

## SECTION A: GENERAL TERMS

### 1. Purpose and Basis of These Terms

1.1 The full name of our firm is Global Investment Strategy UK Limited (hereinafter referred to as "we" or "GIS"). The address of our registered office is 2<sup>nd</sup> Floor, Solar House, 915 High Road, North Finchley, London, N12 8QJ, UK. Our principal place of business is 2<sup>nd</sup> Floor, 2 London Wall Buildings, London, EC2M 5PP. We are registered in England and Wales under No. 04576299.

1.2 We are authorised by the Financial Conduct Authority (the "FCA") and regulated by the FCA to conduct investment business under the Financial Services and Markets Act 2000 as amended by the Financial Services Act 2012. Our Firm Reference Number ("FRN") is 437558.

1.3 These Terms of Business ("the Terms") will apply to all investment and connected business which we may carry on with or for you in accordance with these Terms, subject to the terms of any other agreement relating to any specific business or Transaction between you and us.

### 2. Definition and Construction

2.1 Save where provided in clause 2.2 or where the context otherwise requires, words and phrases defined in the FCA Rules shall have the same meanings when used in these Terms.

2.2 The following words and phrases shall have the following meanings:

**"Act"** means the Financial Services and Markets Act 2000 as amended by the Financial Services Act 2012;

**"Applicable Regulations"** has the meaning ascribed to it in Clause 5.1.1 the General Terms;

**"Assets"** means cash and investments and related instruments;

**"Base Currency"** means British Pounds (GBP);

**"Business Day"** means any day other than Saturday, Sunday or a public holiday in England on which commercial banks and Exchanges are open for business;

**"Contract"** means collectively an option contract and a future and forward contract;

**"Eligible Counterparty"** has the same meaning as defined in the FCA Rules

**"Exchange"** means each of those exchanges where we have agreed with you to undertake transactions in accordance with the Terms;

**"FCA Rules"** means the rules and guidance of the FCA as set out in the FCA's Handbook of Rules and Guidance; (<http://www.FCA.gov.uk/pages/handbook>);

**"FCA"** means the Financial Conduct Authority;

**"Investment Business"** carries the same definition as set out in the Act as amended from time to time;

**"Market Rules"** has the meaning ascribed to it in clause 5.1.2 of the General Terms;

**"MTF"** means a multilateral trading facility;

**"Notices"** has the meaning ascribed to it in clause 7 of the General Terms;

**"Position"** means a position that has been opened as a result of Transactions performed by you or us or any third party;

**"Property"** means any monies, securities, contracts and all income therefrom of any kind whatsoever and proceeds of the sale thereof;

**"Professional Client"** means a per se professional client or an elective professional client as defined in the FCA Rules.

**"Retail Client"** means a person who is not a "Professional Client" or an "Eligible Counterparty" as defined in the FCA Rules.

**"Services"** has the meaning ascribed to it in Clauses 4.1 and 4.2 of the General Terms;

**"Transactions"** means collectively a "transaction" as defined by the FCA Rules (amended from time to time) and carried out upon your instructions in accordance with these Terms.

2.3 References in the Terms to statutes, the FCA Rules and any other rules, regulations or laws shall be to such statutes, FCA Rules, rules,

regulations and laws as modified, amended, restated or replaced from time to time.

2.4 References to clauses are to the clauses of the Terms.

2.5 Headings are included for convenience only and shall not affect the interpretation of the Terms.

### 3. Client Classification

3.1 For the purposes of the FCA Rules and based upon the information you have provided, you shall be classified as either a "Professional Client" or an "Eligible Counterparty". We will notify you of your client categorisation.

3.2 If you are classified as an "Eligible Counterparty":

3.2.1 You will receive from us a letter of notice of treatment as an Eligible Counterparty ("Notice Letter");

3.2.2 In the event of conflict between these Terms and the contents of the Notice Letter, the Notice Letter shall prevail;

3.2.3 You will not be granted a number of the statutory and regulatory protections applicable to a "Professional Client". We are not required to provide you with, such as (but not limited to), best execution and information regarding our fees and commissions paid or received;

3.2.4 You may notify us in writing that you wish to be classified as a "Professional Client", we will treat you as a "Professional Client" until you notify us in writing otherwise.

3.3 If you are classified as a "Professional Client" and notify us in writing that you wish to be classified as an "Eligible Counterparty" and you meet the criteria for such classification, we will treat you as an "eligible counterparty" until you notify us in writing otherwise or we have reason to believe that you no longer meet the criteria for such classification. Although you may request to be classified as a "retail client", we regret that we are unable to transact any business with you on that basis.

3.4 Non-EEA clients warrant that a Transaction entered into with us is permissible under their relevant home state legislation.

3.5 You agree to keep us informed about any change that could affect your current client classification.

3.6 You agree to inform us of any event affecting your ability to undertake and discharge your obligations.

### 4. Description of Services

4.1 We will provide you with an execution only dealing service. This means that we will not provide any form of investment advice to you. You shall make your own assessment on the merits of the Transaction. We are not required to assess the suitability of the services provided or offered and you do not benefit from the protection of the FCA rules on assessing suitability.

4.2 We may provide Services to you in respect of all investment and related instruments which we have notified you that we are prepared to conduct business as agent, that means: execution of orders on your behalf, receipt and transmission of orders, arrangement or making arrangements with a view to Transactions in investments or related instruments and provision of such other Services as we may agree from time to time (the "Services"). We will provide you with or arrange for Custody Services as set out in Section C of these Terms of Business.

4.3 We will have the right to use your assets for our own account in accordance with the FCA "right to use" arrangements. This means we may hold assets on our own balance sheet as collateral for financing. Please see Appendix 1 (11) for further information relating to the risks in connection with these arrangements.

Subject to your instructions as to the specific terms, you provide us with your express consent for us to use your cash or custody assets in accordance with clause 4.3.

4.4 You may not engage in any type of Service until expressly authorised by us. We shall have the right to assign limits of any Transaction which you may carry with us or through us at any time, and, if communicated to you,

require you to reduce Transactions carried with us or through us and shall also have the right to refuse to accept orders to establish new Positions as a result of your orders, whether or not such refusal, reduction or limitation is required by Applicable Regulations.

- 4.5 All investments are subject to risk and the degree of risk is a matter of judgment and cannot be accurately pre-determined. We give no warranty as to the performance or profitability of your account with us or your investments or any part thereof. Your attention is drawn to the specific risk disclosures which are set out in the Appendix 1.
- 4.6 We may delegate the performance of any of the Services to any affiliated company and/or to such other person(s) as we may think fit. We may also employ such agents as we select on such terms as we consider appropriate. We may, where we consider it appropriate, enter into clearing arrangements with clearing brokers or clearing members of a particular Exchange. The terms of our clearing arrangements with such agents (including any exclusions or limitations of liability) will be binding on you and may be directly enforced against you by such agents.
- 4.7 We are authorised by you to do anything which we consider necessary or appropriate either to provide the Services (including but not limited to acting as your agent and delegating our authority as your agent to another) or to comply with any applicable laws or regulations.
- 4.8 We will not be responsible for the provision of any tax or legal advice in relation to the Services.
- 4.9 We will treat you as our client and save as expressly stipulated by the FCA Rules or as we may otherwise agree, we have no obligation and accept no liability to any other person for whom you may be acting as an agent, intermediary or fiduciary (whether or not the existence or identity of such person has been disclosed to us).

