

# **TERMS OF BUSINESS**

for Professional Clients  
and Eligible Counterparties

Effective  
3 January 2018

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## 1. Scope and application

- 1.1. Capitalised terms shall have the meanings specified herein, or as defined in Annex I attached hereto. Capitalised terms that are not otherwise defined shall have the same meanings as in the Handbook.
- 1.2. References to “**you**” shall, unless otherwise agreed in writing, mean the person in whose name we have opened an account.
- 1.3. “**Our**”, “**we**” or “**us**” means Xconnect Trading Limited registered in England and Wales under company number 4240845, the registered office of which is at 1st Floor, 8 Old Jewry, London, EC2R8DN, United Kingdom. We have VAT number 123 329245 and FCA Firm Regulated Number 403317.
- 1.4. These Terms set out the basis on which we will provide investment services to you, and shall apply to all transactions effected with or through us by you.
- 1.5. You shall be deemed to have accepted our Terms where you effect any transactions with us or otherwise engage our services following receipt of these Terms. These Terms shall be effective from the date of receipt and supersede any earlier Terms provided by us.
- 1.6. No variation, modification or alteration or notice of termination shall affect any outstanding order or transaction or any legal rights or obligations which have or may have arisen between you and us.
- 1.7. A reference to any statute, enactment, order, regulation, rule, directive or other similar instrument will include any subsequent amendment or re-enactment.

## 2. Our capacity and status

- 2.1. We are authorised and regulated by the FCA under firm reference number 403317, and are subject to the FCA Rules in our dealings with you.
- 2.2. We may at our discretion employ agents in connection with any services provided to you in accordance with these Terms, and on such terms as we deem appropriate.
- 2.3. We are not authorised by the FCA to hold Client Money. As a consequence, any money that we receive from you shall be segregated from our money.
- 2.4. We are not authorised by the FCA to provide or to arrange the provision of safeguarding and administration services for your investments. However, where this becomes permissible then it shall be the subject of a separate agreement.
- 2.5. The contact address of the FCA is Financial Conduct Authority, 25 The North Colonnade, London E14 5HS, United Kingdom.
- 2.6. We may provide our services in relation to financial products which are not regulated by the FCA and/or PRA, but which are subject to voluntary codes of conduct. In addition, currency asset trades or overseas trades may follow the recognised trading conventions established internationally or in specific overseas markets, and local rules and requirements may apply.

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### 3. Your capacity and status

- 3.1. In accordance with the FCA Rules and based on the information that is available to us, you have been categorised as either a Professional Client of an Eligible Counterparty. As a result of this categorisation, you will not benefit from certain protection afforded to Retail Clients.
- 3.2. A summary of the client protections under the FCA Rules which will or may be limited or modified in their application to and as compared between Eligible Counterparties, Professional Clients, and Retail Clients is set out in Annex II.
- 3.3. You have a right to reclassification; however we will only deal with you as an Eligible Client or Professional Client and not on any other basis.
- 3.4. If you are classified as an Eligible Counterparty, certain regulatory protections applicable to a Professional Client will not apply, including protections resulting from the requirements in relation to:
  - (i) acting in accordance with a client's best interests;
  - (ii) ensuring that information we address to clients or potential clients is fair, clear and not misleading;
  - (iii) assessing the appropriateness of services or products proposed to clients or requested by clients;
  - (iv) taking all sufficient steps for obtaining the best possible result for the execution of client orders;
  - (v) implementing procedures providing for the prompt, fair and expeditious execution of client orders relative to the orders of our other clients or our trading interests;
  - (vi) understanding the Financial Instruments or Structured Deposits which we offer or recommend, assessing the compatibility of the Financial Instrument or Structured Deposit with the needs of the clients to whom we provide investment services, also taking account of the identified target market of end clients, and ensuring that Financial Instruments or Structured Deposits are offered or recommended only when this is in the interest of the client;
  - (vii) restricting and disclosing the giving and receiving of any fee, commission or Non-Monetary Benefit in connection with the provision of an investment service or an ancillary service; and,
  - (viii) when an investment service is offered together with another service or product as part of a package or as a condition for the same agreement or package, informing the client whether it is possible to buy the different components separately.
- 3.5. Where you are acting on behalf of any other person when transacting investment business with us, we shall to the extent permitted by the FCA Rules continue to treat you alone (rather than any other such person) as our client for all purposes and in relation to all obligations, and you shall be liable as such. This is notwithstanding where the person for whom you are acting on behalf of has been identified to us.
- 3.6. We shall treat you alone as our client for the purposes of the Rules and any protections afforded to clients under the Rules shall only be owed to such person. We have no obligation and accept no liability in respect of obligations owed to clients under the Rules to any other person for whom our client may be acting as Agent. Where our client is acting as Agent, save in respect of rights and obligations arising under Annex II or out of our duties to clients under the Rules, all contractual rights and obligations arising under these Terms in respect of any Account or otherwise and any Transactions concluded thereunder shall be rights and obligations arising between us and the Principal, save that the Agent shall be jointly and severally liable for the obligations of the Principal where the Agent had not disclosed to us that they were acting as Agent for the Principal.

- 3.7. Where our client is acting as Agent, the provisions shall apply and, for the avoidance of doubt, shall be directly binding on the Agent. Where our client is a Principal, we shall not be obliged to take instructions from their Agent unless we separately agree to do so in writing. Where we do take instructions from our client's Agent, the applicable provisions in this agreement shall apply and, for the avoidance of doubt, shall be directly binding on the Agent.
- 3.8. You represent, warrant and undertake that:
- a) you are acting as principal or agent in relation to any investment business carried on by us for or with you pursuant to these Terms;
  - b) you have and will have full power and capacity, and in the case of a trustee you have and will have full power and capacity under the relevant trust deed(s), to enter into and perform your obligations and to confer on us such authorities as are necessary so that these Terms will be binding on you;
  - c) any of your investments which we or our agent hold on your behalf pursuant to these Terms are or will be beneficially owned by you free from all liens, charges, encumbrances other than those which may arise in our favour, or in the case of a trustee or investment manager you represent that you have obtained a representation of beneficial ownership from the beneficial owner and that the beneficial owner has authorised you to deal with such and owner has authorised you to deal with such investments; and,
  - d) you will obtain and comply with the terms of all authorisations, consents and approvals of any government or other regulatory body necessary to enable you to perform under these Terms, and shall provide us with copies of such consents and approvals as we may reasonably require.
- 3.9. Where you are acting as agent for another in relation to any transaction carried out pursuant to these Terms, you represent, warrant, and undertake that:
- a) you have and will have full power and capacity to enter into and perform your obligations; and
  - b) in so doing, you are expressly authorised by your principal to instruct us in relation to any such transaction; and
  - c) you and / or your principal shall be jointly and severally liable, each as if a principal to us in respect of all obligations and liabilities to be performed by you pursuant to and in respect of any such transaction; and,
  - d) you have undertaken all necessary steps to verify the identity of your principal in compliance with Applicable Law.
- 3.10. You shall provide us with such information as we and our Third Party Service Providers, agents, delegates, principals and counterparties require to fulfil or to assist with fulfilling our or their obligations under Applicable Law and shall update that information as required by us from time to time. You shall notify us in writing within thirty (30) days of any material change in, or in the validity of, any information that you previously provided to us.

