

CITADEL SECURITIES (EUROPE)  
LIMITED  
CITADEL SECURITIES GCS (IRELAND)  
LIMITED

TERMS OF BUSINESS FOR PROFESSIONAL  
CLIENTS AND ELIGIBLE COUNTERPARTIES

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## Citadel Securities (Europe) Limited, Citadel Securities GCS (Ireland) Limited

## Terms of Business

## 1. GENERAL

- 1.1 References to “we”, “us” and “our” shall, unless otherwise specified in this Agreement or required by the context, mean each of Citadel Securities (Europe) Limited and Citadel Securities GCS (Ireland) Limited (including where either such entity acts through one or more branches) together with our successors and assigns.
- 1.2 Citadel Securities (Europe) Limited is authorised and regulated by the UK Financial Conduct Authority and any successor thereto (“FCA”), whose registered office is at 12 Endeavour Square, London, E20 1JN. Citadel Securities (Europe) Limited’s registered office is at Moor House, 120 London Wall, London EC2Y 5ET and our FCA registration number is 447450 with company registration number 5462867.
- 1.3 Citadel Securities GCS (Ireland) Limited, trading as Citadel Securities Ireland, is authorised and regulated by the Central Bank of Ireland and any successor thereto (“CBI”). The CBI has its principal place of residence at New Wapping Street, North Wall Quay, Dublin 1. Citadel Securities GCS (Ireland) Limited’s registered office is at 5th Floor, One Grand Canal Square, Dublin 2, Ireland D02 P820 and our CBI institution code is C173437 with company registration number 607334.
- 1.4 Citadel Securities GCS (Ireland) Limited, Paris Branch is a branch of Citadel Securities GCS (Ireland) Limited. It is authorized and regulated by the *Autorité de contrôle prudentiel et de résolution* (“ACPR”). The ACPR has its principal place of residence at 4 Place de Budapest, CS 92459, 75436 Paris Cedex 09, France. Citadel Securities GCS (Ireland) Limited, Paris Branch’s registered office is at 40-42 Rue la Boétie, 75008 Paris, France and our CBI institution code is C173437 with company registration number 899 548 572 R.C.S. Paris.
- 1.5 References to “you” or the “Client” shall, unless otherwise agreed in writing, mean the entity who is identified in the Client Consent Letter.
- 1.6 Whether, in accordance with clause 1.6, you are acting as agent for and accepting and agreeing to the Agreement on behalf of a third party (or multiple third parties) (the “Principal(s)”), or you are acting as principal and not as agent or trustee for any other person, in either instance, you accept and agree that we shall treat you as our client for the purposes of the Rules. Where you are acting as agent for a Principal(s) you will, in good time before the provision of Business Services, identify such Principal(s) to us, and, on an ongoing basis, identify any further Principal(s) for which you are acting for the purpose of the Business Services. Without prejudice to the foregoing, the identification of any such Principal(s) for which you act may alternatively be through the provision of settlement instructions provided from you to us, or some other means, in each case as mutually agreed between you and us, from time to time. We reserve the right to ask for further information in relation to any such Principal(s) and to decline to do business in relation to any such Principal(s).
- 1.7 This Agreement constitutes a contract having legal effect which you accept by beginning or continuing to use our Business Services, whether accessed directly or through a third party trading platform. Where you act for a Principal(s) you enter into and accept this Agreement on

2. DEFINITIONS

2.1 Save where provided in clause 2.2 or as otherwise defined herein, or where the context otherwise requires, words and phrases defined in the Rules shall have the same meanings when used in this Agreement.

2.2 For the purposes of this Agreement, the following words and phrases shall have the following meanings:

“Affiliates” means any person that, directly or indirectly, controls, is controlled by, or is under common control with Citadel Securities (Europe) Limited or Citadel Securities GCS (Ireland) Limited. The term “control” means the possession of the power, directly or indirectly, whether by contract or ownership, to direct or cause the direction of the management and affairs of a person, including investment decisions;

“Agreement” has the meaning given in clause 3.1;

“Applicable Law” means: (a) any applicable laws, statutes, instruments, regulatory requirements and regulations of any jurisdiction applicable to the provision of Business Services to you by us under, or in connection with, this Agreement; (b) without prejudice to the generality of the foregoing, any other applicable principle, policy, rule, decision, determination, ruling, order, article, by-law, procedure, including the Rules, of any relevant governmental or regulatory body, exchange, clearing system, trading venue, trading platform, execution venue, central counterparty, central securities depository or organised market applicable to the provision of services to you by us under, or in connection with, this Agreement; and (c) orders of any court or arbitral tribunal in proceedings to which you or we are party, are subject, or to which our or your assets are subject;

“Business Services” has the meaning given in clause 3.1;

“Client Consent Letter” means the letter of the same name sent to you for execution;

“CSDR” means Regulation (EU) No 909/2014 and the Settlement Discipline RTS;

“CSDR Transaction” means any transaction which you undertake with us which is within the scope of Article 5.1 CSDR;

“Data Protection Laws” means any laws and regulations applicable to the processing of Personal Data pursuant to these Terms of Business, including the General Data Protection Regulation (2016/679) (“GDPR”), any implementing or equivalent national laws and regulations, and any other national laws and regulations relating to the protection of Personal Data. The terms “Personal Data”, “Data Subject”, and “Data Controller” shall have the meanings given to them as set out in the GDPR;

“Event of Default” has the meaning given in clause 17;

“LEI code” means a validated and issued legal entity identifier code, the length and construction of which are compliant with the ISO 17442 standard and which is included in the Global LEI database maintained by the Central Operating Unit appointed by The Legal Entity Identifier Regulatory Oversight Committee;

“MiFID II” means Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 and any applicable implementing EU legislation, delegated acts (directives or regulations), and technical standards issued thereunder or in connection therewith, and, where the context requires, any equivalent instruments to the foregoing that form part of UK law;

“Public Sector Body” means a body or entity that is publically funded with a view to the delivery of one or more public or government service, but for the avoidance of doubt does not include a body or entity, however formed or established from time to time, whose purpose or function is the pursuit of investment or banking activities, including, without limitation, a central bank, a fund established by a state or its nominee for investment purposes for the benefit of that state, or a fund established by a state or its nominee in connection with pension or superannuation objectives;

“Rules” means, in the context of the UK, the FCA Handbook, in the context of Ireland, the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. 365/2017) and any Central Bank regulations, notices, guidance notes and codes of conduct issued thereunder or in connection therewith implementing MiFID II into Irish law and, in the context of France, the French Monetary and Financial Code (*Code Monétaire et Financier*), the General Rules of the French Financial Markets Authority (*Règlement Général de l’Autorité des Marchés Financiers*) and any relevant regulations, notices, guidance notes and codes of conduct issued hereunder or by the ACPR or the *Autorité des Marchés Financiers* (all as amended and supplemented from time to time);

“Sanctions” means any trade, economic or financial primary or secondary sanctions laws or regulations, embargoes or restrictive measures administered, enacted or enforced by the United Nations, the United States, the United Kingdom, the Republic of Ireland, the Republic of France, the European Union, or any other European Union Member State and their competent authorities;

“Settlement Discipline RTS” means Commission Delegated Regulation (EU) 2018/1229;

“Tax” includes any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, and any interest or penalties in respect thereof;

“Third Party Beneficiary” means for the purposes of clause 24, any of our directors, officers, employees, agents or delegates, any of our Affiliates and any of our Affiliates’ directors, officers, employees, agents or delegates; and

“Transactions” means a transaction entered into with you (or, where applicable, your Principal(s)) pursuant to the Business Services provided to you under this Agreement.

### 3. SERVICES

- 3.1 Unless provided elsewhere, these Terms of Business for Professional Clients and Eligible Counterparties, including any Schedules attached hereto, set out the agreement between us and you (and, where applicable, your Principal(s) in addition to you) (the “Agreement”) in connection with the trading of various financial instruments with you (the “Business Services”). You understand that by dealing with us, whether directly or across a third party trading platform, or otherwise requesting or accepting our Business Services, you are agreeing to the terms of Business Services as set out in this Agreement. Throughout this Agreement,

## CITADEL | Securities

references to financial instruments shall include those as listed in MiFID II, Annex 1 Section C. In the event of any inconsistency or conflict between the Agreement and any other document, the terms of this Agreement shall prevail.

- 3.2 The Business Services shall include the following services which we may provide to you in our sole and absolute discretion and in accordance with Applicable Law:
- (a) Streaming prices to you in various financial instruments;
  - (b) Dealing with you as principal in relation to various financial instruments in accordance with the terms of this Agreement, including acting as a systematic internaliser, responding to requests for quotes, or otherwise dealing with you in relation to various financial instruments where we have committed our own capital (i.e. we are “on risk”); and
  - (c) Providing such other services as may be agreed by us from time to time.

Where we agree to trade certain instruments with you on the basis of the market close price (a “market close order”), we do so in a principal risk-taking capacity. The market close order will not amount to a client order for which you place reliance on us and for which we will act on your behalf. Following the receipt of a market close order we may manage our inventory in relation to the relevant instruments including to buy and sell those instruments in the ordinary course.