Where you are acting in one of the aforesaid capacities on behalf of another or others, you represent, warrant and agree that:

- 4.9.1 You have full power and authority to instruct us upon these Terms; You have no reason to believe that such person(s) will not be able to perform any settlement obligation hereunder; You have obtained and recorded evidence to show that you have verified the identity of such person(s) or any underlying principals or beneficial owners of such person(s) in accordance with the Money Laundering Regulations;
- 4.9.2 You will provide us with such information as we require in relation to these Terms, including all information required to comply with all FCA Rules and all applicable anti-money laundering rules and regulations; and
- 4.9.3 You will be liable to us jointly and severally with your principal in respect of all obligations and liabilities arising from Transactions effected on your instructions.
- 4.10 We will not be obliged to affect any Transaction nor do anything else which we believe would breach any statute, law or regulation.

## 5. Applicable Rules and Regulations, Market Intervention

- 5.1 All Transactions shall be subject to:
- 5.1.1 Laws and regulations of the country where we and/or our agents carry out the Transactions under these Terms, as well as any other country's law, regulations and rules affecting your rights and liabilities in respect of the Transactions executed under the Terms or related to it (hereinafter referred to as the ("Applicable Regulations").
- 5.1.2 Rules, regulations, customs and practices from time to time of any Exchanges or other organisation or market, or third party involved in the execution of a Transaction and any exercise by any such Exchange or other organisation or market, or third party of any power or authority conferred on it (hereinafter referred to as the "Market Rules").
- 5.2 If any Applicable Regulations and Market Rules shall hereafter be adopted or altered by any governmental authority, exchange or self-regulatory organisation which shall be binding upon us and shall affect in any manner or be inconsistent with any of the provisions hereof, the affected provisions of these Terms shall be deemed modified or superseded, as the case may be, by the applicable provisions of such Applicable Regulations and Market Rules and all other provisions of the Terms and provisions so modified shall in all respects continue in full force and effect.
- 5.3 We will use reasonable endeavours to give you a notice of alterations and/or adaptations of Applicable Regulations and Market Rules to the extent that we have actual knowledge of them in time of notification to you. We may take such actions or omit to take such action we reasonably consider necessary to ensure compliance with Applicable Regulations and Market Rules. We shall have no liability to you arising from

alterations and/or adaptations of Applicable Regulations and Market Rules and our actions undertaken for the compliance with such alterations and/or adaptations for any of your indirect, special, punitive or consequential loss or damage.

- 5.4 You acknowledge that business on a market operated by an Exchange, as well as its required clearing facility, may from time to time be suspended, restricted, closed or otherwise impeded (an "Exchange Impediment"). Any such action may result in our and/or your inability to enter into or otherwise effect Transactions. We will use reasonable endeavours to give you a notice of an Exchange Impediment to the extent that we have actual knowledge of it in time of notification to you. If an intermediate broker or agent, acting at the direction of, or as a result of an Exchange Impediment, takes any action which affects a Transaction, then we may take any action which we consider to correspond with such action or to mitigate any loss incurred as a result of such action. Any such action shall be binding on you and you shall remain fully liable for all losses resulting in whole or part from such actions and Exchange Impediments.

## 6. Dealing

- 6.1 Your orders will be executed in accordance with our Best Execution Policy (as amended from time to time) which is summarised in Appendix 2. By conducting Investment Business with us under these Terms, you consent to your Transactions being handled in accordance with our Best Execution Policy, which can be found at <https://www.gisukltd.com/legal-and-regulatory>. "Investment Business" carries the same definition as set out in the Act as amended from time to time.
- 6.2 You provide us with your express consent to execute your orders outside of a regulated market, multilateral trading facility ("MTF") or an organised trading facility ("OTF") and you agree that whenever you place an order with us, we shall be entitled at our absolute discretion and without reference to you, to select the venue for executing your order. Unless otherwise agreed by us, neither the venue we select nor the costs or charges we may or may not incur in relation to any such Transactions will have any impact on the fees payable by you to us.
- 6.3 In order to give effect to your instructions, we may instruct a broker selected by us in our discretion which may be an affiliated company of ours. We accept full liability for any default by any broker which is an affiliated company of ours. We undertake to use reasonable care and skill in the appointment and supervision of any other broker and to make available to you and take such action on your behalf as you may reasonably request in relation to any rights we have against such broker. Subject to this we accept no liability for any default of any broker, Exchange, clearing house, market or depository.
- 6.4 We may at our discretion and subject to FCA Rules aggregate your orders with those of other clients of ours or our affiliated companies. We will allocate the proceeds of such orders among the participating clients in a manner which we believe to be fair and equitable and in accordance with our order allocation policy and FCA Rules. If the combined order is not executed at the same price we may average the prices paid or received and debit or credit you with the average net price. Details of the average price will be furnished. Aggregation of orders in this way may on some occasions operate to your advantage, but may on other occasions operate to your disadvantage.
- 6.5 Where we are unable or consider it undesirable or inappropriate to execute your order at once or in a single Transaction, we may execute it over such period as we deem appropriate and we may report to you an average price for a series of Transactions so executed instead of the actual price of each Transaction.

## 7. Notices, Instructions, Confirmations and other Communications

- 7.1 You or any person notified to us as being authorised by you, may give us oral or written orders (instructions) concerning any Transaction or proposed Transaction or any other matter. You may utilise, directly or indirectly, applications or electronic Services for placing your instructions with us. We shall be entitled to rely upon oral, written or electronic orders which we believe in good faith to have been given by an authorised person and shall be fully protected in acting upon any such instructions. You hereby waive any claim that any such orders were not in writing.
- 7.2 All correspondence, notices, certificates, statements of account, confirmations of Transactions, margin calls and any other notices ("Notices") may be provided to you by whatever means unless otherwise required by FCA Rules. Any Notices will be sent or transmitted to you in accordance with your communication details and will be deemed to have been received (whether or not actually received) where we can demonstrate having sent or transmitted them. Notices sent by us to you (whether by mail, facsimile, email or similar electronic means of communication) shall be conclusively deemed accurate and complete if not objected to us in writing within 24 hours from the date of transmittal to you.
- 7.3 For your protection we record and monitor telephone calls.

- 7.4 We shall send you statements of account or confirmations of Transactions and/or publish statements of account or confirmations of Transactions on our website, if applicable, on the next Business Day following the trading day for any Transactions that we have executed with you or for you on that trading day, by electronic mail to the email address notified by you or by such other means agreed between you and us. It is your responsibility to inform us of any change to your email address or the non-receipt of a confirmation. If we have instructed an intermediate or third-party broker on your behalf, the confirmation may be a copy of the confirmation sent to us or directly to you by the intermediate or third-party broker.
- 7.5 Statements of account or confirmations of Transactions shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within twenty-four hours of dispatch to you or making such statements and/or confirmations available to you via our web site.
- 7.6 We shall accept your cash transfer and securities transfer orders including your instruction for "delivery versus payment (DVP)" settlement within the following cut-off times set up by us:
- EUR, GBP – 12.00 PM GMT, Monday - Friday for value date "today";  
USD – 14.00 PM GMT, Monday - Friday for value date "today";  
CAD, CHF, SEK and other currencies – 18.00 PM GMT Monday – Friday for value date "tomorrow";  
Securities transfer orders (including DVP instructions) - 12.00 PM GMT, Monday – Friday for value date "today".  
The cut-off times set up by us for acceptance of your cash transfer and securities transfer orders may be altered by us due to public holidays in jurisdictions of the currency of settlement.
- 7.7 We will use reasonable endeavours to execute your cash transfer and securities transfer orders and we shall have no liability to you arising from non-execution of your cash transfer and securities transfer orders within the cut-off times set up by us whether the non-execution has been caused by our or your actions.
- 7.8 All communications to you shall be sent to such address you have notified in your account opening documentation. All communications to us shall be to our office as specified in clause 1.1 or to such other address as we may hereafter direct you in writing to use.
- 7.9 We will notify you of any material changes to our Terms by posting updated versions of the Terms on [www.gisukltd.com](http://www.gisukltd.com) and any amendment to these Terms shall take effect after 10 (Ten) Business Days from the date of posting updated versions of the Terms unless the FCA rules require that we obtain your prior consent to the changes.
- 8. How we use your information and with whom we share it**
- 8.1 Your information comprises all the details we hold about you and your transactions, and includes information obtained from third parties.
- 8.2 We may use and share your information with other members of the GIS Group and our agents to help us and them:
- Assess financial and insurance risks;
  - Recover debt;
  - Prevent and detect crime;
  - Understand our customer's requirements; and
  - Develop and test products and services.
- 8.3 We do not disclose your information to anyone outside the GIS Group except:
- Where we have your permission;
  - To our auditors and other professional advisers;
  - Where we are required or permitted to do so by law;
  - To credit reference and fraud prevention agencies and other companies that provide a service to us or you; or
  - Where we may transfer rights and obligations under this agreement.
- 8.4 We may transfer your information to other countries on the basis that anyone to whom we pass it provides an adequate level of protection. However, such information may be accessed by law and detect crime and comply with legal obligations.
- 8.5 From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object to the change within 60 days we will deem that you consent to that change.
- 8.6 You can download a copy of our privacy policy which describes in more details the information we hold about you here <https://www.gisukltd.com/legal-and-regulatory/privacy-policy>.
- 8.7 We may change the provision of this information.
- 8.8 You authorise us to disclose or permit disclosure of any information we may have either about your investment or any other purposes in connection with the Terms and Conditions to any relevant authority as they may require (whether compelled by law or not) and we shall not be liable for any disclosure made in good faith.
- 8.9 You can find more information about how we use your information and with whom we share it on <https://www.gisukltd.com/legal-and-regulatory/privacy-policy>
- 9. Exercise of Options**
- 9.1 You understand that Exchanges have established exercise cut-off times for the tender of exercise instructions in relation to options and those options may become worthless in the event that you do not deliver instructions by such expiration time. You also acknowledge that we may establish exercise cut-off times that are earlier than the exercise cut-off times established by the relevant exchanges, and you shall have no claims against us arising out of the fact that an option was not exercised.
- 9.2 We are authorised, but have no obligation, to exercise any option on your behalf that is "in the money", where you have failed to provide instructions to us in a timely fashion, unless otherwise agreed. Where we or intermediate brokers do not specify a particular Transaction when exercising an option, we may allocate in a way that seems to be most equitable.
- 10. Settlement**
- 10.1 All business transacted between us will be carried out in accordance with the standard settlement practices and/or Market Rules of the relevant exchanges and for OTC trading, the standard settlement practices and/or Market Rules of the relevant home market, if applicable, unless agreed otherwise.
- 10.2 You are responsible for the due performance of every Transaction which we enter into with or for you and you shall be responsible for any losses we incur as a result of your failure to deliver appropriate settlement instructions to us or to your settlement agent.
- 10.3 By placing the order you affirm that you will deliver the financial instruments or appropriate funds on or before the settlement date. If you have not delivered the appropriate funds or securities to us on the due date for settlement, we reserve the right, as appropriate, to exercise a sell-out of the relevant securities or acquire alternative securities by whatever means we determine in our absolute discretion. Where we do so, our obligation to deliver the securities to you or pay the purchase price due will cease. You shall be responsible for any losses we incur arising out of your non-performance or for any actions we take as a result thereof. Where permitted to do so by any applicable rules, we may affect a net settlement with or for you on your behalf.
- 10.4 Our obligation to settle any Transaction, is conditional upon the receipt by us or our agents on or before the due date for settlement of all necessary documents or funds due to be delivered by you or on your behalf including, for the avoidance of doubt, settlement instructions. If, in any Transaction we deliver securities to you or to your order at that time or subsequently and, for whatever reason, your obligations are not performed simultaneously with or prior to our obligations, you shall hold on trust for us any such securities or money received from us until your own obligations are fully performed.
- 10.5 We shall owe no payment or delivery obligation and shall not be deemed to hold any Property belonging to you as a result of settlement of a Transaction until we have received with finality the cash or other Property to which you are entitled.
- 10.6 We may, in our discretion, provisionally credit and debit your account on the due date of settlement as if the Transaction had settled on that even, where under applicable regulation, the Transaction has not settled in your favour or our favour with finality. We may, however, in our absolute discretion reverse any such provisional debits and credits at any time until we receive payment (on sale or delivery (on purchase) on your behalf with finality. We shall not be liable to you in respect of income or any other rights relating to the Property which would have occurred on the monies or other Property if settlement had taken place on the contractual settlement day.
- 10.7 In some securities markets, delivery of investments and payment may not be made simultaneously. In such markets we make payment or delivery of investments at such time and in such manner as is in accordance with Applicable regulation and Market Rules. You shall bear the risk that the counterparty to the Transaction may not pay or perform on time or at all.
- 10.8 We will notify you if settlement of a Transaction fails to take place on the contractual settlement date, whether because of a default by counterparty to that Transaction or otherwise.



**11. Client Money**

11.1 We may settle Transactions on a "delivery versus payment" basis; in consequence and for a short period permitted by the regulations, we may not hold your money as client money pending settlement. You consent to use using this permitted exemption from the FCA Client Money rules.

11.2 Where your money is held by us on your behalf, it will be treated as Client Money and we shall treat it in compliance with the FCA Rules on Client Money. In relation to Client Money the following provisions shall apply:

11.2.1 unless otherwise agreed, we will not pay any interest;

11.2.2 we may allow another person, such as an Exchange, a clearing house or an intermediate broker, to hold or control Client Money where we transfer the Client Money for:

11.2.2.1 the purposes of a Transaction for you through or with that person; or

11.2.2.2 subject to the FCA rules, we may enter into a separate written agreement with you to meet your obligation to provide collateral for a Transaction (such as an initial, original, variation and maintenance margin requirement for a contingent liability investment);

11.2.3 we may pass Client Money to an intermediate broker, settlement agent or OTC counterparty (each as defined by FCA Rules) located outside the United Kingdom. In such circumstances the legal and regulatory regime applying to such person(s) will be different from that of the United Kingdom and, in the event of failure of such person(s), Client Money may be treated in a different manner from that which would apply if the money was held by such person(s) in the United Kingdom. As a consequence, you may lose money owing to non-segregation of funds or the insolvency of a third party.

11.2.4 We may place Client Money into a qualifying money market fund provided that where we do so, units in any such fund will be held in accordance with FCA Rules on Client Assets. You consent to the placement of your money in a qualifying money market fund. If you no longer want us to place Client Money that we hold on your behalf into a money market fund, you should notify us in writing.

11.2.5 Any Client Money held by us shall continue to be held as such until it ceases to be Client Money under the FCA rules.

**12. Foreign Exchange**

12.1 You shall be responsible for instructing us to convert any monies held by us for you into other currency as you consider necessary to conduct your business in that currency. Whenever we conduct currency conversions on your instructions we will do so at such reasonable rate of exchange as we shall select. We shall be entitled to charge and retain for our own account a mark-up on the exchange rates for arranging such conversion or shall be entitled to charge you fees and commissions related with currency conversions as may be notified by us to you. All foreign exchange transacted by us on your instructions will be carried out in accordance with the standard practices for the relevant currencies unless agreed otherwise.