#### **4. Services**

- 4.1. In our sole discretion we may arrange transactions with you on a principal or agency basis in the following instruments:
- a) shares in UK or foreign companies;
  - b) debenture stock, loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments, including government, public agency, municipal and corporate issues;
  - c) warrants subscribing for instruments within a) or b) above;
  - d) depository receipts relating to instruments within a), b), or c) above;

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- e) contracts for difference (CFD) relating to instruments within a) above; and,
  - f) instruments which are similar or related to any of the instruments in this clause.
- 4.2. Subject to our right to refuse your instructions, we will execute orders directly on your behalf, or pass orders onto an Associated Body Corporate or third party for execution on an agency basis in the following instruments:
- a) options and derivatives, relating to instruments within clause 4.1 a), b), or c) or an option on an option;
  - b) futures relating to instruments within clause 4.1 a), b), or c);
  - c) options, futures, or derivatives relating to commodities; and,
  - d) instruments which are similar or related to any of the instruments in this clause.
- 4.3. We may also provide such other services as may be agreed between us, in writing from time to time.
- 4.4. You consent, unless you opt out, that we are able to execute orders outside a trading venue where we believe that doing so will be necessary to achieve best execution. Without such consent this may limit our ability to obtain the best possible execution in trading on venue only.
- 4.5. Where we are required to execute orders directly, either for you or for any third party, or when placing orders with, or passing orders to other entities for execution in such derivative instruments listed in clause 4.2 a), b), c) or d), we will deal with you on an agency or principal basis and shall comply with our execution policy (which sets out our best execution obligations) as amended from time to time.
- 4.6. Where you place a limit order with us in shares admitted to trading on a regulated market or traded on a trading venue, and where such an order is not immediately executable under prevailing market conditions, you agree that we shall not immediately make the order public and allow us to exercise discretion in accordance with our execution policy and any other specific instructions we receive from you as our client and deal with you solely on an agency basis and shall comply with our execution policy (which sets out our best execution obligations) as amended from time to time.
- 4.7. A summary of our execution policy is set out in Annex III.
- 4.8. We may combine any orders executed on your behalf as agent in such instruments listed in clause 4.2 a), b), c) or d) with any orders executed as agent on behalf of our other clients.
- 4.9. Where you wish us to enter into transactions with you in such derivative instruments listed in 4.2 a), b), c) or d) above, you may be required to provide margin to us by way of security for the performance of your obligations under such transactions, and to enter into additional documentation specific to those transactions. In such instances these Terms together with any additional documentation shall together govern the terms of the particular derivative transaction, provided that if there is any conflict or inconsistency between any provision of these Terms and such documentation, the provision of the latter shall prevail. Collateral may be provided in such Financial Instruments, cash or other assets as is acceptable to us, together with such charging, transfer and other documentation as we may require in our discretion and as required by Applicable Law.
- If you enter into an industry standard master agreement, or other agreement, which provides for Financial Instruments, cash or other assets to be transferred to us by way of a title transfer collateral arrangement, you acknowledge that, in the event of our insolvency, you will be a general creditor and such Financial Instruments, cash, or other assets may not be available to be paid to you. Where we agree to accept Financial Instruments or other assets as collateral,

you shall transfer to us such collateral with full title guarantee free from any adverse interest (other than a lien routinely imposed on all Financial Instruments in a clearing system in which such Financial Instruments may be held). Such collateral will not be held in accordance with the Custody Asset Rules, it will not be registered in your name and we do not accept responsibility for the safe custody of documents of title or certificates evidencing title nor for any act or omission of any person who is nominee holder of, or who directly or indirectly holds, or is responsible for the safe custody of documents of title or certificates evidencing title to, such collateral. Where we agree to accept cash as collateral, you shall transfer to us full ownership of such collateral so that all right, title and interest in and to such cash will pass to us outright. Such collateral will not be held in accordance with the Client Money Rules.

- 4.10. Investment in any instrument carries a degree of risk including inter alia, volatility and liquidity. In providing our services to you as a Professional Client we assume that you have the pre-requisite level of knowledge and experience to understand any associated risks.
- 4.11. Our Derivatives Risk Disclosure Statement is set out as Annex IV.
- 4.12. Notwithstanding any other provisions of these Terms, all transactions effected by us with or for you under these Terms shall be subject to Applicable Law and / or where we consider appropriate, the customs of the market or exchange (if any) on which any transaction is affected.
- 4.13. Unless otherwise notified by us, you may transmit your orders to us by any means and orders shall be transmitted to us at your risk. orders, including those confirming, amending or revoking previous orders, shall not take effect unless actually received by us and, in the case of any orders transmitted to us through any System, formally acknowledged by us. We shall not be required to confirm any such order prior to execution or otherwise, and you agree to indemnify us and hold us harmless if we suffer any Loss in reliance thereon, whether or not we have confirmed such order. Unless required by Applicable Law, we are not obliged to accept or execute any order nor need we give you any reasons for declining to do so.
- 4.14. We may act on, and you shall be bound by, any order which we reasonably believe in good faith to be from you or an Authorised Person and we shall be under no duty to verify such order. We shall be entitled to rely on such order even if you have sent us a list of Authorised Persons and the order is received from a person who has not been specifically named therein. With respect to each Authorised Person of whom we have been specifically notified, until we receive written notice to the contrary and have accepted such notice, we are entitled to assume that such person has and continues to have full and unrestricted power to give us orders on your behalf. Notwithstanding the foregoing, you shall provide any evidence that we may require of the authority of any person to act on your behalf.
- 4.15. We may aggregate an order with those of other clients. Such aggregation may work to your disadvantage in relation to a particular order.
- 4.16. Where we have received or subsequently receive express consent from you to do so (which may be given as a standing consent), your orders may be executed outside a Trading Venue (in other words, over the counter).

