-called "smart contract", a computer code that defines the manner in which the digital tokens can be created, transferred and cancelled. Some key features of the smart contract governing the digital tokens with which the Swissqoins will be associated are described in Section 5 below.

CONDITION 8 – SIMPLIFIED PROCESS TO CANCEL SWQ TOKENS

In case a SWQ Holder has lost access to its SWQ Tokens (e.g. as a result of an unauthorized access to the relevant SWQ Holder's external wallet), the procedure contemplated in Article 973h CO will apply, subject to the following:

- the deadline of Article 983 CO is shortened to one month; and
- any order in accordance with Article 984 CO is to be published only once in the Swiss Official Gazette of Commerce.

CONDITION 9 – SECONDARY MARKET

The Issuer has not requested the listing or admission to trading of the Swissqoins on any exchange or multilateral trading facility, and does currently not contemplate making any such request.

The Issuer however expects (but does not undertake) to admit the Swissqoins to an organized trading facility that it operates. If and when the Swissqoins are admitted to trading on an organized trading facility operated by the Issuer, the trading of Swissqoins on such venue will only be permitted to clients of the Issuer who have entered into the appropriate agreements and have agreed to be bound by the rules of the venue. Even if the Swissqoins are admitted to trading on an organized trading facility operated by the Issuer, the Issuer may reverse this decision at any time.

The Issuer does not undertake to act as market maker or instruct a third party to act as market maker for the Swissqoins.

CONDITION 10 – UNSECURED DEBT

The Swissqoins is an unsecured debt of the Issuer. In particular, the Reserve Account is not a security or other guarantee in favor of the SWQ Holders, but only a part of the mechanism used by the Issuer to determine the Redemption Price. The Issuer remains the holder of the Reserve Account and SWQ Holders have no claim, right or title to any amount standing to the credit of the Reserve Account.

CONDITION 11 – SUBSTITUTION OF THE ISSUER

The Issuer reserves the right to at any time substitute itself in respect of all rights and obligations arising under or in connection with the Swissqoins with (a) any entity of which all shares carrying voting rights are directly or indirectly held by its parent company Swissquote Group Holding SA ("**SQGH**"), (b) Yuh Ltd, or with (c) any entity that replaces the Issuer to provide the Yuh Service or that provides the Yuh Service, or services otherwise relating to Yuh Accounts, in cooperation with the Issuer.

In such an event, all references to the "Issuer" shall be deemed to be references to the new issuer.

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CONDITION 12 – AMENDMENT TO THE TERMS OF THE SWQ

The terms of the Swissqoins set forth in this Section 4 (in particular any of the Conditions set forth herein) may be amended by the Issuer unilaterally and at any time with one month prior notice.

CONDITION 13 – REPRESENTATIVE

There is no representative for the SWQ Holders. Each SWQ Holder exercises its rights individually.

CONDITION 14 – NOTICES

All notices from the Issuer regarding the Swissqoins will be published on the Yuh Website (which can be accessed at www.yuh.com) and through the Yuh App.

CONDITION 15 – GOVERNING LAW AND JURISDICTION

This distribution memorandum and the Swissqoins are exclusively governed by and construed in accordance with the substantive laws of Switzerland.

The exclusive place of jurisdiction for any dispute, claim or controversy arising under, or in connection with or related to this distribution memorandum or the Swissqoins is Gland, Canton of Vaud, Switzerland.

5. INFORMATION ON THE DISTRIBUTED LEDGER TECHNOLOGY AND THE SMART CONTRACT OF THE SWQ TOKENS

5.1 GENERAL INFORMATION ON THE DISTRIBUTED LEDGER TECHNOLOGY

The distributed ledger technology is a technology that allows the operation of a distributed ledger, i.e. a ledger that is not kept by a trusted intermediary but by a network of participants. The distributed ledger technology, as implemented on the Ethereum distributed ledger is based on complex mathematical and cryptography concepts, which are described in this document at a very high level and in layman's terms.

The distributed ledger technology, as implemented on the Ethereum distributed ledger, is based on asymmetric cryptography (also sometimes called public key cryptography) and makes use of the elliptic curve digital signature algorithm (or ECDSA). At a high level, asymmetric cryptography focuses on the interplay between a public key and a private key, which are two numbers that are mathematically related. The public key is – as its name indicate – public, while the private key must remain secret. The holder of the private key can generate signature messages that have certain mathematical properties. Using the signature message and the public key, it is possible to ascertain that the message was produced using the private key (and thus that the signature message is authentic). While it is possible to determine that the private key was used, current technology does not allow one to deduce the private key from signature messages.

The features of asymmetric cryptography mean that, to validate the authenticity of a message, there is no need to know the secret private key of the message's sender. The sender therefore does not need to entrust anyone with a secret (the private key). In the distributed ledger technology, the sender broadcasts its message to certain participants of the distributed ledger networks. In a distributed ledger functioning as a distributed ledger, these participants validate transactions in blocks (which may be comprised of hundreds of transactions or more). Each of these participants

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maintains its own record of the distributed ledger, and will update such record when a participant proposes to include a new "block" of transactions. A transaction is recorded after it has been added to a block of transactions that the participants have collectively decided to include in their own record of the distributed ledger.

In a distributed ledger context, the public key is often referred to as the "distributed ledger address" or "blockchain ledger address".

5.2 THE ETHEREUM DISTRIBUTED LEDGER

The Ethereum blockchain is a distributed ledger that has essentially two categories of functions.

The first refers to Ether (or ETH). Ether is a cryptocurrency (or digital currency) that is recorded and traded on the Ethereum blockchain. Users of the Ethereum blockchain can trade Ethers on the Ethereum blockchain and use such Ethers as means of payment.

The second is the use of "smart contracts". The Ethereum blockchain allows for the creation of "smart contracts". Smart contracts are, in this context, distributed ledger addresses that are operated by computer code. Smart contracts can perform a large number of functions, including to create tokens. A token is not a computer program that can be separated from the smart contract or the distributed ledger on which it was created. Rather, a token is an entry in a register that is maintained using the smart contract. The proof that a particular distributed ledger address holds tokens is thus that the register maintained through the smart contract contains a corresponding entry.

5.3 MAIN FEATURES OF THE SMART CONTRACT GOVERNING THE SWQ TOKENS

5.3.1 CREATION AND CANCELLATION OF SWQ TOKENS

The smart contract will make it possible for the Issuer to create and cancel the SWQ Tokens.

The Issuer will cancel (burn) SWQ Tokens and/or declare that SWQ Tokens no longer represent the debt of the Issuer if (i) it cancels specific existing Swissqoins, (ii) the Issuer resolves to issue previously tokenized Swissqoins in a different form (e.g. in the form of paper certificates instead of digital tokens) or (iii) the Issuer resolves to cancel SWQ Tokens associated to existing Swissqoins and to re-issue such SWQ Tokens on a different distributed ledger address (e.g. in the event of a loss or theft of digital tokens).

5.3.2 ALLOCATION OF SWQ TOKENS TO DISTRIBUTED LEDGER ADDRESS

The smart contract makes it possible for the Issuer to allocate SWQ Tokens to specified distributed ledger addresses, and to determine at all times the number of SWQ Tokens associated with a specific distributed ledger address.

5.3.3 TRANSFER OF SWQ TOKENS

The smart contract makes it possible for persons or entities controlling the private key associated with the distributed ledger address to which the SWQ Tokens have been allocated to transfer SWQ Tokens from their distributed ledger address to another distributed ledger address.

5.3.4 BLACKLIST

The smart contract of the SWQ Tokens gives the Issuer the possibility to designate wallet addresses that are blacklisted, i.e. that may neither send nor receive SWQ Tokens. The Issuer intends to blacklist wallet addresses that it reasonably

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believes to be associated with a crime, terrorist financing, money-laundering, or with persons placed under sanctions by the United Nations or by any United States, European Union, United Kingdom or Swiss authority.

5.3.5 UPGRADE

The smart contract also gives the Issuer the ability to upgrade the smart contract's code, a possibility the Issuer may use e.g. to improve the functioning of the smart contract or correct bugs.

5.4 TRADING RESTRICTIONS

No action has been or will be taken in any jurisdiction other than Switzerland that would permit a distribution of the Swissqoins or the possession, circulation or distribution of this distribution memorandum or any other material relating to the Issuer or the Swissqoins in any jurisdiction where action for that purpose is required. Accordingly, the Swissqoins may not be distributed, directly or indirectly, and neither this distribution memorandum nor any other distribution material or advertisement in connection with the Swissqoins may be distributed or published, in any form or in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction. Persons resident in countries other than Switzerland should consult their professional advisors as to whether they require any governmental or other consents or need to observe any formalities to enable them to receive Swissqoins.

6. TAXATION

The tax laws applicable in Switzerland and the jurisdiction of the SWQ Holders may have important consequences on the Swissqoins. SWQ Holders and prospective SWQ Holders should consult their own tax advisors as to which countries' tax laws could be relevant to holding, acquisition or disposal of Swissqoins and the consequences of such actions under the tax laws of those countries.

The following is a general, high-level description of certain possible tax considerations relating to the Swissqoins. The Swissqoins are novel instruments and the Issuer has not requested any confirmation or tax ruling from tax authorities in Switzerland or abroad. This summary is not and must not be construed as a tax advice and does not purport to be a complete analysis of all tax considerations relating to the Swissqoins.

SWISS WEALTH TAX

For private investors with tax domicile in Switzerland, the Swissqoins are likely to be considered as movable assets that are subject to cantonal and municipal wealth tax. The Swissqoins would therefore need to be reported for tax purposes at their market value at the end of the relevant tax period.

SWISS INCOME TAX

For private investors with tax domicile in Switzerland, the return of a movable asset is as a general rule subject to income tax. By way of exception, capital gains are however typically exempt for private investors. Given the nature of the Swissqoins, it cannot be excluded that the Funding Amounts reflected in the Redemption Price would qualify as a taxable income. Capital gains realized by professional investors, as defined by the Swiss tax authorities' practice, are subject to income tax.

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SWISS WITHHOLDING TAX

The Swissqoins are not part of the taxable items referred to in the Swiss Withholding Tax Act. Buybacks executed by the Issuer should therefore not be subject to Swiss withholding tax.

STAMP DUTY

Transactions on Swissqoins on the secondary market (if any) are in principle not subject to the Swiss federal stamp duty.

7. THE ISSUER

7.1 GENERAL CORPORATE INFORMATION

The Issuer's corporate name is "Swissquote Bank Ltd". The Issuer's registered office and principal place of business is at Chemin de la Crétaux 33, 1196 Gland, Switzerland.

The Issuer is a stock corporation (*société anonyme / Aktiengesellschaft*) organized under the laws of Switzerland. The Issuer was incorporated on November 17, 2000. The Issuer is registered in the commercial register of the Canton of Vaud under registration number CHE-102.383.586. The Issuer's duration is not limited by law or by the Issuer's articles of association. The Issuer's business purpose is set out in Article 3 of its articles of association, which reads as follows (free translation from the French authoritative version):

> "*Article 3*   *Purpose*
>
> *The company's main purpose is to exercise a banking and securities dealer activity, mainly through the use of electronic systems.*
>
> *Its activities extend inter alia to the following areas of operation:*
>
> a)   *accepting deposits in the usual banking manner;*
> b)   *executing any operations on securities, financial instruments, precious metals and currencies, mainly on electronic market, for own account or for the account of third parties;*
> c)   *spot or forward foreign exchange operations;*
> d)   *administrating and safekeeping of securities, precious metals and other valuable assets;*
> e)   *executing fiduciary operations;*
> f)   *distributing and representing Swiss and foreign investment funds;*
> g)   *offering quotes for investment funds to the public;*
> h)   *granting credit facilities, loans, current account and fixed term advances, mostly on a secured basis;*
> i)   *issuing sureties, guarantees and similar undertakings, guaranteed by assets in accordance with the company's regulations;*
> j)   *all tasks of a depositary bank for collective investment schemes;*
> k)   *all tasks of a collective investment schemes asset manager.*
>
> *Within the boundaries of its business purpose, the company may also acquire, administer and control holdings in all businesses in Switzerland or abroad.*

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The company may acquire real estate assets in Switzerland or abroad.

The geographical scope for securities operations extends to stock exchanges and organized markets, especially electronic ones, in Switzerland and abroad. For margin loan operations, the geographical scope extends to Switzerland and abroad.

The company may create subsidiaries, branches, agencies, representative offices in Switzerland and abroad.

The company may perform all actions relating directly or indirectly to its purpose."

7.2 GROUP ACTIVITIES AND STRUCTURE

The Issuer is licensed as a bank by the Swiss Financial Market Supervisory Authority FINMA. It is a wholly-owned subsidiary of SQGH and part of the Swissquote group (the "**Swissquote Group**"). The shares in SQGH are listed on SIX Swiss Exchange.

The Swissquote Group provides a comprehensive suite of online financial services to a broad spectrum of customers, ranging from retail investors, affluent investors to professional and institutional customers. The Swissquote Group operates in Switzerland through the Issuer and globally under the Swissquote brand with offices located in United Arab Emirates (Dubai), Europe (United Kingdom, Luxembourg and Malta), Republic of China (Hong Kong) and Asia Pacific (Singapore).

More information on the Issuer and the Swissquote Group can be accessed on www.swissquote.ch under Company > Investor Relations.

The Issuer is providing the Yuh Service in cooperation with Yuh Ltd, a company jointly owned by the Swissquote Group and PostFinance AG, a subsidiary of the Swiss Post. Neither Yuh Ltd nor Postfinance AG assumes any obligation in relation to the Swissqoin.

7.3 CORPORATE BODIES

7.3.1 BOARD OF DIRECTORS

The responsibility for the strategic direction and supervision of the Issuer is with the Issuer's board of directors. As of the date hereof, the following individuals are members of the Issuer's board of directors:

Name	Function
Markus Dennler	Chairman
Monica Dell'Anna	Member
Martin Naville	Member
Beat Oberlin	Member
Jean-Christophe Pernollet	Member

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7.3.2 EXECUTIVE MANAGEMENT

The board of directors of the Issuer has delegated certain tasks to the Issuer's executive management.
As of the date hereof, the following individuals are members of the executive management:

Name	Function
Marc Bürki	Chief Executive Officer
Paolo Buzzi	Deputy Chief Executive Officer
Yvan Cardenas	Chief Financial Officer
Gilles Chantrier	Chief Risk Officer
Alexandru Craciun	Chief Technology Officer
Jan De Schepper	Chief Sales & Marketing Officer
Lino Finini	Chief Operating Officer
Morgan Lavanchy	Chief Legal officer

7.3.3 INDEPENDENT AUDITORS

Under the Issuer's articles of association, the Issuer's independent (external) auditors are elected for a one-year term on the occasion of each annual general meeting. Re-election is permitted.

The Issuer's auditors are PricewaterhouseCoopers SA, Pully, Switzerland, an audit firm authorized and supervised by the Swiss Federal Audit Oversight Authority.

7.3.4 ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

The Issuer's parent, SQGH, publishes an annual report. In accordance with the SIX Swiss Exchange listing rules, SQGH's report includes a corporate governance report, which contains further information on the Swissquote Group's corporate governance, a remuneration report and a sustainability report. SQGH's annual reports are available on www.swissquote.ch under Company > Investor Relations.

7.4 SHARE CAPITAL AND VOTING RIGHTS OF THE ISSUER

7.4.1 CAPITAL STRUCTURE AND VOTING RIGHTS

As of the date hereof, the share capital of the Issuer amounts to CHF 42,000,000, divided into 7,000,000 registered voting shares (*actions nominatives / Namenaktien*) with a par value of CHF 6 each, fully paid-in. Each share carries one vote at shareholders' meetings of the Issuer. As of December 31, 2020, the Issuer's equity amounted to CHF 330 million.

The Issuer's articles of association do not contain provisions that create an authorized or conditional share capital.

7.4.2 CONVERSION RIGHTS, OPTION RIGHTS, BORROWINGS AND CONTINGENT LIABILITIES

Neither the Issuer nor any of its subsidiaries has issued bonds or similar debt instruments convertible into voting or non-voting shares.

The Issuer has not issued options or acquisition rights having their underlying asset. Shares delivered under the stock option plan offered to employees of the Issuer are shares of SQGH, the Issuer's parent.

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7.4.3   SHARES HELD IN TREASURY

As of the date hereof, the Issuer does not own any of its own shares in treasury.

7.5   INFORMATION POLICY

Consolidated annual financial statements in accordance with IFRS and the CO on a Swissquote Group level are published by SQGH. Consolidated half-yearly updates on the business and half-yearly unaudited financial statements on a Swissquote Group level in accordance with IFRS are published by SQGH. These documents are posted on the Issuer's website (**www.swissquote.ch**) under Company > Investor Relations. Annual financial statements will also be provided by electronic or ordinary mail upon request. Such communication are free of charge in Switzerland.
This distribution memorandum can be obtained free of charge in electronic format on **www.yuh.com**.

7.6   FINANCIAL INFORMATION

7.6.1   ANNUAL FINANCIAL STATEMENTS

Annual reports with annual financial statements of the Swissquote Group established pursuant to IFRS for fiscal years ended 2015 through 2020 (including the auditor's report relating thereto), as well as the statutory financial statements of SQGH established pursuant to the CO for fiscal years ended 2015 through 2020 (including the auditor's report relating thereto) can be found on the Issuer's website (**www.swissquote.ch**) under Company > Investor Relations.

7.6.2   REFERENCE DATE OF THE LAST AUDITED FINANCIAL STATEMENTS

The last consolidated audited financial statements of the Swissquote Group established pursuant to IFRS and the CO were established as of December 31, 2020.

7.6.3   IMPORTANT DEVELOPMENTS SINCE THE LAST AUDITED FINANCIAL STATEMENTS

Information regarding important developments that occurred after December 31, 2020 are described in press releases and interim reports published on the Issuer's website (**www.swissquote.ch**) under Company > Investor Relations.

8.   UPDATES TO THIS DISTRIBUTION MEMORANDUM

This distribution memorandum is not a prospectus within the meaning of FinSA. Accordingly, the Issuer is not bound by Article 56 FinSA and is not required to publish supplements upon occurrence of events that may have a material impact on an investor's assessment of the relevant securities. The Issuer may, but does not undertake to, update this distribution memorandum in the event that the information disclosed herein (in particular with respect to the Issuer) is no longer current.

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