12.2 We base our conversion rates on rates provided by banks and agents which we choose at our sole discretion. You understand that any profit or loss arising out of a fluctuation in the exchange rate affecting such currency will be for your own account and risk. You understand that a debit balance in one currency cannot be offset against a credit balance in another currency.

**13. Conflict of Interest and Disclosures**

13.1 In accordance with FCA Rules and our own conflicts of interest policies, we have in place arrangements to prevent or manage conflicts of interest that arise between ourselves and our clients and between our different clients. Where we do not consider that the arrangements under our conflicts of interest policies are sufficient to prevent or manage a particular conflict, we will inform you of the nature of the conflict and the steps taken to mitigate the risks so that you can decide how to proceed.

13.2 In relation to any Transaction we execute or arrange with or for you, we or an affiliated company may have an interest, relationship, arrangement, or duty, or which gives or may give rise to a conflict of interest with your interest(s) in relation to the investment or Transaction concerned or investments or underlying Assets, derived from or otherwise directly or indirectly related to such investments. We will take all necessary steps to prevent or manage conflicts of interest and ensure fair treatment for you in relation to any such Transactions.

13.3 We provide a range of Services including investment banking, sales and trading and asset management. As such we may have a conflict of interest in the Services or Transactions we carry out with or for you. We have in place internal procedures pursuant to our conflict of interest policies to ensure that our various business areas operate independently

of each other and restrict access by the particular employee(s) responsible for handling your affairs to certain areas of information.

13.4 We may provide Services to, or effect Transactions with or for you, notwithstanding that we may have an interest in, or a potential conflict of interest in relation to the Transaction or investment concerned. We will act in any manner which we would consider appropriate to prevent conflicts from adversely affecting your interests. An interest may include where we may:

13.4.1 be providing Services to another person in relation to an investment in relation to which you are entering into Transactions;

13.4.2 be matching your Transaction with that of another person by acting on that person's behalf as well as yours where we are acting or seeking to act as agent for (and to receive and retain commission or other charges from) both parties;

13.4.3 be involved as financial adviser, broker, nominated adviser, sponsor, or otherwise in a new issue, rights issue, takeover or similar Transaction concerning the investment, or the issuer of the investment or a related investment;

13.4.4 trade (or may have traded) for or on behalf of other clients, in the investment concerned, or other related investments or otherwise pursue our or its legitimate business as a dealer in connection with the investment concerned or related or other investments;

13.4.5 execute hedging Transactions prior to or following receipt of an order or information concerning a contemplated order or Transaction from you or from someone acting on your behalf in order to manage our risk in relation to Transactions you are entering into or contemplating, or execute Transactions in order to facilitate the dutiful execution of your order or manage our own market maker or dealing activities, all of which may impact on the price you pay or receive in relation to such Transactions and any profits generated by such hedging or other Transaction may be retained by us or an affiliated company without reference to you;

13.4.6 enter into Transactions, including for pre-hedging purposes, with a view to executing or facilitating the execution of the proposed Transaction(s), based upon information you provide to us and any information held by us or an affiliated company regarding your previous trading, when you provide us with the bid information, including when you ask us to provide a quotation for a portfolio trade involving the commitment of our capital or otherwise. Such Transactions may impact upon the prices you subsequently obtain when we trade with you or when you trade with other firms.

13.4.7 The steps we have taken to mitigate the risks arising from the activities described include:

13.4.7.1 maintaining a Conflicts of Interest Register to record all identified potential conflicts together with the controls in place to prevent them;

13.4.7.2 separation of functions and controls over access to and exchange of data;

13.4.7.3 remuneration and incentive policies to prevent possible conflicts of interest;

13.4.7.4 appropriate separation of governance and supervision;

13.4.7.5 controls over personal account dealing and market abuse; and

13.4.7.6 an Anti-bribery and corruption policy together with controls over inducements, gifts and entertaining.

13.4.8 A copy of our Conflicts of Interest Policy can be at <https://gisukltd.com/legal-and-regulatory>.

**14. Fees and Commissions**

14.1 Our fees in respect of Transactions executed under these terms will be calculated on a commission basis, collected from you on the agreed basis between us or as notified by us to you from time to time and are set out in the Schedule of Charges.

14.2 You will be responsible for the payment of any commissions, brokerage fees, transfer fees, registration fees, any applicable duties and taxes, and all other liabilities, charges, costs and expenses payable in connection with Transactions effected or Services provided by us on your behalf.

14.3 In the course of providing Services to you, we will pay or receive or share fees, commissions or other non-monetary benefits to, with or from any other person (including our affiliated companies) to the extent permitted by FCA Rules. If relevant to you, you will be notified separately of the details of such arrangements.

14.4 For the avoidance of doubt, you shall also pay value added tax and any other relevant tax or imposition at the rates applicable from time to time that relate to such fees and charges. We may share fees or charges with

a third party and we will notify you of this prior to commencement of trading.

## 15. Payments

15.1 You agree to pay any amounts due to us by you as they become due regardless of any rights of equity, counterclaim or set-off which you may have against us and free and clear of, and without withholding or deduction for, any taxes of whatsoever nature, unless the same is required by any applicable laws or rules binding on you. In that event, unless otherwise agreed, you will pay such additional amounts as will result in the net amounts receivable by us (after taking account of such withholding or deduction) being equal to such amounts as would have been received by us had no such taxes been required to be withheld or deducted.

15.2 Settlement payments can be made by bank transfer or debit card in your name.

15.3 If on any date, amounts which would otherwise be payable in the same currency both by us to you and by you to us, then we may aggregate the amounts so payable on such date and only the difference between the two aggregate amounts will be paid by the party owing the larger aggregate amount.

15.4 You authorise us to debit any of your accounts, whether held by us, an affiliated company or a third party, to pay any amounts due to us pursuant to these Terms or any Transaction effected hereunder, including any of our fees.

15.5 We may deduct or withhold all forms of tax (whether United Kingdom or elsewhere in the world whenever imposed) from any payment if obliged to do so under applicable laws or rules binding on us. In accounting for tax or making deductions or withholdings of tax, we may estimate the amounts concerned. Any excess of such estimated amount over the final confirmed liability shall be credited or sent to you as soon as practicable after the determination of the final liability.

15.6 Except as otherwise required or determined by applicable law or market custom, you shall be solely responsible for all filings, tax returns and reports on any Transactions which must be made by you to any relevant authority, whether governmental or otherwise, and for the payment of all taxes (including without limitation any transfer, withholding or value added taxes), imports, levies or duties due from you on any dividends, principal or interest, or any other liability or payment arising out of or in connection with a Transaction.

15.7 If we receive or recover any amount in respect of an obligation of yours in a currency other than that in which such amount was payable, whether pursuant to a judgment of any court or otherwise, you shall indemnify us and hold us harmless from and against any cost (including costs of conversion) and loss suffered by us as a result of receiving such amount in a currency other than the currency in which it was due.

## 16. Interest, Late Settlement

16.1 You will be charged interest on any debit balance in any of your accounts and on any and all monies owed by you to us and on your failure to pay any amount when due and payable to us. You understand that a debit balance of your account in one currency cannot be offset against a credit balance in another currency on any of your accounts. We reserve the right to charge interest at a rate of LIBOR +7% per annum or at the effective cost to us of borrowing the due amount in the relevant money markets as determined in our absolute discretion whichever is higher. Interest accrues daily and is calculated on a compounded basis and is payable as a separate debt. Interest charges will be debited from your account on the last Business Day of a month or credit interest notes will be issued in respect of interest charges with immediate effect.