## **5. Authorised instructions**

- 5.1. We shall be entitled to rely on, and shall treat as binding any agreements, orders or instructions that we have accepted in good faith, and which we reasonably believe to be by or from you or your agent(s) whether received by telephone, electronic mail or in writing, unless

otherwise provided in these Terms or as otherwise agreed between the Parties from time to time.

- 5.2. We may refuse to follow your instructions if:
- a) we determine that compliance with those instructions would be contrary to any Applicable Law; or,
  - b) we reasonably believe that to do so would be unreasonable in the circumstances.
- 5.3. If we decline to follow your instructions we shall, subject to Applicable Law promptly notify you, but we shall not be liable for any expense, loss or damage that you incur by reason of any default or omission on our part.

## **6. Advice and research**

- 6.1. In instructing us, you do so in reliance on your own judgment and not in reliance on us. Where we explain the terms of an investment in any instrument or its performance characteristics to you, this does not amount to investment advice on the merits of a transaction and we shall not give you any legal, tax, accounting or financial advice in relation to any transaction. You shall be responsible for obtaining your own legal, tax, accounting and financial advice from an independent advisor.
- 6.2. To the extent that we are required by the FCA Rules to assess whether a transaction is appropriate for you we shall, for the purposes of such an assessment, rely on information that you have provided to us. However neither we nor any person who gives any advice or recommendation or expresses any opinion shall have any liability (whether direct or indirect) in respect of that advice, recommendation or opinion.
- 6.3. If you are a Professional Client:
- (i) to the extent we are required by the Rules to assess whether a proposed Transaction is suitable or appropriate for you, we are entitled to assume that you have the necessary experience and knowledge in order to understand the risks involved in relation to the Transaction. Additionally, we will, for the purposes of any such suitability or appropriateness assessment, rely on the information that you or your Agent have supplied to us and you represent and warrant that such information is true, accurate and complete; and
  - (ii) where you ask us to enter into a Transaction which consists only of execution or reception and transmission of client orders, with or without ancillary services (excluding the ancillary service of granting credits or loans to an investor to allow them to carry out a transaction where we are granting the credit or loan and involved in the transaction, where the relevant credits or loans do not comprise existing credit limits of loans, current accounts and overdraft facilities) and such Transaction is in relation to a Non-Complex Financial Instrument, we are not required to assess the appropriateness of such service or Non-Complex Financial Instrument and therefore you will not benefit from the protection of the Rules on assessing appropriateness.

## **7. Material interests and conflicts**

- 7.1. We may transact business with you or on your behalf, in circumstances where it has, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. In this context, material interests or relationships may include, without limitation, our interests through Market ownership and Personnel interests through shareholdings or board memberships. Subject to Applicable Law, no such conflict of interest or potential conflict of interest shall prevent us from

carrying out any Transaction and we shall not be liable to account to you for any benefit made or received by it in such circumstances.

- 7.2. Neither the relationship between us and any client nor any recommendation or advice tendered to you or any other matter will give rise to any fiduciary or equitable duties which would oblige us to accept responsibilities more extensive than those set out in these Terms, or which would prevent us from:
- a) acting as principal or as agent for any Associated Body Corporate in respect of the investments that you are buying or selling or providing services to other persons with interests in or proposing to acquire such investments;
  - b) being the financial adviser to the company whose securities you are buying or selling;
  - c) sponsoring or underwriting the new issue involving the investment that you are buying or selling;
  - d) dealing with an Associated Body Corporate or conducting by matching your order with the order of another party (who may be an Associated Body Corporate); and,
  - e) having a holding or dealing position (whether a long or short position) in the investment that you are buying or selling.
- 7.3. We maintain arrangements known as "Chinese walls" which restrict access by our staff to information relating to:
- a) areas of our business with which they are not directly involved; and,
  - b) the affairs of our clients with whom they are not directly concerned.
- 7.4. Neither us nor our staff shall be required to have regard to, or have any duty to disclose to you or utilise for your benefit any information which comes to our notice in the course of carrying on business or as a result of or in connection with services provided to other persons, or which is not known to those employees who are handling your affairs.
- 7.5. A summary of our Conflicts of Interest Policy is set out as Annex V.

## **8. Trade confirmations, contract notes and statements**

- 8.1. Following any transactions effected with you as principal and / or any order that we have executed on your behalf as agent, we shall provide appropriate trade confirmation details to you.
- 8.2. The Rules require us to provide a client with confirmations of the execution of orders carried out on their behalf in respect of Financial Instruments or Structured Deposits. Subject to certain exceptions, where we carry out an order in a Financial Instrument or Structured Deposit on behalf of a client, the Rules require such confirmations to be provided no later than the first business day following execution or, where we receive confirmation from a third party, no later than the first business day following receipt of the confirmation from the third party. We are not required to provide such confirmations if the same information is to be promptly dispatched to the client by another person. We may separately agree with Eligible Counterparties the content and timing of reporting of confirmations to the extent permitted by Applicable Law. For the avoidance of doubt, we may provide information on the status of an order by way of update reports. Such update reports are not intended to be and shall not amount to or supersede any confirmation required to be provided of the execution of the order under the Rules, as referred to above, and should not be considered to indicate that the order has been executed

- 8.3. Such trade confirmation details may be in oral, hard copy, or electronic form (as an electronic trade confirmation, hereinafter referred to as an “ETC”). In the absence of your specific instructions to receive ETCs, we shall account to you in oral or hard copy form.
- 8.4. Such oral or hard copy trade confirmations or ETCs shall, in the absence of manifest error, be conclusive and deemed acknowledged by you to be correct (even if we request but do not receive specific acknowledgement or acceptance) unless we receive from you written notice to the contrary within two Business Days of receipt by you of the oral or hard copy trade confirmation or ETC, or we notify you of an error therein.
- 8.5. Where we execute a series of transactions over a period of days to achieve one order, all of the transactions shall be treated as executed at the time of the last transaction and we will provide a single aggregate oral or hard copy trade confirmation or ETC to you.
- 8.6. Unless requested otherwise, trade confirmations will be given with the net price of the transaction, including commission.
- 8.7. You agree that you do not require, and we are under no obligation to send to you:
  - a) detailed trade confirmations that comply with the FCA Rules applicable to Retail Clients; or
  - b) periodic statements.

