

# Securities Dealing and Custody Arrangement Services Agreement

Europe Arab Bank plc ("EAB"/"we"/"us") is authorised and regulated by the Prudential Regulation Authority (the "PRA") which may be contacted at Bank of England, Threadneedle St, London, EC2R 8AH (or by email at [enquiries@bankofengland.co.uk](mailto:enquiries@bankofengland.co.uk)) and is regulated by the Financial Conduct Authority which may be contacted at 25 The North Colonnade London E14 5HS (or by email at [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)) (the "FCA") and the PRA. EAB's registered office is at 35 Park Lane, Mayfair, London W1K 1RB.

This Securities Dealing and Custody Arrangement Services Agreement (this "Agreement") sets out, in accordance with the UK's regulatory and legislative requirements, the arrangements under which we will provide you with our securities dealing services and will make arrangements for you to receive settlement and custody services from Pershing (Channel Islands) Limited ("PCI").

To help us provide our services to you we have entered into a client agreement with Pershing (Channel Islands) Limited ("PCI") under which PCI provides custody and settlement and other associated services to our clients (the "PCI Agreement") in order to carry out the investment transactions we execute or arrange for our clients and to hold the related investments and cash.

When we consider it necessary or desirable in connection with our services to you, we may agree with PCI that it or Pershing Securities Limited ("PSL"), an affiliate of PCI based in the UK, will also provide us other services, such as investment dealing services, under the PCI Agreement. Under the arrangements made with PCI you will become a client of PCI for custody and settlement purposes. PCI is a company registered in Jersey, company number 107773. Its registered office is at 5 St. Andrew's Place, Charing Cross, St Helier JE4 9RB. PCI is regulated by the Jersey Financial Services Commission (the "JFSC") for the conduct of investment business.

Your rights and obligations in relation to PCI are set out in Schedule 1. By accepting these terms of business, you agree that:

- a) we are authorised to enter into the PCI Agreement on your behalf, acting as your agent so that by accepting these terms a contract arises not only between you and us but also between you and PCI. As a result of that contract, you will be bound by both our terms of business and the PCI Agreement (with the rights and obligations set out in Schedule 1 below);
- b) we may give instructions to PCI on your behalf as allowed by our terms of business and the PCI Agreement and may provide information about you to PCI; and
- c) PCI is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to PCI.

We retain responsibility for making these arrangements and for any share dealing you arrange through us (including responsibility for complying with any related regulatory requirements) and PCI shall not have any responsibility for:

- a) our own operations; or
- b) our accepting investment transactions, following your instructions or within the mandate given by you or
- c) for any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
- d) providing any investment advice to you or taking investment management decisions on your behalf.

This Agreement is legally binding and will take effect once you have returned to us a duly signed and dated copy of this Agreement acknowledging that you are in agreement with its terms and conditions.

From the date of this Agreement, this Agreement will replace and supersede any earlier version of any securities dealing and custody services agreement between you and us and any reference in any documentation between you and us to an earlier version of a securities dealing and custody services agreement between you and us shall be read as a reference to this Agreement.

We will give you at least 30 days' prior written notice of any amendment(s) to this Agreement except where the change is (in our reasonable opinion) not material, or is more favourable to you or is being introduced to comply with regulatory requirements. In any of these cases we may apply the change on 5 days' prior written notice. You are not obliged to accept any change we propose to this Agreement but if you continue to use our securities dealing and custody services after the period the date that

is notified to you for the amendments to come into effect, you will be deemed to have accepted these amendments. For your convenience, the latest version of this Agreement is posted on EAB's webpage at [www.eabplc.com](http://www.eabplc.com) and will be sent to you by email or by post.

This Agreement should be read in conjunction with our Private Banking Terms and Conditions to which you are subject, and you have agreed in your dealings with us.

If you have any questions about these terms of business or the terms of business that we will enter into on your behalf with PCI, you should contact us to discuss this as soon as possible, and before you accept the terms of business or instruct us to act for you. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.

It is very important that you read this Agreement carefully as it contains legally binding terms of business. If there is anything you do not understand please contact us as soon as possible.

## **1 Definitions and Interpretation**

1.1 In this Agreement:

- a) "we" and "us" will mean Europe Arab Bank plc;
- b) "you" and "your" refer to you, the person (or person(s) acting together as Joint Holders or entity in whose name (or in the case of Joint Holders, names) this Agreement is made;
- c) "Associate" means any company which we directly or indirectly control, any company which directly or indirectly controls us, and any company which it directly or indirectly controls;
- d) "Business Day" means, in relation to anything done or to be done in the United Kingdom, any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the United Kingdom; and in relation to anything done or to be done by reference to a market outside the United Kingdom, any day on which that market is normally open for business;
- e) "Current Account" means your current account with us that holds your money, and if you hold more than one such current account whichever of them you have indicated to us you would like to use for the purposes of this this service: for the avoidance of doubt your current account is held by us as banker and is subject to the protections given to deposits with a bank rather than being regarded as a "client account" under the CASS Rules (which provide protections where an investment firm holds a client's money) and therefore the client money and distribution transfer rules set out in CASS 7A within the CASS Rules are not applicable to your current account;
- f) "CASS Rules" means the provisions of the Rules dealing with client money and assets (currently set out in the "CASS" section of the FCA's Handbook);
- g) "Custody Rules" means the provision of the Rules relating to safe custody assets;
- h) "EEA" means the European Economic Area;
- i) Joint Holders means two or more persons acting jointly as the client under this Agreement;
- j) "FSCS" means the UK Financial Services Compensation Scheme;
- k) "PCI Client Account" means your accounts maintained within the books of PCI and includes your "PCI Securities Account" recording the Securities held by the Custodian for you and your "PCI Cash Account" recording cash held by PCI on your behalf pending investment or return to you;
- l) "Regulatory System" means the arrangements for regulating us in or under the Financial Services and Markets Act 2000 and including any relevant directly applicable provisions of a European Directive or Regulation that have been imported into the laws of the United Kingdom;
- m) "Rules" means the rules of the FCA and/or PRA as from time to time in force;
- n) "Securities" means securities that may be traded under this Agreement (subject to the provisions of paragraph 3.2 below) which include the following:

### **Products generally appropriate for all clients**

- Shares admitted to trading on a regulated market in the EEA or in an equivalent third country market (including such shares in investment trusts where we do not consider to such product to be "complex" for the purposes of applicable legislation);
- Money market instruments, government securities, bonds and other forms of securitised debt that do not embed derivatives in each case where such securities are traded on a regulated market in the EEA or in an equivalent third country market; and
- UCITS funds with daily liquidity.

### **Products generally appropriate only for Professional Clients**

- Exchange-traded bonds that do not fall within the category listed above (including forms of securitised debt that embed derivatives, which include exchangeable bonds; callable bonds; puttable bonds; convertible bonds; perpetual bonds; and subordinated bonds);
  - Exchange Traded Funds; and
  - UCITS funds not falling within the category listed above,
- in each case where such securities are traded in the following countries:

- (i) the United Kingdom
- (ii) the EEA
- (iii) USA
- (iii) Canada
- (iv) Japan

- o) "Securities Account" means your account with PCI Securities Account;
- p) the "FCA" includes any successors thereto;
- q) the "PRA" includes any successors thereto; and
- r) the "JFSC" includes any successors thereto.

1.2 In this Agreement the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

## **2 Client Classification**

2.1 We have classified you as a Professional or as a Retail Client and we have separately notified you of this classification and of the protections afforded to these different categories of client under the UK's regulatory environment including under the CASS Rules (where applicable) from time to time in force.

2.2 You will also qualify for the services of the Financial Ombudsman Service unless you are a firm within certain categories of firms authorised to undertake investment business or payment services or you are not a consumer or micro-enterprise as defined in the FCA's Handbook. Please note that these services apply only in relation to the services that we provide to you. They do not apply to the services that are provided to you by PCI. Those services may however be covered by an ability to make a complaint to the Channel Islands Financial Ombudsman as further detailed in paragraph 14 of Schedule 1. More information is available from us about this if you would like more details.

2.3 If you have been categorised as a Professional Client, you may request to be categorised as a Retail Client. We are not obliged to accept any such request.

2.4 If you have been categorised as a Retail Client, you may request for categorisation as a Professional Client. We are not obliged to accept any such request, however, if we did, we would provide you with a written notice containing the protections you would lose.

2.5 We do not accept requests for persons or entities trading under the terms of this Agreement to be categorised as Eligible Counterparties.

## **3 Securities Dealing Services**

3.1 The services which we may provide to you under this Agreement are 'execution only' dealing services in Securities within the definition listed above. We provide these services by receiving your orders and transmitting them to another firm for execution. We do not provide investment management, investment advice and we do not publish investment research recommendations.

