

Important Information about Foreign Transaction Taxes and Stamp Duties

The logo for Baird, consisting of the word "BAIRD" in white capital letters on a blue parallelogram background.

We have prepared this document to help you understand the potential fees and taxes that may be assessed on your transaction when you purchase or sell certain securities connected with countries assessing a transaction tax or stamp duty/tax. These foreign transaction taxes and stamp duties are imposed on investors and/or financial services firms, without regard to where they are located, for transactions in foreign securities identified by foreign governments. These taxes may apply as well to U.S.-issued American Depositary Receipts ("ADRs") for such foreign securities.

Each country adopting transaction taxes and/or stamp duties separately determines the applicable tax rate or amount and identifies which securities and transactions are subject to the tax or duty. A few countries have a foreign transaction tax, including France, Italy, and Spain. Various countries impose a stamp duty as well, such as Hong Kong, Ireland, Malaysia, South Africa and the United Kingdom.

Applicable foreign transaction taxes and/or stamp duties may be applied to your transaction in one of two ways:

- The applicable foreign transaction tax may be separately collected by Baird and remitted to the appropriate foreign tax authority, which is generally the case when the transaction is executed on a U.S. exchange (such as an ADR); or
- The applicable foreign transaction tax, stamp duty, or miscellaneous exchange fees may be embedded in the execution price, which is generally the case when the transaction is executed in the local foreign market/exchange.

Lastly, numerous countries may charge other miscellaneous fees such as trading fees, exchange fees or VAT sales tax on securities traded in local foreign markets. The countries that charge these miscellaneous fees include Greece, Hong Kong, Indonesia, Malaysia, the Philippines, and Singapore.

Baird anticipates that additional foreign countries will adopt a foreign transaction tax, stamp duties or other miscellaneous fees in the future.

For more information, please contact your Baird Financial Advisor.