## 9. Fees, charges, interest and taxes

- 9.1. We shall charge you fees and other charges calculated on such basis as may have been agreed between us and you or, in default of any such agreement, on a basis as we consider reasonable, together with any applicable taxes. We may charge for dealing for longer dated settlement and shall on your request notify the amount of any such charge to you.
- 9.2. Any charges due to us (or to agents used by us) including any applicable value added tax (or equivalent overseas tax) shall be paid by you as stated in the relevant trade confirmation and may at our discretion be set off by us against any payment due from us to you.
- 9.3. We may share dealing charges with one or more Associated Body Corporate or other third parties, or receive remuneration from them in respect of transactions carried out on your behalf. In addition you agree that where we deal on your behalf, we may do so with an Associated Body Corporate on their normal terms on an arm's length basis, and such an Associated Body Corporate may retain any resulting fees or profits.
- 9.4. If you default in paying any amount as and when it falls due to us, we may require that you pay us interest at a rate equal to the prevailing effective cost of funds to us from time to time in the relevant currency as determined by us and notified to you in writing.
- 9.5. You shall be responsible for the payment of any tax and brokerage fees, transfer fees, registration fees, stamp duty and all other liabilities, charges, costs and expenses payable or incurred by us in connection with our services to you hereunder.
- 9.6. In accordance with all Applicable Law, by accepting these Terms, you agree that, irrespective of the investment service provided, the ex-ante and ex-post communications on costs, charges and commissions will be made available to you upon written request and in absence of such, we shall charge our standard rates, communicated to you from time to time or upon specific request.

## 10. Trade and transaction reporting

- 10.1. When we execute an order with, for or in relation to you, or provide services to you, we, our agents or delegates and/or the third party may be required under Applicable Law to make information regarding the order and its execution, your positions or the services provided to you (which may include information about you) public or available or to report such information to an Authority and/or other person. You acknowledge and agree to the disclosure of such information. You also acknowledge and agree that you are separately responsible for ensuring that you comply with any obligations applicable to you under Applicable Law to make public, provide or report information regarding your orders and their execution or your positions. For the avoidance of doubt, without separate written agreement, we do not undertake to make public, provide or report such information on your behalf or in a manner that seeks to satisfy any obligations applicable to you. Where trade reporting obligations are concerned, we in our capacity as agent will endeavour to put all business through a regulated venue to absolve the trade reporting requirement on either us or a client.
- 10.2. For the purpose of transaction reporting, we will always report gross price on any trades.

## 11. Settlement

- 11.1. Settlement of all transactions in instruments listed in clause 4.1 a), b), c), d), e) or f) effected by us as principal shall be made directly with a clearing / settlement agent appointed by us. Any obligation to settle funds in respect of any sale transaction due to you, or to deliver any securities purchased by you shall be conditional upon receipt by our clearing / settlement agent of all necessary documents and / or securities due to be delivered by you, or on your behalf, and any funds due to be received from you, or on your behalf, on or before the due date for settlement.
- 11.2. Settlement of all orders in instruments listed in clause 4.2 a), b), c), or d) executed by us as agent either for you or for any third party is to be made by you directly with the relevant market clearing members in accordance with executed "give-up" arrangements.

## 12. Recording of communications

- 12.1. We are required by the FCA Rules to make and keep recordings of certain electronic communications including relevant telephone conversations. These recordings shall be and will remain our sole property and shall be accepted by you as conclusive evidence of the orders, instructions or conversations to which they relate. You agree that we may deliver copies or transcripts of such recordings to any court of competent jurisdiction, arbitrator or regulatory authority.

## 13. Data protection

- 13.1. You hereby consent to us using and processing any information relating to you, including holding such information in an electronic database. Subject to the provisions of clause 15, we may use and / or disclose such information to the extent permitted by Applicable Law unless specific instructions to the contrary are received from you in writing.
- 13.2. In accordance with the Data Protection Rules in the UK, you are entitled, on payment of a fee to a copy of the information that we hold about you. In the first instance, you should direct any such request to our Legal & Compliance Department, and you agree to inform us where you believe any information that we hold about you is inaccurate in order for us to correct it.

- 13.3. You acknowledge that pursuant to these Terms or otherwise, we may receive, have access to or otherwise process your personal data and personal data of your Personnel, your clients, customers or other individuals that you provide or make available to us (or is provided or made available to us on your behalf). (“**Client Personal Data**”)
- 13.4. We shall implement appropriate security measures that are appropriate to the risk to protect Client Personal Data that we process.
- 13.5. We or any third party acting on our behalf or on the behalf of us, may disclose Client Personal Data to Competent Authorities, Authorities, courts and tribunals, Markets, Third Party Service Providers and persons from whom we receive or to whom we make payments on your behalf for any relevant purpose.
- 13.6. You represent and warrant to us that all personal data that is provided or made available to us by you or another party on your behalf has been collected, processed and transferred in accordance with applicable data protection law; and such personal data is adequate, relevant, limited to what is necessary for the purposes set out in these terms, accurate and, where necessary, up to date.
- 13.7. Xconnect Trading Limited will act as Data Controller for the information referred to under clause 13.3.
- 13.8. In accordance with the Record Retention Statement set out in clause 14, you shall not be entitled to request the destruction or deletion of any record pertaining to you unless we are required to do so by Applicable Law.

#### **14. Record Retention Statement**

- 14.1. In accordance with legal and regulatory requirements, we will retain your records for a minimum period of six years following the termination of any relationship between us. This period may be extended by Applicable Law or agreement between the Parties.

#### **15. Confidentiality**

- 15.1. You undertake to keep all information you receive in connection with these Terms confidential, and not to disclose any such information to any third party except as permitted under these Terms or as required or permitted by Applicable Law.
- 15.2. We undertake to keep all information we receive in connection with business transacted pursuant to these Terms confidential, and not to disclose any such information to any third party except as permitted under these Terms or as required by Applicable Law.
- 15.3. You agree that we may disclose to the FCA and to any other regulatory authority to which we are subject and to any securities, options or futures market or exchange on which we may deal or to the related clearing house of any such market or exchange (including but not limited to investigators, inspectors or agents appointed by them) or to any person empowered to require such information by or under any Applicable Law any information they may request or require relating to you or if relevant any of your or our dealings with or for you or any customer.

