



Terms of Business

1. OUR PARTICULARS

- 1.1** References to “Northern”, “us”, “we”, “our” etc. in these Terms of Business (“Terms”) are to Northern Trust Securities LLP. We are registered in England (with registered no. OC324323) and our registered address and principal place of business is: 50 Bank Street, London E14 5NT. We are authorised and regulated by the Financial Conduct Authority (firm reference no. 465131). References to “you”, “your” etc. are to the person named as client on the signing page of these Terms. These Terms govern your relationship with us.
- 1.2** Capitalised words and phrases used in these Terms are defined in, and these Terms are interpreted in accordance with, clause 29 (Definitions) below.

2. SCOPE OF TERMS

- 2.1** These Terms govern all the services carried on by us with or on behalf of you (“Services”). We will treat you, but not any person on whose behalf you may be acting, as our client for the purposes of the FCA Rules. We are required by FCA Rules to categorise you. We will treat you as a Professional Client. Clients who satisfy any of the criteria in Schedule 2 will be treated as Per Se Professional Clients. If you satisfy the relevant criteria in Schedule 2, you consent and agree to your categorisation as a Professional Client by using our services. If we do not believe that you satisfy any of those criteria, then we have written to you separately to seek your consent to treat you as an Elective Professional Client. You are entitled to request a different categorisation. You may be entitled to be classified as an Eligible Counterparty in relation to certain services and activities carried on by us. Being categorised as an Eligible Counterparty may mean that you lose certain client protections that apply to Professional Clients. We will describe these further to you if relevant. Where you make such request either generally or in respect of one or more services, transactions, types of transactions or instruments, you must confirm such request in writing and that you are aware of the consequences of the protection you may lose (if any) as a result of that request. We accept only Professional Clients and Eligible Counterparties for the Services described in these Terms. We are not permitted to provide Services to Retail Clients.
- 2.2** Your Customers (if any) shall not be clients of ours by virtue of these Terms or the provision of Services. Your Customers are not a party to these Terms. To the extent that you identify any of your Customers to us, then you warrant and represent that such persons are not Retail Clients within the meaning of the FCA Rules. You will ensure that none of your Customers may contact us directly. In the event that you are not an FCA authorised firm or Overseas Financial Services Institution, you undertake that you will not send orders to us as agent for Retail Clients.
- 2.3** These Terms shall bind you as a principal. Accordingly, whether or not you are acting on behalf of a Customer in relation to orders which you send to us, you shall be bound by our acts under these Terms and without limitation shall be liable as principal for all Liabilities arising as a result of any transaction which we enter into on your behalf or on behalf of any Customer in accordance with these Terms. Where you are acting on behalf of your Customer then your Customer shall also be bound. Your Customers shall be bound by clause 15 (Liability).
- 2.4** Your attention is also drawn to the risk warnings in Schedule 1.

3. SCOPE OF SERVICES

- 3.1** The services to be provided under these Terms are execution-only dealing services in relation to a number of different investments, including exchange-traded and over-the-counter equity securities, bonds, debentures and other fixed income securities, warrants, exchange-traded funds, options contracts, depository receipts, units in collective investment schemes, over-the counter derivatives, exchange traded derivatives and all other types of investments that Northern is authorised by the FCA from time to time to offer its clients (hereinafter “investments”).

- 3.2** We shall not be obliged to provide you with ongoing advice or to monitor your financial position on an ongoing basis. In particular, we shall not be obliged to provide you with advice in relation to the suitability or otherwise or tax consequences of the execution for you of an order which we receive from you.
- 3.3** Where the investment in question is not a “non-complex” financial instrument as set out in the FCA Rules, we may be required to assess the appropriateness of such investment for you. If this is the case, we are entitled, and will, assume that as a Professional Client, you have the necessary experience and knowledge in order to understand the risks involved in relation to the relevant investments and related Services.
- 3.4** You take all trading decisions in reliance on your own judgement. Any advice which we provide to you should not be understood by you as personalised to your particular situation. Upon entering into a transaction, you acknowledge and agree that by entering into the transaction, that you understand the terms, conditions and risks of such transaction and are willing to assume those risks, financially or otherwise.
- 3.5** We may from time to time provide you with trading ideas or market views, as well as written or oral market recommendations and other market and investment analysis (collectively “**Market Commentary**”). You hereby acknowledge and understand that Market Commentary provided by us to you with respect to your trading activities is solely incidental to the conduct of our business, shall not serve as a primary basis for any decision by you and does not constitute investment advice nor investment research or a recommendation (personal or otherwise) to enter into a transaction unless there is a written agreement between us and you to the contrary. You should read and consider carefully any disclosures or disclaimers made in such Market Commentary and set out on our website or otherwise provided to you from time to time. We give no representation, warranty or guarantee as to the accuracy or completeness, reliability or prudence of such information. Any Market Commentary provided by us may not have been verified and may be changed without notice to you but we shall have no duty to update such Market Commentary. You understand that we, our affiliates, officers and employees may take positions in or advise or make recommendations to other customers concerning such transactions which are the subject of recommendations from us to you, which positions, recommendations and advice may be inconsistent with or contrary to positions which are held by you. Market commentary which we provide is not to be further distributed by you without our express written consent. When we send you Market Commentary, we will not have considered your circumstances nor assessed the suitability for you of any investment to which the Market Commentary relates.
- 3.6** We will not have any authority under these Terms to enter into any kind of transaction for your account at our discretion without prior reference to you or your duly authorised representatives.
- 3.7** You agree that we may use the service of one or more other persons or entities in connection with our obligations under these Terms, selected at our absolute discretion, as agents, sub-contractors or otherwise. You authorise us to delegate to those persons any powers which you grant to us in these Terms or otherwise in connection with the Services and that we may authorise such persons to further sub-delegate powers. This power of delegation shall be without prejudice to our responsibility to you for the fulfilment of those obligations. For the avoidance of doubt any clearing organization, operator of a settlement system, depository, book entry system participant or operator, or entity that we employ based upon customary market practice (such as the Federal Reserve Bank or any participant in the Federal Reserve System book-entry system, The Depository Trust Company, the Participants Trust Company, Euroclear and any other similar organization), shall not be considered our agent or sub-contractor.
- 3.8** You will make your own independent decision to execute any transaction and you acknowledge and agree that the Services do not and will not serve as the primary basis for any of your investment decisions concerning your accounts or your managed or fiduciary accounts. We shall not owe fiduciary duties to you or your Customers.
- 4. DEALING AND TRADING INSTRUCTIONS AND OTHER COMMUNICATIONS**
- 4.1** You may instruct us orally or in writing to sell or purchase any particular investment (which request we shall not be obliged to acknowledge or accept). Letter, telex, facsimile transmission, telephone, electronic (via FIX or any other method chosen at our discretion), other oral communication or any other form of communication acceptable to us with an authorised person of Northern may be used to give such instructions to us.
- 4.2** Subject to Applicable Law, you agree that we may communicate with you by electronic means (including by means

of a website). Any communication between us using electronic signature will be binding as if it were in writing. Orders and instructions given by you via email or other electronic means will constitute evidence of orders and instructions.