3.2 We reserve the right not to accept instructions for any particular transaction, and we will inform you in such instance. For the avoidance of doubt this will not be because we will be considering the suitability of any investment for you (we are not acting as investment advisers under this Agreement and have no duty to consider the suitability of the investments that you ask us to purchase on your behalf).

3.3 If you have been categorised as a Retail Client we will not normally accept instructions to acquire Securities of the type that we have listed above as being generally appropriate only for Professional Clients. If we do accept such a request, this will occur only after we have followed a procedure set out in the FCA's Handbook that requires us to seek to assess the appropriateness of the investment for you and to warn you if we consider the investment not to be appropriate for you.

3.4 If we do exercise this right not to accept instructions for any particular transaction, we will inform you of this as soon as reasonably practical but we will not be under any duty to explain the reason for this decision.

3.5 Our services are provided on an execution-only basis. We will arrange for the execution of transactions in particular Securities, specified by you, but will not advise you about the merits of any particular transaction nor will we provide you with any personal recommendation(s). The decision to buy, hold or sell such Securities is entirely your own and we accept no responsibility for that decision. We will only provide you with information (never advice) to help you decide if a product is right for you.

3.6 We may also provide such other services as may be agreed between us in writing from time to time.

## **4 Custody Services**

- 4.1 We may make arrangements to provide you safe custody services with respect of your Securities that we deal with under this Agreement. We do this by acting as your agent to enter into a client agreement with PCI under the terms set out in Schedule 1 and by entering into this Agreement you agree to acting as your agent for such purpose and that terms and conditions set out in Schedule 1 shall apply to govern the relationship between you, PCI and us.
- 4.2 Unless separately agreed in writing, we will make arrangements via PCI for the collection and receipt of all dividends, interest payments and other entitlements accruing to you in respect of the Securities and will arrange for these to be credited to your Current Account. In respect of dividends, UK tax is deducted at source and cannot be reclaimed.
- 4.3 We will not be responsible for applying for any reduction of withholding tax or for any refund of tax paid or tax credits available to you, although an IRS form W-8BEN is available on request. For the purpose of tax on dividends or other payments received, PCI will treat the PCI Client Account as that of a UK bank.
- 4.4 Unless separately agreed in writing, we will not be responsible for notifying you or taking up any rights, exercising any conversion or subscription rights, dealing with take-overs, other offers, capital re-organisations or corporate events, exercising voting rights or any taking any other steps which requires discretionary action with respect to the Securities recorded as being held in your PCI Securities Account.
- 4.5 We are authorised, but without being under any obligation or duty, to sign any affidavits or certificates of ownership relating to the Securities which may be required by Her Majesty's Commissioners for Revenue and Customs or any other taxation authority and whether relating to ownership, income tax or capital gains, or any other tax, duty or levy. You agree to ratify and to confirm or to do, or to procure the doing of, such things as may be necessary to complete or evidence our actions under the terms hereof. We may deduct tax from payments if we are obliged to do so under any applicable law.
- 4.6 We shall not be liable for the acts, failures to act or the insolvency of PCI or of any other custodian or sub-custodian except that where PCI, the custodian or sub-custodian is a nominee controlled by us, we will be liable to the same extent as we may be liable for our own acts or failures to act. This exclusion of liability does not however apply to any liability that we may have to you under the Regulatory System.
- 4.7 We do not hold any of your cash as client money. Where we buy Securities on your behalf, the purchase price is transferred from your Current Account (which we hold as banker and not as trustee) to your PCI Cash Account to settle the transaction and is promptly applied for that purpose. Where we sell Securities on your behalf, the sale proceeds are first received in your PCI Cash Account and thereafter are transferred to your Current Account promptly and in any event no longer than ten Business Days after we have received the money. Please see paragraph 7 of Schedule 1 for more detail.

## **5 Transactions and Order Execution Policy**

- 5.1 Your instructions to deal will normally be given by telephone or email and following such security procedures (which may include the use of passwords or other devices to authenticate your identity as we may implement from time to time).
- 5.2 We are required to put in place an order execution policy and to take all sufficient steps to obtain the best possible result for you when receiving and transmitting orders for execution.
- 5.3 We will arrange for your orders to be executed as soon as possible. Our official working hours are 9am to 5pm Monday to Friday, London time, excluding Bank holidays in England. Please be aware that we will only accept orders during our official working hours.
- 5.4 When we receive and transmit orders on behalf of our clients we do so under arrangements that are designed to obtain the best possible result for you taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, having regard to the nature of the relevant Security and of the firms and execution venues to which that order can be directed, the characteristics of the client order and your classification as a Retail or Professional Client. In particular these arrangements are designed to obtain the best possible result in terms of the 'total consideration'. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order (for e.g. execution venue fees, clearing and settlement fees, size, price and speed of execution). Other factors may be given priority by us only if they are instrumental in delivering the best possible result in terms of the total consideration to you (e.g. a large order in a relatively illiquid share).
- 5.5 Where we transmit your orders for execution to third parties, we will require the third party to select execution venues which have execution arrangements in place that enable us to comply with our obligations to you. In practice this will mean choosing venues most likely to deliver the best possible results for you (having regard to your requirements as a retail client, the nature of the Securities, the characteristics of your orders and the characteristics of the venues to which your orders can be directed) on a consistent basis.
- 5.6 The investment firm that we place significant reliance upon when transmitting your orders for execution is PSL.
- 5.7 This information from time to time may be updated; you will not be notified separately of any changes to these investment firms but we will keep a list of updated venues on our website. Alternatively please ask us and we can supply you with our current list directly.

- 5.8 We will review our order execution arrangements annually and wherever a material change occurs that affects our ability to continue to obtain the best possible result for you. We will publish relevant data on the investment firm(s) that we transmit your orders to on an annual basis on our website.
- 5.9 Please be aware that where you give us specific instructions for the execution of an order on your behalf, we will execute the order in accordance with your specific instructions. This may prevent us from obtaining the best possible result for the execution of your order.
- 5.10 We may accept at our discretion orders requesting us not to arrange a transaction unless and until a price specified by you can be obtained (a "limit order"). While we will try to arrange the execution of limit orders, if the limit price is reached, we cannot guarantee that the deal will be effected at your given price, especially in fast moving or volatile markets. In the event that a deficit occurs in the execution of the number of Securities, or price paid or realised, we will not be obliged to make good any such deficit.
- 5.11 The limit order will be good without renewal until the end of the last working day of the calendar month in which we received your order (unless cancelled earlier in writing), after which it will automatically lapse without any notice to you. Any limit order not executed may, on the day it is received, be published by the executing broker in order to facilitate the execution of the limit order.
- 5.12 We will monitor the effectiveness of and our compliance with our order execution policy.

## **6 Your Money**

- 6.1 We will arrange for transactions to be settled on your behalf by sending your funds from your account held by us as bankers to PCI, which will maintain a cash account and a securities account in your name. Any money that we receive from PCI on your behalf will be paid directly into a Current Account that you hold with us. Accordingly, we will not at any point hold any client money under the CASS Rules. This means that if we were to fail the client money distribution rules under the CASS Rules would not apply.
- 6.2 As a bank, we are regulated by the FCA (as well as by the PRA), and money held by you in any account with us as banker will be covered by the FSCS (subject to the terms and limits applicable under that scheme from time to time, which are available from us on request).
- 6.3 By accepting these terms you authorise us to arrange for PCI to hold your cash and investments in safe custody on the terms set out in Schedule 1, to transfer Securities from your Securities Account with PCI to meet sales effected for you and to undertake other matters in relation to your investments as provided in Schedule 1 to this Agreement, as applicable.

## **7 Risks**

- 7.1 Any investment involves a degree of risk and some investments are more risky than others. Before making any investment decision, you must ensure you understand the risks of making such an investment. This section describes some of the risks which could be relevant to the services we provide to you. We may provide further risk information during the course of our services to you, as appropriate.
- 7.2 You should never invest in or deal in any financial product unless you understand its nature and the extent of your exposure to risk. Any decision to invest in an individual Security should be made on the basis of the best information available to you including a review of the risks of that individual Security as highlighted in any relevant prospectus or listing particulars. You should also be satisfied that the financial product is suitable for you in light of your circumstances, financial position and circumstances relating to tax.
- 7.3 Different investment products have varied levels of exposure to risks and different combinations of risks. The information provided in this section is not intended to constitute a comprehensive statement of all the risks to which you might be exposed and there may be others that exist now or which may arise in the future.

### **Self-directed investment**

Self-directed investment, where investors make their own investment decisions and transactions are made on an execution-only basis, is not for everybody. Investors who choose to invest in this manner should regularly review their portfolio, or seek professional advice, to ensure that the underlying assets remain in line with their investment objectives.