- 15.4. The obligations set out in clauses 15.1 to 15.3 shall not apply in respect of any information which:
- a) at the time of disclosure is in the public domain;
  - b) after disclosure comes into the public domain for any reason, except as a result of a breach of the undertakings in this clause;
  - c) was in the lawful possession of the recipient prior to disclosure; or,
  - d) is subsequently received from a third party without obligations of confidentiality.

## 16. Termination

- 16.1. The Parties are entitled to terminate these Terms by giving the other party written notice at any time. The Termination of these Terms ("**Termination**") shall be effective either immediately on actual or deemed receipt (in accordance with clause 23) or at any later time specified in the notice.
- 16.2. Any authority given to us to advise or deal with or for you shall be irrevocable until Termination pursuant to this clause 16, and shall continue in force despite any event which might otherwise terminate them (whether or not referred to in this clause) until we have actual notice of such event.
- 16.3. Termination will not affect any outstanding transaction or order or any legal rights or obligations which may already have arisen or may arise from the settlement or fulfilment of any outstanding transaction or order (including any obligation to reimburse or indemnify us or to pay for any investments acquired by us on your behalf or sold by us to you).
- 16.4. You are required to settle outstanding transactions by delivery and / or payment and to pay any fees or commissions accruing to us immediately on Termination, failing which we may exercise the rights and remedies referred to in clauses 17 and 18.

## 17. Power to sell or close out

- 17.1. At any time after, in accordance with clause 16 or if we determine that you have not performed, or are unable or unlikely to perform any of your obligations to us we may, without reference to you:
- a) treat any or all outstanding transactions as having been immediately cancelled and terminated; and / or
  - b) exercise the power of sale over investments held by us or our nominee companies or another custodian to our order; and / or
  - c) close out replace or reverse any such transaction, enter into any other transaction or take, or refrain from taking, such other action at such time or times and in such manner as, in its absolute discretion, we consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any transaction, position or commitments undertaken for you; and / or
  - d) if any outstanding transactions are non-cash settled transactions, determine the market value of those transactions as we in our absolute discretion thinks fit and attribute to those transactions a cash settlement amount to be due and payable; and / or
  - e) take any other steps that we consider to be reasonably necessary to meet any obligations which you have under these Terms or to otherwise protect our position.
- 17.2. Any cost of, or losses incurred in effecting clause 17.1 or any related transactions shall be for your account.

17.3. The provisions in this clause shall be without prejudice to the provisions of clause 18 and for the avoidance of doubt, apply in the circumstances referred to in clause 18.3.

## **18. Set-off and lien**

18.1. We shall be entitled at any time to retain, make deductions from, or set-off amounts or credit balances that we owe to you (for example, in payment for any investments bought by us from you or sold by us on your behalf) or are holding for you (either directly or through a custodian and on whatever account) in order to meet any liabilities which you may have incurred to us, or which we may have incurred on your behalf under these Terms (including the indemnity referred to in clause 21 and any liabilities or costs incurred when exercising rights under clause 17 or 18).

18.2. For the avoidance of doubt, the provisions of clause 18.1 shall apply to the proceeds of any sale or closing of a position, or other sum arising under clause 18.

18.3. You agree that where:

- a) we reasonably believe you may be unable or unwilling to perform any outstanding obligations under these Terms, and we notify you accordingly in writing; or,
- b) being a company, limited liability partnership, partnership or other unincorporated entity you go into administration or liquidation or become insolvent or wind yourself up or resolve to do so, or a petition for your winding up is issued or an administration order is made in relation to you (or an analogous event occurs under the law of any jurisdiction), all of your obligations hereunder shall be automatically accelerated so as to require payment, delivery or other performance by you hereunder at the time that you receive such notice or such an event occurs.

18.4. Any of your securities or other property held by us shall be subject to a general lien in our favour in respect of any outstanding amounts due and payable from you to us.

18.5. In addition, we shall have the right at any time without notice to combine and / or consolidate all or any of your accounts maintained with us in such manner as we may determine.

## **19. Limitation of liability**

19.1. Neither we nor any of our directors, employees, or agents shall be liable for any loss suffered by you, unless such loss is caused by the gross negligence, wilful default, or fraud of the party sought to be made liable.

19.2. We shall not be liable for any loss or expense you incur by reason of any reasonable delay or change in market conditions before any particular transaction is affected.

19.3. Nothing in this clause shall exclude or restrict any duty that we have towards you, or any liability that we may incur pursuant to Applicable Law in respect of a breach of any such duty.

## **20. Force Majeure**

20.1. We shall not be in breach of our obligations under these Terms if there is any total or partial failure of performance of our duties and obligations occasioned by any act of God, fire, act of government or state, act of terrorism, war, civil commotion, insurrection, embargo, inability to communicate with third parties for whatever reason, failure of any computer dealing or

settlement system, prevention from or hindrance in obtaining any energy or other supplies, labour disputes of whatever nature, late or mistaken delivery or payment by any bank or counterparty or any other reason (whether or not similar in kind to any of the above) beyond our control.

## 21. Indemnity

21.1. You hereby irrevocably and unconditionally agree to indemnify or reimburse us and our agents on demand, and keep us fully and effectively indemnified (whether before or after termination of these Terms) from and against any and all acts, proceedings, claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses, and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or assessed against us as a direct or indirect result of our acting under these Terms including (without limitation) our entering into any transaction with or for you, or acting upon any instructions received from you, in respect of which you or any counterparty or bank do not make good and timely delivery or payment save where we are negligent or in wilful default.