- 4.3** You shall provide us with a list of persons who shall be authorised to send orders, provide clearing details and make other communications to us on your behalf. We may in good faith rely upon, and you and your Customers will be bound by, any instructions or other communications which purport to be or originate from any person included on such a list and from any other person who in our reasonable view appears to us to be authorised on your behalf to give such instructions. Subject to clause 15 (Liability), you release us from any liability in relation to our reliance on the authenticity of any such communication and the information contained within it and from any liability in relation to communications sent by you but not received by us or which we reasonably believe were not made by you. We give no undertaking, warranty or representation that access will always be available by telephone or any means of electronic communication during normal operating hours. Subject to clause 15 (Liability) we shall have no liability for the unavailability of or for any fault in any medium of communication which you use to send us a communication or any loss or corruption of any such communication or any errors made by you in any communication or for failure of any communication to reach us. Electronic trading orders must be sent to such electronic addresses and/or using such systems as we may specify from time to time and shall be in English. To comply with legal and regulatory requirements, we may require reasonable verification of the identity of any individual purporting to act on your behalf, which you agree to provide.
- 4.4** You authorise us to record any telephone conversation and electronic communication we have with you (whether or not for the purposes of your sending an order to us) and agree that the records made by us shall be our property. A copy of such recordings will be available on your request for a period of five years and, where requested by the FCA or other relevant Competent Authority, for a period of up to seven years. You are advised that we may record conversations without the use of a warning tone. You agree that the recording shall be conclusive evidence of all such telephone calls and electronic communications and may be used as evidence in the event of a dispute.
- 4.5** You authorise us to provide you with information which is not specifically addressed to you, including without limitation general information about us, our services, the risks posed by investments which we may trade for you, our conflicts policies and execution policy, including material changes to such information, through our website.
- 4.6** You agree to provide us with all information required for us to provide services to you under these Terms and in order for us to comply with Applicable Law. We shall be entitled to rely on the information provided by you unless we are aware or ought to be aware that the information is manifestly out of date, inaccurate or incomplete.

5. EXECUTION AND DELEGATION

- 5.1** When we execute orders placed by you, we shall execute them either as an agent or on a “matched principal” or a “riskless principal” basis.
- 5.2** In dealing on your behalf, you authorise us to deal either in our own name or in your name with a third party. In either situation you agree that subject to compliance with these Terms our actions shall bind you. Accordingly you authorise us to buy, sell, retain, exchange or otherwise deal in investments, execute transactions in unregulated collective investment schemes, effect transactions on any markets, negotiate and execute counterparty documentation and do any other thing on your behalf in accordance with your instructions.
- 5.3** We shall not be obliged to execute or otherwise enter into any kind of transaction, or to accept any order to act in accordance with instructions. Nor do we need to give any reason for declining to do so. If we decline an order, we will try promptly to notify you of this where in our view we may do so without breach of Applicable Law.
- 5.4** We shall assume that all orders which we receive from you are sent by you as agent for your Customer except where you notify us otherwise. Where you are acting as an agent, we reserve the right to require you to disclose to us the identity of your Customer in the event Applicable Law or regulation requires this. In certain circumstances we may be unable to do business with you without disclosure of the Customer. You will remain liable for the transaction as principal irrespective of the capacity in which you have acted.

- 5.5** If you are acting as agent for a Customer when submitting an order then each time you submit an order you shall be deemed to certify to us that you have verified the identity of the Customer and confirm that you have obtained documentary evidence of Customer's identity in accordance with Applicable Law and have either provided copies of all such evidence to us or will retain such evidence and make it available promptly following our request.
- 5.6** We may carry out any transaction with or for you (or enter into one or more matching transactions in respect of your order) in our discretion, with or through a broker, intermediary, a Clearing Broker, a member of an exchange/clearing institution, or a third party on such terms as we see fit (which terms shall be binding on you (each a "**Third Party Provider**")). Subject to clause 15 (Liability), we will not be liable to you for any act or omission of any Third Party Provider.
- 5.7** We will take all sufficient steps to provide best execution in accordance with the FCA Rules in every transaction we carry out for you under these Terms in accordance with our order execution policy. We enclose a copy of our current order execution policy together with these Terms. You agree that we may update this policy from time to time and publish that policy or a summary on our website and that such publication shall constitute notification to you of our updated execution policy. You agree that subject to any express requirements which you specify in an instruction, we may exercise our discretion in relation to the nature, timing and number of transactions to be executed in order to fulfil that instruction. If you wish, you can notify us that your order should be executed, or transmitted, in the manner you dictate when it is given to our representative. If you do so, your specific instructions may prevent us from taking the steps in our order execution policy which are designed to achieve the best result for you. To the extent that you do not give specific instructions in relation to every execution factor, we will address other factors in accordance with our execution policy.
- 5.8** You consent to our execution policy and expressly consent to orders being executed outside EU regulated markets and multilateral trading facilities ("**MTFs**") and organised trading facilities ("**OTFs**"), where to do so is: (a) consistent with the services we have agreed in these Terms to provide; and (b) in accordance with our order execution policy.
- 5.9** If you give us a limit order (an order to buy or sell at a specified price limit or better and for a specified size) then if the order is not immediately executed under prevailing market conditions, you expressly instruct us not to make it public immediately in a manner which is easily accessible to other market participants unless we consider that it is in your best interests to do so.
- 5.10** We or you may be obliged to undertake transactions in shares admitted to trading on a regulated market or traded on a trading venue on a regulated market, MTF, systematic internaliser or certain third country trading venues. Where we reasonably believe this to be the case, we will do so and operate our order execution policy accordingly. We or you may be obliged to conclude transactions in certain types of derivatives on a regulated market, MTF, OTF or certain third country trading venues. We will do so where we reasonably believe this to be the case and operate our order execution policy accordingly. Where an order relates to the relevant type of derivative, we may not be able to execute it until you have provided certain information we may require to determine whether this obligation applies to you. We will not be responsible for your compliance with any such obligation that may apply to you.
- 5.11** Subject to express contrary instructions from you, we shall have absolute discretion as to whether to enter into a transaction on or subject to the rules of an exchange, regulated market, MTF or OTF or otherwise and with any counterparty. All transactions effected with or by us on your behalf will be subject to the constitution, statutes, bylaws, rules, regulations, customs, usages, rules and interpretations (collectively "**Applicable Regulations**") of any exchange, MTF, regulated market, OTF, clearing house, depository or settlement provider on which or subject to whose rules such transactions are executed, cleared and/or settled. If there is any conflict between these Terms and the Applicable Regulations, the latter will prevail. You authorise us and the Clearing Broker to take or omit to take any action, which we or it deem appropriate to ensure compliance with any Applicable Regulations. You agree that all Applicable Regulations shall be binding on you and any Customer for whom you submit an order to us. You authorise us to take any action which we consider is necessary or desirable to comply with Applicable Regulations in relation to any transaction. Any such action shall be binding on you.
- 5.12** Following our entering into a transaction, we shall issue or procure the issue to you of a confirmation confirming the principal terms of the transaction, including any relevant fees and charges levied to you. We shall also send you

periodic report on our services where required to by Applicable Law and taking into account the type and the complexity of financial instruments involved and the nature of the service provided to you.

5.13 We may enter into transactions for you which commit you to underwriting, sub-underwriting or similar obligations in connection with or otherwise result in your being committed to subscribing for a new issue, placing, offer for sale, rights issue, takeover or similar transaction. All orders from you cannot be cancelled once they have been filled and will be binding on you, or where you are acting on behalf of a client, your client upon being filled. Orders may be partially filled from time to time; such partial fills cannot be cancelled and will be binding on you (or your client as the case may be), upon being partially filled.

5.14 In the absence of manifest error, all contracts, confirmations and statements shall be conclusive and binding on you unless, immediately following receipt, you give us notice in writing of any objection. All currency risk in respect of any transaction shall be borne by you.

6. TRANSACTION AND TRADE REPORTING

6.1 Where you give us an order for a transaction which is subject to publication in accordance with MiFID (“**Trade Reporting**”), you agree and acknowledge that we shall only arrange to make public the information regarding that transaction in accordance with FCA Rules where it is our legal obligation to do so in accordance with Applicable Law. You acknowledge that you are responsible for any Trade Reporting which is your obligation under Applicable Law.

6.2 In addition, where any transaction in an investment is subject to the requirements under Applicable Law to make a report to a relevant Competent Authority (“**Transaction Report**”), you agree and acknowledge that we shall only complete and file any such Transaction Report where it is our legal obligation to do so and that we shall not be responsible for any Transaction Report, including any relevant fields included in such Transaction Report, which are your obligation under Applicable Law.

6.3 Where you would like us to assist you with any Trade Reporting or Transaction Reports, we may provide this service to you for an additional fee. Where we agree to assist with any such Trade Reporting or Transaction Reports, we will enter into a separate agreement with you for such services.

7. AGGREGATION AND ALLOCATION

7.1 We may combine your order with our own respective orders, orders of our members or employees and orders of other clients, except where your order instructs us to the contrary. By combining your orders with those of other customers we must reasonably believe that we will obtain a more favourable price than if your order had been executed separately. However, on occasion aggregation may result in you obtaining a less favourable price in relation to a particular trade. We will allocate transactions entered into as a result of such aggregation in accordance with the FCA Rules and the Client Order Handling and Allocation Policy section of our order execution policy. You authorise us to allocate transactions to you promptly following any such aggregated transaction. Where we aggregate one or more of your orders with those of any other person resulting in a series of transactions we may determine the amount due from you (or on a sale, the amount owed to you) as the price paid for each investment or a volume-weighted average of the prices of a series of transactions. Orders received from you may be executed in a series of transactions over several days. This may result in the report to you of the average of prices effected during the time required to effect a purchase or sale.

7.2 If you wish, you can notify us that your order should be executed in the manner you dictate when it is given to our representative.

8. BROKER TRADES

8.1 From time to time you have told us that you may wish to approach us to obtain data on the prevailing price of securities on the market, the price that would apply in relation to a particular size of transaction, the quantum of securities readily available in the market etc. Such information might typically be required (e.g. by way of

benchmark or check) in relation to CFDs which you or your Customer are entering into with a CFD Writer and such information would be borne in mind when setting the CFD terms with that CFD Writer. You warrant and represent that any approach you make to us for information of this nature, and our response to it, can never constitute an agreement for the transfer of securities between you and us or between you and our Clearing Broker. Where you make such an approach you are instead informing us of potential opportunities for us at our discretion to acquire or offer for sale securities to such CFD Writer. When you approach us to obtain such information, you will inform us of the identity of the relevant CFD Writer.

- 8.2** You represent and warrant to us that except where you notify us otherwise, the CFD Writer will be exempt from the obligation to pay stamp duty reserve tax in relation to transactions which we enter into with it for UK securities. You agree that we may provide the information to the CFD Writer in the form a Broker Trade as a ready hedge to any CFD it is writing.
- 8.3** We agree that all communications in relation to Broker Trades from you will be to obtain market data and comparative pricing information and to inform us of opportunities for us to acquire or offer for sale securities to a designated counterparty, the CFD Writer. Subject as set out below, neither you nor any of your Customers will:
- 8.3.1** be a party to any later acquisition or sale that may be undertaken by our Clearing Broker based upon your information; or
- 8.3.2** by any communication be a party to any agreement to transfer securities between you/your Customers and us or you/your Customers and any other party as a result of these arrangements.
- 8.4** No confirmation will be sent to you, although you may be informed of the offer made to, or the transaction executed with, the counterparty.
- 8.5** In the event that we notify you that a CFD Writer has declined to settle any Broker Trade, you agree that you shall become obliged to settle such Broker Trade as though you had entered into such transaction as principal or as agent for one or more of your Customers. In such event you agree to pay to our order any applicable taxes in respect of such transaction (excluding any income taxes payable by us).

9. CHARGES

- 9.1** Where appropriate, we will charge for our services to you in accordance with the commission rates which we will notify to you prior to you commencing trading with us, and as amended through notice to you from time to time. Any such fee or charge will be described exclusive of VAT or any other tax or duty, where applicable, unless specifically stated otherwise in writing.
- 9.2** We may be paid either through receiving fees from you or where you direct that monies are paid to us or monies are paid to us on your behalf under a research payment account, commission sharing agreement or similar arrangement which you maintain with any third party.
- 9.3** You agree to pay to us promptly any tax, commission, brokerage fees, transfer fees, sales charges, transfer fees, registration fees and all other Liabilities, interest, charges, penalties, costs and expenses payable or incurred by us, our delegates and Third Party Providers (in the UK or elsewhere) in connection with transactions effected with or for you. We may, in our discretion, charge you interest at a rate equal to the UK base rate on the value of the transaction amounts not settled by you on the due date for payment. We may deduct or withhold any such estimated or actual charges at our discretion. Any difference between such estimated amounts and the final confirmed liability shall be credited or debited as appropriate to your account as quickly as practicable. Neither you nor your Customer shall be liable for payment of any income or capital taxes incurred by us, our delegates or Third Party Providers.

10. CUSTODY, CLIENT MONEY AND MARGIN

We do not provide you with custody, client money or lending services.

11. CONFLICTS, MATERIAL INTERESTS, SELF-DEALING AND DUAL AGENCY

- 11.1** We maintain a conflicts of interest policy and have procedures in place to help us identify, prevent and manage any conflicts of interest that may arise between Northern and its clients, or between one of our clients and another. Where a relevant potential or actual conflict of interest is identified, we will take all appropriate steps to prevent or manage such conflict of interest to prevent any such conflicts from adversely affecting the interests of our clients. Where the organisational or administrative arrangements made by us to prevent conflicts of interest from adversely affecting your interests are not sufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, then we shall clearly disclose to you the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on your behalf
- 11.2** However, we, in providing services under these Terms, shall not be subject to any fiduciary duties which would prevent us or any connected company from acting in a dual capacity or would oblige us to accept responsibility more extensive than those set out in these Terms. When we deal in investments for you, we may have an interest, arrangement or relationship that is material in relation to the transaction or investment concerned. The following are some examples of the type of interest, relationship or arrangement that could be involved:
- 11.2.1** we or any of our members, officers, employees, agents or other clients having or holding a dealing position (long or short) in the investment concerned or a related investment or having informed us of an intention to do so or instructed us to deal;
 - 11.2.2** we or any of our members, officers, employees or agents is a director or employee of a company which has issued or is selling or purchasing an investment;
 - 11.2.3** advising other persons in relation to investments on which we have advised or may advise you;
 - 11.2.4** executing a transaction as an agency cross-trade between you and another client of Northern;
 - 11.2.5** receiving payments or other benefits for giving business to the firm with which your order is placed or with which we enter into a back to back order or transaction;
 - 11.2.6** receiving payments under a commission sharing agreement;
 - 11.2.7** being, or being connected to, the issuer of the investments.

Where there is a specific disclosure with respect to any of the above that we deem is required to be made under Applicable Law, we shall do so in accordance with clause 11.3 below.

- 11.3** The existence, nature and amount of any payment or benefit received from or paid to third parties in connection with the provision of the services, unless it is paid on your behalf or is necessary for the provision of the services, will be clearly disclosed to you as required by Applicable Law. Such payments shall not impair our duty to act, honestly fairly and professionally in accordance with your best interests and will be appropriately designed to enhance the quality of services to you.
- 11.4** We may in good faith transact business with any connected company or Third Party Provider as principal or otherwise without prior disclosure of that fact. For your information where we use a third party broker, we will pay them a commission or fee and we pay a fee for clearing and ancillary services provided by our Clearing Broker. We will disclose the amount of this commission or fee to you on request. However, we will not charge you separately for these items unless we have agreed this with you separately.
- 11.5** We may in our absolute discretion, and without prior notice to you, arrange for any transaction to be executed in whole or in part by the sale to or purchase from you or the relevant investments by another client of Northern. If we do so, we may charge or otherwise take remuneration from both you and the other client. Where we do so, we shall do so only in accordance with Applicable Law. We shall also disclose this fact to you in the relevant confirmation for the trade, or in a similar manner and, where required by Applicable Law, disclose to you the amount of any commission or remuneration received from the counterparty to the transaction.
- 11.6** We may request a third party to collect payments from you due to us, which will be paid to us directly, for example, where a trade is given up to a local broker for settlement in the emerging markets. Such collection and payment will be governed by a separate agreement between us and the relevant third party. For avoidance of doubt, such payments will be agreed with you and due to us for the provision of Services to you. We will not charge you

separately for these items unless we have agreed this with you separately.

12. MARKET ABUSE

You agree that you will not deliberately, recklessly or negligently by act or omission engage in market abuse (within the meaning of Part VIII of the Financial Services and Markets Act 2000 (“**FSMA**”)) or insider dealing (within the meaning of Part V of the Criminal Justice Act 1993), or require or encourage another to do so or otherwise contravene any similar requirement under Applicable Law.

13. PERSONAL DATA AND CONFIDENTIALITY

- 13.1** The terms "**data controller**", "**data processor**", "**processing**", "**data subject**", shall bear the meaning ascribed under Data Protection Law, and the term "**process**" shall be construed accordingly.
- 13.2** "**Data Protection Law**" means the Directives and the Regulation (as amended or replaced from time to time), guidance, directions, determinations, codes of practice, circulars, orders, notices or demands issued by any Supervisory Authority and any applicable national, international, regional, municipal or other data privacy authority or other data protection laws or regulations in any other territory in which the Services are provided or received or which are otherwise applicable.
- 13.3** "**Directives**" means the European Data Protection Directive (95/46/EC) and the European Privacy and Electronic Communications Directive (Directive 2002/58/EC).
- 13.4** "**Personal Data**" means any personal data processed by the either of us under these Terms.
- 13.5** "**Regulation**" means, on and from 25 May 2018, Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as and when it becomes applicable.
- 13.6** "**Supervisory Authority**" shall bear the meaning ascribed in the Regulation.
- 13.7** You agree that we act as a data controller within the meaning of Data Protection Law in respect of Personal Data supplied to us by you or on your behalf pursuant to these Terms.
- 13.8** Each of us shall:
- 13.8.1** be responsible for and control any Personal Data which we process in relation to or arising out of these Terms;
 - 13.8.2** comply with any Data Protection Laws applicable to the collection and processing of the Personal Data;
 - 13.8.3** take appropriate technical and organisational measures against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to, the Personal Data; and
 - 13.8.4** agree respective responsibilities with the other if required for exercising of data subject rights and providing notice to data subjects as set out in the notices referred to in clause 13.11.
- 13.9** Where Personal Data is shared by you with us, you shall ensure that there is no prohibition or restriction which would:
- 13.9.1** prevent or restrict you from disclosing or transferring the Personal Data to us;
 - 13.9.2** prevent or restrict us from disclosing or transferring the Personal Data to our affiliates and any of our employees, agents, delegates, subcontractors, credit reference agencies, or competent authorities (including tax authorities) and bodies in order to provide the Services or services ancillary thereto or for resolution of disputes or investigations; or
 - 13.9.3** prevent or restrict us, our affiliates and any of our employees, agents, delegates or subcontractors, from processing the Personal Data as follows:
 - (a) to carry out ourselves (or through a third party) anti-money laundering checks and related

actions that we consider appropriate including to meet any legal obligations relating to the prevention of fraud, money laundering, terrorist financing, bribery, corruption, tax evasion and the provision of financial and other services to persons who may be subject to economic or trade sanctions, on an on-going basis, in accordance with our anti-money laundering procedures (**AML Checks**);

- (b) to update your records, for fee billing and to provide the Services;
- (c) to monitor and record calls and electronic communications for quality, business analysis, training, investigation and fraud prevention purposes, for crime detection, prevention, investigation and prosecution, and to enforce or defend our rights, ourselves or through third parties to whom we delegate such responsibilities or rights;
- (d) to report tax related information to tax authorities in order to comply with a legal obligation;
- (e) to retain anti-money laundering information for future services entered into by you;
- (f) to retain the Personal Data as long as required to perform the Services or as required by law;
- (g) to service the client relationship and to advise you of other products and services offered by us and/or our affiliates;
- (h) to transfer Personal Data to competent authorities, courts and regulatory bodies in order to provide the Services, comply with law or comply with requests from such competent authorities, courts and regulatory bodies.

- 13.10** You acknowledge that we may transfer the Personal Data to a country outside of the European Economic Area (**EEA**), including the United States in accordance with the EU Commission approved standard contractual clauses or other available data transfer solutions under the Data Protection Law.
- 13.11** If you pass Personal Data of any of your (or your affiliates') representatives, employees, beneficial owners, agents or subcontractors to us, you will ensure that you have provided adequate notice, as required by Data Protection Law, to such representatives, employees, beneficial owners, agents or subcontractors including the details set out in this clause 13 of the processing by us of such Personal Data and of the transfer of such Personal Data outside of the EEA.
- 13.12** You will also ensure that you have obtained any necessary consents from any of your (or your affiliates') representatives, employees, beneficial owners, agents or subcontractors in order for us to carry out the activities set out under clause 13.9 above.
- 13.13** You shall, immediately on demand, fully indemnify us and our affiliates, agents, delegates and subcontractors (the "**Third Party Indemnitees**") and keep us and the Third Party Indemnitees fully and effectively indemnified against all costs, claims, demands, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by us or the Third Party Indemnitees in connection with any failure of yours to comply with the provisions of this clause 13 and/or Data Protection Law in respect of its processing of Personal Data.
- 13.14** We enter into this clause 13 as agent for and on behalf of the Third Party Indemnitees.
- 13.15** Both parties agree to keep all information relating to these Terms, which either party directly or indirectly discloses, or makes available, before, on or after the date of these Terms ("**Confidential Information**"), secret and confidential. Both parties agree not to use or exploit the Confidential Information in any way or directly or indirectly disclose or make the Confidential Information available in whole, or in part, to any person, except as expressly

permitted by, and in accordance with these Terms.

13.16 Disclosure of Confidential Information will only be permitted where (i) a party is required to do so by Applicable Regulations, law, the FCA or any other relevant regulatory authority or similar governmental body, (ii) it is reasonably necessary in order to perform the Services or otherwise in accordance with these Terms and (iii) in the case of Northern Trust, the sharing of the Confidential Information with an affiliate allows us to advise you of other products and services offered by us and/or our affiliates. Where so required under limb (i) above, the relevant party will, to the extent and if permitted by law, notify the other party as soon as possible of such disclosure. We shall not be obliged to disclose to you any information which may constitute a breach of our duties of confidentiality to any other person.

14. FORCE MAJEURE

Subject to clause 15.6, we shall have no liability whatsoever to you nor be deemed to be in default of these Terms as a result of any delay or failure in performing our obligations under these Terms to the extent that any such delay or failure arises from causes beyond our control including, but not limited to, suspension of trading, acts of God, terrorist or suspected terrorist acts, acts or regulations of any governmental or supranational authority, war or national emergency, accident, fire, riot, civil disturbance, failure of electronic equipment or communications equipment, strikes, lock-outs and industrial disputes.

15. LIABILITY

15.1 Without prejudice to clause 8, upon entering into these Terms and each time you send an order to us you shall be deemed to agree to the provisions of this clause 15 for yourself and each of your Customers on whose behalf you send an order to us.

15.2 Subject to clause 15.6 and except in the case of negligence, bad faith or fraud, we, our members, officers, affiliates, employees, delegates and agents (each an “**Associated Person**”) will have no liability, contingent or otherwise, to you or to any Customers or third party for any Liability suffered by you or any Customer or third party under or in connection with these Terms, or for any erroneous communications between us and you.

15.3 Subject to clause 15.6 we and our Associated Persons shall not be liable for any loss of profits or anticipated savings (in either case, whether direct or indirect) or any special, indirect, incidental or consequential damages which you or any Customer or third party may incur or experience in connection with the Services, even if we know of the possibility of those losses or damages.

15.4 In the event that you or your Customer accepts liability or agrees any compromise with any third party then this shall not increase the type or amount of any Liability which we or any Associated Person owe to you or your Customer beyond such type or amount which would have existed but for such agreement or compromise.

15.5 Subject to clause 15.6 and without prejudice to or in any way limiting our obligations to settle any transaction with you or your Customer, in no event shall our and our Associated Persons’ aggregate liability to you together with each of your Customers in respect of any Liabilities arising in connection with these Terms exceed £1,000,000.

15.6 Nothing in these Terms shall exclude or limit our or our Associated Persons’ liability for any injury or death caused by our negligence or for Liabilities suffered by you or your Customers in connection with these Terms to the extent that such Liabilities are due to (i) our or our Associated Person’s fraud or our Associated Person’s fraudulent misrepresentation, and/or (ii) our breach of any duties which we owe you under the FSMA or secondary legislation made under it or any relevant directly applicable European Union regulation, except to the extent that we are permitted to exclude our liability for such matters by Applicable Law and the FCA Rules.

15.7 Neither party shall bring any action against the other more than one year after the cause of action accrues.

15.8 Except to the extent that the same may result from our negligence, fraud, breach of these Terms, or breach of our obligations to you under FSMA or the FCA Rules, or from any Associated Person’s negligence or fraud, you shall indemnify, protect, and hold harmless us and our Associated Persons from and against any and all Liabilities arising

in connection with any claims brought or established against us by any Customer or other third party (other than our agents) either:

- 15.8.1** arising from any action or omission properly made by us or any Associated Person;
- 15.8.2** arising as a result of you failing to comply with your obligations in respect of the settlement of any transaction;

providing that we and our Associated Persons (as applicable) (a) have taken all reasonable steps to avoid or minimise such Liabilities; (b) have informed you of any Liabilities in respect of which an indemnity is sought under these Terms as soon as practicable; and (c) keep you informed of and act reasonably in relation to any request from you in relation to any steps taken or to be taken to mitigate or make recovery in respect of Liabilities in respect of which an indemnity is sought.

- 15.9** You further agree that your obligation to hold us harmless and indemnify us and each Associated Person for any Liability that we incur (including but not limited to any Liability which we incur to any Third Party Provider) or our Associated Persons incur as a result of a settlement failure by you is absolute. In this regard, we shall have absolute discretion to meet, cancel, undo or otherwise close out any the settlement obligation which we have incurred as your agent or as principal to you (whether by effecting a buy-in or sell-out of any unsettled transaction or otherwise): (a) at any time following due settlement date or (b) at any time before settlement if you advise us that you or your Customer cannot or will not settle a transaction or that you do not know a transaction.
- 15.10** Subject to clause 15.6, we will indemnify, protect and hold you harmless against any and all Liabilities to the extent that they are based upon a successful claim for breach of our warranty in clause 16.1.4.

16. REPRESENTATIONS AND WARRANTIES

- 16.1** Each of the parties hereby represents and warrants to the other party and each time you send us an order or we execute a transaction shall be deemed to represent and warrant that:
 - 16.1.1** it is duly incorporated under the laws of its respective jurisdiction and each possesses the capacity to sue and be sued in its own name and has the power to carry on its business and to own property and other assets;
 - 16.1.2** it has all necessary power, authority and capacity and, in the case of a trustee, also has and will have full power, authority and capacity under the relevant trust instrument, to execute, deliver and perform its obligations under these Terms and all necessary corporate, shareholder, and other action has been taken to authorise the execution, delivery and performance of the same and in respect of any transaction entered into under these Terms;
 - 16.1.3** these Terms have been duly executed and delivered by it and constitutes its legal and binding obligation, enforceable against it in accordance with its terms; and
 - 16.1.4** it has and maintains all licences, consents and authorisations required by Applicable Law in connection with its obligations under these Terms.
- 16.2** At the date of this agreement and each time you send us an order you represent, warrant and undertake to us that:
 - 16.2.1** the execution, delivery, performance and discharge by you of your obligations and liabilities under these Terms do not and will not:
 - (a) contravene any Applicable Law;
 - (b) conflict with or result in any breach of any of the terms of or constitute a default under any agreement, instrument, license or other authorisation to which you are a party or subject or by which you or any of your property is subject; or
 - (c) contravene or conflict with any provision of your memorandum or articles of association;
 - 16.2.2** you are a sophisticated investor and you understand the transaction and the nature and extent of the potential risks and have independently determined (after taking independent advice if you are unsure) that the transaction is appropriate for you or your Customer in the light of your/your Customer's objectives, experience, financial and operational resources and other relevant circumstances;
 - 16.2.3** the execution, delivery and performance of these Terms by you will not violate or conflict with any

- Applicable Law;
- 16.2.4** you have and will at all times have sufficient funds to meet your duties, liabilities and obligations incurred under these Terms; and
- 16.2.5** you will make all payments due pursuant to these Terms in freely transferable funds and shall deliver to us full legal and beneficial title to all securities due for delivery pursuant to these Terms free from any encumbrances; and
- 16.2.6** except to the extent that you have notified us otherwise, no Event of Default has occurred.

16.3 If you are acting on behalf of one or more Customers in relation to any transaction carried out under these Terms, then you additionally represent, warrant and undertake to us that:

- 16.3.1** you have and will have full power, authority and capacity to enter into these Terms and to perform all obligations on behalf of your Customer under these Terms;
- 16.3.2** you are expressly authorised by your Customer to instruct us in relation to each transaction under and in accordance with these Terms and to effect settlement;
- 16.3.3** where we act as your agent, you have power to appoint us as agent for yourself and your Customer;
- 16.3.4** each Customer for whom you send an order to us has full power, authority and capacity to enter into any resulting transaction and will at all times have sufficient funds to meet its settlement obligations in respect of any transaction;
- 16.3.5** notwithstanding that you are acting as agent, you will be liable to us in respect of all obligations and liabilities to be performed by you or your Customer in respect of each transaction as if you were the sole principal on the transaction;
- 16.3.6** where you are not an FCA authorised person or Overseas Financial Services Institution, none of your clients are or would be Retail Clients; and
- 16.3.7** except to the extent that you have notified us otherwise, no Event of Default has occurred.

17. EVENT OF DEFAULT

17.1 An Event of Default occurs where:

- 17.1.1** you make a general assignment for the benefit of, or enter into a re-organisation, arrangement or composition with, creditors;
- 17.1.2** you state in writing that you are unable to pay your debts as they become due;
- 17.1.3** you seek, consent to or otherwise acquiesce in, the appointment of any trustee or administrator, receiver or liquidator or analogous officer of it or any material part of your property;
- 17.1.4** you or any other person has filed a petition or other application (other than by us in respect of any obligation under these Terms) in any court or before any agency alleging or for your bankruptcy, winding-up or insolvency or seeking any re-organisation, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation and, where such petition or other application is presented or filed by a person other than you such petition or other application (except in the case of a petition for winding-up or analogous proceeding, or in the case of an application for an administration order, in respect of which no such 30 day period shall apply) has not been stayed or dismissed within 30 days of its presentation or filing;
- 17.1.5** a receiver, administrator, liquidator or trustee or analogous officer is appointed over all or any material part of your property, or a notice of intention to appoint an administrator is given or filed;
- 17.1.6** a meeting of creditors is convened for the purpose of considering a proposal for a composition in satisfaction of your debts or a scheme of arrangement of your affairs or any analogous proceeding;
- 17.1.7** an attachment before judgment or in execution is levied over all or any material part of your property; or
- 17.1.8** a moratorium is agreed, declared or otherwise obtained in respect of or affecting all or any material part of your indebtedness;

or where you are aware that any of the above steps has been taken in relation to any Customer.

18. APPLICABILITY, AMENDMENT AND TERMINATION

- 18.1** These Terms constitute legally binding terms of business and shall come into force upon the date of execution of these Terms by you and us. These Terms shall continue until terminated.
- 18.2** These Terms supersede any earlier Terms provided by us in respect of the same areas of Services. We may amend or modify these Terms by giving you a written notice setting out the relevant changes not less than 10 business days before those changes take effect or immediately where in our sole discretion the change is necessary to enable us to comply with any legal or regulatory requirement. Such changes will become effective on a date to be specified in the notice or if no date is specified, within 10 business days of us issuing the notice to you.
- 18.3** You agree that we may amend our charges, fees and commission rates from time to time. Please ask us at any time should you require details of our current rates.
- 18.4** Either party may terminate these Terms and any services provided in accordance herewith by written notice to the other at any time with immediate effect with or without cause. Termination of these Terms will not affect any outstanding orders or transactions or any legal rights or obligations which may already have arisen. Upon such termination, we will be entitled to receive from you all fees, costs, charges, expenses and liabilities accrued or incurred under these Terms up to the date of termination including any additional expenses or losses reasonably and properly incurred in terminating these Terms, and, as soon as reasonably practicable after that, deliver or cause your investment to be delivered to you or to your order.

19. THIRD PARTY RIGHTS

The Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms and accordingly no part of these Terms shall be directly or indirectly enforceable by any third party, nor is it intended to confer a benefit on any third party, save that any provision purporting to confer a benefit on any Associated Persons or Third Party Provider shall be construed as conferring a benefit on and be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by, any person who is an Associated Person. These Terms may be varied, amended, modified or rescinded and the parties to these Terms may terminate them in accordance with clause 18 without the consent of any Associated Person or Third Party Provider. This clause shall not limit the rights of any party to these Terms or any person to whom any rights or benefits under these Terms have been assigned.

20. GOVERNING LAW AND JURISDICTION

These Terms and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with the laws of England. In the event that arbitration has taken place in accordance with clause 21 but has failed to resolve all matters concerning any dispute, all such remaining matters shall be subject to the exclusive jurisdiction of the English Courts to which we each submit.

21. ARBITRATION

- 21.1** Any dispute, controversy or claim howsoever arising out of or in connection with these Terms or the breach hereof, including any questions regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which rules are deemed to be incorporated by reference into this clause.
- 21.2** An award rendered in connection with an arbitration pursuant to this paragraph shall be final and binding, and judgement upon such an award may be entered and enforced in any court of competent jurisdiction; provided however that the parties agree that the arbitrators may not make an award in respect of punitive damages.
- 21.3** The forum for arbitration under this paragraph shall be London and the law governing the procedures for such arbitration shall be the law of England. The arbitration shall be conducted in the English language.
- 21.4** The tribunal shall consist of three arbitrators. The parties shall nominate two of the arbitrators. In connection with the selection of any arbitrator, consideration shall be given to the arbitrator's familiarity with the securities brokerage

business (including the UK and US regulatory regimes applicable thereto) and experience in dispute resolution between parties, as a judge or otherwise. If either party shall abstain from nominating its arbitrator, the London Court of International Arbitration shall itself appoint such arbitrator. The two arbitrators so chosen shall select a third arbitrator, provided that if such two arbitrators shall fail to choose a third arbitrator within 30 days after such two arbitrators have been selected, the London Court of International Arbitration upon the request of either party, shall appoint a third arbitrator. The third arbitrator shall be Chairman of the Arbitral Tribunal.

21.5 The fact that an arbitration award has been made, the content of that award and the arbitration proceedings contemplated by this paragraph shall be kept confidential by the parties.

22. SEVERABILITY

If any provision of these Terms is or becomes inconsistent with any applicable present or future law, rule or regulation, that provision shall be deemed modified or, if necessary, rescinded in order to comply with the relevant law, rule or regulation. All other provisions of these Terms shall continue to remain in full force and effect.

23. WAIVER

A failure by either party to exercise and any delay by any party in exercising any right, power or remedy under these Terms shall not operate as a waiver of that right, power or remedy or preclude its exercise at any subsequent time or on any subsequent occasion. The single or partial exercise of any right, power or remedy shall not preclude any other or further exercise of that right, power or remedy or the exercise of any other right, power or remedy.

24. COMPLAINTS

We have in operation a written procedure in accordance with the FCA rules for the effective consideration and proper handling of complaints from customers. Any complaints should be referred to the EMEA Head of Capital Markets & Treasury Compliance at the address set out in clause 1.1, who will provide information about the complaints management procedure. This information is also available www.northerntrust.com or on request from the EMEA Head of Capital Markets & Treasury Compliance.

25. COMPENSATION

We are covered by the Financial Services Compensation Scheme in the United Kingdom (the “**Scheme**”). The Scheme is only available to certain types of claimants and claims as set out in the FCA rules and payments to eligible claimants may vary depending on the type of claim you hold with respect to us. Claims by eligible claimants in respect of investment business are covered, up to an aggregate maximum compensation of £50,000. Further information is available from the FCA, from the Financial Services Compensation Scheme at 7th Floor, Lloyds Chambers, Portsooken Street, London E1 8BN or from the Scheme’s official website www.fscs.org.uk.

26. ASSIGNMENT

Neither party may assign any of its rights or obligations under this agreement to any other person without the signed express written consent of the other party. These Terms will apply to your successor or personal representative or your permitted assignees.

27. NOTICES

27.1 Any instructions, notices, requests or other communications to be given by you to us regarding these Terms shall be sent to our principal place of business address as specified in clause 1.1 and mark it for the attention of the Chief Operations Officer.

27.2 You agree that where we determine appropriate, any statements, confirmations, contract notice or notices required to be sent to you under the FCA Rules may be transmitted or provided electronically by us.

28. COUNTERPARTS

These Terms may be executed in any number of counterparts and by the parties to them on separate counterparts, each of which is an original but all of which together constitute due execution of these Terms.

29. DEFINITIONS

29.1 References to any statute or statutory provision or the FCA Rules will, unless the context otherwise requires, be construed as including references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom and references to the same as it or they may have been, or may from time-to-time be, amended, modified or re-enacted. Unless the context otherwise requires, the singular includes the plural (and vice versa) and references to persons include companies and partnerships. Words and expressions defined in the FCA Rules shall have the same meaning in these Terms unless the same are expressly defined herein or unless the context otherwise requires.

29.2 In these Terms:

Applicable Law	means any laws, statutes, regulations, directives, rules, directions, codes, ordinances, judgments, decrees, writs or orders enacted, adopted, issued or promulgated by any governmental body (including without limitation the FCA) or any supranational, national, state, provincial or local common law or any consent decree, stipulation or settlement agreement entered into with any governmental body (including without limitation FSMA and the FCA Rules insofar as they relate to the performance of the various obligations under these Terms);
Applicable Regulations	has the meaning given in clause 5.11;
Associated Person	has the meaning given in clause 15;
Broker Trade	of an offer to a CFD Writer for a cash equities trade;
Business Day	means any day on which the London Stock Exchange is open for business;
CFD	means a contract for differences;
CFD Writer	means a counterparty whose identity is notified by you to us with whom we may offer to enter into a Broker Trade;
Clearing Broker	means our all of our clearing brokers from time to time (including any of their delegates or sub-contractors);
Customer	means a person or entity other than you who acts as principal to a transaction and for whom you act in relation to that transaction as agent, trustee, representative or otherwise;
Data Protection Law	has the meaning given in clause 13.2;
Elective Professional Client	has the meaning given in the FCA Rules;
Eligible Counterparty	has the meaning given in the FCA Rules;
Event of Default	has the meaning given in clause 17.1;
FCA	means the UK Financial Conduct Authority and any replacement or substitute body;

FCA Rules	means the rules, guidance, directions and other provisions of the FCA Handbook or otherwise made by the FCA as from time to time in force;
FSMA	has the meaning given in clause 12;
Liability	means any liability, damage, loss, cost (including without limitation legal fees), claim, judgment, suit, action, proceeding or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise;
Market Commentary	has the meaning given in clause 3.5;
MiFID	Markets in Financial Instruments Directive 2014/65/EU and Markets in Financial Instruments and Regulation (EU) 648/2012 as amended, supplemented, substituted and/or replaced from time to time;
MTF	means a multilateral trading facility;
Overseas Financial Services Institution	has the meaning given in the FCA Rules;
Per Se Professional Client	has the meaning given in the FCA Rules;
Professional Client	has the meaning given in the FCA Rules;
Retail Client	has the meaning given in the FCA Rules;
Services	has the meaning given in clause 2.1;
Terms	has the meaning given in clause 1.2; and
Third Party Provider	has the meaning given in clause 5.6.

SCHEDULE 1

RISK WARNINGS

A. General risks of investment activity

Past performance is not an indicator of future performance.

The value of investments may go down as well as up.

You are not certain to make a profit. You may make a loss. You may lose your entire investment.

The price or value of investments may fluctuate significantly.

If there are income distributions, they may also fluctuate significantly.

B. Shares

A share is an instrument representing a shareholder's rights in a company. Shares may be issued in bearer or registered form and may be certificated or non-certificated. 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. Unless otherwise provided, transfers of bearer shares do not entail any formalities. However, transfers of registered shares are often subject to limitations.

Dealing in shares may involve risks including but not limited to the following:

- a. **Company risk:** A share purchaser does not lend funds to the company, but becomes a co-owner of the corporation. He or she thus 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. An extreme case would be if the company went bankrupt, thereby wiping out the total sums invested.
- b. **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.
- c. **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 at all.

C. Bonds

Bonds are negotiable debt instruments issued in bearer or registered form by a company or a government body to creditors and whose par value at issuance represents a fraction of the total amount of the debt. The duration of the debt as well as the terms and conditions of repayment are determined in advance. Unless stipulated otherwise, the bond is repaid either at the maturity date, or by means of annual payments, or at different rates determined by drawing lots. The interest payments on bonds may be either (i) fixed for the entire duration or (ii) variable and often linked to reference rates (e.g. EURIBOR or LIBOR). The purchaser of a bond (the creditor) has a claim against the issuer (the debtor).

Dealing in bonds may involve risks including but not limited to the following:

- a. **Insolvency risk:** The issuer may become temporarily or permanently insolvent, resulting in its incapacity to repay the interest or redeem the bond. The solvency of an issuer may change due to one or more of a range of factors including the issuing company, the issuer's economic sector and/or the political and economic status of the countries concerned. The deterioration of the issuer's solvency will influence the price of the securities

that it issues.

- b. **Interest rate risk:** Uncertainty concerning interest rate movements means that purchasers of fixed-rate securities carry the risk of a fall in the prices of the securities if interest rates rise. The longer the duration of the loan and the lower the interest rate, the higher a bond's sensitivity to a rise in the market rates.
- c. **Credit risk:** The value of a bond will fall in the event of a default or reduced credit rating of the issuer. Generally, the higher the relative rate of interest (that is, relative to the interest rate on a risk-free security of similar maturity and interest rate structure), the higher the perceived credit risk of the issuer.
- d. **Early redemption risk:** The issuer of a bond may include a provision allowing early redemption of the bond if market interest rates fall. Such early redemption may result in a change to the expected yield.
- e. **Risks specific to bonds redeemable by drawing:** Bonds redeemable by drawing have a maturity that is difficult to determine, so unexpected changes in the yield on these bonds may occur.
- f. **Risks specific to certain types of bond:** Additional risks may be associated with certain types of bond, for example floating rate notes, reverse floating rate notes, zero coupon bonds, foreign currency bonds, convertible bonds, reverse convertible notes, indexed bonds, and subordinated bonds. For such bonds, you are advised to make inquiries about the risks referred to in the issuance prospectus and not to purchase such securities before being certain that all risks are fully understood. In the case of subordinated bonds, you are advised to enquire about the ranking of the debenture compared to the issuer's other debentures. Indeed, if the issuer becomes bankrupt, those bonds will only be redeemed after repayment of all higher ranked creditors and as such there is a risk that you will not be reimbursed. In the case of reverse convertible notes, there is a risk that you will not be entirely reimbursed, but will receive only an amount equivalent to the underlying securities at maturity.

D. Warrants or derivatives risk warning notice

This notice is provided to you, as a per se professional client customer, in compliance with the rules of the Financial Conduct Authority (FCA). This notice cannot disclose all the risks and other significant aspects of warrants. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position.

Although warrants and/or derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

1. Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. 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.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers 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.

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.

2. Off-exchange warrant transactions

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

Your firm must make it clear to you if you are entering into an off-exchange transaction and advise you of any risks involved.

3. Commissions

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

4. Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

5. Clearing house protections

On many exchanges, the performance of a transaction by your firm (or third party with whom he is dealing on your behalf) 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 your firm or another party defaults on its obligations to you. On request, Northern Trust Securities LLP will explain 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 traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

6. Insolvency

Northern Trust Securities LLP's insolvency or default, or that of any other brokers involved with your 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 request, your firm must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

E. Penny shares warning notice

There is an extra risk of losing money when shares are bought in some smaller companies including penny shares. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up.

You may have difficulty selling some Investments at a reasonable price and, in some circumstances, Investments may be difficult to sell at any price. In relation to some investments, there may be only one market maker.

F. Stabilisation risk warning notice

Northern Trust Securities LLP, or its representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

(1) to be consulted before Northern Trust Securities LLP carries out any such transaction on your behalf; or

(2) to authorise Northern Trust Securities LLP to carry out any such transaction on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

The FCA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is being carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

- (1) limit the period when a stabilising manager may stabilise a new issue;
- (2) fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (3) require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

SCHEDULE 2

CRITERIA FOR CLASSIFICATION AS A PER SE PROFESSIONAL CLIENT

(a) an entity required to be authorised or regulated to operate in the financial markets. The following list includes all authorised entities carrying out the characteristic activities of the entities mentioned, whether authorised by an EEA State or a third country and whether or not authorised by reference to a directive:

- (i) a credit institution;
- (ii) an investment firm;
- (iii) any other authorised or regulated financial institution;
- (iv) an insurance company;
- (v) a collective investment scheme or the management company of such a scheme;
- (vi) a pension fund or the management company of a pension fund;
- (vii) a commodity or commodity derivatives dealer;
- (viii) a local; or
- (ix) any other institutional investor.

(b) A large undertaking meeting at least two of the following size requirements on a company basis:

- (i) balance sheet total of at least EUR 20,000,000;
- (ii) net turnover of at least EUR 40,000,000;
- (iii) own funds of EUR 2,000,000.

(c) a national or regional government, a public body that manages public debt, a central bank, an international or supranational institution (such as the World Bank, the IMF, the ECP, the EIB) or another similar international organisation;

(d) another institutional investor whose main activity is to invest in financial instruments.

Agreed to by:

(Full legal name of company or other legal entity which is Northern Trust Securities LLP's client)

Signature (duly authorised officer)

Name (please type or print)

Title (please type or print)

Date

.....

Agreed to by:

Northern Trust Securities LLP

Signature (duly authorised officer)

Name (please type or print)

Title (please type or print)

Date