16.2 In the event of a late delivery of securities to us in respect of a Transaction you shall be liable according to the standard settlement practices of the relevant home market and/or Market Rules applicable to the Transaction.

## 17. Liability and Indemnity

17.1 We shall not be liable for any default of any counterparty, bank, custodian, sub-custodian or other entity (apart from an affiliated company of ours) which holds money, investments or other documents of title on your behalf or with or through whom Transactions on your behalf are conducted.

17.2 We will not be liable for loss suffered by you in connection with the Services unless such loss directly arises from our gross negligence, wilful default or fraud.

17.3 Save to the extent we may otherwise expressly agree, you undertake to keep us, our agents and employees fully and effectually indemnified against all costs, charges, claims, liabilities, fees and expenses whatsoever incurred by us and them pursuant to or in connection with the provision of the

Services unless the same arise directly from our or their gross negligence, wilful default or fraud.

17.4 Neither we nor any of our officers shall be liable for any loss arising from any act or omission of any agent or third party (apart from an affiliated company of ours) who performs Services pursuant to these Terms except to the extent that such loss is caused by wilful default, fraud or gross negligence in the selection of such agents or third parties on the part of us or our officers.

17.5 In no event shall we or any of our officers be liable for any indirect, consequential or special loss, howsoever arising.

17.6 Whilst we will endeavour to comply with our obligations in a timely manner, we will incur no liability whatsoever for any partial or non-performance of our obligations by reason of any cause beyond our reasonable control including but not limited to any communications, systems or computer failure, market default, suspension, failure or closure, or the imposition or change (including a change of interpretation) of any law or governmental or regulatory requirement and we shall not be held liable for any loss you may incur as a result thereof.

17.7 Nothing under Liability and Indemnity above seeks to exclude or restrict; or rely on any exclusion or restriction of; any duty or liability we may have to you under the regulatory system.

## 18. Client's Warranties

18.1 You hereby represent and warrant (which representations and warranties shall be deemed to be repeated by you on each date on which a Transaction is entered into under these Terms) that:

18.2

18.2.1 you have full power and authority to enter into these Terms, each Transaction and any other documentation relating thereto, and to perform your obligations there under and each Transaction;

18.2.2 you will be liable to us or our affiliated companies in respect of all obligations and liabilities arising from Transactions effected on your instructions;

18.2.3 entering into these Terms will not violate or conflict with any law applicable to you, any provision or any constitutional documents 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;

18.2.4 all governmental, regulatory and other consents that are required to have been obtained by you in relation to these Terms or any Transaction hereunder have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

18.2.5 you will comply with all laws, rules, regulations and disclosure requirements of any relevant jurisdiction, exchange, market or regulatory authority which apply in respect of us, you or your investments from time to time;

18.2.6 you will promptly give (or procure to be given) to us such information and assistance as we may reasonably require to enable us to assist or achieve compliance with any of the obligations mentioned in Clause 17.4 above, in relation to the Services; and

18.3 all investments to which these Terms apply are and will be so long as these Terms are in force, free from any impediment which would prevent any related Transactions between you and us or our affiliated companies and are beneficially owned by you or the person or ultimate beneficiary on whose behalf you are acting directly or indirectly.

## 19. Assignment and Variation

19.1 These Terms are personal to you and shall not be capable of assignment by you or of being transferred by you. We may assign our rights under these Terms to any of our affiliated companies without your consent. Upon giving you one month's notice, we may appoint any appropriate affiliated company of ours to provide the Services in our place and shall then transfer to such appointee all of our rights and obligations under the Terms.

19.2 We reserve the right to vary these Terms. Where we vary the Terms:

19.2.1 no variation shall affect Transactions executed prior or to the time of the variations; and

19.2.2 not less than ten (10) Business Days' notice shall be given to you of, and prior to, a variation.

19.2.3 notification of a variation of the Terms will be given in writing (email or letter).

19.3 Where required by FCA rules, we will obtain your prior consent to the changes.

## 20. Complaints

20.1 If you have a complaint you should in the first instance write to the Compliance Officer, Global Investment Strategy UK Ltd, 2nd Floor, 31 Davies Street, London, W1K 4LP. Proof of postage will not be accepted as proof of receipt. Alternatively, you may telephone the compliance department. Our compliance department will acknowledge and investigate your complaint and report back to you. A copy of our procedures will be sent to you with our acknowledgement letter, but you may request a copy at any time. Professional clients may not have rights under the FCA or independent Financial Ombudsman Service ("FOS") complaints process. Eligible Counterparties do not have these rights. If you are an eligible complainant (according to the FCA definition) and after we have dealt with your complaint you remain dissatisfied, you may have the right to complain to FOS. Further information can be obtained by writing to FOS at South Quay Plaza, 183 Marsh Wall, London, E14 9SR or by email at: [enquiries@financialombudsman.org.uk](mailto:enquiries@financialombudsman.org.uk).

## 21. Compensation

21.1 The Financial Services Compensation Scheme ("FSCS") provides investors with protection in the event of the regulated firm being unable to meet the claims against it. It is funded by a levy on FCA regulated firms and is free to the general public. We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation if we are unable to meet its financial obligations. Professional clients may not have rights under the FSCS. Eligible Counterparties do not have these rights. If you are an eligible investor, you may be entitled to claim up to £50,000. For further information about the scheme (including the amounts covered and eligibility to claim) please refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call 0800 678 1100 or 0207 741 4100.

## 22. Events of Default

22.1 If:

- 22.1.1 you fail to make any payment due to us or to deliver any securities due to us or our affiliated companies (or agents used by us or our affiliated companies) or to perform any other obligation owed to us or our affiliated companies or any representation or warranty you make to us proves false or misleading either under these Terms or under any other agreement between you and us or our affiliated companies; or
- 22.1.2 you become unable to pay your debts as they fall due or become insolvent or bankrupt or become the subject of any insolvency, bankruptcy or administration proceedings (under any applicable rules); or
- 22.1.3 a winding-up resolution is passed or a winding-up or administration order is made in respect of you or a receiver, liquidator, administrator or similar official is appointed in respect of you or any of your Property (under any applicable rules); we shall be entitled, without prior notice to you, to take any or all of the following actions:
  - 22.1.3.1 terminate our agreement to provide the Services and treat any or all outstanding Transactions between you and us or our affiliated companies as having been cancelled or terminated;
  - 22.1.3.2 sell any or all of the investments or of the Property which we or our affiliated companies are holding or are entitled to receive on your behalf and to apply the proceeds in or towards satisfaction of any obligation or liability you may have to us or our affiliated companies (including any contingent or prospective liability);
  - 22.1.3.3 set off any obligation we or our affiliated companies owe to you, and/or to apply any cash we or our affiliated companies hold for your account, against any obligation or liability you may have to us or our affiliated companies (including any contingent or prospective liability); and
  - 22.1.3.4 close out, replace or reverse any Transaction, enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as, at our sole discretion, we or our affiliated companies consider necessary or appropriate to cover, reduce or eliminate our or our affiliated companies' loss or liability under or in respect of any contracts, Positions or commitments.

## 23. Termination

23.1 Without prejudice to anything contained in Clause 20, these Terms may be terminated by either you or us at any time upon either party giving to the other not less than twenty-eight (28) calendar days' prior written notice, specifying the date on which termination is to be effective.

23.2 Termination of these Terms pursuant to clause 21.1 shall be:

- 23.2.1 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;
- 23.2.2 without prejudice to and shall not affect any accrued rights, existing commitments or any contractual provision intended to survive termination; and
- 23.2.3 without penalty or other additional payment save that you will pay:
  - 23.2.3.1 outstanding fees and charges;
  - 23.2.3.2 any expenses incurred by us in the provision of the Services or under the Terms payable by you;
  - 23.2.3.3 any additional expenses incurred by us in terminating; and
  - 23.2.3.4 any losses necessarily realised in settling or concluding outstanding obligations.

## 24. Rights of Third Parties

24.1 No person who is not a party to these Terms (other than any of our affiliated companies) may enforce any of their provisions or rely on any exclusion or limitation of liability contained herein, whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

## 25. Confidentiality

25.1 We shall be under no duty to disclose to you any information in making any decision or taking any action in connection with the provision of the Services, or to take into account any information or other matters which come to our notice or the notice of any of our employees, directors, agents or associates:

- 25.1.1 where this would, or we reasonably believe that it would, be a breach of any duty of fidelity; or
- 25.1.2 confidence to any other person; or which comes to the notice of an employee, officer or agent of us, but does not come to the actual notice of the account executive or other individual providing you with the Service in question.

25.2 We and you will at all times keep confidential and shall not disclose to a third party any information of a confidential nature acquired in connection with the Terms or the Services, except for information which either of us is bound to disclose under compulsion of law or by request of regulatory agencies or to our respective professional advisers or, in our case, where disclosure to a third party such as an intermediary or clearing house is necessary in order to facilitate the proper performance of the Services.

## 26. Anti-Money Laundering and Data Protection

26.1 You acknowledge that we may obtain information (including personal data and sensitive personal data, each as defined in the Data Protection Act 1998) about you or your directors, officers and employees.

26.2 You authorise us to store any such information (whether provided electronically or otherwise) and to disclose any such information (including, without limitation, information relating to your Transactions and accounts) either as we or any of our relevant affiliated companies shall be obliged or requested to under or pursuant to any applicable rules or by any regulatory authority or as may be required to provide the Services to you.

26.3 We may conduct electronic identity checks as part of our client verification procedure. You authorise us, or agents acting on our behalf, to carry out such credit and identity checks and/or take up references as we deem necessary or advisable. You agree to assist us, where necessary, to obtain such information. You accept that we will not set up an account until we are satisfied with your identification documentation. If fraudulent activity is suspected, we will contact the relevant authorities.

26.4 You agree that we may disclose such information to an affiliated company or third party wherever located in the world to the extent necessary for the provision to you of the Services. You expressly consent for this purpose to the transfer of information we hold about you to any country including countries outside the European Economic Area (which may not have data protection laws which are commensurate with those in force in the United Kingdom).

26.5 In accordance with legal and regulatory requirements, we are required to maintain our records for a minimum of five years following the termination of any relationship with you. Changes in law or regulation may cause us to extend this period. We are not permitted to comply with any request from you to delete or destroy any information that we hold about you during that period.

26.6 In accordance with the Record Retention Statement above you will not be at liberty to request the destruction or deletion of any record pertaining to yourself unless we are required to do so by force of law, or other regulatory requirement.

26.7 You may request a copy of the information we hold about you by writing to the Compliance Officer. We are entitled to charge you a fee for provision of this information.



**27. Miscellaneous**

- 27.1 These Terms supersede any previous agreement between us relating to the subject matter of the Terms.
- 27.2 You acknowledge and agree that in conducting business with us pursuant to the Terms, you do not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person other than as expressly set out in the Terms.
- 27.3 No failure to exercise or delay in exercising any right or remedy under the Terms shall constitute a waiver thereof and no single or partial exercise of any right or remedy under the Terms shall preclude or restrict any further exercise of such right or remedy. The rights and remedies contained in the Terms are cumulative and not exclusive of any rights and remedies provided by law.
- 27.4 If any provision in these Terms shall in whole or in part be held by any Court of competent jurisdiction to any extent to be illegal or unenforceable under any enactment or rule of law that provision or part shall to that extent be deemed not to form part of the Terms and the enforceability of the remainder of the Terms shall not be affected thereby.

**28. Governing Law**

- 28.1 The Terms shall be governed by and construed in accordance with Laws of England and Wales.
- 28.2 All disputes and controversies arising out of, or in connection with, these Terms or Transactions hereunder, shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration as in force and effect on the date hereof which are deemed to be incorporated by reference into this Section. There shall be three arbitrators, one arbitrator shall be appointed by GIS, one arbitrator shall be appointed by you, and the third arbitrator shall be appointed in accordance with the Arbitration Rules of the London Court of International Arbitration. The place of arbitration shall be London, England, and the English language shall be used throughout the arbitral proceedings.
- 28.3 Where you do not have a permanent place of business in England, you agree to appoint and keep appointed an agent for the service of process and to notify us of the identity of such agent.

**SECTION B: NETTING TERMS**

All business transacted between us may be netted (off-set). "Netting" means offsetting counter homogenous liabilities and claims under the buy-sell securities Transactions which became due and payable under the terms and conditions of the Transactions made by you and us. We may at our discretion and subject to the conditions in present Terms net Transactions made by you and us.

An agreement for netting specific Transactions may be reached provided that we and you, on or before the netting date, exchange the Netting Confirmations, the form of which is attached as Appendix 3 to the present Terms, if this condition is not performed by us or you netting shall not be done.

When netting is carried out for money, the sums to be paid by us to you and by you to us shall be netted and a difference shall be paid on the netting date. On receiving these payments obligations to settle the specific Transactions shall be deemed to have been discharged in full.

When netting is carried out for securities, the quantity of securities in counter liabilities shall be set off and a difference of the quantity of securities shall be delivered on the netting date. On receiving these securities obligations to settle the specific Transactions shall be deemed to have been discharged in full.

If the quantity of the securities you or us should deliver to each other is not equal, netting for appropriate difference in the securities should be recorded as an entry in your custody account with us.

If the quantity of the securities you or us should deliver to each other and the cash amounts to be paid you and us are not equal, such netting Transaction may be offset on the basis of "delivery versus payment" ("DVP").

*These Terms are applicable to Clients for whom we offset counter homogenous liabilities and claims under the buy-sell securities transactions.*

**SECTION C: CUSTODY TERMS**

These Terms are applicable to Clients for whom we act as custodian or for whom we arrange custody services.

**1. Custody**

- 1.1 Where client Assets are held or received by us, they will be held or received subject to the FCA Rules and we may agree to act as custodian or to arrange for your securities and other Assets ("Custody Assets") to be held in custody. Where we do so, we will open, or cause to be opened, such accounts as are required to safeguard adequately your ownership

rights in those securities and other Assets in the event of our insolvency, and to minimise the chance of loss or diminution of those Assets. Custody assets may be held by a third party on our behalf.

- 1.2 You hereby authorise us to register or arrange the registration of Custody Assets in any name permitted by the FCA Rules. Normally, your Custody Assets will be held in the name of an eligible nominee. However, where the Custody Assets are subject to the law or market practice outside the United Kingdom and it is in your best interests to do so, we may register or record your Custody Assets in the name of the custodian or our name. If Custody Assets are held in our name or that of a custodian, the Custody Assets may not be segregated or separately identifiable from our Assets or those of a custodian and, in the event of a default by us or the custodian, may be not as well protected from any claims by our creditors.
- 1.3 If we deposit your Custody Assets with a person in a non-EEA state, they will be subject to the law of that state and your rights in relation to those Assets may differ accordingly.
- 1.4 We will not deposit your Custody Assets with a person in a non-EEA state which does not regulate custody activities unless:
- 1.4.1 the nature of the financial instrument requires it to be deposited in such a state; or
- 1.4.2 we receive a prior written instruction from you, in which case the consequences of so doing are entirely at your own risk.
- 1.5 We are responsible for the acts of our nominee to the same extent as for our own acts. Apart from our obligations under the FCA rules, we accept no liability for the default of any other nominees, custodians or third parties.
- 1.6 Investments registered or recorded in the name of a nominee will be pooled with those of one or more of our other clients. Accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or entries on the register or equivalent electronic records. In the event of an irrecoverable shortfall following any default or failure by the custodian responsible for pooled investments, you may not receive your full entitlement and may share in that shortfall pro-rata to your original share of the Assets in the pool. When corporate events (such as partial redemptions) affect some but not all of the investments held in a pooled account, we will allocate the investments so affected to particular clients in such fair and equitable manner as we consider appropriate (which may without limitation involve pro rata allocation).
- 1.7 We will claim all amounts of any dividends, interest, payments or analogous sums to which you may be entitled in relation to Custody Assets and of which we are notified, but we shall not be responsible for claiming any entitlement or benefit you may have under any applicable taxation treaty or arrangement
- 2. Corporate Actions and Income Collection**
- 2.1 We shall use reasonable endeavours to obtain information concerning the securities which requires discretionary action by you including but not limited to subscription rights, bonus issues, stock repurchase plans and rights offering, or legal notices or other material intended to be transmitted to securities holders ("Corporate Actions") and we will use reasonable endeavours to give you a notice of such Corporate Actions to the extent that we have actual knowledge of a Corporate Action in time of notification to you.
- 2.2 Corporate Actions notices dispatched to you may have been obtained from sources which we do not control and may have been translated or summarized. Although we may believe that such sources to be reliable, we have no duty to verify the information contained in such notices nor faithfulness of any translation or summary and therefore do not guarantee its accuracy, completeness or timeliness, and we shall not be liable to you for any loss that may result from relying on such notices.
- 2.3 Details of the proxy voting Services offered by us are available on your request only. Neither we nor our sub-custodians or nominees shall execute any form of proxy, or give any consent or to take any actions, in relation to any securities except upon your instruction.
- 2.4 Until we receive your instructions to the contrary we are authorized to and shall:
- 2.4.1 present, upon notice to us, all securities called for redemption or otherwise matured, and all income and interest coupons and other income items which call for payment upon presentation;
- 2.4.2 execute certificates and documents as may be required to obtain payment in respect of securities.
- 2.5 We will credit your account with income and redemption proceeds only after actual receipts. Neither we nor our sub-custodians shall be obliged to institute legal proceedings, file a claim or proof of claim in any insolvency proceeding or take any action with respect to collection of income or redemptions proceeds.

### **3. Reasonable Care and Indirect Losses**

- 3.1 We shall use reasonable care in performing our obligations under these terms and we shall look after your assets with the same degree of care as we do for our own similar assets in the relevant markets. We shall have no liability arising from these terms or from any obligations which relate to these terms for any indirect, special, punitive or consequential loss or damage.



## APPENDIX 1. RISKS DISCLOSURE

You should be aware that there are risks involved in investing in any type of financial instrument. The value of your investment(s) may go up or down and you may not get back your initial investment. Past performance is no indicator of future performance. Levels of taxation depend on individual circumstances.

You should not invest in or deal in any financial instrument or product unless you understand its nature and the extent of exposure to risk and you should ensure that it is suitable for you in light of your circumstances and financial position. You should note that there are significant risks inherent in investing in certain financial instruments and in certain markets. Investment in derivatives, futures, options and warrants may expose you 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 (by which we mean those that have an underdeveloped infrastructure, or which are less economically or politically stable as markets in developed countries) involves risks not typically associated with equities investment in well developed markets.

In the case of certain derivative and other financial instruments there is a risk of losing the entire value of an investment, or 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. If applicable, you should refer to investment product documentation for any additional risks related to their special features.

**1. Bonds**

As with all financial products, fixed income products are subject to market risk, currency risk, liquidity risk, tax risk, emerging market risk and underperformance risk. The yield offered on fixed income product often reflects the risks associated with it. These risks include but are not limited to the following. High yield bonds present additional risks over investment grade bonds such as higher credit risk, higher liquidity risk and higher cyclical risk. Subordinated securities usually offer high returns, but you have a lower priority of claim in the event of a bankruptcy. Senior creditors will be paid out before you and you may not receive repayment of your principal during bankruptcy proceedings. Some bond issues have call features which allow the issuer to redeem the security before its published maturity date. Whether the issue is called is up to the issuer and if the security is redeemed early you may not be able to reinvest the funds on the same terms as your existing holding. In addition, some issues have provisions that allow the issuer to defer payment of a coupon. These deferrals can be cumulative or non-cumulative. Cumulative deferrals require the issuer to pay you on a later date (if still solvent) but with non-cumulative deferrals there is no requirement for the issuer to pay your unpaid coupon within any set time period. Other bonds allow the issuer to extend the maturity date on an issue, so you may not receive back your principal on the stated maturity date. Convertible bonds (including Contingent Convertible securities) and Preferred Perpetual securities are hybrid debt-equity instruments so combine the risks of both equity and fixed income investments.

**2. Equities**

The level of risk involved in investing in different equities is not the same. In particular, the shares of small companies, sometimes known as penny shares, may be less liquid than blue chip investments, particularly those listed on the secondary market of a stock exchange, such as the Alternative Investment Market (AIM) of the London Stock Exchange, and may be deemed higher risk. Investors should note that there may be a large difference between the buying and selling price of these instruments, especially if the investment has to be sold immediately.

**3. 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.

Changes in foreign exchange rates will affect the Sterling value of any investment. For example, if you sell an investment that is trading at the same price in local currency at which it was purchased you may receive less than you paid for it if the exchange rate has changed unfavourably in respect of your investment.

**4. 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 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.

**5. 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 "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 and investors should be aware of the implications of this.

**6. Options**

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.

**Traditional options:** Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a "traditional option". These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open Position or to affect an equal and opposite Transaction to reverse an open Position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk. 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.

**7. Contracts for Differences**

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. 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. Transactions in contracts for differences may also have a contingent liability and these are discussed below.

**8. 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.

**9. Limited Liability Transactions**

The extent of your loss on a limited liability Transaction will be limited to an amount agreed by you before you enter into the Transaction. The amount you can lose in limited liability Transactions will be less than in other margined Transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss equivalent to the amount agreed is substantial.

**10. Collateral**

If you deposit collateral as security with us for Transactions you enter, 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 (see 11). Even if your dealings should ultimately prove profitable, you may not get back the same Assets which you deposited and may have to accept equivalent assets.

## 11. Title Transfer Collateral Arrangements and Right of Use

This Information Statement is to inform you of the risks involved when consenting, under this agreement, to the right for us to use on our own account and in our own name or that of another counterparty, collateral received from you under a security or title transfer arrangement with respect to cash or non-cash assets.

- 11.1 Proprietary rights that you may have had in those assets will be replaced by an unsecured contractual claim for delivery of equivalent cash or non-cash assets subject to the terms of the relevant arrangement.
- 11.2 These assets will not be held in accordance with the client money or client asset rules and such protection rights will not apply.
- 11.3 In the event of our insolvency or default your claim against us for delivery of equivalent cash or non-cash assets will not be secured and will be subject to the terms of the relevant arrangement and Applicable Law and accordingly, you may not receive such equivalent cash or non-cash assets or recover the full value of the assets.
- 11.4 In the event that a resolution authority exercises its powers under any relevant resolution regime, any rights you may have to take actions, such as to terminate our agreement, may be subject to a stay by the relevant resolution authority, and your claim may be reduced or transferred to different entities.
- 11.5 You will no longer be entitled to and may be restricted in voting, consent or similar rights attached to the financial instruments.
- 11.6 In the event that we are not able to readily obtain equivalent assets to deliver to you at the time required you may be unable to fulfil your settlement obligations under other transactions you have entered into in relation to those assets.
- 11.7 Unless otherwise agreed we will have no obligation to inform you of corporate actions in relation to these assets.
- 11.8 Unless otherwise agreed you will not be entitled to receive dividends, interests, other payments or rights in relation to these assets.

## 12. Extended Hours Trading

Increased trading opportunity means increased ability to react to news and earnings reports that occur during pre- and post-market sessions. However, the extended hours trading involves material trading risks, including the possibility of the following:

- 12.1 Risk of timing of order entry. All orders entered and posted during extended-hours trading sessions must be limit orders. You must indicate the price at which you would like your order to be executed. By entering the price, you agree not to buy for more or sell for less than the price you entered, although your order may be executed at a better price. Your order will be executed if it matches an order from another investor or market professional to sell or purchase on the other side of the transaction. In addition, there may be orders entered ahead of your order by investors willing to buy or sell at the same price. Orders entered earlier at the same price level will have a higher priority. This means that if the market is at your requested price level, an order entered prior to your order will be executed first. This may prevent your order from being executed in whole or in part.
- 12.2 Risk of execution pricing. For extended-hours trading sessions, quotations will reflect the bid and ask currently available through the utilized quotation service. The quotation service may not reflect all available bids and offers posted by other exchanges and may reflect bids and offers that may not be accessible through GIS or respective trading partners. This quotation montage applies for both pre- and post-market sessions. Not all systems are linked; therefore, you may pay more or less for your security purchases or receive more or less for your security sales through an exchange than you would for a similar transaction on a different exchange.
- 12.3 Risk of lower liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result investor are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- 12.4 Risk of higher volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not at all.
- 12.5 Risk of changing prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading which is inferior to that you would obtain during regular market hours.
- 12.6 Risk of unlinked markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hour trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system inferior to one you would obtain in another extended hours trading system.
- 12.7 Risk of news announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the, price of a security.
- 12.8 Risk of wider spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- 12.9 Risk of duplicate orders. There is a risk of duplicate orders if you place an order for the same security in both an extended-hours session and the regular trading session, even if that order is a day order. Orders executed during regular trading hours may not be confirmed until after the post-market extended trading session has already begun. Similarly, orders executed in the pre-market session may not be confirmed until after regular trading has begun.
- 12.10 No Support. GIS does not have customer service 24 hours. This means that we will not answer your calls during much of the pre- and post-market trading sessions. This greatly increases your risk of loss if you make an error or if there is a system issue because no one will attend to your call until the beginning of customer service hours. You are solely responsible for any loss that occurs in your account for any reason during the non-core session.

## APPENDIX 2. BEST EXECUTION POLICY - SUMMARY

This is a summary of our Best Execution Policy which sets out the arrangements we have put in place for Professional Clients under the Markets in Financial Instruments Directive ("MiFID") and FCA Handbook to meet our obligations to take all reasonable steps to obtain the best possible result for you when we execute orders in financial instruments on your behalf and to act in your best interests when we receive and transmit client orders to other firms for execution. In the Policy we refer to both these obligations as our obligation of best execution. The full Policy, which can be found at <https://gisukltd.com/legal-and-regulatoru>, should be read in conjunction with these terms of business.

### 1. Application of the Policy

The Policy will apply when your account has been opened and you give us an order to execute on your behalf in respect of financial instruments covered by the Markets in Financial Instruments Directive ("MiFID"). The Policy also applies when we agree to execute an order on your behalf and you legitimately rely on us to protect your interests, in relation to any aspects of the Transaction that might be affected by how we execute your order. The Policy also applies where we receive and transmit client orders to other firms for execution.

### 2. Request for Quote (RFQ)

If we agree to trade for you on the basis of an agreed price or RFQ, this Policy (and the measures included to obtain Best Execution) will not apply to the extent that we are following these instructions. The Policy will only apply in respect of the aspects of your order that are not covered by your instructions.

### 3. Transactions arranged in a name-passing capacity

If we act in a name-passing capacity, we are receivers and transmitters of orders but in carrying out our activities we do not receive and transmit orders for execution. Where orders are not transmitted for execution, the requirement to provide best execution will not apply. For further details please refer to the WMBA guidance document titled, "The Role of the Name-Passing Broker" which can be found at: <http://www.wmba.org.uk>.

### 4. Execution Factors

In meeting our best execution obligation to you, the "Execution Factors" we may take into account are:

- 4.1 price;
- 4.2 costs;
- 4.3 speed of execution;
- 4.4 likelihood of execution and settlement;
- 4.5 size of order;
- 4.6 nature of the order (e.g. whether a market or limit order or a negotiated Transaction);
- 4.7 any impact your order, when and if published, may have on the market price; and any other consideration relevant to the execution of your order.

The relative importance of the execution factors varies between different financial instruments. In most circumstances, price will be the most important execution factor; however, in some circumstances, in particular with reference to the execution criteria mentioned, we may determine that other execution factors have greater importance in achieving the best possible result for you. Please see the full Policy for details.

### 5. Execution Venues

Based on the execution factors above, we have selected a number of execution venues that meet our criteria for delivering best execution to you in particular financial instruments. A full list of execution venues is published on our website <http://www.gisukltd.com>.

We may also transact trades on your behalf on GIS's customer base in the OTC markets; and any MTF or OTF to which we may subscribe from time to time.

### 6. Specific Instructions and Direct Market Access

Where you give us a specific instruction in relation to the execution of an order which we accept, we will execute your order in accordance with your instruction. Where your instruction relates to a part of the order, we will apply the Policy to the remainder of the order. Please note, however, that the instruction may prevent us from following the Policy and from taking the steps we have designed and implemented to obtain the best possible result for you. Where we offer you direct market access (DMA) through an electronic system, this enables you to place orders which are routed directly to an exchange's order book. We will be treated as having satisfied our best execution obligation to you when you place specific instructions through the direct market access we provide to you.

### 7. Limit Orders

We will not make public any limit order, or any part of it, you may place with us in respect of shares traded on a Regulated Market where that order cannot immediately be executed, unless you have specifically instructed us to do so.

### 8. Abnormal Market Conditions

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

### 9. Monitoring

We will monitor the quality of our execution arrangements and selected venues regularly, promptly making any changes where a need is identified. We will in any event review these arrangements each year, to ensure that we continue to deliver the best possible result to you.

### 10. No Fiduciary Relationship

Our commitment to provide you with "best execution" does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us and you. You remain responsible for your own investment decisions and we will not be responsible for any market or trading loss you suffer as a result of those decisions.

### 11. Compliance with Regulatory Restrictions on Short Selling of Financial and other Stocks

It is our policy to seek at all times to comply with all relevant regulatory and legal restrictions associated with our broking services. However, by virtue of the nature of our intermediary role, we may need to rely on our customers' representations to ensure that the brokered transaction is not in breach of any such restrictions. We accept no responsibility for your failure to comply with any legal or regulatory restrictions applicable to you. In particular, in the light of the prohibitions and restrictions imposed by regulatory authorities on the short selling of certain financial and other stocks, in using our broking services you are deemed to represent at each relevant sell order that the sale of any securities is not a prohibited short sale and unless you state specifically to the contrary, the sale of any US equity securities is a covered sale for which you have relevant unencumbered stock available for delivery on trade date.