## 22. Representations, warranties and undertakings

22.1. You represent, warrant, and undertake that:

- a) you are duly organised and validly existing under the laws of the jurisdiction in which you are established and you have and will have full power and capacity (including, where you are acting as trustee of a trust, full power and capacity under the relevant trust deed), and have taken and will have taken all necessary corporate and other action to obtain the necessary authority to enter into these Terms and the transactions contemplated under them and to perform your obligations under those transactions and these Terms;
- b) you have obtained or, if not yet required, will obtain and will continue to maintain in effect all necessary authorisations and consents and approvals of any governmental or regulatory body or authority or exchange or clearing house for you to use the services and enter into the transactions contemplated by these Terms, and to perform your obligations under those transactions and these Terms;
- c) you will comply with the terms of any authorisations, consents and approvals as referred to at (b) and with all Applicable Law;
- d) you will upon demand deliver to us copies of all authorisations, consents and approvals as are referred to in (b) above and such evidence of compliance with them and any such law, regulations and directives as we may require;
- e) you shall:
  - (i) provide us upon demand all such information as may be required to be filed or disclosed pursuant to Applicable Law, in each case regarding yourself, any Investment or any transaction or these Terms;
  - (ii) file such reports, letters and other communications as may be required from time to time (and within any applicable time periods) by Applicable Law regarding yourself, any investment or transaction or these Terms; and,
  - (iii) send a copy of all such reports referred to in sub-clause (ii) to us promptly upon such filing, and we may forward a copy of the same to any relevant third party.
- f) you confirm that by entering into and performing the transactions contemplated by these Terms you will not violate any Applicable Law or any agreement or instrument by which you are bound;
- g) unless both of us have agreed otherwise, you are and shall remain (except where you are acting as a trustee) the beneficial owner of all property held on your behalf pursuant to such Terms and all such property is and will remain free from any lien, claim, charge or encumbrance;

- h) unless both of us have agreed otherwise, at the time of transfer by the client of any Property under any transaction contemplated by these Terms, you shall have full and unqualified right to make such transfer and upon such transfer the transferee will receive all right, title and interest in and to those Investments free from any lien, claim, charge or encumbrance;
- i) any information given by you to us (including without limitation the answers to any questionnaire completed by you giving details of your financial position) is complete, accurate and not misleading in any material respect; and,
- j) you will observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position.

### 23. Notices

- 23.1. We may rely on any instructions, notices or requests of any person who is, or whom we believe in good faith to be a person designated or authorised by you to give such instructions, notices or requests.
- 23.2. Subject to any express provision of these Terms, any instruction, notice, request, or other communication to be given by you or us shall be in writing and served by hand or delivered by commercial courier or pre- paid first-class post:
- a) to us at:  
Xconnect Trading Limited, 1st Floor, 8 Old Jewry, London EC2R 8DN, United Kingdom  
(FAO: Legal & Compliance Department)
  - b) to you at your registered address; or,
  - c) to any other address as notified between the Parties from time to time.
- 23.3. Any such instruction, notice, request, or other communication shall be deemed to be received:
- a) if served by hand, on actual receipt;
  - b) if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or,
  - c) if sent by post, on the second Business Day after the date of posting.
- 23.4. Where you do not have a permanent place of business in England and Wales, you agree to appoint and shall keep appointed an agent to receive on your behalf service of notices and / or any proceedings, and shall notify us of the identity and address for service of such agent.

### 24. Variation and waiver

- 24.1. Any variation of these Terms shall be in writing and signed by or on behalf of the Parties.
- 24.2. Our rights and remedies under these Terms are cumulative and are not exclusive of any rights or remedies provided under Applicable Law or any other agreement.
- 24.3. No waiver by us of any breach of any obligation arising under these Terms shall constitute a waiver of any other breach and no failure to exercise or partial exercise by us of any remedy shall constitute a waiver of the right subsequently to exercise that or any other remedy.

**25. Severability**

- 25.1. The invalidity, unenforceability or illegality of any provision (or part of a provision) of these Terms under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.
- 25.2. If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the parties shall negotiate in good faith to amend such provision such that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the original commercial intention of the Parties.

**26. Third party rights**

- 26.1. Other than an Associate Body Corporate, a person who is not a party to these Terms shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of these Terms.

**27. Entire agreement**

- 27.1. Unless otherwise provided herein, these Terms contain the entire agreement between the Parties with respect to its subject matter and supersedes all other agreements or arrangements whether written, oral or implied between the Parties.

**28. Governing law and jurisdiction**

- 28.1. These Terms are governed by and shall be construed in accordance with English law. The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with these Terms or its subject matter or formation (including non-contractual disputes or claims).

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## ANNEX I

### Definitions

In these Terms, the following words and phrases shall where the context so permits have the following meanings:

- “Applicable Law”** means: (a) the FCA Rules, (b) the rules, regulations, bye-laws, orders, directives, procedures and guidance of any governmental organisation, body having regulatory or enforcement responsibility, self-regulatory organisation, exchange, market, or clearing house, and (c) all other applicable laws, rules, and regulations in force from time to time.
- “Associated Body Corporate”** means a body corporate that is under the control of a person who also controls Xconnect Trading Limited. Control shall mean the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person (or persons):
- a) by means of the holding of shares, or the possession of voting power, in or in relation to, that or any other body corporate; or,
  - b) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate.
- “Business Day”** means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in London.
- “FCA”** means the Financial Conduct Authority.
- “FCA Rules”** means the rules and guidance contained in the Handbook.
- “FSMA”** means the Financial Services and Markets Act 2000.
- “Handbook”** means the FCA Handbook.
- “MiFID II”** means the Market in Financial Instruments Directive (European Parliament and Council Directive 2014/65/EU on markets in financial instruments).
- “Parties”** means the parties to these Terms.
- “Terms”** means these Terms of Business and annexes hereto, and additional documents entered into between the Parties from time to time in any format or by any means and whether or not product specific or expressly incorporated into this agreement, and each as from time to time amended, and / or supplemented.

## ANNEX II

## Summary of the Client protections under the Rules as applicable to and compared between Eligible Counterparties (“ECs”), Professional Clients (“PCs”), and Retail Clients (“RCs”)

		EC	PC	RC
General Principles	A firm must act honestly, fairly and professionally in accordance with the best interests of its Client.	X	✓	✓
Inducements	A firm must not accept fees or commissions, or provide or receive any non-monetary benefits other than in accordance with the Rules.	X	✓	✓
Terms of Business	A firm is required to enter into a written agreement with its Clients which sets out the essential rights and obligations of the firm and the Client.	✓	✓	✓
Advertising	The Rules impose certain communication and disclosure requirements upon firms depending upon the nature of its Clients. In addition, RCs are entitled to enhanced information disclosures about a firm.	X	✓	✓
Suitability	When making personal recommendations to RCs and PCs or managing Client investments, a firm is required to obtain sufficient information regarding its Client’s knowledge, experience, financial situation and investment objectives to enable the firm to make a suitable recommendation.	X	✓	✓
Appropriateness	When carrying out non-advised services for a Client, a firm must ask the Client for information regarding its knowledge and experience in the investment field in order to determine whether a service or product is appropriate for the Client.	X	✓	✓
Conflicts of Interest	A firm must have measures in place to monitor, manage and control conflicts of interest that arise between its interests and those of its Clients, or between various Clients’ interests.	✓	✓	✓
Order Execution	A firm is required to take all reasonable steps to obtain, when executing orders, the best possible result for its Client, taking into account a variety of execution factors	X	✓	✓
Client Assets	A firm is required to comply with the Rules on custody, particularly with regard to, where appropriate, the segregation of Client assets. The level of disclosure required for ECPs is less than that for RCs and PCs.	X	✓	✓
Client Reporting	A firm is required to ensure that Clients receive adequate reports on the services provided to them by the firm and the related charges, remuneration and commission associated with the transactions and services undertaken by the firm. The firm is able to agree on an entity specific basis the information to be provided to eligible counterparties in connection with the confirmation of the execution of transactions and related costs, and the requirement for the provision of periodic statements. Professional Clients are to receive trade confirmations T + 1, with the same content that Retail Clients would receive.	✓	✓	✓
Risk	A firm is required to ensure that Clients are warned of the nature of any risks involved in any transactions and provide written risk warnings in relation to transactions in derivatives and warrants, penny shares or securities subject to stabilisation and in relation to non-readily realisable investments or stock lending transactions.	X	✓	✓
Complaints and Compensation	An RC has the right to refer a complaint to the Financial Ombudsman Service and entitled to claim compensation under the Financial Services Compensation Scheme. Right of access to the Financial Ombudsman Service and such compensation arrangements are not available to PCs and ECPs.	X	X	✓

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## ANNEX III

### Execution Policy

#### 1. Our obligation

- 1.1 Where we have categorised and deal with you as a Professional Client, we shall take all reasonable steps to obtain the best possible result for you when we execute orders directly on your behalf, or pass orders onto other entities for execution, on an agency basis in respect of any Financial Instruments, as defined by Article 27 of European Regulation 2014/65/EU (“MiFID II”) (“Best Execution”).
- 1.2 For the avoidance of doubt, Best Execution will not apply where you have been categorised as an Eligible Counterparty.
- 1.3 We will satisfy our Best Execution obligation by selecting execution venues where we consistently achieve Best Execution.
- 1.4 Similarly, when we receive orders from you in such derivative instruments and pass them on to a third party for execution, we have a duty to act in your best interests and to take all reasonable steps to obtain the best possible results for you on the execution of your orders by a third party. We will satisfy this obligation by selecting execution entities which have execution arrangements in place that enable us to comply with our obligations to you. In practice this will mean choosing the entities most likely to deliver the best possible results for you on a consistent basis.
- 1.5 We are required to obtain your prior consent to the application of this execution policy (“Policy”) to your orders. Such approval will be demonstrated by you placing orders with us after receiving this Policy.
- 1.6 We shall, on an annual basis, publish for each class of financial instruments, the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained.

#### 2. Determining Best Execution

- 2.1 When executing orders in such derivative instruments on an agency basis, we will take all reasonable steps to achieve Best Execution of your orders. This means that in addition to this Policy, we have in place procedures which are designed to obtain the best possible execution result, taking into account the price, liquidity, cost, speed of execution, likelihood of execution and settlement, size and nature of your order and any other consideration relevant to the execution of your order (“Execution Factors”).
- 2.2 The relative importance of the Execution Factors on each of your orders will be influenced by the nature of your order, the financial products the order relates to, your own priorities and the nature of the venue available for execution of your particular order (“Execution Criteria”).
- 2.3 Where we transmit orders on your behalf to be executed by a third party, we will act in your best interests by:
  - a) taking all reasonable steps to obtain the best possible results for you; and,
  - b) using our best endeavours to transmit your order to an entity which has Best Execution policies and procedures in place. Where an entity is not subject to Best Execution

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obligations under MiFID by virtue of being located outside of the EEA, we will use our reasonable endeavours to transmit your order onto an entity with execution arrangements that allow us to comply with our Best Execution obligation.

2.4 In a similar way to executing your orders directly, we will take into account the Execution Factors and the Execution Criteria when we are placing or passing on your orders for execution.

### **3. Execution venues and execution entities**

3.1 In establishing our Policy we have identified a variety of different execution venues that we consider will enable us to obtain the best possible result on a consistent basis.

3.2 These execution venues shall include (without limitation) regulated markets, multilateral trading facilities, organised trading facilities, systematic internalisers and third-party liquidity providers, including market makers. We shall endeavour to execute any transactions for you as client on the venues listed in the clause 3.2 in an EEA or equivalent jurisdiction for all financial instruments.

3.3 In selecting venues for direct execution of your orders, or entities to whom we place or transmit orders on behalf of you, our primary considerations are price, liquidity, cost, speed of execution, likelihood of execution and settlement and any others relevant to the execution of your order. The relative importance of such considerations will be determined by reference to the attributes of your order, the financial instrument to which the order relates and the available execution venues.

3.4 Where there is only one appropriate execution venue or liquidity provider available for execution of your order, we will only use that single execution venue or liquidity provider to obtain the best possible result.

3.5 Where the use of one of our usual execution venues or liquidity providers would not, in a particular situation, result in the best possible result on your order, we will consider other execution venues and liquidity providers where available.

3.6 Where there is more than one competing venue to execute an order for a financial instrument, in order to assess and compare the results that would be achieved for you as client by executing the order on each of the execution venues listed in the investment firm's order execution policy that is capable of executing that order, the investment firm's own commissions and the costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.

3.7 From time to time, we may execute transactions outside a trading venue as defined in clause 3.2. In such a circumstance, we will obtain express consent of the client before proceeding to execute the order.

3.8 We shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements as set out in MiFID II.

### **4. Monitoring and review**

4.1 The execution venues and liquidity providers we use to execute your orders will be monitored regularly to ensure that they are providing the best possible result on a consistent basis.

Changes to our selected execution venues and liquidity providers will be made where appropriate to maintain adherence to this Policy. In addition, this Policy will be regularly reviewed and you will be informed of any material changes.

- 4.2 We will also assess, on an annual basis, the quality of execution afforded by those execution venues and liquidity providers and whether we need to change our execution arrangements.
- 4.3 Where we execute orders directly for you and upon your request as agent, we will demonstrate that we have executed a particular order or series of orders in accordance with this Policy.

## 5. Policy applications

### 5.1 Best Execution will not apply where:

- a) you have made your own trading decisions using your discretion, and you are not relying on us to act in your best interests to obtain the best possible result;
- b) you deal with us as agent on the basis of a quote that we have published, or on the back of a quote that we have provided at your request. However, we will owe you best execution where you choose not to accept the quoted price, but request that we accept the order on your behalf and wait for market conditions to allow for execution. For the avoidance of doubt, we will deem to have discharged our Best Execution obligation in such instances where the order is executed at, or better than, a limit price as soon as market conditions allow;
- c) we are otherwise dealing with you as principal and we are not acting to execute orders directly on your behalf; or,
- d) we are providing you with a service in relation to customised OTC financial instruments that involves a unique contractual relationship between us and where it may not be possible to provide any comparisons with other transactions or instruments for the purposes of Best Execution.

### 5.2 Best Execution may be modified where:

- a) you have given us specific instructions in relation to your order and / or concerning the manner in which any transactions effected with you on an agency basis are to be executed, or sourced by us via any execution venues or other liquidity providers, and we execute the order in accordance with those instructions, this will override our duty of Best Execution to the extent of any inconsistency with your instructions (although we may still have an obligation of Best Execution to the extent, for example, your instructions concern the price of execution but not a particular execution venue); or,
- b) you have given us an order which can only be executed on one particular execution venue or with one liquidity provider, we will have complied with our Best Execution obligation by executing on that venue or with that liquidity provider.

### 5.3 Best Execution will not apply at a time of severe market turbulence, and / or internal or external system failure where instead the ability to execute orders on a timely basis, or at all, will become the primary factor. In the event of system failure we may not be able to access all of our chosen execution venues.

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## ANNEX IV

### Derivatives Risk Disclosure Statement

This statement provides you with an outline of certain risks involved in dealing in derivative instruments. This statement does not disclose all of the risks associated with derivative instruments and is not intended to be comprehensive nor exhaustive.

#### 1. Assumptions

1.1 We shall enter into transactions with you on the following assumptions:

- a) you have the capability to make an independent decision on the risks involved in the transaction, to monitor the performance of outstanding transactions and to judge the appropriateness of the transaction for yourself;
- b) you have taken sufficient tax, accounting, regulatory, legal, financial and other independent advice as you consider appropriate and necessary;
- c) you understand and have complied with any requirements as set out by your regulators or other governing body; and,
- d) you have assessed the potential financial benefits and risks and have also considered the implications (including tax and accounting) of the market, credit, liquidity, funding, operational, interest rate, foreign exchange, contingent liability, compliance and legal risks inherent in any derivative transaction both in general and specific terms.

#### 2. Risks

2.1 Over the counter derivative transactions have inherent and complex risks and may increase liquidity risk. In particular, highly leveraged transactions carry a high degree of risk as a relatively small movement in a related or underlying market factor may result in a significant change in value of funds.

2.2 We assume that you have considered the possible effects of such transactions and are comfortable that such a transaction is within your objectives and policy guidelines. You cannot rely on us to assess on your behalf or to advise you about the merits or suitability of any transaction or proposed transaction.

#### 3. Advice

3.1 We consider you to be acting for your own account, and to have made your own independent decisions to enter into any transaction. You are not relying on any communication (written or oral) from us as investment advice or as a recommendation to enter into any transaction: it being understood that information and explanations related to the terms and conditions of a transaction shall not be considered investment advice or a recommendation to enter into that transaction.

3.2 No communication (written or oral) received from us shall be deemed to be an assurance or guarantee as to the expected results of that transaction and you are assumed to be capable of assessing the risks of any transaction entered into with us.

3.3 We do not therefore accept any fiduciary or other responsibility for advising you on the merits or suitability of any transaction. Accordingly and unless subject to the terms of an express undertaking, we do not accept any responsibility, in negligence or otherwise, in respect of any representations or other statements made to you in connection with any transaction or proposed transaction. In particular, this statement cannot be construed as assessment or advice.

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## ANNEX V

### Conflicts of Interest Policy

This document summarises our policy in terms of meeting our obligations under MiFID II to maintain and operate effective organisation and administrative arrangements with a view to taking all reasonable steps to identify, monitor, and manage conflicts of interest. This document provides key information designed to enable you to understand the measures that we are taking to safeguard your interests.

#### 1. Conflicts management: systems and controls

- 1.1 We are committed to treating clients fairly and will never knowingly put ourselves into a position where our own interests or responsibilities to another client prevent us from undertaking our duties to a client.

#### 2. Definition of a conflict of interest

- 2.1 A conflict of interest occurs where a firm carries out activities either for a client or for their own account that may conflict, or appear to conflict with the interests of another client if those activities are not appropriately organised or controlled.

#### 3. Potential conflicts of interest

- 3.1 The following are examples of potential conflicts of interest that may arise during the course of our business relationship:
- the provision of services by us to different clients with competing interests;
  - personal account dealing by our staff; or,
  - our involvement in some other capacity in another transaction involving an investment or a related investment that you are buying or selling.

#### 4. Policies and procedures

- 4.1 We have established internal policies and procedures that are designed specifically to manage potential conflicts of interest, and which are subject to ongoing monitoring and review. These include, but are not limited to:
- Information barriers and Chinese walls whereby exchange of information is controlled between our staff and / or parts of the business where the interests of one client may conflict with the interests of another client or our own interests. Our Chinese wall procedures are designed to manage confidential or price sensitive information and to prevent inappropriate transmission.
  - A personal account dealing policy that requires disclosure from all staff in respect of all trades in designated instruments so as to identify any transactions that could be conceivably perceived to be in conflict with our clients' activities or interests.
  - Research policies that ensure full regulatory compliance and that our clients are not disadvantaged in any way.
  - Separate supervision and segregation of employees, where it is appropriate to ensure that the interests of us and our clients, and between our clients are not in conflict.

**5. Disclosure**

5.1 Where there are no or insufficient means of resolving an identified conflict, we will disclose the conflict to you to enable you to make an informed decision as to whether you wish to continue the business relationship with us with regard to that activity

**6. Declining to act**

6.1 Where we consider we are not able to manage the conflict of interest in any other way, we may decline to act for you.

**7. Further information**

7.1 Further information on these conflict management procedures is available from our Legal & Compliance Department.