- 3.3 We shall not at any time provide you with investment advice or a personal recommendation, within the meaning of the Rules, unless otherwise specifically agreed in writing with you.
- 3.4 We have no obligation to accept, or to execute, or to modify, or to cancel, all or any part of an instruction that you seek to execute, modify, or cancel with us in relation to the Business Services, and may refrain from accepting, executing, modifying or cancelling any instruction at any time, except as strictly required by Applicable Law. Before acting on an instruction from you, we reserve the right to request further information from you regarding such instruction, including but not limited to requesting (i) evidence of certain documentation, or (ii) requesting evidence that you have funds and/or securities that we determine, in our discretion, to be sufficient. Without prejudice to the foregoing, and to the extent permitted by Applicable Law, we, in our sole and absolute discretion, shall be entitled to limit the number of Transactions which you (or, where applicable, your Principal(s)) may enter into with us at any one time or impose other limits, conditions or parameters on entering into Transactions and placing orders with us. Where we do so, such limits, conditions or parameters will, unless otherwise notified, be immediately effective and may include, in our sole and absolute discretion, immediately terminating any and all Transactions with you.
- 3.5 Except as otherwise prohibited by Applicable Law, any information you provide to us relating to a potential Transaction may be used by us in connection with our market making activities (as such activities relate to both your potential Transaction and transactions with other counterparties). Accordingly, we may utilise information you provide relating to a potential Transaction to, among other things, enter into transactions to establish or adjust a hedge designed to facilitate your Transaction (“pre-hedging and hedging activities”). Any trading activity we undertake to establish or adjust such pre-hedging or hedging activity will be entered into by us on a principal basis and the terms of such transactions may differ from, and impact the price of, your Transaction. In addition to the foregoing, we may use any information relating to an executed Transaction in connection with both our market making and our proprietary trading activities.

- 3.6 By executing the Client Consent Letter you give your express standing consent to your orders potentially being executed outside a trading venue (i.e. outside of a regulated market, multilateral trading facility, or organised trading facility). Where you request a quote from us outside a trading venue on the basis that we will be trading with you as principal, you acknowledge and agree that such request will constitute your express consent to us executing any consequential transaction outside a trading venue. Where we execute orders outside a trading venue the rules of any such trading venues will accordingly not apply.
- 3.7 By executing the Client Consent Letter you give your express instruction for us not to immediately make public (where we would otherwise be required to do so by Applicable Law) any limit order you place with us for shares admitted to trading on an EEA regulated market or traded on a trading venue which is not immediately executed under prevailing market conditions. We may aggregate your orders with those of other clients or our own. Such aggregation may work to your disadvantage.
- 3.8 Where you have provided regulatory consents (including express consents) under or in connection with any previous terms of business with us, you confirm and agree that those consents remain in full force and effect and that we may continue to rely on such consents (to the extent permitted by Applicable Law), unless specifically superseded by a subsequent consent given by you or you specifically revoke such consent. We shall treat any regulatory consents previously provided to Citadel Securities (Europe) Limited as also applicable to Citadel Securities GCS (Ireland) Limited (including its branches) unless you inform us otherwise, they are specifically superseded by a subsequent consent given by you, or you specifically revoke such consent.

#### 4. CLIENT CATEGORISATION

- 4.1 In connection with the Business Services provided by us to you we have categorised you as either a Professional Client or an Eligible Counterparty for the purposes of the Rules. Your categorisation has been identified in the Client Consent Letter. Note that if you are categorised as an Eligible Counterparty, such a categorisation will only apply to the extent we conduct Eligible Counterparty Business with you. Where we do not conduct Eligible Counterparty Business with you we will treat you as a Professional Client. This is without prejudice to your right to be categorized as a Professional Client in accordance with clause 4.2.
- 4.2 If you are an Eligible Counterparty, you have the right to make a written request for a different categorisation under the Rules, indicating in such request whether additional protection is required for one or more Business Services or Transactions. If you request to be classified as a Professional Client, we may, at our discretion, treat you as a Professional Client. Where you would otherwise be a Professional Client but have elected to be an Eligible Counterparty, by executing the Client Consent Letter you give your express consent to being treated as an Eligible Counterparty and confirm that you are aware of the consequences attached to the loss of protections that otherwise would have been afforded to you as a Professional Client as set out in clause 4.8 of this Agreement.
- 4.3 If you are an Eligible Counterparty these Terms of Business are modified as follows:
- (a) we will not assess your appropriateness in connection with any Business Services and/or Transactions, including for the purposes of clause 4.6;
  - (b) we will not be bound by the duty of best execution contemplated in clause 5 and our

Execution Policy will not apply to you;

- (c) clause 6.2 will not apply; and
- (d) we may separately agree with you the content and timing of reporting in relation to Transactions for the purposes of clause 9.

4.4 Regardless of whether you have been categorised as a Professional Client or an Eligible Counterparty you have the right to request categorisation as a Retail Client benefiting from a higher degree of regulatory protection. However, we are not authorised to deal with Retail Clients and accordingly, any such request by you will mean that we cannot undertake business with you.

4.5 You agree that you are responsible for keeping us informed about any change that could affect your client categorisation in connection with the Business Services and/or any matter which may reasonably impact our willingness to enter into Transactions or Business Services with you.

4.6 If you are a Professional Client we are (a) not required to assess appropriateness for non-complex financial instruments, or Business Services provided at your initiative; (b) able to assume that you have the necessary experience and knowledge to understand the risks involved in connection with the Business Services and/or Transactions entered into with you under the Agreement; and (c) entitled to assume that the Business Services provided and/or Transactions entered into with you under the Agreement are appropriate. In such cases you acknowledge that you will not benefit from certain conduct of business obligations you may otherwise benefit from.

4.7 Under the provisions of the Rules, Professional Clients are granted fewer protections than Retail Clients. In particular:

- (a) Professional Clients will be provided with less information with regard to the firm, its services and any investments;
- (b) where we assess the appropriateness of a product or service, we can assume that Professional Clients have sufficient knowledge and experience to understand the risks involved;
- (c) we may agree to provide Professional Clients with less information relating to the nature and risk profile of the financial instruments we deal in with or for them;
- (d) we do not need to inform Professional Clients of material difficulties relevant to the proper carrying out of their order(s) promptly;
- (e) should we provide Professional Clients with periodic statements, we are not required to provide them as frequently as for Retail Clients; and
- (f) we may provide Professional Clients with more limited information on costs and charges than would otherwise be required under the Rules.

4.8 Under the provisions of the Rules, Eligible Counterparties are granted fewer protections than Professional Clients. In particular:

- (a) we do not need to assess the appropriateness of a product or service;
- (b) we do not need to provide you with “best execution” and do not need to comply with our Execution Policy;
- (c) we are able to, in some instances, separately agree with you the content and timing of certain reports; and
- (d) we do not have to comply with the rules and restrictions in relation to the payment or receipt of fees, commission or non-monetary benefits in connection with the services we provide.

## 5. BESTEXECUTION

5.1 Without prejudice to any other provision of this Agreement, on the basis of the nature and manner of the interaction between us and you, many of the protections ordinarily conferred by a categorisation of you as a Professional Client, including the duty of best execution, will or may not apply in our dealings with you in the context of the Business Services. For further information, please refer to our Execution Policy which has been provided to you separately or which we will provide to you on request.

5.2 You understand that by dealing with us, whether directly or across a third-party trading platform, or otherwise requesting or accepting our Business Services, you are consenting to the terms of our Execution Policy.

5.3 If, and to the extent, we are required to do so under Applicable Law, we will in accordance with Applicable Law:

- (a) make available to the public, without charge, data relating to the quality of execution of transactions we execute acting as a systematic internaliser, market maker or liquidity provider; and/or
- (b) summarise and make public, for each class of financial instrument: (i) the top five execution venues in terms of trading volumes where we have executed client orders in the preceding year; and (ii) information on the quality of execution obtained.

## 6. COSTS AND CHARGES

6.1 We will provide you with information on any costs and charges arising in the provision of Business Services to you as required by Applicable Law. You agree to a limited application of the requirements on the provision of information on costs and associated charges to the extent permitted by Applicable Law. Further details in this regard are provided on our website ([www.citadelsecurities.com/disclosures](http://www.citadelsecurities.com/disclosures)) or such other website as may be notified to you from time to time.

6.2 In the course of providing Business Services to you, we may pay or receive or share fees, commissions or other non-monetary benefits with or from any other person to the extent permitted by Applicable Law, including the Rules. You will be notified separately of the details of any such arrangements if required by Applicable Law.

6.3 You agree to pay to us our costs and charges as notified by us to you from time to time.

## 7. PAYMENTS

- 7.1 All payments due to us under or in connection with the Agreement shall be made on such dates as we may specify in same day funds, in such currency as we may from time to time specify and to the bank account designated by us for such purpose.

### Deduction, withholding and set-off by client

- 7.2 All payments due to us under or in connection with the Agreement shall be made (i) in full without deduction or withholding, including for or in respect of any Tax and (ii) free and clear of any right of set-off and from any restriction, condition or deduction because of any counterclaim.

### Default interest

- 7.3 If you fail to pay to us any amount when it is due, we reserve the right to charge you interest (both before and after any judgment) on any such unpaid amount calculated at the rate reasonably determined by us to be the cost of funding such overdue amount. Interest will accrue on a daily basis and will be due and payable by you as a separate debt.