### **Nature of investment**

The value or price of Securities, whether shares or bonds can go down as well as up and you may not receive back the amount you invested in them.

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

### **Exchange Rate Risks**

Investments denominated in a currency other than the currency where you live or ones that undertake transactions on foreign markets, which include the financial markets of developing countries, may expose you to greater risks caused

by fluctuations in foreign exchange rates. This can adversely affect the value to you of your return and the value to you of your investment. Investments in emerging markets are exposed to additional risks, including accelerated inflation, exchange rate fluctuations, adverse repatriation laws and fiscal measures, and macroeconomic and political factors.

### **Equity Investments**

Equities (investments in shares and similar securities) carry varying risks brought about by the performance of markets, interest rates, taxes on income and capital, foreign exchange rates, liquidity (the ease with which a security can be traded on the market) and the business and financial performance of the issuing companies.

When securities are newly issued, the market price is sometimes artificially maintained by the issuer during the period when a new issue is to be sold to the public. This is known as stabilisation and may affect not only the price of the new issue but also the price of other securities relating to it. Stabilisation is allowed, as long as a strict set of rules is followed, in order to counter the prospect of a drop in price before buyers can be found. The overall effect of this process may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

Shares purchased on secondary markets such as the Alternative Investment (AIM) market or on a trading venue that is not a regulated market carry a higher degree of risk than other. This is because the requirements on companies that are listed on such markets are less stringent than those for companies with a full market listing. There is also usually a wider spread between the buying price and the selling price of these shares and if they have to be sold immediately, you may get back less than you paid for them due to a lack of liquidity. The price of these shares may change quickly and they may go down as well as up. It may also be difficult to obtain reliable information about their value or the extent of the risks to which they are exposed.

### **Debt securities**

You should be aware of potential credit risk, in the instance of dealing in bonds and other debt securities and understand that by purchasing a bond or debt security you are effectively extending a loan (and usually an unsecured loan) to the issuer of that bond. It may be that the issuer's credit rating deteriorates and this will usually lead to a fall in the traded value of the security. In some cases the issuer may become unable to cover the liability (both in relation to any interest payable and in relating to repayment of capital) and the security becomes worthless.

The values of debt securities, particularly long-dated debt securities, are influenced by market rates of interest. If market interest rates go up this can cause the value of a particular bond to fall.

### **UCITS**

UCITS are a type of investment fund that allow an investor to invest in a portfolio of assets managed by a professional investment manager. These investments expose the investor to the risk of loss from the poor performance of fund managers and you are advised to read carefully the fund documentation to consider the other risks involved.

### **Securities generally appropriate only for Professional clients**

Securities that we have defined above as being "Products generally appropriate only for Professional clients" often involve a greater degree of risk and generally require a greater degree of knowledge and experience for an investor to be able to understand the risks.

### **ETFs**

ETFs are investment funds, traded like shares which hold assets such as shares, commodities or bonds. They normally closely track the performance of a financial index, and as such, their value can go down as well as up and you may get back less than you originally invested. Some ETFs rely on complex investment techniques, or hold riskier underlying assets, to achieve their objectives and the success of the techniques that they adopt is not always assured. You should always ensure you read the documentation provided to ensure you fully understand before you invest the risks you are taking on.

### **Non-Readily Realisable Investments**

Subject to our duties relating to the assessment of appropriateness where dealing on behalf of a Retail Client as summarised at section 3.2 above, we may enter into transactions on your behalf in non-readily realisable investment, or less liquid Securities. These are investments in which the market is limited, or could become so. You may have difficulty selling these investments at a reasonable price, and in some circumstances it may be difficult to sell at any price. You should take note of the extra risks that may be involved in this type of investment.

7.4 As an execution-only service provider, we have no obligation to make a market or buy back any Securities.

## **8 Payments, Commission and Charges**

8.1 Payments for Securities bought and for any other related costs will be debited to your Current Account and in the first place credited to your PCI Cash Account before then being applied by PCI to settle the relevant transaction. The proceeds of any Securities sold and any other revenues or returns from Securities will be credited by PCI in the first place to your PCI Cash Account before being remitted to your Current Account with us. We reserve the right to place a block on your Current Account for an amount equivalent to the purchase price for the purpose of discharging any monies which shall be due by you to us as a result of your purchase order.

- 8.2 If you have opened more than one Current Account with us we will be entitled, at any time without giving notice to you to combine or merge all or any of your accounts with, or liabilities to, us. We will be entitled without notice to apply any sum owing to, or held for you, by us or any of our Associates, in the extinction or diminution of all or any part of any of your liability or liabilities upon any of your accounts with us whether such liability or liabilities be actual or contingent, primary or collateral, several or joint and in such order and manner as we may in our absolute discretion decide.
- 8.3 Commission and other charges, including our fees for arranging the safeguarding of your investments (plus any other costs or expenses of using our service which may include any applicable levy, stamp duty and value added tax at the rate from time to time in force) will be in accordance with our published schedule of charges which is available on our website. We take responsibility for all charges levied by PCI and PSL and pay for such charges out of our commission fees and other charges.

## **9 Conflicts of Interest**

- 9.1 In accordance with our Conflicts of Interest Policy, we have in place arrangements to identify and manage conflicts of interest that arise between ourselves and our clients and between our different clients. A summary of that policy is set out below. Further details of that policy are available on our website.
- 9.2 Your attention is drawn to the fact that if and when we deal on your behalf, we, or some other person connected with us may have an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned.
- 9.3 In the event of a material conflict of interest being identified, we will undertake to remove that conflict in as appropriate and timely manner as possible. If we are unable to remove the conflict, we will notify you of it and advise what options are available to take matters forward.
- 9.4 For the purposes of this paragraph "we" includes an Associate or an employee.

## **10 Anti-Money Laundering Obligations**

- 10.1 We have certain legal and regulatory responsibilities to verify your identity and address and your source of funds on an on-going basis. We will need to make enquiries and obtain information from you for this purpose. You confirm that all information you supply will be accurate and you agree to notify us of any material changes to your circumstances.
- 10.2 Should you fail to provide information requested by us in order for us to satisfy our regulatory obligations we will cease to provide services until the necessary information, or documentation, has been received. In addition there may be as a result of regulatory requirements occasions where we are obliged to suspend dealing with you pending resolution of issues arising, and this may include circumstances where we are prevented by law from explaining to you the reasons for this. Where this occurs you agree that we will not be in breach of any duty to you. This exclusion of liability does not however apply to any liability that we may have to you under the Regulatory System.

## **11 Limitation of Liability**

- 11.1 We will not be responsible or liable to you for acting on any instructions or for relying on any document or communication we believe to be genuine.
- 11.2 We may at our option refuse to comply with any instructions given by you.
- 11.3 You accept that we are not liable to you for any direct or indirect losses you may incur, and you agree to indemnify us for any losses we may incur as a result of reliance by us on telephoned or faxed instructions or instructions sent by electronic link (including via e-mail and the internet).
- 11.4 We will not be liable for any efforts or for any action lawfully taken or omitted to be taken under this Agreement, except through our own negligence or willful default. We will not be responsible for any loss of opportunity whereby the value of your Securities could have been increased or for any decline in the value of your Securities unless such decline or loss is the direct result of our negligence or willful default to comply with your properly given instructions or the FCA Rules.
- 11.5 We will not be responsible for the taxation consequences of any transaction, either in the UK or elsewhere in the world, nor will we be liable for taxation charges arising for any reason. We are not tax advisors; you should seek independent tax advice to clarify your personal situation.
- 11.6 In the event of any failure, interruption or delay in performance of our obligations resulting from acts, events or circumstances not reasonably within our control, including, but not limited to, Acts of God, war or terrorism, industrial disputes, breakdown, failure or malfunction of any telecommunications, electronic or computer services, networks, platforms and systems, or the failure by any relevant intermediate broker or agent, dealer, exchange, clearing house for any reason to perform its obligations, we shall not be liable or have any responsibility of any kind for any loss or damage incurred or suffered by you as a result.
- 11.7 You agree that you will not bring any claim or proceedings of any nature in any way in respect of the provision of services by us against any individual employee or officer of EAB. Any claims in respect of services provided shall be brought against EAB alone and the restriction in this paragraph will not operate to limit or exclude the liability of EAB. Any employee or officer of EAB may enforce the terms of this paragraph against you under the Contracts (Rights of Third Parties) Act 1999.
- 11.8 The exclusions of liability in this section 11 do not exclude or restrict any liability that we or any other person may have to you under the Regulatory System.

## **12 Communication and Correspondence**

- 12.1 We record telephone calls to meet our regulatory obligations, and for quality assurance and training purposes. We may use such recordings as evidence of our conversations, and to clarify the specifics of any orders given to us by you. We will make every effort to answer all telephone calls, but we cannot be held liable if, for any reason, we are unable to answer your telephone calls. We will retain records of such calls to meet our obligations under our local regulatory requirements.
- 12.2 Any statement, notice, document and other communication which we are required to send or may send to you under this Agreement (including, without limitation, any amendment or termination notice) may be sent by first class post to your permanent postal address as notified to us from time to time or sent by fax or by electronic link (including via e-mail and the internet) to such fax number or e-mail or other electronic address as you may notify to us from time to time.
- 12.3 If posted it will be deemed to have been sent or served at the time it would, in the ordinary course of post, be delivered. If sent by fax or electronic means it will be deemed to have been in writing and to have been sent or served at the time of transmission. If applicable, service on any one of the account holders is deemed to be service on all of them.
- 12.4 You acknowledge that all written and oral communication in connection with this Agreement will be conducted in English.

## **13 Data Protection and Confidentiality**

- 13.1 Subject to paragraph 13.2 below, our services to you under this Agreement are subject to the arrangements relating to data protection and confidentiality that we have agreed in the Private Banking Terms and Conditions and these arrangements shall apply as if expressly set out within this Agreement. In addition, as necessary for purposes of providing our and PCI's services to you under this Agreement and the PCI Agreement, we may transfer your personal information to PCI in Jersey, where such personal information will be held by PCI as a data controller in accordance with applicable data protection legislation in Jersey. Jersey is covered by UK 'adequacy regulations' in relation to data protection. Please refer to paragraph 13 of Schedule 1 for terms and conditions relating to data protection and confidentiality applicable as between you and PCI.
- 13.2 We will respect and protect the confidentiality of the information relating to you and your Securities. However, we are required to make trade and transaction reports under our UK regulatory and legislative obligations. We are not liable in any way for meeting our obligations. This means that details of your trading undertakings with us will be passed to third parties, such as the FCA or law enforcement agencies. These requirements assist in providing market transparency and to mitigate the risks of transactions being used to facilitate money laundering and / or other illegal activities.

## **14 Complaints**

- 14.1 We take complaints very seriously and have established procedures for complaint consideration and handling to ensure that complaints are dealt with fairly and promptly.
- 14.2 If you would like make a complaint you must contact us first to raise the complaint. You may do this by speaking to your EAB contact, or writing or emailing us directly as follows:

**The Compliance Officer**  
**Europe Arab Bank plc**  
**35 Park Lane, Mayfair**  
**London W1K 1RB**

Email: [EAB-Compliance-London@eabplc.com](mailto:EAB-Compliance-London@eabplc.com)

- 14.3 If we do not provide you with a final response within eight (8) weeks from the date we receive your complaint, or if you do not agree or are dissatisfied with the outcome of the response, you may (subject to your eligibility as summarised at paragraph 2.2 above) have the right to refer it to the Financial Ombudsman Service, which is an independent dispute resolution services. Please note that the Financial Ombudsman Service cannot deal with any complaint relating to the provision of services to you by PCI
- 14.4 The Financial Ombudsman Service can be contacted at:

**The Financial Ombudsman Service**  
**South Quay Plaza**  
**183 Marsh Wall**  
**London E14 9SR**

- 14.5 Our written complaints policy, which complies with the FCA Rules governing complaints, is available to you on our website and is applicable to our services under this Agreement.

## **15. Termination**

- 15.1 We reserve the right to terminate this Agreement and our arrangements with you at any time by issuing to you a notice of termination which will take effect after 30 business days from the date of issue of the notice. You may also terminate these arrangements by giving us notice of termination will take effect after 30 business days after receipt of such notice by us.
- 15.2 No penalty will become due from either you or us in respect of the termination of this Agreement.



- 15.3 Any such termination will not affect accrued rights or any commitment already entered into by you or by us on your behalf or with you or any provision of the client documents intended to survive termination.
- 15.4 Any transactions in progress at the date of termination will be completed as soon as practical and the terms of this Agreement will apply to such transactions and your dealings with us in respect of such transactions.
- 15.5 Where we arrange custody services, unless you make alternative arrangements with PCI, we will make arrangements for the transfer of your investments to you or as you may direct us, i.e. to a new broker, with the intention of instigating such transfer within a month of termination. You may be charged a fee for this to cover any costs we incur in executing this transfer. Details of such fees are set out in our published schedule of charges which is available on our website.

## **16 Provisions affecting Joint Holders**

- 16.1 Where you constitute Joint Holders, you acknowledge and agree that any Joint Holder is authorised to give us instructions on behalf of all Joint Holders so as to bind all Joint Holders.
- 16.2 If you the customer constitute Joint Holders, all representations, undertakings, conditions and obligations applicable to you shall be deemed to be given by all such Joint Holders on a joint and several basis.
- 16.3 Where Securities are recorded as being held in joint names we will assume that the Securities are held by you as joint owners with a right of survivorship. Accordingly if one Joint Holder dies the remaining Joint Holder or Joint Holders shall succeed to the deceased Joint Holder's share and will be treated as our client and as the owners(s) of such Securities (to the exclusion of the personal representatives of the deceased Joint Holder). In the event of successive deaths, we will account to the personal representatives of the last surviving joint holder, except in the case where all Joint Holders die at the same time (or closely together at a time that would be treated as being at the same time in accordance with relevant inheritance laws) when we would account equally to the personal representatives of such deceased Joint Holders. If this arrangement does not meet your requirements, you should consider opening separate accounts for each Joint Holder.
- 16.4 Where we become aware of, or reasonably suspect that there is, a dispute between Joint Holders as to the ownership of any Securities held under this Agreement, or as to the operation of this Agreement, we reserve the right:
- (a) to suspend the operation of the services that we provide under this Agreement until we are satisfied that such dispute has been resolved or never existed; and/or
- (b) to terminate this Agreement and arrange for the return to you of any Securities held on your behalf in accordance with instructions provided by Joint Holders, or, pending receipt of such joint instructions arrange for such Securities to be retained by PCI in your joint names until we receive such joint instructions or an order by a court reasonably considered by us to be of competent jurisdiction. Where we receive such a court order you authorise us to act in accordance with such a court order, notwithstanding any prospect of appeal.
- 16.5 For the purposes of client classification and of any assessment of appropriateness of investments for you, we are required to assess the circumstances, experience and knowledge of all Joint Holders and will make our assessment based on the circumstances and knowledge of the Joint Holder that has the least experience and/or knowledge of investment.

## **17 Third Party Rights**

Except as expressly stated in this Agreement, a person (a "third party") who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement notwithstanding that any such term may purport to confer, or may be construed as conferring, a benefit on such third party. This does not alter any right or remedy of such third party which exists or is available apart from that Act.

## **18 Severability**

Each provision of this Agreement is severable and if any provision becomes invalid, void, voidable or unenforceable or contravenes any applicable regulations the remaining provisions will not be affected.

## **19 Governing Law and Jurisdiction**

This Agreement and any non-contractual disputes in connection with this Agreement will be governed and interpreted in accordance with English law and you agree irrevocably to submit to the exclusive jurisdiction of the English courts.

## SCHEDULE 1: TERMS OF YOUR AGREEMENT WITH PCI

### 1 Definitions

1.1 Any terms set out in bold in these terms of business are described further in the Glossary which is set out in Annex 1 to these terms of business.

### 2 Roles, and obligations of people acting together or for one another

2.1 It is important that you understand that PCI is not responsible to you for the matters for which EAB is responsible. In particular, PCI will not provide investment advice nor will it offer any opinion regarding the suitability or appropriateness for you of any particular transaction or order. When it (or PSL) provides custody and settlement services, executes transactions or provides other services to you, it (or PSL) does so relying on the instructions and information the EAB provides and is only responsible for following those instructions.

2.2 If you hold an account jointly or otherwise hold assets jointly, with any other person, then you and any such other person(s) shall have joint and several liability to PCI. Examples of situations where such joint and several liability may arise are as follows:

- a) Joint account holders: As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by PCI to any one or more of those account holders will be treated as made to all of them.
- b) Trustees: As well as the trustees of any trust being jointly and severally liable to PCI in the way described above, PCI will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by PCI to any one or more of the trustees will be treated as made to all of them.
- c) Partners: If a partnership is PCI's client then each partner will be personally, jointly and severally liable to PCI in the manner described above. Any payment or accounting made by PCI to any one or more of the partners will be treated as made to all of them.
- d) Agents: If you are an agent acting on behalf of someone else (whether or not that person (the "Principal"), has been identified to PCI as the person for whom you act) you will be treated as PCI's client under the JFSC Rules and you will also be fully liable to PCI under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.

### 3 Your Accounts with PCI

3.1 PCI will open and maintain accounts on its books in your name in order to provide its services to you. When PCI receives any cash and investments from you, or on your behalf, then it will record them in your accounts.

3.2 PCI will have the right at its absolute discretion to stop providing services under these terms and close any accounts it holds and maintains in your name which may occur, for example:

- a) if PCI is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
- b) if PCI is not able to provide the services effectively or providing the services would materially adversely affect PCI's operation;
- c) where you are in material breach of these terms or EAB is in material breach of the terms of the PCI Agreement;
- d) if providing the services to you or to EAB in relation to your account will have a materially adverse effect on PCI's reputation or will be in breach of any relevant law or regulation applying to you or to EAB (such as tax legislation); or
- e) if your liabilities in relation to your account, and amounts owing by you to PCI, exceed or are likely to exceed the value of the cash and investments PCI holds for you.

EAB will notify you if PCI chooses to exercise this discretion and the reasons for its decision unless EAB or PCI are prevented from doing so by some legal or regulatory constraint.

3.3 You may at any time when there are no outstanding obligations owed by you to PCI, give notice in writing to EAB to stop receiving services from PCI and close your accounts with PCI.

3.4 If either you or PCI decide to close your accounts with PCI you will need to give instructions on the future custody of your investments so that EAB can arrange for PCI to transfer your money and investments (after deducting amounts owed to it) to your new custodian.

### 4 Communication and Instructions

4.1 If EAB has classified you as a retail client, PCI will only accept instructions for your accounts from EAB and not directly from you.

4.2 If you are a professional client, PCI may agree to accept instructions direct from you, but only if there has first been a separate specific agreement with PCI setting out the manner in which instructions will be given and other relevant conditions, including clarification of your investment mandate and/or any other assurances that PCI may require.

- 4.3 PCI may rely on and act on any instructions which PCI in good faith believes were given by EAB or EAB's representatives. Such instructions can only be cancelled or changed if EAB gives written notice to PCI sufficiently in advance to enable PCI to prevent the processing of the instructions. If PCI seeks instructions from EAB and EAB does not respond within a reasonable time, then PCI may take such action as it considers appropriate on the relevant matter. PCI is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of PCI. This means that if the delay or inaccuracy is not PCI's fault, then you cannot obtain redress from PCI.
- 4.4 There may be circumstances where PCI refuses to accept any order or other instruction for your account. For example, PCI may do so for any of the reasons set out in paragraphs 3.2(a)-(e) above or where:
- the transactions falls outside the dealing criteria that PCI and/or (where applicable) PSL applies;
  - PCI and/or (where applicable) PSL cannot carry out the instruction because it cannot access a market; or
  - EAB or PSL do not have the necessary regulatory permission to deal in a particular investment.
- EAB will inform you if PCI refuses to accept an instruction and the reasons for its decision unless EAB or PCI are prevented from doing so because of any legal or regulatory constraint.
- 4.5 If you have any questions or concerns relating to your account with PCI, you should tell EAB and EAB will deal with PCI on your behalf. You should not contact PCI directly.
- 4.6 All communications whether written, spoken, electronic or in any other form between you, EAB and/or PCI shall be in English.

## **5 Dealing**

- 5.1 If EAB undertakes responsibility for executing any order or transaction on your behalf, neither PCI nor PSL will owe you a duty of best execution under the JFSC or FCA Rules or otherwise when it carries out the services with respect to the transactions executed by EAB on your behalf. EAB shall be responsible for ensuring that orders are carried out in your best interests in accordance with EAB's order execution policy (where applicable) and for any decision that it makes to aggregate transactions for you with those of other people.
- 5.2 EAB may agree with PCI that PSL is to execute transactions for your account when EAB transmits orders to it. If EAB does this, EAB has agreed that, EAB, rather than you, will be PSL's client for the purposes of the FCA Rules. In order for PSL to provide dealing services for your account, you need to ensure that:
- when you are buying investments, there is sufficient cash in your account; and
  - when you are selling investments, documents of title or transfer forms that are required are delivered to PSL.
- in either case, prior to the execution of the transaction by PSL.
- 5.3 PSL will provide dealing or execution services on the following basis:
- execution by PSL will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
  - PSL will treat the instructions EAB give them as binding. Any express instruction from EAB to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
  - PSL will execute such orders in accordance with PSL's order execution policy as amended from time to time and notified to EAB;
  - PSL may combine your orders with orders for its other clients or PSL's own orders. PSL will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
  - once PSL executes any transaction on your behalf, PSL will, unless you previously instructed EAB otherwise, send a contract note to you. It is very important that you check the detail of all contract notes you receive, and notify EAB (and not PSL directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it, unless EAB notify PSL of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

## **6 Settlement of Transactions**

- 6.1 When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. These settlement terms will vary dependent upon the market and securities dealt in. The contract note will specify the settlement date.
- As stated above, it is your responsibility to ensure that PCI receives the necessary investments, documents or cash (as the case may be) in order for PCI to settle the transaction on your behalf. PCI must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

- 6.2 You hereby undertake that any cash or investments held by or transferred to PCI by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:
- a) security rights over them, such as a security interest, a mortgage or a charge;
  - b) any right to withhold or retain them, such as a lien;
  - c) any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
  - d) any right to be paid all or any of the proceeds of a transaction;
- so that settlement on your transaction can take place.
- 6.3 In order to settle transactions on your behalf, PCI will need to deal with the other party to the transaction (the "counterparty"). If a transaction has to be settled through a CCP or CSD the specific provisions set out in Annexes 2 and 3 shall apply.
- 6.4 You agree that you will not have any rights to cash or investments which are due to be received by you following a transaction until you have performed your own obligations in relation to that transaction and PCI has been able to settle that transaction on your behalf. Similarly, PCI has no obligation to account to you for any such cash or investments until you have performed your obligations and the transaction has been settled. Until that has happened, PCI is entitled, without giving you any further notice, to sell or otherwise dispose of any such investments and apply the proceeds or any cash it receives in relation to the transaction in order to discharge or reduce any of your obligations in relation to the transaction.
- 6.5 PCI is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason PCI does credit cash or investments to your account earlier than this and PCI reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PCI will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.
- 6.6 In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP, CSD or agreement with the counterparty. You acknowledge that if net settlement takes place then PCI will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 shall apply.
- 6.8 Transactions executed on your behalf may settle in the books of a CCP, CSD or other body or custodian combined with transactions for the account of other clients of EAB. If this happens then PCI will allocate between EAB's clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades EAB have notified to it. If PCI receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then PCI will allocate that cash or investments received by it on the following basis:
- a) in accordance with any priority for settlements determined by PCI prior to the transactions taking place;
  - b) if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which EAB specified to PCI, so that the earliest in time will settle first in each case;
  - c) where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.
  - d) where these allocations are necessary, they will also be subject to the operation of the relevant CCP, CSD, custodian or other entity. Such operations may include a netting rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.
- 6.9 Time shall be of the essence with respect to any payment, delivery or other obligation of yours to PCI.

## **7 Client Money**

- 7.1 Money held by PCI for your account, will be held in compliance with the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001 when these apply to the money. This means, amongst other things, that PCI will hold your money in a special designated client bank account which is an account kept separate from PCI's own funds.
- 7.2 When considering where that client bank account should be, PCI will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money (such as which banks or credit institutions are used, the amount of client money deposited with the bank or credit institutions and any use of fixed term deposits for client money). These requirements will not apply where your money is held with a central bank of a country. It is important to note that PCI is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.
- 7.3 When PCI holds your money in a client account it may be pooled with money belonging to other clients of PCI. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss.

Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by PCI becomes insolvent or otherwise defaults on its obligations to pay out money when due.

- 7.4 If PCI holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to paragraphs 11 and 12.3), will be determined by EAB, and will be as notified by EAB to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. EAB may decide not to credit your account if the amount of the interest falls below a threshold amount notified to you by EAB. You will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local agent credit rate for other currencies, less a money management fee charged by PCI for managing the balance of client money on your account. If the money management fee is higher than the relevant interest rate referred to above then an appropriate charge in the form of debit interest may be charged for that balance as notified to you by EAB.
- 7.5 If EAB, or PCI, are unable to contact you (for example if you move and fail to update your address with EAB), so that EAB are unable to deliver money held for your account to you, or you fail to respond to EAB's communications requesting any instructions from you concerning such money, with the result that any of your money held by PCI is unclaimed, PCI may transfer such money to a pooled client unclaimed money account subject always to PCI undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by PCI in compliance with the JFSC Rules.
- 7.6 Sometimes EAB or PCI will undertake a transaction for you which requires your money or investments to be passed to an Relevant Party in order to meet the obligations under that transaction or as Margin or Collateral. When a Relevant Party is involved then any money or investments passed to the Relevant Party may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.
- 7.7 7.7 Please refer to the provisions of Annex 3 which will apply if your money is held by a credit institution or bank outside Jersey, the UK or the EEA.
- 7.8 7.8 PCI may use a bank which is affiliated to PCI to hold client money on your behalf subject always to any specific JFSC Rules concerning the use of such affiliate bank.
- 7.9 7.9 Money held by PCI in pooled client money accounts as set out in this paragraph 7, may (in part) be deposited (where permitted under JFSC Rules) into a fixed term deposit. Money held in fixed term deposits cannot be withdrawn by PCI until the fixed term expires. This means that the part of the client money pool (as described in paragraph 7.3 above) which is held in fixed term deposits would not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, PCI would not be able to move client money held in a fixed term deposit until the expiry of such fixed term and therefore would not be able to mitigate the risk of any default or insolvency of the relevant bank or credit institution and the possible creation of a deficiency in the client money pool (resulting in a loss as described in paragraph 7.3) which may arise during such fixed term. By accepting these Terms of Business you acknowledge you are aware of and accept the risks set out in this paragraph 7.9.

## **8 Custody and administration of your investments**

- 8.1 Subject to paragraph 8.2, where PCI holds investments for your account it will register those investments in the name of a nominee company controlled by PCI or by a member of PCI's group.
- 8.2 In some situations, for example where the rules of a particular market or CSD require, PCI will register your investments in the name of an Eligible Custodian. PCI will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your investments are held overseas the provisions of Annex 3 shall also apply.
- 8.4 When your investments (including any money held for your account) are held by a depository or an Eligible Custodian, such depository or Eligible Custodian may have rights against your investments, arising out the operation of local law, local regulatory rules, or market practice which may include:
- a) security rights over them including but not limited to a security interest, a mortgage or charge;
  - b) rights to withhold or retain them, such as by way of a lien;
  - c) other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
  - d) rights to be paid any or all of the proceeds of a transaction involving the asset.

PCI has agreed with the Eligible Custodians that such rights as set out in this paragraph 8.4 are limited to those in respect of debts arising (i) out of properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in paragraph 6) with respect to the investments held by the Eligible Custodian; or (ii) under the rules of a CSD, CCP or local settlement system.

- 8.5 PCI shall keep a record of your entitlement to your investments in situations where PCI or an Eligible Custodian (or a nominee company) have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of EAB, of PCI or of the Eligible Custodian. In such a situation you should note the following effects and by accepting these Terms of Business you expressly acknowledge and accept these risks:
- a) your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
  - b) in the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You should note that PCI has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under JFSC Rules;
  - c) if there is an irreconcilable shortfall following any loss by or default of, PCI or the Eligible Custodian (or a nominee company) then you may not receive your full entitlement and may share in any shortfall on a pro-rated basis with any other investors;
  - d) sometimes PCI will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances PCI may, in accordance with JFSC Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
  - e) if a share issue or other corporate event favoured the 'small investor' (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your investments were registered in your own name; and
  - f) sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.
- 8.6 Any instructions you wish to give about the administration of investments held by PCI should be given to EAB in writing for EAB to send to PCI. EAB will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided EAB with a copy of a valid power of attorney authorising EAB, or the relevant person, to send such instructions.
- 8.7 PCI will inform EAB of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively "corporate actions") that affect or relate to investments held on your behalf by PCI or an Eligible Custodian. It will do so as soon as reasonably practicable after receiving notice of those events. EAB will, in turn, inform you.
- 8.8 8.8 You should contact EAB and not PCI if you need any advice in connection with any corporate actions. PCI is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or EAB on matters such as:
- a) exercising conversion and subscription rights;
  - b) dealing with takeovers or other offers or capital reorganisations;
  - c) exercising voting rights (where PCI exercises such rights on your behalf).
- 8.9 If any notification is given to you pursuant to paragraph 8.7 from PCI, you must ensure that you provide instructions to EAB, for onward transmission to PCI in sufficient time to ensure that PCI is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give EAB instructions, will be entirely your responsibility. Neither EAB nor PCI is obliged to do more than give one notification on the relevant matter.
- 8.10 PCI will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.
- 8.11 Sometimes PCI or an Eligible Custodian who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that PCI or any Eligible Custodian may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs PCI or an Eligible Custodian incurs when complying with these obligations may be deducted by PCI from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PCI or an Eligible Custodian, to do so.
- 8.12 PCI will arrange for you to receive (in accordance with JFSC Rules) a safe custody statement of the investments and cash balances it holds for you, reported on a trade date basis (or on such other basis as stated in the statement itself). The frequency of such statements is determined by JFSC Rules. PCI may provide such statement to you via appropriate on line or electronic means (subject to JFSC Rules) and provided EAB or PCI notified you of the availability of such statement, it shall be your responsibility to access and review such statement..
- 8.13 In some circumstances PCI may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in paragraph 3.2 of these terms or if the investment concerned is of a kind for which PCI does not have facilities, or arrangements with appropriate Eligible Custodians, to hold or if holding the investment would expose PCI to liabilities. EAB will notify you if PCI chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 8.14 PCI will not loan your investments or use them to raise finance unless you have entered into a separate specific written agreement with PCI allowing such use of your investments.

## **9 Consequences of your default**

- 9.1 If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to PCI then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this paragraph 9.
- 9.2 You will not have a right to title or interest in any cash or investments received for your account. PCI will have no obligation to deliver or account to you for any such cash or investments and PCI will be entitled to retain any such cash or investments until such time that you have met your obligations.
- 9.3 PCI may, without providing any advance notice, use any cash, or sell any securities, held or received for your account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to PCI. Any surplus remaining after discharging the obligations owed to PCI will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to PCI, you will still owe PCI the balance.
- 9.4 PCI may, among other things, and without giving you further notice:
- enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
  - take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. PCI may take similar action where it reasonably considers that you have not, or are unlikely to perform your obligations under these terms.
- 9.5 Where PCI exercises its rights to use your cash or dispose of your investments under paragraph 9.3 above, it will have no further obligation to you (and neither you nor EAB will have any right to require PCI to account to you, or to anyone else, for any investments or cash received when the relevant transaction is settled.
- 9.6 You agree that PCI may set off transfer or apply (without further notice to you) any obligations or monies owed by PCI to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to PCI. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to PCI and any amounts due under your indemnity obligations to ensure PCI does not lose money as a result of your default under these terms or the services it provides you with.
- 9.7 In exercising its rights under these terms PCI may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner that PCI may in its discretion determine. In such circumstances, PCI shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.
- 9.8 The provisions in this paragraph 9 will continue to apply even if EAB or PCI stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PCI has, and they will not be affected by any failure by PCI or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## **10 Limits on PCI's Liability to you and Indemnities you give to PCI**

- 10.1 The liability of PCI (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with these terms shall be limited to circumstances where any such loss or damage has arisen directly as a result of (a) negligence, fraud or wilful default or a breach of the JFSC Rules by PCI (or where relevant, its directors, employees or agents) or (b) PCI's breach of these terms in any material respect, except that where the breach does not fall within any of the cases listed in (a) above, PCI's liability under this paragraph 10.1 shall be limited to 75,000 per annum for any one event or series of connected events giving rise to that liability. In any event, PCI will not be liable to you for any indirect or consequential losses (howsoever arising). PCI will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.
- 10.2 This means that PCI will only be liable for losses that arise as a result of its negligence, fraud, wilful default or breach of the JFSC Rules or breach of these terms (subject to the limit mentioned in paragraph 10.1, where it applies) and then only, for any losses which:
- a) arise naturally from a breach by PCI of its obligations; and
  - b) which were reasonably foreseeable to PCI at the time these terms are entered into.
- 10.3 It is important that you understand that you are responsible for making sure that PCI does not suffer by reason of acting for you. You agree to make good and reimburse (indemnify) PCI and each of its directors and employees and agents ("Indemnified Persons"), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than PCI's corporation tax) which are directly caused by:
- a) PCI providing its services to you;
  - b) material breach by you of any of these terms;
  - c) default or failure by you to make a delivery of investments or payment when due; or
  - d) any challenge to the validity of, or requirement for proof of ownership, or in respect of any fraud or forgery in relation to any investments delivered to PCI by you or on your behalf, or in relation to any document of transfer regarding such investments. This will include any electronic instruction or information, which appears to transfer such investments.

- 10.4 You will not be liable to indemnify PCI under this paragraph 10 and PCI will have no right or claim against you or EAB if any consequences to PCI are caused by its own negligence, wilful default, fraud or any breach of the JFSC Rules.
- 10.5 PCI has no liability to you or to EAB for failure to provide any of the services under these terms if that failure is caused by events beyond PCI's control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house or any fire, pandemics, flood or other natural disaster. In any of these (or other similar) circumstances any or all of PCI's obligations will be suspended until the state of affairs giving rise to the failure of PCI is remedied.
- 10.6 The provisions in this paragraph 10 will continue to apply even if EAB or PCI stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person whether or not under these terms, and they will not be affected by any failure by PCI or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

## **11 Charges**

- 11.1 The fees and charges payable by you in relation to the services provided by PCI will be paid by EAB out of the charges set out in EAB's charging schedule as notified to you from time to time. You may also be liable for other taxes or charges which are not payable through PCI.

## **12 PCI's Conflicts of Interest**

- 12.1 PCI, its associated group companies (associates) or nominees may provide services or enter transactions under these terms in circumstances in which PCI or its associates have a material interest. This interest could be direct or indirect and PCI or its associates could also have a relationship with someone else, which may involve a conflict of interest or potential conflict of interest with you. Examples where such actual or potential conflicts may happen include situations where PCI or any of its associates:
- a) is, or is acting on behalf of, the counterparty to a transaction that is executed by PCI (whether or not involving a fee or commission or increased or reduced price offered or received by PCI or its associates);
  - b) has a long or short position in the relevant investment; or
  - c) is otherwise connected to the issuer of the investment to which any instructions relate.
- 12.2 PCI may receive payments from fund managers if PCI provides services to those fund managers through the PCI Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of the assets that PCI holds in custody for its clients.
- 12.3 PCI may place money held for your account with a bank or other financial institution (in accordance with the JFSC Rules) and earn interest and retain some or all of that interest from that bank or financial institution.
- 12.4 A summary of PCI's conflicts policy (including further disclosure concerning the payments PCI may receive from fund managers) is published on PCI's website at [www.pershing.co.uk](http://www.pershing.co.uk) under the heading of "compliance disclosures" (a hard copy is available on request from EAB).
- 12.5 You acknowledge that neither PCI nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

## **13 Data Protection and Confidentiality of Information**

- 13.1 PCI may store, use or otherwise process personal information about you which is provided by you or EAB on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In Jersey PCI operates and has made all the appropriate notifications in accordance with applicable data protection legislation.
- 13.2 Any information that PCI holds about you is confidential to you and will only be used in connection with providing services under these Terms of Business (as may be set out in more detail in PCI's published privacy policy as referred to in paragraph 16). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PCI will only disclose your information to third parties in the following circumstances:
- a) if required by law or if requested by any regulatory authority (including any tax authority) or exchange having control or jurisdiction over you, EAB or PCI (or any associate of EAB or PCI);
  - b) to investigate or to prevent fraud, market abuse, tax evasion or other illegal activity;
  - c) in connection with the provision of services to you by EAB or PCI;
  - d) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
  - e) if it is in public interest to disclose such information; or
  - f) at your request or with your consent.



- 13.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that PCI may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.
- 13.4 Neither EAB nor PCI will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.
- 13.5 You agree that PCI is allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as Jersey and the UK. PCI will however, always take steps to ensure that your information is used by third parties only in accordance with PCI's policy and these terms.
- 13.6 You are entitled to a copy of any information PCI holds about you. In the first instance, you should direct any such requests to EAB and EAB will pass your request on to PCI. PCI is entitled to by law to charge a fee of 10 to meet the cost of providing you with details of the information it holds about you. You should let EAB know if you think any information PCI holds about you is inaccurate and EAB will ask PCI to correct it.

#### **14 Complaints**

- 14.1 If you have a complaint you should notify EAB's compliance officer in the first instance. If however, your complaint concerns an aspect of the service provided to you by PCI and you wish to copy your complaint to PCI directly copies should be sent to:

**Pershing (Channel Islands) Limited Floor One  
Liberation Station  
St Helier  
Jersey JE2 3AS  
Attention: the Compliance Officer**

- 14.2 Where you make a complaint both EAB and PCI will endeavour to resolve your complaint as quickly as possible but in any event EAB will acknowledge receipt of your letter within 5 business days. The acknowledgement sent will include a full copy of EAB's or PCI's internal complaints handling procedure. Upon resolution of your complaint EAB or PCI will send you a final response letter, which sets out the nature of EAB's response of any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with EAB's or PCI's final response, or EAB or PCI have failed to resolve your complaint within 8 weeks of receipt, you may be entitled to refer your complaint to the Channel Islands Financial Ombudsman. A leaflet detailing the procedure will be provided in EAB's or PCI's final response.

#### **15 Amendment**

- 15.1 PCI reserves the rights to alter these terms at any time. It will only do so after giving prior written notice to EAB in reasonable time for you to consider the impact of those changes, unless it is impractical in the circumstances to give such notice.

#### **16 Provision of Information via a website**

- 16.1 PCI may provide the following information to you via the website [www.pershing.co.uk](http://www.pershing.co.uk) (under the "disclosures" section). Such information may be amended from time to time by PCI:
- a) General disclosures of information about PCI, its services and disclosures relating to such Services in general;
  - b) Information concerning the safekeeping of investments and money held by PCI or any of its appointed Eligible Custodians;
  - c) Information on costs and charges (where relevant);
  - d) Information relating to PSL's order execution policy, order handling and conflicts of interest for the Dealing Services referred to in paragraph 5;
  - e) PCI's privacy policy covering the processing of any personal data under the relevant data protection legislation; and
  - f) Disclosures and policies containing general information in relation to the Services provided by PCI to you which PCI is required to publish or which is addressed to the generality of its clients (excluding amendments to these terms and conditions) PROVIDED always that such information provided via the website does not include any confidential information or personal data relating to you.

#### **17 General**

- 17.1 PCI's obligations to you are limited to those set out in these terms. PCI shall in particular not owe any wider duties of a fiduciary nature to you.
- 17.2 17.2 No third party shall be entitled to enforce these terms in any circumstances.
- 17.3 17.3 Any failure by PCI (whether on an ongoing basis or not) to insist upon strict compliance with any of these terms is not deemed to amount to PCI giving up or waiving any of any of its rights or remedies under them. The rights and remedies conferred on PCI will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by PCI of any other additional rights and remedies.
- 17.4 17.4 These terms are governed by Jersey law and you irrevocably agree to submit, for the benefit of PCI, to the non-exclusive jurisdiction of the Courts of Jersey.

# ANNEX 1: Glossary

<b>Associate of PCI</b>	This means any person or entity which (whether directly or indirectly) controls or is controlled by PCI or is under common control with PCI. For the purpose of this definition "control" should be read as including any power to exercise significant influence over the operating or financial policies of any person or entity.
<b>Business Days</b>	This means any day on which the London Stock Exchange is open for trading and which is not a public holiday in Jersey.
<b>CCP</b>	This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to. Certain markets that PSL trades in on your behalf will involve a CCP and such transactions will be subject to the rules of the CCP.
<b>Charge</b>	A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.
<b>Clearing and Settlement Services</b>	The process by which, once an investment has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the investments or the title to the investments is transferred from the seller to the buyer.
<b>CSD</b>	<p>This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.</p> <p>When settling a transaction on your behalf PCI may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>
<b>Custody Services</b>	The safekeeping and administration of any investments held by PCI or its nominee company on your behalf.
<b>Dealing or Execution Services</b>	The buying or selling of investments on your behalf.
<b>EAB</b>	Europe Arab Bank plc.
<b>Eligible Custodian</b>	This refers to a third party custodian (or its nominee company) who PCI selects under the JFSC Rules to register your investments with.
<b>FCA Rules</b>	The rules of the UK Financial Conduct Authority as amended, supplemented or replaced from time to time.
<b>JFSC Rules</b>	The Financial Services (Jersey) Law 1998, the Codes of Practice for Investment Business issued by the JFSC, the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001, the Policy Statement and Guidance Notes on Outsourcing issued by the JFSC and any other applicable Jersey laws and regulations.
<b>Joint and Several Liability</b>	If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms in respect of the account either (1) jointly with the other person(s); and (2) individually.
<b>Lien</b>	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
<b>Margin or Collateral</b>	This is where your money or investments are passed to a Relevant Party in order to provide security against the performance of obligations.

<b>Mortgage</b>	A mortgage transfers the ownership of an asset to a third party on the condition that it will be re-transferred on the discharge of the obligations owed to that third party.
<b>Netting</b>	Netting is the process under which PCI and/or the counterparty, CCP, CSD or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.
<b>Nominee Company</b>	A nominee company is one which is used solely for holding investments separately and which does not carry on any other business.
<b>Relevant Party</b>	This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.
<b>PCI</b>	Pershing (Channel Islands) Limited.
<b>PSL</b>	Pershing Securities Limited.
<b>Security Interest</b>	A "security interest" as defined in the Security Interests (Jersey) Law 2012.
<b>Set-Off</b>	This may arise where both you and PCI owe sums to each other. In such circumstances PCI may deduct any sums owed to it by you from any sums that are owed by PCI to you so as to either eliminate or reduce PCI's liability to you.
<b>Time shall be of the Essence</b>	The use of this term in relation to any payment, delivery or other obligation you have to PCI means that PCI shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

# ANNEX 27: CCP and CSD Transactions

## **1 Settlement of CCP and CSD Transactions**

- 1.1 In order to settle transactions on your behalf, PCI will need to deal with the other party to the transaction (the “counterparty”) and sometimes transactions will be settled through a central counterparty (“CCP”) or a central securities depository or other securities settlement system (“CSD”) or other depository transfer agent or similar body. When PCI deals with these parties, it does so as your agent, in good faith and on the basis that:
- a) PCI is not responsible for any default or failure of the CCP, CSD or other counterparty or of any depository or agent of those entities; and
  - b) the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of PCI.
- 1.2 In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP or CSD. You acknowledge that if net settlement takes place then PCI will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 1.3 EAB and you each acknowledge and agree that:
- a) PCI does not owe any duty to EAB, you or any other person to verify the appropriateness, adequacy or effectiveness of the rules, requirements and procedures of any market or CCP; or in relation to any exercise or non-exercise by the market or the CCP of its rights or powers under such rules, requirements and procedures; and
  - b) PCI shall have no liability for any loss or damage suffered or incurred by EAB or you by reason of PCI taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a CCP or is otherwise deemed necessary by PCI under the rules, requirements and procedures of the market or the CCP.

## **2 Limits on PCI’s Liability to you and Indemnities you give to PCI**

If any net settlement takes place then PCI’s only obligation to account to you will be to account for the net investments and/or cash received by it from any relevant CCP, CSD, or their respective agents, corresponding to the transactions relevant to the net settlement entered into on your behalf. In addition you agree that PCI shall have no liability to you in connection with the exercise by any CCP, CSD, or their respective agents of their powers under any Power of Attorney or equivalent right or power in respect of any settlement account operated by or on behalf of PCI in connection with the settlement of any transaction.

# ANNEX 3: Overseas Investments

## 1 Settlement of Transactions

If a transaction is undertaken on your behalf on non-UK markets, it will be subject to the rules of the relevant overseas exchange, clearing system and/or depository and to any terms of any foreign agent or custodian employed by PCI. These rules and terms may include, but are not limited to, such persons having the right to reverse a transaction (including reversing the delivery or re-delivery of any investment and any payment) even after it has been settled. In view of the number of markets and counterparties which may be used it is not possible to outline all of the potential rules and obligations that may apply in such cases.

## 2 Client Money

If your money is held by a credit institution or bank outside Jersey, the UK or EEA or your money or investments are passed to a third party then it is important you understand that the legal and regulatory regime applying to that credit institution, bank or other third party will be different from that of Jersey, the United Kingdom or the EEA. This means, amongst other things, that the rights and protections you have under the JFSC Rules will not be available in respect of those banks or credit institutions or third parties. Other rules and regulations may apply to them under local law but your rights and obligations are likely to differ, particularly if such party is in default

## 3 Custody and administration of your investments

- 3.1 Whether or not they are registered or recorded in the name of PCI, or an Eligible Custodian, investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in Jersey, the UK or the EEA. Your rights may therefore also differ. In particular, such investments, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of investments. Subject to PCI, satisfying itself that the arrangements for the holding of your investment in such market by the Eligible Custodian it appointed are adequate (based on the due diligence referred to in paragraph 3.2 of this Annex 3), PCI will deposit such investment with such Eligible Custodian notwithstanding the risks outlined in this Annex 3.
- 3.2 PCI will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Custodian it appoints (including the regulatory rules applicable to such Eligible Custodian) and the arrangements for the holding and safekeeping of your investments. It is important that you understand PCI is not responsible for anything done or not done, or any default of an Eligible Custodian unless that default is caused by the negligence, fraud or wilful default on the part of PCI or any of its nominee companies. Although PCI will seek to make sure that adequate arrangements are made to look after your ownership rights in any investments (especially in the event of its own insolvency) you should understand that your investments may be at risk if an Eligible Custodian becomes insolvent.
- 3.3 Overseas investments may be registered or recorded in the name of PCI or in the name of an Eligible Custodian. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after PCI has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your investments may not be kept separate from other investments belonging to PCI or the relevant Eligible Custodian. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly it may be subject to other third party claims including claims by the general creditors of the defaulting person.

## ADDITIONAL CLAUSES

### Agent as Client

Where you are acting as agent on behalf of an underlying client (whether disclosed to EAB or not) you represent warrant and undertake to EAB and PCI on a continuing basis that:

- You have full power and authority to instruct EAB on these terms;
- You have no reason to believe that any such underlying client will not be able to meet any settlement or other payment obligation under these terms;
- At the time you instruct EAB to undertake a transaction for such underlying client there are sufficient funds or assets under your authority to permit settlement and you will not subsequently execute transactions which could result in insufficient funds or assets being available;
- To your knowledge any transaction undertaken for any such underlying client will be its valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy and other applicable laws;
- You have no reason to consider that any such underlying client is or is likely to become insolvent;
- You have obtained and recorded evidence of the identity of any such underlying client or any underlying principal of such person in accordance with applicable laws and regulations (including without limitation anti money laundering regulations); and

- You will provide to EAB and PCI such information and written confirmations in relation to any such underlying client as EAB or PCI reasonably require to comply with all applicable laws and regulations.

You agree that PCI will treat you and not such underlying client as its client under the JFSC Rules and that you will be liable to EAB and PCI jointly and severally with any such underlying client in respect of all obligations and liabilities arising from such instructions.

### **Trustee as Client**

Where you are acting as a Trustee on behalf of a trust (the "Trust") EAB shall warrant to PCI that:

- EAB will only cause PCI to be obliged to settle any transaction where EAB have full management control and full authority to instruct use of sufficient of the assets or cash of the Trust to meet any obligation incurred by PCI on behalf of the Trust and that EAB have full authority to direct the custodian, if any, of the underlying customer's assets and cash to meet any obligations so incurred and that EAB have sufficient authority and consents to perform EAB's obligations under these terms.
- EAB is not aware of any reason why the cash or assets of the Trust which are the subject of EAB's management (as described above) could not be used to meet such obligations.
- EAB will not effect any transaction for the account of the Trust if EAB have any reason to believe that the Trustees of the Trust will not be willing or able to meet their obligations in respect of such transaction and will notify PCI as soon as reasonably practicable if EAB have any reason to believe that the Trustees will not be willing or able to meet their obligations in respect of any transaction; and
- EAB believes on reasonable enquiry and on reasonable grounds that the Trustees of the Trust will have all requisite power and legal capacity to enter into any such transaction and to perform their obligations under these terms.

In your capacity as Trustees of the Trust you acknowledge and agree with PCI that:

- You will supply EAB with all relevant information of which you are aware in relation to the matters covered by EAB's above warranties and you will not do anything to cause EAB to be in breach of EAB's obligations as set out above.
- If you (or where you are more than one person any of you) become aware that any warranty given to PCI above has become untrue you will notify EAB in writing as soon as reasonably practicable on becoming so aware; and
- Your aggregate liability to PCI and any other person under these terms shall be limited to the net value of the asset from time to time under your control in your capacity as the Trustees of the Trust say that this limitation shall not apply in respect of any liability to PCI for any breach of your obligations to PCI under this sub-clause.

# Execution

By signing this Agreement, I agree the following:

1. I have read and understood this Agreement and agree to the terms and conditions of this Agreement;
2. You have notified me that, on the basis of information that I have provided to you, I will be treated as a Retail Client. I warrant that the information provided to you is correct and I agree that I will notify you to any material changes in my circumstance which may affect this classification;
3. I consent to the nature, policy and processes which you have in place in providing best execution and with the Order Execution Policy set out in section 5; and
4. I am fully aware of the risks and potential for loss of dealing in the Securities covered by this Agreement.

Current Account Number:

Client Name/Name of first Joint Holder (where applicable):

Signature:

Date:

Name of second Joint Holder (where applicable):

Signature:

Date:

Name of third Joint Holder (where applicable):

Signature:

Date:

Name of fourth Joint Holder (where applicable):

Signature:

Date:

