

Luxembourg, April 23, 2021

Subject: Request For Proposal – Appointment of statutory auditor

Dear Sirs,

In accordance with Art 16 (2-5) of the EU Regulation 537/2014, the Audit, Compliance and Risk Committee (“ACR”) of Lombard Odier (Europe) S.A. (hereafter “LOESA” or the “Bank”) wishes to launch a public tendering process for the appointment of its statutory auditor as from for the year ending 2022.

The purpose of this letter is to invite your firm to participate, and to advise you of the selection process and the proposed timetable which the ACR will adopt. It is anticipated that each firm will bear the costs associated with the tender submission.

You will find hereafter a short presentation of the Bank, a description of the entities in scope and the forecast schedule for the selection of the services offer. For more information, we enclose to this present letter the annual report for the year 2020.

Lombard Odier Group and LOESA presentation

Lombard Odier is a leading global wealth and asset manager. For 225 years and through more than 40 financial crises the Group has combined innovation and prudence to align itself with the long-term interests of private and institutional clients. The Group is solely owned by its Managing Partners and has a strong, liquid and conservatively invested balance sheet with a CET1 ratio of 29.7% and a Fitch rating of AA-. Lombard Odier provides a complete offering of wealth services, including succession planning, discretionary and advisory portfolio management, and custody. Asset management services are offered through Lombard Odier Investment Managers (LOIM). The Group has created cutting-edge banking technology, which is also leveraged by other Swiss and European based private banks and financial institutions. The Group had total client assets of CHF 316 billion at December 31, 2020. Headquartered in Geneva since 1796, at end-December the Group had 30 offices in 24 jurisdictions and employed 2,560 people.

LOESA is the European hub of the Group based in Luxembourg, which currently has five operating branches located in Belgium, Spain, the United Kingdom, France and Italy as well as a subsidiary in Spain dedicated to

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investment funds and portfolio management¹. The Bank was established in 2012 and was granted a Luxembourg banking license from the Luxembourg Ministry of Finance the same year. The Bank's core business is to render private banking and wealth management services to high net worth families in Europe through the network of its European presence. On a limited scale, the Bank targets European licensed External Asset Managers from Luxembourg, Bruxelles and London and offers credit facilities to clients against collateral of the client's portfolio.

Mandate assigned to the Réviseurs d'entreprises

The purpose of the mandate will be to verify in its quality as *Réviseur d'Entreprises Agréé* and in conformity with the legal and regulatory requirements applicable in Luxembourg and the international auditing standards that LOESA's annual accounts give a true and fair view of the financial position of the Bank, and of the results of its operations in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

In particular, the audit work will include the following aspects:

- Audit of the annual accounts of the Bank under LUX GAAP
- Financial reporting to the external auditors of the parent company (i.e. procedures on the consolidation package prepared for the Group)
- Review of the Long Form report
- Performance of the procedures in order to ensure compliance of the Bank with all areas defined in the CSSF regulations and circulars where the involvement of the *Réviseur d'Entreprises Agréé* is required.

Your mandate will also include the Bank's European Branches (located in Spain, the United Kingdom, France, Belgium and Italy) and its Subsidiary in Spain. It will therefore cover the local regulatory specific applicable requirements, more specifically:

- Belgium: local reporting requirements prescribed by the National Bank of Belgium.
- Spain: AML External Expert Review for the Branch and the Subsidiary; IPAC Report on the protection of the client's assets for the Subsidiary.
- United Kingdom: Compliance with the Financial Conduct Authority's Client Assets Sourcebook (CASS) Rules. Our Branch submitted a Part 4A application to the PRA to be authorized as a Branch of a 3rd Country in April 2018, which approval is pending. The Branch entered into the Temporary Permissions Regime (TPR) and the UK deposit protection scheme since January 1, 2021.

It is expected that you act as a central coordinator of the audit in Luxembourg, and effectively synchronise with the local representative auditors of the Belgium Branch and the two Spanish entities.

Formalisation of the service proposals and selection criteria

Each audit firm will be required to submit a written tender in English in electronic format setting out its capabilities, the key elements of its service and team, as well as the proposed fees.

The tender should cover the following areas:

- Details on the audit firm
- Resourcing
- Approach
- Interoffice coordination with your representatives in scope for the purpose of the audits (mainly Switzerland, Belgium and Spain)
- Transition
- Quality assurance
- Independence and governance
- Fees for the years ending 2022 and the following two years
- Additional services.

¹ LO Gestión is a Spanish Management Company with a license granted by the Comisión Nacional del Mercado de Valores for Funds & SICAVs management activities including discretionary and personalised portfolio management and investment advice for Private Clients.

The ACR will assess the different offers based on objective and tangible criteria, which will relate to:

- the description of the proposed methodology for the audit missions
- presence and qualification (authorised licence) in the European countries where the Bank operates (i.e. Luxembourg, Spain, the United Kingdom, France, Belgium and Italy)
- the quality of the composition of the audit team in charge of the mandate (i.e. competence adapted to the particular nature of the Bank's activities, fluency in French and English of the audit team members, expertise of the Luxembourg and other European regulatory requirements for several years).

The service proposal that will meet the ACR's expectations based on the above-mentioned criteria will then be selected for a presentation to the ACR, including a Question and Answer session.

Request for proposal process

In order to best conduct our tender process, you will find below the details of the various steps and related planning:

- April 26, 2021: publication of the public tendering process on LOESA's internet site
- April 30, 2021: mailing of the tendering process to the invited audit firms
- May - June 2021: Question and Answer session(s)
- June 30, 2021: deadline for the offers submission
- July 31, 2021: presentation of the offers received to the ACR designated members
- September 6, 2021: ACR's recommendation on the two selected offers to the Board of Directors
- September 23, 2021: Formal Board's ratification of decision.

Ms Catherine Weissenbacher, Chief Internal Auditor of LOESA will be responsible for coordinating the tender process and all questions and requests for further information should be coordinated through her. She can be contacted as follows:

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We would be grateful if you could confirm your willingness to participate or not in the selection process and your ability to comply with the indicated timetable by May 15, 2021.

Yours faithfully



Catherine Weissenbacher
Chief Internal Auditor



Stephane Herrmann
Authorised Management

List of Appendices

- Annual report 2020
- Background information on LOESA