### Payments and deliveries net

- 7.4 Where applicable, unless we expressly agree otherwise with you or give you prior notice to the contrary, all payments and deliveries between you and us (excluding your obligation to pay our costs and charges pursuant to clause 6.3) shall be made on a net basis and we shall not be obliged to make payment and/or deliver (as appropriate) to you unless and until we have received from you the appropriate documents and/or cleared funds (as appropriate).

### Taxes

- 7.5 You shall at all times be fully responsible for the payment of all Tax due, making all related claims whether for exemption from Tax or otherwise, filing any Tax returns and providing any relevant Tax authorities with all necessary information, in each case in relation to any business we conduct for or with you or any investments which we hold or Transactions carried out or effected on your behalf.

### Performance and settlement

- 7.6 You (or, where appropriate, for the purposes of this clause 7.6 and clause 7.7, your Principal(s)) will promptly deliver any instructions, money, documents, property (including securities) or any other item deliverable by you under or in connection with a Transaction in accordance with the terms of that Transaction as modified by any instructions given by us for the purpose of enabling us to perform our obligations pursuant to the Business Services. Furthermore, and without prejudice to the foregoing or to any other paragraph in this clause 7, for each Transaction, you will provide to us all of the information required pursuant to Applicable Law in order to minimize any potential failure in relation to the settlement of the relevant Transaction. In particular, in respect of a relevant CSDR Transaction, to the extent that you have not granted us access to or otherwise made available to us on an ongoing basis the settlement information referred to in the CSDR, you shall provide us with a written allocation including all such information within the timeframes stipulated in those rules. You may provide this information through any communication procedure agreed between you and us. You agree that where you send us written allocations under this clause 7.6, this also

constitutes written confirmation of your acceptance of the terms of the relevant CSDR Transaction.

7.7 In the event that we do not receive any or all instructions, monies, documents, property (including securities) or any other relevant item from you in respect of a Transaction, or from our market counterparty, or from the market on which we are executing a Transaction (or any matching transaction to that Transaction), in accordance with the terms of the Transaction (or matching transaction), including as to timing or in freely transferable, properly endorsed, registered and fully negotiable form (a “Settlement Failure”), you acknowledge and agree that:

(a) any instructions, monies, documents, property (including securities) or other items we do receive from you or from our market counterparty, or from the market will be due and payable to us and will not therefore constitute client money or client assets for the purposes of the Rules;

(b) in furtherance of our rights pursuant to clause 3.4, we shall not be obliged to act on any instruction and/or complete the Transaction;

(c) we may take any action that we determine (in our sole and absolute discretion) necessary or desirable to manage any risks, and/or to mitigate and claim for any losses, arising as a result of the Settlement Failure, including, without limitation, cancelling or modifying a Transaction or entering into our own transaction(s) in order to reduce our risk;

(d) we may purchase (or attempt to purchase) on any relevant market, or from a third-party, an equivalent amount of any securities which we have not received as a result of the Settlement Failure, or have not received in a timely manner or in freely transferable, properly endorsed, registered and fully negotiable form, or may purchase (or attempt to purchase) similar securities to such securities (as determined by us in our sole and absolute discretion); and

(e) where the Settlement Failure is a result of your failure to deliver any or all of the relevant instructions, monies, documents, property (including securities) or any other item (including in a timely manner or in freely transferable, properly endorsed, registered and fully negotiable form), you will be liable to us, and shall indemnify us in respect of, any losses, liabilities, claims, costs or expenses (including legal fees), Tax, imposts and levies which we or our Affiliates may incur or be subject to in connection with or arising from a Settlement Failure or our taking, or refraining from taking, any of the actions described in this clause 7.7.

7.8 Where a Settlement Failure arises in respect of a CSDR Transaction, we may be charged cash penalties (“Cash Penalties”) or receive payments of cash penalties (“Penalty Credits”) in connection with a CSDR Transaction that we execute as your counterparty. You agree that where we act in a principal capacity as your counterparty to a CSDR Transaction (i) any such Penalty Credits received by us shall be due and payable to us and for our account only; and (ii) subject to clause 19.9, Cash Penalties charged to us shall be due and payable by us.

## 8. SYSTEMATIC INTERNALISER

8.1 Where we execute a Transaction with you (or, where applicable, your Principal(s)) under this Agreement and we are acting in our capacity as a systematic internaliser, we will execute that Transaction in accordance with our commercial policy and Applicable Law.

## 9. CONFIRMATIONS

9.1 Where we execute a Transaction with you (or, where applicable, your Principal(s)) we may provide you with a notice confirming execution under this Agreement, including where required by Applicable Law. We will assume that, unless we hear otherwise from you promptly following dispatch of any such notice (and in any event, prior to the close of business on the next London business day), you agree with the contents of the notice.

9.2 You may request information on the status of any orders you place with us at any time.

## 10. TRADE REPORTING

10.1 Where we execute a Transaction in respect of (i) shares, depositary receipts, ETFs, certificates and other similar financial instruments traded on a trading venue; and/or (ii) bonds, structured finance products, emission allowances and derivatives traded on a trading venue, but which are transacted outside of a trading venue, on own account, we will make the relevant Transaction information (including volume, price and the time that the Transaction was concluded) public as required by and in accordance with Applicable Law.

10.2 If you are an investment firm or credit institution, the Transaction shall be made public in accordance with Applicable Law by (i) the selling firm in the Transaction; or (ii) the buying firm in the Transaction if that is the only party acting as systematic internaliser, in which case that party shall inform the other of the action taken.

## 11. TRANSACTION REPORTING

11.1 We will comply with our obligations under the Rules and any other Applicable Law in relation to the reporting to regulators of Transactions executed with you (or, where applicable, your Principal(s)).

11.2 To enable us to comply with our obligations under the Rules and Applicable Law, you agree to promptly deliver to us transaction data and any other information that we may from time to time request to enable us to complete and submit transaction reports to the relevant competent authority.

11.3 You consent to us providing information about you (or, where applicable, your Principal(s)) and Transactions executed with you (or, where applicable, your Principal(s)) to competent authorities in the course of submitting transaction reports and to us making public relevant details of quotes provided to you and Transactions executed with you (or, where applicable, your Principal(s)) in accordance with the Rules and other Applicable Law.

## 12. TELEPHONE TAPING AND ELECTRONIC COMMUNICATIONS

12.1 To the extent permitted by Applicable Law, you agree that we may in our sole and absolute discretion record, monitor and retain all communications (including email, instant messaging, facsimile, all telephone conversations and other electronic communications) including those held between you and/or your agent and employees of us including trading, sales or settlements for the purposes of ensuring compliance with our legal and regulatory obligations and internal policies, and in connection with the services and/or Transactions contemplated by this Agreement. We may record such telephone conversations without use of a warning tone (and for the avoidance of doubt this clause 12.1 is deemed to constitute a prior notification under Article 16.7 of MiFID II). Such records will be our sole property. Our voice records will be accepted by you as conclusive evidence of the orders, instructions and conversations

recorded.

- 12.2 In accordance with Applicable Law (including, without limitation, Article 16.7 of MiFID II), we shall retain such records for a period of at least five years and, where requested by the competent authority, for a period of at least seven years. The records will be available to you upon request during that period.
- 12.3 We acknowledge you may record telephone conversations and electronic conversations between us to the extent authorised by Applicable Law. You agree to provide a copy of these records to us upon request and to provide these within a reasonable timeframe.
- 12.4 We may be required under Applicable Law to provide you with certain information in a “durable medium” and may wish to do so in a durable medium other than paper. By executing the Client Consent Letter you give your express consent to us to provide this information to you by means of a durable medium that is not paper including via a client portal accessible through a secure login or email that is personally addressed to you. By executing the Client Consent Letter you also give your express consent to us to provide information which is required by Applicable Law that is not personally addressed to you by means of a website. You specifically consent to us providing this information on our website ([www.citadelsecurities.com/disclosures/](http://www.citadelsecurities.com/disclosures/)) or such other website as may be notified to you from time to time. This may include general information about us and our Business Services and information on costs and associated charges.

### 13. RISK WARNING

- 13.1 This notice is provided to you in compliance with the Rules. Please be aware that there are certain risks involved in entering into Transactions in financial instruments. You should not deal in these products unless you understand their nature and the extent of exposure to risk that you will incur.
- 13.2 All financial instruments carry a certain degree of risk, and even low risk investment strategies contain an element of uncertainty. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the risks associated with each of these instruments. We refer you to the attached Schedule of Risk Warnings and Product Disclosures which describes both the risks of specific products, as well as generic types of risk, including, inter alia: liquidity risk, credit risk, market risk, currency risk, interest rate risk, legal/regulatory risk and operational risk.
- 13.3 The information contained in the attached Schedule 1 cannot disclose the nature of all risks of all specific products or services or disclose everything about generic types of risk. The information contained in Schedule 1 is a general description of the risks associated with the specific products or services which we may provide to you. You should not rely on the highlighted risks as being the only risks in relation to the product or service. You should always satisfy yourself that a product or service is suitable for you in light of your financial circumstances and that you fully understand the nature and risk associated with that product or service. Any risks highlighted are not to be relied upon as investment advice or a personal recommendation.

### 14. COMPLIANCE

- 14.1 This Agreement and our obligations under this Agreement are subject to Applicable Law and Sanctions. We shall not be in breach of any of the provisions of this Agreement or any

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obligation owed to you where we take or refrain from taking an action that we, in our sole discretion, consider advisable to comply with or avoid breaching Applicable Law or Sanctions. Actions that we may take or refrain from taking include but are not limited to delaying or refusing to comply with your instructions and/or closing, delaying the close of or refusing to close open or pending Transactions.

### 15. ADDITIONAL DISCLOSURES

15.1 In accordance with the Rules, in connection with the provision of Business Services, we:

- (a) will have an obligation to act honestly, fairly and professionally in accordance with your best interests;
- (b) will ensure that any communications between us and you in connection with the provision of the Business Services are fair, clear and not misleading; and
- (c) will ensure that any financial promotions or marketing communications sent to you by us in connection with the provision of the Business Services are clearly identifiable as such.

### 16. REPRESENTATIONS AND WARRANTIES

16.1 On a continuing basis, and each time you enter into a Transaction under this Agreement, you represent and warrant to us and agree that (including, where applicable, for and on behalf of any Principal(s) for whom you are acting as agent):

- (a) you have full capacity and authority to enter into (i) this Agreement, which has been duly executed by you and constitutes a valid and legally binding obligation enforceable in accordance with its terms, and (ii) each Transaction and any other documentation relating thereto, and to perform your obligations in relation to the same. Additionally, without derogation to the preceding sentence, on a continuing basis, you represent and warrant to us and agree that any delegate who purports to deal on your behalf has full capacity and authority to do so and that any arrangements entered into as a result of those dealings constitute valid and legally binding obligations for the purposes of the first sentence;
- (b) where you act as agent for a Principal(s), you have the proper capacity and authority to do so;
- (c) no authorisations from any governmental, regulatory or other authority are required for the due execution, delivery or performance by you of this Agreement or each Transaction, or the validity or enforceability thereof;
- (d) no Tax or other duty will be imposed on you by virtue of the execution, delivery or performance of this Agreement or the entering into of each Transaction or is necessary to ensure the legality, validity, enforceability or admissibility of this Agreement or such Transaction;
- (e) you will be liable to us in respect of all obligations and liabilities arising from this Agreement and Transactions effected on your instructions;
- (f) entering into this Agreement or any Transaction hereunder will not violate or conflict with any applicable law, rules and regulations relating to you (including related to

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applicable anti money laundering requirements), any provision or any constitutional document or any charge, trust deed, contract or other instrument or any contractual restrictions applicable to, binding on or affecting you or any of your assets or oblige you to create any lien, security interest or encumbrance;

- (g) you will comply with all Applicable Law and disclosure requirements of any relevant jurisdiction, exchange, market or regulatory authority which apply in respect of us, you or the Business Services from time to time;
- (h) you, or any individual placing orders with us on your behalf, are not in possession of any price sensitive or inside information which would or may affect your ability to lawfully abide by this Agreement or enter into any Transaction with us;
- (i) no Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination of the above) an Event of Default (a “Potential Event of Default”) has occurred and is continuing;
- (j) each Transaction and your obligations under each Transaction are binding on you and enforceable against you in accordance with its terms and do not and will not violate any applicable law, rules and regulations binding on you or any of your assets or, where you are acting as agent on behalf of a Principal(s), if any, each Transaction, your obligations and the obligations of the Principal(s) under each Transaction are binding on you and the Principal(s), as appropriate, and enforceable against you and the Principal(s), as appropriate, in accordance with its terms and do not and will not violate any applicable law, rules and regulations binding on you, any of your assets, the Principal(s) or any of the Principal(s)’s assets, as appropriate;
- (k) you are not a Public Sector Body, local public authority, municipality or a private individual investor;
- (l) you have obtained and will duly renew and maintain one or more LEI codes that pertain to you and, if you are acting on behalf of a Principal(s), the Principal(s) on whose behalf you may be acting. You will immediately inform us in writing of any changes to such LEI codes and of any new LEI codes issued to you or any Principal(s) on behalf of which you act;
- (m) you are not the subject or target of any Sanctions, acting as agent for and on behalf of a Principal(s) that is the subject or target of any Sanctions, or acting at the direction of or for the benefit of any person, entity or body that is the subject or target of any Sanctions; and
- (n) where you are acting as agent for and on behalf of a Principal(s), the Principal(s) has given its consent for us to use any information you or the Principal(s) provide to us or we collect about the Principal(s) in the manner envisaged by clause 22.12.

16.2 You shall (including, where applicable, for and on behalf of any Principal(s) for whom you are acting as agent):

- (a) at all times obtain and comply with, and do all that is necessary to maintain in full force and effect, all necessary authority, powers, consents, licences and authorisations;
- (b) promptly notify us of the occurrence of any Event of Default or Potential Event of

Default;

- (c) use all necessary steps to comply with all Applicable Law in relation to the Agreement and any Transaction, so far as they are applicable to you or us;
- (d) at all times observe the standard of behaviour reasonably expected of persons in your position and not take any step which could cause us to fail to observe the standard of behaviour reasonably expected of persons in our position;
- (e) not place orders (or take any other action) that could create a false impression of the demand for or value of a financial instrument, or place orders which you have reason to believe are in breach of Applicable Law;
- (f) not fund all or part of any payment under or relating to any Transaction out of proceeds derived from business or transactions with any person (i) that is the subject or target of Sanctions or (ii) that is acting as agent for and on behalf of a principal(s) or for the benefit of any person, entity or body that is the subject or target of Sanctions or in any other manner (iii) that could place us in breach of Applicable Law or Sanctions;
- (g) not, directly or indirectly, use the proceeds of any Transaction, or lend, contribute or otherwise make available such proceeds to any person to fund or facilitate any activities or business of or with any person (i) that is the subject or target of Sanctions or (ii) that is acting as agent for and on behalf of a principal(s) or for the benefit of any person, entity or body that is the subject or target of Sanctions or in any other manner (iii) that would result in a violation of Applicable Law or Sanctions, including by any party to this Agreement;
- (h) procure that, if any of your directors, officers, employees, agents or representatives, or any person acting on your direction or behalf, become the subject or target of Sanctions, such person(s) shall not have any direct or indirect dealings with us or in connection with your obligations under this Agreement;
- (i) provide to us any documents or information which in our reasonable opinion are necessary to ensure that we comply with all of our legal and regulatory obligations, including but not limited to our obligations under any Sanctions or related to the prevention and detection of money laundering, client identification, and the prevention of terrorism or under any other Applicable Law;
- (j) promptly following request by us, provide us with such information as we may reasonably require to evidence the matters referred to in this clause 16.2 or to comply with any Applicable Law; and
- (k) carry out all due diligence required under relevant Applicable Law or Sanctions, including without limitation, related to the prevention and detection of money laundering, client identification, and the prevention of terrorism.

16.3 You acknowledge and agree that you have made the representations and warranties set out above with the intention of inducing us to enter into this Agreement and that we have entered into this Agreement on the basis of, and in full reliance on, each such representation and warranty. You further represent and warrant that you have no knowledge of any additional facts or matters the omission of which makes or might make any of the representations and warranties set out above

misleading or which would or might reasonably be expected to affect our judgment when deciding to enter into this Agreement or enter into Transactions with you and/or any Principal(s).

## 17. EVENTS OF DEFAULT

### 17.1 Events of Default

Each of the following shall constitute an “Event of Default”:

- (a) the Client or the Principal(s), if any, fails to make any payment when due or to make or take delivery of any property when due, or to observe or perform any other provision of the Agreement or any other terms relating to a Transaction;
- (b) the Client or the Principal(s), if any:
  - (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
  - (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
  - (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
  - (iv) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above;
  - (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
  - (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
  - (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession;
  - (viii) causes or is subject to any event with respect to it which, under the

applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) above (inclusive); or

- (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;
- (c) any representation or warranty made or given or deemed to be made or given by the Client or the Principal(s), if any, under this Agreement or any other terms relating to a Transaction (including any credit support document) proves to have been false or misleading in any material respect as at the time it was made or given or deemed to be made or given;
- (d) it becomes unlawful for the Client or the Principal(s), if any, to perform any relevant obligations under or in connection with the Agreement or any Transaction;
- (e) if regulated by the CBI, FCA or any other body, we have reason to believe that the Client or the Principal(s), if any, has committed a serious or material breach of the Rules or the rules of any such other body;
- (f) you or the Principal(s), if any, become the subject or target of Sanctions, or engage in any activity related to this Agreement that violates any applicable Sanctions or other Applicable Law or places us in breach of Sanctions or other Applicable Law or otherwise puts us at risk of any penalties or other measures under any Sanctions or other Applicable Law; or
- (g) you repudiate this Agreement or any Transaction, or evidence an intention to do so.

#### 17.2 Rights upon an Event of Default etc.

- (a) We, in our sole and absolute discretion and without prior notice to you, shall be entitled to take the action set out in clause 17.2(c):
  - (i) at any time upon and following the occurrence of an Event of Default;
  - (ii) if any event occurs or action is taken which we reasonably consider might have a material adverse effect upon your ability or the ability of the Principal(s), if any, to perform your or its, as appropriate, obligations under or in connection with the Agreement or any Transaction, or we otherwise reasonably believe that you or the Principal(s), if any, will not be able or willing in future to perform your or its, as appropriate, obligations under or in connection with the Agreement or any Transaction; and/or
  - (iii) if we consider it necessary or reasonably desirable to prevent what we consider to be a breach of any Applicable Law or good standards of market practice.
- (b) In the case of an Event of Default under clause 17.1(b), if you or the Principal(s) are governed by a system of law that does not permit termination to take place after the occurrence of such Event of Default:
  - (i) this Agreement will terminate and all unsettled Transactions and any orders and Transactions that are in progress shall be cancelled immediately upon the occurrence of an Event of Default specified in clause 17.1(b)(i), (ii), (iii), (v),

(vi) or, to the extent analogous thereto, (viii), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence of an Event of Default specified in clause 17.1(b)(iv) or, to the extent analogous thereto, (viii) (the “Automatic Termination”); and

- (ii) at any time on or following the occurrence of an Automatic Termination, we, in our sole and absolute discretion and without prior notice to you, shall be entitled to take the action set out in clause 17.2(c)(ii), (c)(iii) and/or (c)(iv).
- (c) Pursuant to clauses 17.2(a) and 17.2(b)(ii), we may, as described therein, take the following action, which shall be able to be effected by us or an Affiliate with respect to you and, where you are acting as agent on behalf of a Principal(s), the Principal(s):
- (i) immediately terminate the Agreement and cancel any unsettled Transactions and any orders and Transactions that are in progress to the extent permitted under Applicable Law or Sanctions, and take such steps that we in our sole discretion consider to be necessary in order to comply with Applicable Law or Sanctions; and/or
  - (ii) instead of returning to you financial instruments equivalent to those credited to your account, if any, pay to you the fair market value (as determined by us, in our sole and absolute discretion) of such financial instruments at the time we exercise this right; and/or
  - (iii) sell or otherwise dispose of or liquidate such of your financial instruments as are in our possession or in the possession of any nominee or third party appointed by us, in each case as we may in our sole and absolute discretion select and upon such terms as we may in our sole and absolute discretion think fit (without being responsible for any loss or diminution in price or value) in order to realise funds sufficient to cover any amount due by you to us; and/or
  - (iv) without prejudice to clause 7.7, close out, replace or reverse any Transaction, buy, sell, borrow, lend or enter into any other transaction or take, or refrain from taking, such other action at such time or times and in such manner as we, in our sole and absolute discretion, consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any of your Transactions, contracts, positions or commitments (including but not limited to as described in clause 7.7).
- (d) In the case of an Event of Default under clause 17.1(f) in no event shall we be obliged to make any payment or extend any credit to you to the extent we consider that such payment or extension of credit could result in us violating or being exposed to any penalties or other measures under Applicable Law or Sanctions.

## 18. TERMINATION

- 18.1 Without prejudice to anything contained in clause 17, the Agreement may be terminated by either you (other than where an Event of Default has occurred) or us at any time upon either party giving to the other notice of termination (to take effect immediately upon receipt or as otherwise specified in the notice or by Applicable Law).

18.2 Termination of the Agreement pursuant to clause 18.1 shall be:

- (a) without prejudice to the completion of any Transaction or Transactions already initiated and any Transaction or all Transactions outstanding at the time of termination will be settled and delivery made;
- (b) without prejudice to, and shall not affect, any accrued rights, obligations or existing commitments that may already have arisen or any contractual provision intended to survive termination; and
- (c) without penalty or other additional payment, save that you will pay: (i) our outstanding fees and charges; (ii) any expenses incurred by us in the provision of the Business Services or under the Agreement payable by you; and (iii) any additional expenses, charges or losses reasonably and properly incurred by us or any of our Affiliates in closing out or cancelling any Transactions and/or terminating the Agreement.

## 19. EXCLUSIONS, LIMITATIONS AND INDEMNITY

### General exclusions and limitations

- 19.1 Neither we, our Affiliates nor our or their respective directors, officers, employees, agents or delegates shall be liable for any losses, damages, costs or expenses, whether arising out of negligence, breach of contract or misrepresentation or otherwise, incurred or suffered by you or the Principal(s), if any, under or in connection with the Agreement and/or any Transaction, unless such loss arises directly from our, or our directors', officers', employees', agents' or delegates' gross negligence, wilful default or fraud.
- 19.2 Without prejudice to clause 19.1, neither we, our Affiliates nor our or their respective directors, officers, employees, agents or delegates shall have any liability for any loss of any kind:
- (a) relating to:
    - (i) delays or omissions with respect to the execution of Transactions and/or cancellation, modification or replacement of Transactions;
    - (ii) any erroneous communications between you and us;
  - (b) arising from any action we take or refrain from taking in order to comply with Applicable Law; or
  - (c) arising from any action we take or refrain from taking (1) which in our sole discretion is prudent in the interests of crime prevention or to comply with any Applicable Law or Sanctions from time to time, or (2) as a consequence of our systems, controls or operations.
- 19.3 Under no circumstances shall we, our Affiliates or our or their respective directors, officers, employees, agents or delegates be liable for any: (i) special, incidental or consequential loss or damage; or (ii) loss (whether direct or indirect) of profit, revenue, data, goodwill or business opportunity, suffered by you or the Principal(s), if any, under or in connection with the Agreement and/or any Transaction, whether arising out of negligence, gross negligence, breach of contract or misrepresentation or otherwise.
- 19.4 You are responsible for any investment or trading decisions you make with respect to products identified or Transactions executed, and neither we, our Affiliates nor our or their respective

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directors, officers, employees, agents or delegates shall be responsible for determining whether any Transaction you may enter into is suitable, or advisable for you or the Principal(s), if any. We, our Affiliates and our or their respective directors, officers, employees, agents or delegates are not and will not be, by virtue of providing services to you pursuant to the terms of the Agreement, an advisor or fiduciary for you or, if you are acting as agent, the Principal(s).

- 19.5 Without prejudice to or in limitation of clauses 19.1, 19.2 and 19.3, in no circumstances shall our aggregate liability to you arising under or in connection with the Agreement and/or any Transaction exceed USD 1,000,000, provided that such amount shall be decreased by any amounts recovered by you under any insurances taken out by you in respect of the Agreement and/or any Transaction.
- 19.6 Nothing in the Agreement shall limit our liability for death or personal injury resulting from our negligence or for any liability under Applicable Law that we may not exclude by contract.
- 19.7 Without limitation, we do not accept any liability by reason of any delay or change in market conditions before any particular Transaction is effected.

### Further exclusion and force majeure

- 19.8 Neither we, our Affiliates nor our or their respective directors, officers, employees, agents or delegates assume any liability or responsibility, or shall be liable to you or the Principal(s), if any, for consequences arising out of acts, events or circumstances not within our, our Affiliates' or our or their respective directors', officers', employees', agents' or delegates' control including war, terrorism, insurrection, civil disorder, acts of God, industrial disputes, acts or regulations of government, regulatory or supranational bodies or authorities or markets, any failure by any agent, intermediate broker, custodian, sub-custodian, dealer, regulated market, multi-lateral trading facility, clearing house, central securities depository, regulatory or self-regulatory organisation or any agent of the foregoing, the breakdown, failure or malfunction of any telecommunications or computer service or the interruption of our business due to failure of power supplies.

### Indemnity

- 19.9 You (and where you act for a Principal(s), the Principal(s) in addition to you) shall pay to us on demand such sums as we may from time to time require in or towards satisfaction of any debit balance on any of your (and where you act for a Principal(s), your Principal(s)'s) accounts with us and, on a full indemnity basis, any losses, liabilities, claims, penalties, costs or expenses (including legal fees), Tax, imposts and levies which we, our Affiliates and our and their respective directors, officers, employees, agents or delegates may incur or be subjected to in connection with the Agreement and/or with respect to any of your (and where you act for a Principal(s), your Principal(s)'s) accounts, instructions, or any Transaction (including but not limited to as described in clause 7.7), in each case as a result of the provision by us of our Business Services hereunder, any misrepresentation or negligence by you or the Principal(s), if any, or any breach by you or the Principal(s), if any, of your or the Principal(s)'s obligations under the Agreement (including any Transaction) or by the enforcement of our rights.

### 20. NO RELIANCE

You acknowledge that you have not relied on any representation, warranty or other assurance (except as set out in this Agreement) whether oral, written, express or implied.

## 21. INTERPRETATION

For the avoidance of doubt, in this Agreement, any reference to any statute, subordinate legislation or rules of any relevant regulatory body (including without limitation the Rules), exchange, organised market, clearing system, central counterparty or central securities depository shall be to such statute, subordinate legislation or rules as amended or extended from time to time.

## 22. MISCELLANEOUS

### 22.1 Notice

(a) Unless otherwise agreed between us and you and except to the extent the Agreement provides to the contrary (including in respect of service of process pursuant to clause 26 of this Agreement): (a) all notices, instructions and other communications to be given by us to you may be given to the address or e-mail address provided by you to us, or where appropriate via our website, and (b) all notices, instructions and other communications to be given by you to us shall be given to the most recent address or e-mail address provided by us to you. You may also communicate with us in writing to the Chief Compliance Officer, Citadel Securities (Europe) Limited, 120 London Wall, London EC2Y 5ET or to the Chief Compliance Officer, Citadel Securities GCS (Ireland) Limited, 5th Floor, One Grand Canal Square, Dublin 2, Ireland D02 P820 or to the Chief Compliance Officer, Citadel Securities GCS (Ireland) Limited, Paris Branch. Alternatively, you may email [secscomplianceeurope@citadel.com](mailto:secscomplianceeurope@citadel.com). You shall promptly notify us of any change in your address, e-mail address, or other contact details.

(b) Any notices, instructions and other communications to be given or made under or in connection with the Agreement by us will be deemed to have been received (whether or not actually received) where we can show such communication. Except as specified in Clause 9.1, all notices, instructions and other communications to be given or made under or in connection with the Agreement will, in the absence of manifest error, be deemed correct, conclusive and binding on you if not objected to in writing within 3 days of receipt.

### 22.2 Language

Each notice, demand, request, statement, instrument, certificate or other communication under or in connection with the Agreement by us shall be in English or where required by Applicable Laws in French.

### 22.3 Amendments

(a) We may amend the terms of the Agreement as required by law or regulation by sending you a written notice and such changes may take effect immediately or otherwise as we may specify. We may also amend the terms of the Agreement by sending you a written notice at least 10 London business days prior to such changes becoming effective. Any such revised version of this Agreement will appear on our website ([www.citadelsecurities.com/disclosures](http://www.citadelsecurities.com/disclosures)) or such other website as may be notified to you from time to time. Your continuing to do business with us following receipt of such notices will evidence and shall constitute your agreement to be bound by such new terms.

- (b) You may not amend any terms of the Agreement without our express written agreement.

#### 22.4 Assignment

The Agreement and all Transactions shall be for the benefit of and binding upon us and you and our and your respective successors and permitted assigns. You shall not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer any of your rights or obligations under the Agreement or any Transaction or any interest in the Agreement or any Transaction, without our prior written consent. Any purported assignment, charge or transfer in breach of this clause 22.4 shall be void.

#### 22.5 Rights and remedies

The rights and remedies provided under the Agreement are cumulative and not exclusive of those provided by law and regulation. We shall be under no obligation to exercise any right or remedy either at all or in a manner or at a time beneficial to you. No failure by us to exercise or delay by us in exercising any of our rights under the Agreement (including any Transaction) or otherwise shall operate as a waiver of those or any other rights or remedies. No single or partial exercise of a right or remedy shall prevent further exercise of that right or remedy or the exercise of another right or remedy.

#### 22.6 Set-off

Without prejudice to any other rights to which we may be entitled, we shall be entitled at any time and without notice to you to set off any obligation owed by you (or, where you are acting as agent, any Principal(s)) to us against any obligation owed by us to you (or, where you are acting as agent, such Principal(s)), in each case, regardless of the place of payment or booking or the currency of the obligation and whether or not arising under this Agreement (including any Transaction), matured or contingent. If the obligations referred to are in different currencies we may convert the obligations at market rates of exchange for the purpose of any set-off. This clause 22.6 is intended to give rise to rights in contract only and is not intended to constitute, create or give rise to a security interest of any kind over any asset. If and to the extent that any right conferred under this clause 22.6 would, notwithstanding the foregoing sentence, constitute, create or give rise to any security interest, such right shall be of no effect.

#### 22.7 Partial invalidity

If, at any time, any provision of the Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

#### 22.8 Survival

Clauses 2, 3, 6.3, 7, 12, 14, 17.2, 19, 21, 22.6, 22.7, 22.8, 22.9, 22.11, 22.12, 22.15, 22.17, 22.19, 24, 25 and 26 will survive the termination of the Agreement.

## 22.9 Our records

In the absence of manifest error our records will be evidence of your dealings with us in connection with our services. You shall not object to the admission of our records as evidence in any legal proceedings because such records are not originals, are not in writing or are documents produced by a computer. Unless we expressly consent, you shall not rely on us to comply with your record keeping obligations.

## 22.10 Your records

You agree to keep adequate records in accordance with all Applicable Law, including demonstrating the nature of orders submitted and the time at which such orders are submitted.

## 22.11 Regulatory enquiry

If any regulated market, multilateral trading facility, organised trading facility or regulatory body makes any enquiry, including (without limitation) in connection with a Transaction, you shall co-operate with us in responding to such enquiry and promptly supply such information as may be reasonably required by us or required by such regulated market, multilateral trading facility or regulatory body in connection with such enquiry.

## 22.12 Use of data

- (a) Subject to clause 22.13, we may use the information you provide to us or we collect about you or, where you are acting as agent, your Principal(s), when providing the Business Services for the following purposes:
  - (i) to provide the Business Services, including the management and administration of your or, if applicable, your Principal(s)'s account;
  - (ii) to carry out our obligations arising from this Agreement;
  - (iii) to offer investment products and other services which may be of interest to you or, if applicable, your Principal(s) from time to time, unless you have asked us not to, in compliance with Applicable Law;
  - (iv) for internal analysis and research and any other legitimate business purpose; and
  - (v) to comply with Applicable Law.
- (b) Subject to Applicable Law, we may share your, or (if applicable) your Principal(s)'s information with third parties (including Affiliates, subcontractors, vendors, credit reference agencies, and competent authorities) for the purposes set out above. We may also disclose your information to any purchaser of the whole or part of our business or on any merger or group reorganisation. This may include transferring data outside the European Economic Area to third countries where the data protection laws may not be as comprehensive as those that apply in the United Kingdom or, Ireland or France. Where we transfer data outside the European Economic Areas we will do so in compliance with Applicable Laws.

### 22.13 Personal Data protection

- (a) In terms of Data Protection Laws, we are acting as Data Controller in relation to any Personal Data you provide to us.
- (b) For more information about how we process Personal Data please see the Privacy Notice at [www.citadelsecurities.com/privacy](http://www.citadelsecurities.com/privacy) or [www.citadelsecurities.com/eea-privacy/](http://www.citadelsecurities.com/eea-privacy/) if you reside in the European Economic Area, Switzerland or the United Kingdom.
- (c) Each party shall comply with all applicable Data Protection Laws when processing Personal Data arising out of this Agreement.
- (d) Where Personal Data is shared by you with us, you shall ensure such disclosure is in compliance with all Data Protection Laws and that there is no prohibition or restriction which could:
  - (i) prevent or restrict you from disclosing or transferring the Personal Data to us;
  - (ii) prevent or restrict us from disclosing or transferring Personal Data to our Affiliates, subcontractors, vendors, credit reference agencies, and competent authorities, in order to provide the Business Services;
  - (iii) prevent or restrict us and our Affiliates, subcontractors, vendors, credit reference agencies, and competent authorities, from processing the Personal Data for the purposes set out in this Agreement.
- (e) If you share Personal Data with us, you shall ensure that you have provided a fair processing notice informing the Data Subject of our processing of such Personal Data in compliance with all Data Protection Laws.

### 22.14 Complaints

If you have a complaint about us, you may communicate with us in writing to the Chief Compliance Officer, Citadel Securities (Europe) Limited, 120 London Wall, London EC2Y 5ET or to the Chief Compliance Officer, Citadel Securities GCS (Ireland) Limited, 5th Floor, One Grand Canal Square, Dublin 2, Ireland D02 P820 or to the Chief Compliance Officer, Citadel Securities GCS (Ireland) Limited, Paris Branch, 40-42 Rue la Boétie, 75008 Paris, France. Alternatively, you may email [secscomplianceeurope@citadel.com](mailto:secscomplianceeurope@citadel.com). We will seek to resolve the complaint in accordance with our internal Complaints Handling Policy.

### 22.15 Product Contracts

Notwithstanding anything to the contrary herein, where you (or, where you are acting as agent, your Principal(s)) have entered into any other contract(s) with us, other than a previous version of our terms of business, (whether prior to, at the same time as or after the date of this Agreement) (each a “Product Contract”) including, without limitation, any contract(s) relating to specific, or specific types of, products, services or transactions including, but not limited to, financial instruments, it is agreed that: (a) the relevant Product Contract constitutes the entire agreement and understanding of us and

you or your Principal(s) (as the case may be) with respect to its subject matter; and (b) notwithstanding any inconsistent or contrary provision of this Agreement, the terms of this Agreement are superseded, disappplied and replaced by the relevant Product Contract with respect to the particular product, transaction or service (and accordingly no provisions in this Agreement shall be imported into any Product Contract), except to the extent (i) this Agreement: (A) creates or codifies regulatory protections in your or your Principal(s)'s favour (as the case may be); or (B) contains disclosures that we are required to make under Applicable Law or (ii) as otherwise agreed in writing with you.

#### 22.16 Conflicts

There may be instances where potential conflicts arise between your interests and the interests of other clients or the Citadel group and its employees. We are committed to identifying and preventing or managing any such actual or potential conflict, and we have established a policy to deal with scenarios where a conflict may arise. A conflict of interest is a situation where, within the course of our activities, our interests and/or our clients, or employees may compete, whether directly or indirectly. We shall work to identify where conflicts of interest are, or could be, encountered in the course of our business and which may pose a risk of material disadvantage to your interests. In response to an actual or potential conflict of interest, we may take a number of steps including (i) maintaining organisational and/or administrative arrangements to protect your interests once a conflict is identified, (ii) disclosing the existence of a conflict and seeking consent to progress where appropriate, and (iii) declining to act. Further information regarding our management of conflicts is contained in our conflicts of interest policy. Additional information regarding the conflicts of interest policy, in addition to this summary, will be provided to you upon request.

#### 22.17 Confidentiality

You (including, where you are acting as agent, any Principal(s)) shall treat all information and communications furnished by us to you in connection with the Business Services as confidential and not to be disclosed to third parties without the prior written consent of us except as required by Applicable Law (provided that you shall, if not prohibited from doing so by Applicable Law, provide us with prompt notice of the requirement and take such steps as we may reasonably request to resist the requirement to disclose), or to the extent you are making a disclosure to your lawyer or accountant.

#### 22.18 LEI Code

We will be unable to deal with you unless you have obtained and continue to maintain a valid LEI code that pertains to you and, if you are acting on behalf of a Principal(s), the Principal(s) on whose behalf you may be acting.

#### 22.19 No Promotion

You will not, without our prior written consent, use in advertising, marketing, or other promotional materials, our name, trademark, or trade name.

#### 22.20 Investor Compensation

- (a) Claims in respect of Citadel Securities GCS (Ireland) Limited (including in respect of any branches established in the European Economic Area):
- (i) The Investor Compensation Act 1998 (the “1998 Act”) provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms, as defined in the 1998 Act. The Investor Compensation Company Ltd. (ICCL) was established under the 1998 Act to operate such a compensation scheme and Citadel Securities GCS (Ireland) Limited is a member of this scheme.
  - (ii) Compensation may be payable where money or investment instruments owed or belonging to clients and held, or in the case of investment instruments, administered or managed by authorised investment firms, cannot be returned to those clients for the time being and there is no reasonably foreseeable opportunity of the firm being able to do so. A right to compensation will arise only:
    - (A) if you are an eligible investor as defined in the 1998 Act;
    - (B) if it transpires that the authorised investment firm is not in a position to return client money or investment instruments owed or belonging to clients of the firm; and
    - (C) to the extent that your loss is recognised for the purposes of the 1998 Act.
  - (iii) Where an entitlement to compensation is established, the compensation payable will be the lesser of:
    - (A) 90% of the amount of the client’s loss which is recognised for the purposes of the 1998 Act; or
    - (B) compensation of up to €20,000.
  - (iv) Further information about the compensation provided by the ICS is available on the ICS website (see [www.investorcompensation.ie/](http://www.investorcompensation.ie/)) and on request from Citadel Securities GCS (Ireland) Limited through contacting [secscomplianceeurope@citadel.com](mailto:secscomplianceeurope@citadel.com).
- (b) Claims in respect of Citadel Securities (Europe) Limited:
- (i) Citadel Securities (Europe) Limited is a member of the Financial Services Compensation Scheme (FSCS), the UK investor compensation scheme. If you are an eligible claimant, you may be entitled to compensation from the FSCS if Citadel Securities (Europe) Limited cannot meet its obligations. Eligibility also depends upon the type of business and the circumstances of the claim. Claims made to the FSCS are subject to maximum limits on compensation. The claim limit for investment business is £85,000 per person, per authorised firm.
  - (ii) Further information about the FSCS, including who may be eligible to make a claim should the need arise, is available on the FSCS website (see

23. ENTIRE AGREEMENT

Subject to clause 22.15, the Agreement supersedes any previous written or oral agreement between you and us in relation to the matters dealt with in the Agreement and contains the entire agreement between the parties relating to the subject matter of the Agreement at the date hereof.

24. RIGHTS OF THIRD PARTIES

24.1 Any Third Party Beneficiary may enforce and rely on any term of the Agreement conferring a benefit on it to the same extent as if it were a party to the Agreement.

24.2 Even though the Agreement confers benefits on Third Party Beneficiaries, you and us shall remain free to terminate, vary and/or waive any of its terms (in accordance with the provisions of the Agreement or as otherwise agreed between us) without the consent of any Third Party Beneficiary.

24.3 Any rights in connection with the Agreement arising by virtue of the Contracts (Rights of Third Parties) Act 1999 are personal to the Third Party Beneficiaries.

24.4 Save as aforesaid, no person who is not a party to the Agreement or a permitted assignee of rights under it may enforce any of its terms or rely on any exclusion or limitation contained in it whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

25. WAIVER OF IMMUNITY

25.1 You represent and warrant that this Agreement, each Transaction, and your obligations and liabilities arising from or in connection with the same are commercial rather than public or governmental acts and that you are not entitled to claim immunity from legal proceedings with respect to yourself or any of your assets on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations or liabilities arising from or in connection with this Agreement or such Transaction.

25.2 To the extent that you or any of your assets has or hereafter may acquire any right to immunity from set-off, legal proceedings, attachment prior to judgement, other attachment or execution of judgement on the grounds of sovereignty or otherwise, you hereby:

- (a) irrevocably waive such rights to immunity in respect of your obligations arising from or in connection with this Agreement to the fullest extent permitted by law; and
- (b) agree that you will not raise, claim or cause to be pleaded any such immunity in respect of any such action or proceedings.

26. GOVERNING LAW AND DISPUTE RESOLUTION

26.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.

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- 26.2 Any dispute arising out of or in connection with this Agreement, the Business Services or any Transaction, including any non-contractual claims or disputes, shall be referred to and finally resolved by arbitration under the LCIA Rules, which rules are deemed to be incorporated by reference into this provision. The number of arbitrators shall be three. Each party shall nominate one member of the tribunal, and the parties shall jointly nominate the presiding arbitrator. The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English.
- 26.3 Notwithstanding the previous paragraph, this Agreement and any of our rights arising out of or in connection with it, the provision of the Business Services and any Transaction, including any non-contractual claims, may, at our sole option, be enforced by us in the courts of England and Wales or in the courts of any other country which may have jurisdiction.
- 26.4 For our benefit you irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales with respect to any claim or dispute arising out of or in connection with this Agreement, the Business Services or any Transaction, including any non-contractual claims or disputes.
- 26.5 The commencement by us of legal actions or proceedings in one or more jurisdictions shall not preclude us from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not. You irrevocably waive any objection you may have now or later to the laying of venue of any legal action or proceeding and any claim you may have now or later that any such legal action or proceeding has been brought in an inconvenient forum.
- 26.6 Where you have appointed an agent to accept service of process in England and Wales in any legal action or proceedings arising out of or in connection with this Agreement, the Business Services or any Transaction, including any non-contractual claims or disputes, you must inform us of the details of such an agent (including, for the avoidance of doubt, its address) and ensure, on an ongoing basis, that such information is full and correct. In these circumstances, service shall be deemed completed upon delivery to such agent whether or not forwarded to or received by you. Where you do not appoint an agent to accept service, or we are unable to serve process on your agent on the basis set out above, and it becomes necessary to serve process on you outside of England and Wales, you agree to indemnify us in relation to any and all costs, losses or other related amounts incurred by us in serving you outside of England and Wales.
- 26.7 Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

## SCHEDULE 1

## Risk Warnings and Product Disclosures

There are significant risks inherent in investing in certain financial instruments and in certain markets. Investment in derivatives, futures, options and warrants may expose clients to risks which are different to those investors might expect when they invest in equities. Similarly, investment in shares issued by issuers in emerging markets involves risks not typically associated with equities investment in well developed markets.

Investment in any of the foregoing kinds of financial instruments is generally appropriate for sophisticated investors who understand and are able to bear the risks involved.

Among such risks, is the risk of losing the entire value of an investment or (in the case of certain derivative and other transactions) the risk of being exposed to liability over and above the initial investment. We set out below some specific risks and considerations for investors in relation to financial instruments of the type referred to above. This information is not intended to constitute a comprehensive statement of all the risks to which investors might be exposed and there may be others that exist now or which may arise in the future.

## Foreign Currency and Exchange Rates

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. Investments in foreign securities may expose investors to the risk of exchange rate fluctuation and investors who deposit collateral denominated in one currency may be subject to margin calls in circumstances where the obligations secured by such collateral are denominated in another currency (in addition to the risk of margin calls for fluctuations in relative values). Some currencies are not freely convertible and restrictions may be placed on the conversion and/or repatriation of investors' funds including any profits or dividends.

The 'gearing' or 'leverage' often obtainable in foreign currency ("fx") trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Some fx transactions have a contingent liability which means that you may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received.

You may sustain a total loss of any margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Our insolvency or default, or that of any other dealers involved with your fx transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

## Emerging Markets

Investors should be aware that there may be potential risks posed by volatile political, legal and commercial conditions in emerging markets which may affect the value of or result in the loss of

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investments. The quality and reliability of official data published by governments and their agencies in emerging markets might not be equivalent to that available in developed markets. In addition, the absence of developed securities markets as well as potentially underdeveloped banking and telecommunications systems in such countries may give rise to greater custody, settlement, clearing and registration risks. Foreign investment in issuers in emerging markets may be restricted – sometimes such restrictions may not be published and investors may not be readily made aware of them. In such circumstances, there may be restrictions on repatriation of capital or an investment may have to be scaled down to comply with local foreign ownership restrictions.

### Bonds

A bond is a loan to a company, government or a local authority. Generally, interest is paid to you as the lender and the amount of the loan is repaid at the end of the term.

When you buy or subscribe for bonds, you become a creditor of the issuer of the bonds. The issuer might be a government or a corporate business or it may be an entity that has been formed specifically for the purposes of issuing the bonds (this is normally case where the bonds pass through to investors the cash flows generated by specific assets, such as corporate loans, residential mortgages or credit card receivables).

Bonds have a nominal value. This is the sum that will be returned to investors when the bond matures at the end of its term. However, because bonds are traded on the bond market, the price you pay for a bond may be more or less than the nominal value.

The risks associated with investing in bonds include:

- Interest rate risk – the risk that bond prices will fall as interest rates rise. By buying a bond, the bondholder has committed to receiving a fixed rate of return for a fixed period. Should the market interest rate rise from the date of the bond's purchase, the bond's price will fall accordingly. The bond will then be trading at a discount to reflect the lower return that an investor will make on the bond.
- Market interest rates are a function of several factors such as the demand for, and supply of, money in the economy, the inflation rate, the stage that the business cycle is in as well as the government's monetary and fiscal policies.
- Call risk – the risk that a bond will be called by its issuer. Callable bonds have call provisions, which allow the bond issuer to purchase the bond back from the bondholders and retire the issue. This is usually done when interest rates have fallen substantially since the issue date. Call provisions allow the issuer to retire the old, high-rate bonds and sell low-rate bonds in a bid to lower debt costs.
- Default risk – the risk that the bond's issuer will be unable to pay the contractual interest or principal on the bond in a timely manner, or at all. Credit ratings services such as Moody's, Standard & Poor's and Fitch give credit ratings to bond issues, which helps to give investors an idea of how likely it is that a payment default will occur.
- Inflation risk – the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Bonds can be bought and sold in the market (like shares) and their price can vary from day to day. A rise or fall in the market price of a bond does not affect what you would get back if you hold the bond until it matures. You will only get back the nominal value of the bond (plus any coupon payment to which you've been entitled during your ownership of the bond), irrespective of what you paid for it.

For some bonds there may be a restricted market and it may be more difficult to deal in them or obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale).

Some bonds generate a return that is linked to the performance of a real or notional pool of underlying assets. In such circumstances, the return you receive will depend upon the performance of the underlying pool. Many structured products take the form of bonds (see below for further details of the risks associated with structured products).

As a bondholder you could lose some or (in extreme cases) all of the money that you have invested in the bonds that you hold.

#### Exchange-Traded Funds

Exchange-traded funds (“ETFs”) are investment funds which hold assets such as shares, commodities or bonds. ETF are traded like shares on a trading venue, 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 are structured to rely on complex investment techniques, or hold riskier underlying assets. Leveraged ETFs will exaggerate market movements and therefore be very volatile with higher levels of risk to capital. During times of heightened market volatility, it may not always be possible for an ETF to precisely replicate the performance of an index (known as “tracking error”). While ETFs have a low tracking error and will generally closely track an index, this may not always be the case in volatile markets.

ETFs are subject to counterparty risk. If the counterparty of a derivative contract defaults, the value of an ETF investment might decrease. Risk mitigation techniques are normally implemented by manufacturers such as using multiple counterparties or holding collateral, so if one counterparty defaults they can draw the collateral to pay returns to investors.

#### Warrants

A warrant is a time-limited right to subscribe for shares or bonds at a particular price and is exercisable against the issuer of the warrants. The issuer of the warrants might be either the original issuer of the underlying securities or a third party issuer that has set aside a pool of the underlying securities to cover its obligations under the warrants (these are called covered warrants).

Generally, the success of investing in warrants depends primarily on how the underlying asset performs during the life of the warrant. The price of the warrants will therefore be affected by the risk factors that can affect the price of the underlying securities to which the warrant relates. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

The right to subscribe for underlying securities conferred by a warrant is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless. The price of a warrant may reflect the value attributed to the life of the warrant.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Transactions in off-exchange warrants may involve greater risk than dealing in exchange-traded

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warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

Each warrant is a contract between the warrant issuer and the holder. You are therefore exposed to the risk that the issuer will not perform its obligations under the warrant.

Issuers of warrants sometimes reserve the right to nominate an extraordinary event which may result in the early expiry of a warrant series. The types of events which may be nominated as an extraordinary event are set out in the terms of issue of a warrant series.

Examples of extraordinary events include suspension in trading of the underlying security, the de-listing of the underlying company and a takeover of the underlying company. As a consequence of an extraordinary event the warrant's expiry date may be brought forward, or the warrant may lapse with any intrinsic payment provided to the holder.

### Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The performance of a futures contract depends primarily on how the underlying asset performs during the life of the contract. The value of the future can therefore be affected by any of the risk factors that can affect the price of the underlying asset to which the futures contract relates. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against investors as well as for you.

Futures transactions have a contingent liability which means that you may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By entering into a futures contract, you accept a legal obligation to purchase or sell the underlying asset, however far the market price has moved away from the agreed price.

You may sustain a total loss of any margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Our insolvency or default, or that of any other brokers involved with your futures transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

Futures may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

## Options

An option gives the buyer of the option the right (but not the obligation) to acquire an underlying security or other asset at a price that has already been agreed or that is determinable in accordance with pre-agreed mechanism. There are many different types of options with different characteristics subject to the following conditions.

**Buying options:** Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, investors can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if investors buy a call option on a futures contract and investors later exercise the option, they will acquire the future. This will expose investors to the risks described under “futures” and “contingent liability investment transactions”.

**Writing options:** If investors write an option, the risk involved is considerably greater than buying options. Investors may be liable for margin to maintain their position and a loss may be sustained well in excess of the premium received. By writing an option, investors accept a legal obligation to purchase or sell the underlying asset if the option is exercised against them however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as “covered call options”) the risk is reduced. If you do not own the underlying asset (“uncovered call options”) the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

The performance of an option that you have written depends primarily on how the underlying asset performs during the life of the option. The value of the option can therefore be affected by any risk factors that can affect the price of the underlying asset to which the option relates. A relatively small movement in the price of the underlying asset can result in a disproportionately large movement, unfavourable or favourable, in the value of the option. The prices of options can therefore be volatile.

If you write options, you may sustain a total loss of any margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Even if a written option transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Our insolvency or default, or that of any other brokers involved with your option transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

On many exchanges, the performance of a transaction by the relevant broker is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if the broker or another party defaults on its obligations to you. On request, we can explain the extent of any protection provided to you under the clearing guarantee

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applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for OTC instruments.

Options may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

### Contracts for Differences (“CFD”)

Futures and options contracts can also be referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps, spread bets and rolling spot foreign exchange contracts. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risk as investing in a future or an option and investors should be aware of these as set out above.

The 'gearing' or 'leverage' often obtainable in CFD trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. CFD transactions have a contingent liability which means that you may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received.

You may sustain a total loss of any margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Our insolvency or default, or that of any other brokers involved with your CFD transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

On many exchanges, the performance of a transaction by the relevant broker is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if the broker or another party defaults on its obligations to you. On request, we can explain the extent of any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for most CFDs as they are executed on an OTC basis.

CFD transactions may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

### Structured Products

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Structured Products are products structured to fulfil a particular trading or market objective. A structured product may combine the features of two or more financial instruments (for example a bond and a derivative). Derivatives often constitute an integral part of a structured product. The product may involve an element of leverage and so a relatively small movement in the value of the relevant underlying asset or index may have a significant effect on the value of the structured product.

Structured products are generally not traded on regulated markets and you take the risk on the counterparty issuing the structure. There is typically no recognised market for these investments and it may, therefore, be difficult for you to deal in the investment or to obtain reliable information about its value or the extent of the risks to which it is exposed.

Some structured products include an element of capital protection – however, you should bear in mind that this is not a guarantee that the amount invested will be returned in all circumstances. The capital protection offered is typically subject to the investment being held until maturity and to the creditworthiness of the issuer.

Structured products are often high risk investments and you could lose some or all of the money that you have invested in them.

### Equities

Investments may include equity securities and equivalents of issuers in multiple jurisdictions, including issuers in emerging markets, of any market capitalisation. Equity securities may include common and preferred shares and warrants and equivalents (including convertible securities). A share is an instrument representing a shareholder's rights in a company. One share represents a fraction of a corporation's share capital. Dividend payments and an increase in the value of the security are both possible, although not guaranteed. The shareholder has financial and ownership rights which are determined by law and the issuing company's articles of association (or equivalent constitutional documents).

Dealing in shares may involve risks including but not limited to the following: (i) company risk, a share purchaser does not lend funds to the company but becomes a co-owner of the company and participates in its development as well as in chances for profits and losses, which makes it difficult to forecast the precise yield on such an investment; (ii) price risk, share prices may undergo unforeseeable price fluctuations causing risks of loss. Price increases and decreases in the short, medium and long term alternate without it being possible to determine the duration of those cycles. General market risk must be distinguished from the specific risk attached to the company itself. Both risks, jointly or in aggregate, influence share prices; and (iii) dividend risk, the dividend per share mainly depends on the issuing company's earnings and on its dividend policy. In case of low profits or losses, dividend payments may be reduced or not made.

### Contingent Liability Investment Transactions

Contingent liability investment transactions, which are margined, may require you to make a series of payments apart from any initial payment or premium.

If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

## Collateral

If you deposit collateral as security with us for transactions you enter into, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and any associated clearing house) applying, or trading off-exchange. Collateral may lose its identity as your property once dealings on your behalf are undertaken, particularly where you transfer the title to such collateral and 'right to use' provisions apply. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash.