

# NatWest Markets

## **Terms of Business**

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## Terms of Business

### 1. Our Status

- 1.1. These Terms of Business (the “Terms”) shall be legally binding on your use or continued use of our services hereunder and apply to all business carried on by NatWest Markets Plc (“NatWest Markets”, “we” or “us”) from the European Economic Area (EEA), with you. Transactions and services in certain products may be subject to separate or supplementary terms. The provision of safe custody facilities is not included in these Terms and is subject to separate terms. The principal address of NatWest Markets is 250 Bishopsgate, London EC2M 4AA. The contact addresses of our EEA branches are set out in Annex 1.
- 1.2. Other members of the NatWest Group (“Affiliates”) may act as agents for us and we may act as agent for one or more of our Affiliates. These Terms shall apply unless our Affiliate expressly requires otherwise, in which case you will be notified in advance of any such terms.
- 1.3. We or our Affiliates will act as principal and not as agent on your behalf, unless we specifically agree to do so in writing.
- 1.4. A copy of these Terms is available at <https://www.nwm.com/disclosures>.

### 2. Regulatory Information

- 2.1. NatWest Markets Plc (FCA registration number 121882) is authorised by the Prudential Regulation Authority (the “PRA”) and regulated by the Financial Conduct Authority (the “FCA”) and the PRA. The address of the FCA is 12 Endeavour Square, London E20 1JN and the address of the PRA is 20 Moorgate, London EC2R 6DA.
- 2.2. For further information about NatWest Markets please visit [www.nwm.com](http://www.nwm.com) and click on “About us”.
- 2.3. NatWest Markets Plc is a member of the NatWest Group. For information about the NatWest Group please visit [www.natwestgroup.com](http://www.natwestgroup.com) and click on ‘About Us’, or for similar enquiries please telephone 0131 556 8555 or Textphone 0845 900 5960.
- 2.4. For the purposes of these Terms, applicable regulations shall include the FCA and PRA Rules, the rules of any other relevant regulatory authority or exchange and any applicable laws, rules, procedures, guidance, codes, standards and regulations (including, without limitation, accounting rules and anti-money laundering or sanctions legislation) in force from time to time (“Applicable Regulations”). Where these Terms conflict with Applicable Regulations, the latter shall prevail.
- 2.5. Any business conducted through our EEA branches will be subject to the local conduct of business rules of EEA regulators other than the FCA and PRA. In relation to business conducted through our EEA branches, any references to the FCA or PRA conduct of business rules in these Terms should be construed as references to the equivalent conduct of business rules in the jurisdiction in which the relevant EEA branch is located.
- 2.6. For the avoidance of doubt, our obligations under Applicable Regulations are strictly regulatory and no reference to such obligations in these Terms will create any contractual obligation owed by us to you with respect to such regulatory obligations.

### 3. Your Status

- 3.1. Based on the information available to us and as permitted by the FCA and PRA Rules we have categorised you as either a “Retail Client” or “Professional Client” and notified you of the relevant category. You will benefit from the regulatory protections afforded to that category of client under the FCA and PRA Rules.
- 3.2. You have the right to request a different client categorisation either generally, or in respect of a particular service, type of transaction or product. If we receive such a request, we will inform you of whether or not we accept it and, if we do accept it, of any such limitations that such re-categorisation will entail. However, until we receive such a request and inform you of our acceptance of it, we shall deal with you on the basis of our original categorisation. You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation.

- 3.3. Subject to Applicable Regulations, we shall treat you alone as our client (as defined by the FCA and PRA Rules). Where you are acting as agent, we accept no responsibility towards your underlying clients unless we separately agree different treatment with you. You undertake (as the contracting party and not by way of guarantee) to fulfil the obligations of any underlying clients of yours and to indemnify us against any loss resulting from default by any such underlying client. You undertake to provide us with evidence of the identity of any underlying client of yours or any other information reasonably required in order for us to comply with any Applicable Regulations.
- 3.4. If you are acting on behalf of underlying clients, you hereby represent, warrant and agree that:
- a) each underlying client has the legal capacity to enter into the transactions contemplated under these terms and has appointed you to enter into transactions and to act as agent, on its behalf; and
  - b) transactions will only be undertaken for the account of each underlying client when the transaction is appropriate for the underlying client (i.e. the client understands the transaction and risks associated with it).

These representations are deemed to be repeated each time a transaction is entered into as if made at each such time and shall be deemed to be true and correct so long as any transaction is outstanding under these Terms.

- 3.5. Provision of services by us pursuant to these Terms will not, unless specifically agreed between us in writing, give rise to any fiduciary or equitable duties on our part or that of our Affiliates. You agree that nothing contained in these Terms shall create any fiduciary, trustee, agency, joint venture or partnership relationship between us or any Affiliate of ours, on the one hand, and you or any affiliate of yours on the other.

#### **4. Change of Country of Incorporation**

- 4.1. You agree to provide us with 30 business days' prior written notice if you intend to: (i) change your country of incorporation; (ii) move your business operations to another country; or (iii) transact or attempt to transact products in or from another jurisdiction.
- 4.2. You acknowledge that we reserve the right to amend, suspend, replace, add or withdraw any or all products and/or services if we determine, in our absolute discretion, that we are unable to carry out transactions in, sell products to, or deal with clients in, such jurisdiction for any reason, including, without limitation, due to regulatory or tax requirements, change in business strategy, or country risk appetite.

#### **5. Conflicting Terms**

- 5.1. Where we enter into or have entered into supplementary or separate terms, or a separate agreement with you in respect of transactions and/or the provision of services in relation to such transactions and the contents of those terms conflict with the contents of these Terms, then the contents of the supplementary or separate terms or agreements shall prevail in respect of such transactions save to the extent that such terms are not permitted under any Applicable Regulations.

#### **6. Our Services**

- 6.1. We will provide you with an execution-only service of dealing or arranging deals in financial instruments and may also provide research, strategy, valuation, securities underwriting or placing services. We will not provide you with advice on the merits of a particular transaction or provide you with personal recommendations (as defined by the FCA and PRA Rules) in relation to any transaction. You should not rely on any opinion, research or analysis expressed or published by us or our Affiliates as being a recommendation or advice in relation to any transaction.
- 6.2. Execution-only services for non-complex instruments: We are not required to assess the appropriateness of an investment in the context of your investment experience or knowledge for "non-complex" instruments where the service is provided at your initiative. Non-complex instruments include: (i) shares admitted to trading on certain markets (except those that embed a derivative and units in collective investment undertakings that are not UCITS funds); (ii) bonds or other forms of securitised debt traded on certain markets (except those that embed a derivative or incorporate a structure which makes it difficult to understand the risk involved); (iii) money market instruments (except those that embed a derivative or incorporate a structure which makes it difficult to understand the risk involved); and (iv) structured deposits (excluding those that incorporate a structure which makes it difficult to understand the risk of return or the cost of exiting the product before term). For non-complex instruments, we shall not be responsible for assessing whether an investment is

appropriate for you in the context of your investment experience, objectives or financial situation and accordingly you will not benefit from the protection of the FCA Rules on appropriateness.

- 6.3. Execution-only services for complex instruments: If you are a Retail Client, we are required to assess whether transactions we enter into with or for you in complex instruments (i.e. those instruments that are not non-complex), such as warrants, options, futures, contracts for differences and some structured products, are appropriate for you by reference to your knowledge and understanding of the risks involved. Where we provide execution-only services to you in relation to complex products, you confirm that the information you have provided and will provide from time to time to allow us to assess the appropriateness (where applicable) of the activities and services we are providing to you is accurate and complete.
- 6.4. If you elect not to provide us with the information we request in order to determine whether a transaction is appropriate, we may not be able to make such an assessment. We may still proceed on your behalf should you request us to do so, but if we do proceed, it will be with your understanding that the transaction may not be appropriate for you. We may alternatively refuse to enter into a transaction with you where we determine that the transaction in question is not appropriate for you. In all cases, you should make your own assessment of any transaction that you are considering and seek independent advice as required. When dealing with us in all other respects, you are solely responsible for ensuring that the contracts you enter into are in accordance with your investment objectives and comply in all respects with any Applicable Regulations.
- 6.5. If you are a Professional Client, we are entitled to assume that you have the necessary knowledge and expertise to understand the risks involved in relation to the particular investment services, transactions, or products for which we have classified you as a Professional Client, and, as such we will not determine whether any such product is appropriate for you.
- 6.6. Any legal, accounting, tax or other adviser retained by us shall be the legal, accounting, tax or other adviser to us alone. You shall have sole responsibility for selecting and retaining any legal, accounting, tax or other adviser that may advise you and for all expenses and fees incurred in connection therewith.
- 6.7. Any valuation is provided solely for your information and is not intended to be used for the benefit of, and must not be relied on by, any other party. Without prejudice to clause 30.1 (*Exclusion of Liabilities/Indemnities*), NatWest Markets assumes no liability for the valuations (including, without limitation, for any errors in or arising directly or indirectly from the valuations) and specifically disclaims liability for any use you may make of this valuation including, without limitation, any use of this valuation in the preparation of your financial books and records or for any other use whatsoever. Such valuations do not constitute investment advice or a recommendation to you.
- 6.8. NatWest Markets produces valuations as of a particular time and date (information in respect of which will be confirmed in each valuation) on the basis of, among other items, its proprietary valuation models or those of third party providers, the assumptions made therein, relevant market data (including data from third party sources) and its assessment (in its sole discretion) of the factors relevant to the valuation. Valuations may be changed at any time at NatWest Markets' sole discretion without notice to you. The basis of the provision of valuations shall be set out in each valuation and (unless otherwise stated) does not constitute either a bid or an offer to open or unwind a transaction. If NatWest Markets agrees to quote a live price to open or unwind a transaction, such live price is likely to differ from the most recent valuation, and may be more unfavourable to you. Valuations and quotations may differ materially between dealers.
- 6.9. A general description of the nature and risks of the financial instruments that we transact on your behalf is available at <https://www.nwm.com/media/1621/natwest-markets-risk-disclosures.pdf>.
- 6.10. Please refer to our NatWest Markets New Issue Allocation Principles, Investor Hedging Activity and Stabilisation document which is available at <https://www.nwm.com/media/2022/nwm-new-issue-information.pdf> for further information about our allocation principles in respect of: (i) new issues of debt capital markets securities; (ii) the hedging activities that may be carried out by investors at the time of bringing a new issue to market; and (iii) the circumstances in which we might recommend stabilisation activity on your new issues.
- 6.11. If you have entered into or intend to enter into products or transactions with us referencing the London Interbank Offered Rate (LIBOR) you acknowledge that you have read and understood our LIBOR Risk Disclosure available at <https://www.nwm.com/disclosures/libor-risk-disclosure>.

## 7. Product Governance

- 7.1. Under the FCA Rules we are required to ensure that when we manufacture and/or distribute investments, we comply with certain product governance requirements including, for example, defining a target market for investments

(which we do separately from any specific suitability or appropriateness assessment). Unless you tell us otherwise we will assume that you are acting for your own account and not as a distributor for the purposes of these requirements.

- 7.2. When we make different products and services available to you we will do so in accordance with the FCA Rules relating to the promotion, manufacture and distribution of investments and other products. Where certain investments or other products are the subject of restriction or product intervention by the FCA (or other competent authority) we may not be able to make such investments or other products available to you, depending on your classification as a client and depending on the service we are providing to you.

## 8. Our Authority and Duties

- 8.1. We accept instructions to deal in writing, via electronic communication or by telephone. Any instruction is transmitted at your own risk and we shall not be liable for any loss suffered on account of any instruction not being received by us.
- 8.2. We may at our absolute discretion refuse to accept or act in accordance with any instruction given by you. Where we refuse to act on any instruction, we will notify you of our refusal but we will not be under any obligation to give a reason for a refusal to act. We may accept and act upon, without further enquiry, any instructions believed by us in good faith and on reasonable grounds to be genuine. Nothing in these Terms shall oblige us to do anything that we believe to be contrary to any Applicable Regulations.
- 8.3. Without prejudice to clause 30.1 (*Exclusion of Liability/Indemnities*), we accept no liability for the partial or non-completion of or delay in completing any instructions given by you or accepted by us where this is caused by systems failure, market closure or other exceptional circumstances, including any instance where there is not a reasonable amount of time available to execute the transaction prior to the closure of the particular market or within any specified time limit. Further, we shall not be held liable for any loss you may incur arising from any delay or change in market conditions before such transactions may be effected, whether caused by the inability to communicate with market makers, computer failure, labour dispute or any other reason beyond our reasonable control.
- 8.4. By continuing to do business with us under these Terms, you confirm that you agree and give your consent to our Order Execution Policy a summary of which is available at <https://www.nwm.com/media/1618/natwest-markets-order-execution-policy.pdf> and you agree that we may execute an order on your behalf outside any regulated market, organised trading facility or multilateral trading facility (each as defined in the FCA Rules and each a "Trading Venue"). Any material changes to our Order Execution Policy will be made available via the pdf above. We will consider the placement of orders by you to constitute your continued consent to our Order Execution Policy.
- 8.5. We have the right (but are not obligated) to set limits and/or parameters to control your ability to place orders at our absolute discretion. Such limits and/or parameters may be amended, increased, decreased, removed or added to by us at our absolute discretion.
- 8.6. We may require you to limit the number of open positions which you may have with us at any time and we may in our sole discretion close out any one or more transactions in order to ensure that such position limits are maintained.
- 8.7. Unless otherwise notified in writing to NatWest Markets, you instruct us not to immediately make public (where we would otherwise be required to do so by Applicable Regulations) any of your client limit orders in respect of shares admitted to trading on an EEA Trading Venue which are not immediately executed under prevailing market conditions, unless NatWest Markets decides in its discretion to do so. Where NatWest Markets use another firm to execute the limit order, that firm may have discretion in how that order is executed and whether the order is published where it is not immediately executed.
- 8.8. You warrant that all securities which you instruct us to sell are free from any charges, liens or encumbrances.
- 8.9. We may employ agents or contractors on such terms as we think fit to assist us in providing the services to you. The employment of agents or contractors will in no way limit the obligations owed to you by us under these Terms.
- 8.10. We may engage in hedging or other positioning activity for our own account before or after the provision of a price to you for a transaction in order to manage our exposure under that transaction, our general market risk, or other trading activities. This may require NatWest Markets to execute trades in such instrument and related instruments. Such activity may detrimentally affect the price you receive or whether a barrier or level that has been specified has been reached. Any profits derived from these trades may be retained by NatWest Markets.
- 8.11. Any information we provide to you relating to transactions is believed, to the best of our knowledge and belief at the time it is given, to be accurate and reliable, but no further representation is made or warranty given or liability accepted, as to its

completeness or accuracy. Such information does not constitute an assurance or a guarantee as to the expected outcome of any such transaction. You should also be aware that market conditions and pricing may change between the time we provide you with information and the time you approach us with a view to entering into a trade.

## 9. Your Authority and Duties

- 9.1. You hereby represent, undertake and warrant to NatWest Markets on the date of these Terms and on a continuing basis that:
- a) you have and will maintain in effect all necessary consents, authorisations, approvals and (if you are not an individual) powers in your constitution in relation to all transactions covered by these Terms and that you have complied with and will comply with all Applicable Regulations, including where you are acting as agent;
  - b) you have full capacity and authority to enter into these Terms and each transaction under these Terms;
  - c) your execution, delivery and performance of these Terms and each transaction do not and will not violate, contravene, conflict with or constitute a default under any provision of your constitutional documents (where applicable) or any Applicable Regulations;
  - d) you will provide to us on request such information regarding your financial or business affairs as we may reasonably require in order to comply with our obligations under the FCA and PRA Rules and that all information supplied to us will be true and accurate in all material respects and you will not omit or withhold any information which would render the information so supplied to be false or inaccurate in any material respect and that you will keep any information so provided updated during the term of these Terms;
  - e) you will notify us of any changes to your business which may impact our ability to continue to provide services to you under these Terms, including moving your registered office to another jurisdiction; and
  - f) you will provide to us such information as we may from time-to-time request from you, to enable us to comply with our regulatory reporting obligations in respect of the services that we provide to you.

## 10. Sanctions

- 10.1. You hereby acknowledge that NatWest Markets may be requested by regulators, or may otherwise be required under applicable anti-money laundering legislation to obtain further information on you or any underlying clients on whose behalf you act. Upon reasonable request from us, you will use reasonable endeavours to assist NatWest Markets to obtain such information to the extent permissible under Applicable Regulations.
- 10.2. You confirm that you have determined that neither you nor any of your underlying clients are, and to the best of your knowledge and belief, none of the counterparties that you engage for and on behalf of yourself or your underlying clients is:
- a) located in, operating from, or incorporated under the laws of a country subject Comprehensive Sanctions; or
  - b) a person (legal or natural) subject to Economic Sanctions or owned or controlled by such a person.

For the purposes of this clause 10.2, Economic Sanctions means any economic sanctions or trade restrictions imposed by any rule, regulation or statute maintained by the United Kingdom, the EU, the United Nations, the United States and including, without limitation, those administered by Her Majesty's Treasury of the United Kingdom and the Office of Foreign Assets Control of the United States Treasury Department.

For the purpose of this clause 10.2 Comprehensive Sanctions means country or territory wide sanctions imposed by the United Kingdom, the EU, the United Nations or the United States which block all trade with a country or a region of a country.

- 10.3. To the extent that you, your underlying clients or the counterparties that you engage on your behalf (or on behalf of your underlying client) become subject to Economic Sanctions, or you become aware that Economic Sanctions are reasonably likely to be imposed, you will inform us immediately.
- 10.4. We reserve the right to terminate any transaction entered into under these Terms without prior notice in the event that Comprehensive or Economic Sanctions are anticipated or imposed.

## 11. Our Costs and Charges

11.1. Charges and expenses incurred by us pursuant to these Terms (including but not limited to applicable taxes and duties) are payable by you and by such payment arrangements at such times as we shall determine. Information on our costs and charges can be found at:

- a) <https://www.nwm.com/media/4746/fx-sales-margin-disclosure-feb20.pdf> for Currencies Business;
- b) <https://www.nwm.com/media/1620/natwest-markets-rates-margin-range-disclosure.pdf> for Fixed Income Business; and
- c) <https://www.nwm.com/media/1599/natwest-markets-bond-issuance-disclosure.pdf> for New Bond Issuance.

Where we have an on-going relationship with you, we will also provide you with information about the costs and charges of our services once they have been provided at least annually by way of a separate costs and charges disclosure document. Where we provide you with an aggregated costs and charges disclosure you may request an itemised breakdown from us. We will provide such breakdown to you where we are required to by Applicable Regulations or otherwise at our discretion.

11.2. If you are a Professional Client, we will provide you with appropriate information on our costs and charges, including information on the costs and charges in connection with our investment services and the financial instruments marketed to you and how you may pay for them, which will encompass any third party payments. However, as a Professional Client, you agree that we may, as permitted under Applicable Regulations, provide you with a more limited disclosure which may be less detailed than we would be required to provide to you in the absence of such agreement. In particular, this limited disclosure will not include:

- a) information on applicable currency conversion rates and costs, where any part of the total costs and charges is to be paid in, or represents an amount of foreign currency; or
- b) an illustration showing the cumulative effect of costs on return.

11.3. NatWest Markets is required to comply with the FCA Rules on inducements. This means in summary that we can only accept or retain or pay or provide inducements (such as fees, commissions, monetary or non-monetary benefits) if they meet certain conditions. The inducement must not impair compliance of our duty to act honestly, fairly and professionally in accordance with the best interest of our clients and it must enhance the quality of the relevant service to you. We must also make disclosures about the inducement to you before we provide you with the relevant service.

11.4. Before we provide you with services we will disclose to you information on payments and benefits and this will include a generic description of minor non-monetary benefits. Other non-minor benefits will be priced and disclosed separately. If we cannot ascertain in advance the amount of any payment or benefit to be received or paid, we can disclose to you the method of calculating that amount and we will provide you with information on the exact amount of the payment or the benefit after it has been paid or received. We will also inform you at least once a year about the actual amount of on-going payments or benefits received in connection with the services we provide to you.

11.5. If you are acting as a distributor (as separately notified to us), unless otherwise agreed you may not accept, retain, pay or provide any inducements on our behalf, in respect of our products that you may distribute from time to time.

## 12. Payment/Delivery

12.1. Unless we have agreed otherwise in writing, settlement of transactions shall be on a delivery versus payment basis. All payments and all certificates and other documents required to settle your transactions must be delivered by you in time to enable us to complete settlement promptly. Where documents and cleared funds are not held by us, we are not obliged to settle any transaction. If you default in paying any amount when it is due to us, then (unless otherwise agreed) interest will be payable to us at a rate of our cost of funding plus 1%. We may purchase financial instruments to cover your liability to deliver to us and may debit any of your accounts with any losses we suffer thereby.

12.2. We reserve the right to refuse, suspend or delay any payments, orders, instructions or settlements or to withdraw any services, without giving notice, where:

- a) we reasonably believe that such payment, order, instruction, settlement or service would contravene any Applicable Regulations; or
- b) it is a consequence of checks carried out as part of the proper operation of our payment processing systems; or
- c) in our reasonable opinion, it is prudent to do so in the interests of complying with sanctions or Applicable Regulations.

12.3. We do not accept liability for any delay, suspension or refusal, in the circumstances outlined in these Terms unless such delay, suspension or refusal is caused by our gross negligence, wilful default or fraud.

### 13. Authority to Debit Accounts

13.1. Where you maintain accounts with us, or our Affiliates, you agree that we shall be entitled to debit those accounts in respect of any amount due and payable to us.

### 14. Confirmations and Periodic Reporting

14.1. To the extent required by Applicable Regulations, we will provide you with a notice in a durable medium confirming the execution of an order and such of the trade confirmation as is applicable as soon as possible and no later than the end of the first business day following execution or (where we have received the confirmation from a third party) no later than one business day following receipt from the third party. Such confirmation may be provided in electronic format.

### 15. Regulatory Reporting

15.1. We may be obliged to make information about certain transactions public and/or available to a regulatory authority or third party where we are required to do so in order to comply with any Applicable Regulation, regulatory reporting requirement, or the order of any court or pursuant to any request or requirement of any governmental or regulatory authority, bank examiner or statutory auditor, whether it is disclosed by us or a third party. We may also provide such information to and between our Affiliates, or any persons or entities who provide services to the NatWest Group, including any head office, branches or Affiliates. You agree and consent to us providing information about your transactions in such circumstances and acknowledge that any and all proprietary rights in such transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we reasonably disclose. You also represent that you have obtained all necessary consents from your employees, beneficial owners and associated persons to our use and disclosure of their information as provided for in this clause 15.1.

15.2. In addition, where you are an EEA investment firm and we execute a transaction with you outside of a Trading Venue and the transaction is subject to publication in accordance with Applicable Regulations, you agree that the party acting as seller shall make public the information regarding the transaction in accordance with the requirements of Applicable Regulations, unless only one of you or we are a systematic internaliser in the given financial instrument and is also acting as the buyer, in which case the buyer will make the relevant transaction information public in accordance with the requirements of Applicable Regulations.

15.3. If you are a legal entity or investment vehicle, including a company, charity or trust, you acknowledge and agree that we cannot execute any transaction with or for you (or arrange a transaction) unless you have first obtained a legal entity identifier ("LEI") and provided this to us. If you require any information about this, please refer to the section of our website headed "Regulatory Information" at <https://www.nwm.com/disclosures>.

15.4. When we enter into a short sale with or for you we are required to determine on a best efforts basis the short sale transactions in which you are the seller. You acknowledge and agree that you will inform us when you intend to sell any security to which you do not have title at the time of such sale (i.e. when you are short selling). We will then apply the appropriate short selling indicator in our transaction reports. If you do not volunteer any information regarding this then we will populate the relevant fields of our transaction reports with the appropriate code to indicate that you have not disclosed this information.

### 16. Packaged Retail Investment Products (PRIIPs)

16.1. If you are a Retail Client then, as separately consented to in your Regulatory Consents Letter (which may include deemed consent by your continuing to do business with us under these Terms), in respect of certain transactions which are PRIIPs (primarily, derivative contracts), we may provide you with a key investor document ("KID") by means of a website or a durable medium other than paper. However, you have the right to request a paper copy of the KID free of charge. Representative KIDs will be provided to you in relation to OTC derivative PRIIPs and will be available on our website at <https://priips.natwestmarkets.com/>.

16.2. As mentioned in clause 7.1 (*Product Governance*), unless you tell us otherwise, we assume that you are not a distributor and in particular, are not advising on, or on-selling, a PRIIP to a Retail Investor.

## 17. Conflicts of Interest

- 17.1. NatWest Markets has in place a Conflicts of Interest Policy (“Conflicts Policy”) which sets out how we will identify, prevent or appropriately manage actual and potential conflicts of interest (“Conflicts”) that may arise through the provision of services to you. Below is a description of our Conflicts Policy. Further details of the Conflicts Policy are available on request.
- 17.2. We are required to take all appropriate steps to identify and to prevent or manage Conflicts where:
- a) the interests of NatWest Markets (or another NatWest Group entity) conflict directly with those of its clients;
  - b) the interests of NatWest Markets’ employees conflict with those of NatWest Markets’ clients; or
  - c) the interests of two or more of NatWest Markets’ clients compete with one another.
- 17.3. Our Conflicts Policy identifies, with reference to the activities and services we provide to clients, the circumstances which constitute or may give rise to Conflicts which involve a risk of damage to the interests of one or more of our clients. It also specifies the procedures and measures that we have put in place to prevent or manage such Conflicts.
- 17.4. To ensure that the Conflicts Policy is implemented effectively we seek to continually and proactively identify situations where potential Conflicts may exist, and govern those situations to ensure fair and proper outcomes. We also employ a number of techniques to manage and mitigate Conflicts, including:
- a) using physical and electronic information barriers to control the flow of information between certain parts of the business;
  - b) separate supervision of our employees who are involved in different business activities providing services to clients whose interests may conflict;
  - c) a remuneration policy to avoid our employees being remunerated in a way that creates Conflicts;
  - d) maintaining and reviewing a Conflicts Register; and
  - e) provision of internal guidance and training to relevant employees to raise their awareness of Conflicts and how to deal with Conflicts when they arise.
- 17.5. Where Conflicts arise we will seek to ensure that they are appropriately managed. Where we do not believe that the arrangements under our Conflicts of Interest Policy to prevent or manage a particular Conflict are sufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, we are required to disclose to you the nature and sources of the Conflict, as well as the risk to you that arises as a result of the Conflict and the steps taken by us to mitigate these risks. Such information will be provided in sufficient detail to enable you to take an informed decision with respect to our services.
- 17.6. You should be aware that in some circumstances appropriate management of any Conflicts and fair treatment of the relevant parties may only be achieved by our declining to enter into transactions with you.

## 18. Cancellation, Close Out and Restructuring

- 18.1. If you approach us to cancel, close out or restructure a trade which has been entered into between us, we are under no obligation to do this. Where we agree to do this, the termination or restructuring (as the case may be) may result in you paying a break cost to us (although in certain circumstances you may receive a break benefit) depending on the transaction. Such break costs will be calculated based on prevailing market conditions by reference to current market levels and market expectations of future performance and future obligations under the transaction and may include associated costs such as credit charges and our costs of funding and may be **substantial**. Illustrations will be provided to you separately, as necessary, when specific products are discussed.
- 18.2. In the event of any dispute regarding any transaction, we may in our absolute discretion cancel, terminate, reverse or close out the whole or part of any position resulting from and/or relating to such transaction.
- 18.3. If a transaction is terminated, following a default by either you or NatWest Markets or otherwise in accordance with the terms of the transaction, the early termination value of such transaction will be determined by reference to the early termination provisions set out in the contract between you and NatWest Markets with respect to such transaction. The early termination value will be likely to differ from the most recent valuation and may be more unfavourable to you.

- 18.4. Without prejudice to our other rights, we reserve the right, at your cost and expense, to sell or realise investments which we hold for you or are entitled to receive from you, to purchase investments, to make delivery on your behalf and to cancel, close or hedge any outstanding transactions or positions without prior notice and at whatever price and in whatever manner we think fit, if:
- a) you have failed for any reason to settle a transaction or you are otherwise in breach of these Terms; or
  - b) we otherwise become entitled to terminate these Terms forthwith without notice; or
  - c) we consider, in our absolute discretion, that such action is necessary to protect our interests or those of any Affiliate(s).
- 18.5. Any proceeds arising from such actions or disposals will be applied to reduce or discharge your liabilities or indebtedness to us. You will be liable to us and shall indemnify us against all liabilities, costs, losses, claims and expenses incurred by us in respect of any action taken pursuant to this clause.

## 19. Margin Payments

- 19.1. We may enter into transactions in options, futures or contracts for differences which may result in you having to provide margin payments, that is to say, a deposit of cash or securities as security for unrealised losses which have occurred or may occur in relation to your transactions. Payments may be required both on entering into a transaction and on a daily basis throughout the life of the transaction if the value of the transaction moves against you. The movement in the market price of your transaction will therefore affect the amount of margin payment you will be required to make.
- 19.2. Margin may be provided in the form of cash or other assets acceptable to us at our discretion.
- 19.3. If you fail to provide margin when required to do so we (or any applicable exchange, central clearing house or counterparty) will have the right to close out your positions and exercise the rights described in clause 18.

## 20. Rights over Clients' Investments

- 20.1. You acknowledge that your obligations (whether present, future, actual or contingent) under any transaction shall (unless otherwise agreed) be secured by all present and future security which NatWest Markets may hold from time to time for all your liabilities and for the avoidance of doubt nothing herein stated is intended to vary any such security.

## 21. Monitoring and Recording

- 21.1. Electronic communications and telephone conversations between us may be monitored and or recorded for training purposes, internal investigations, to check instructions, for legal reasons or to meet regulatory requirements in accordance with Applicable Regulation. Those recordings may be used by us in evidence in the event of a dispute with you. A copy of the recordings of such conversations and communications between us will be available to you upon request for a period of five years and in some cases, where requested by the FCA or another relevant regulatory authority, for a period of up to seven years.

## 22. Data protection

- 22.1. We may process personal data in connection with these Terms and the products and services that we provide under them. "Personal data" means data that relates to a living individual who can be identified from that data (either by itself or when it is combined with other data).
- 22.2. Information about our processing of personal data in connection with these Terms and the products and services that we provide under them is available at <https://www.nwm.com/media/5323/nwm-client-privacy-notice.pdf> (our "Privacy Notice"). **You should read this information carefully.**
- 22.3. Where we refer to information or data in clauses 23 to 27, this does not include personal data (our processing of which is described in our Privacy Notice).

22.4. If you are an individual, our Privacy Notice applies to our processing of your personal data. If you are not an individual, our Privacy Notice applies to our processing of any personal data that you provide to us or that we otherwise process in connection with the products and services that we provide to you.

22.5. In respect of any personal data relating to a third party individual that you provide to us, you must:

- a) have satisfied a statutory ground under data protection law permitting you to transfer the relevant personal data to us for us to use in accordance with our Privacy Notice;
- b) have notified the third party that you are providing their personal data to us and explained the reasons for this and/or have obtained their consent where required by Applicable Regulations,
- c) provide the third party with a copy of our Privacy Notice and these Terms;
- d) promptly notify the third party of any changes to our Privacy Notice that we notify you of; and
- e) ensure that, to the best of your knowledge, the personal data is accurate and up to date, and promptly notify us if you become aware that it is incorrect.

22.6. If you are a corporate entity, you must notify your employees, beneficial owners and associated persons that we may process their personal data in connection with these Terms and draw their attention to our Privacy Notice and any changes to our Privacy Notice that we notify you of.

## 23. The Information we hold about you

23.1. Your information is made up of all the current and historical financial, institutional information we hold about you and your transactions. It includes:

- a) information you give to us;
- b) information that we receive from third parties (including our Affiliates, your officers and officers of your associated organisations claiming to be acting with your authority, third parties who provide services to you or us and credit reference or fraud prevention agencies);
- c) information that we learn about you through our relationship with you and the way you operate your accounts and/or services;
- d) information that we gather from the technology which you use to access our services (for example location data from your mobile phone, or an Internet Protocol (IP) address or telephone number); and
- e) information we gather from publicly available sources, such as the press, company registers and online search engines.

## 24. How we use your information

24.1. We may use your information to:

- a) assess and process applications, verify your identity, provide you with products and services that you ask us to provide and manage our relationship with you;
- b) contact you in connection with the products and services that we provide to you;
- c) perform our obligations and exercise our rights under these Terms and the terms and conditions of any separate or supplementary agreement that you enter into with us;
- d) understand our customers' preferences, expectations and financial history in order to improve the products and services we offer them;
- e) carry out financial (including credit) and insurance risk assessments and for risk reporting and risk management;
- f) develop, test, monitor and review the performance of products, services, internal systems and security arrangements offered by us or our Affiliates;

- g) comply with our legal obligations and ensure the compliance of other Affiliates with their legal obligations, such as anti-money laundering laws and legal obligations which mandate the reporting and/or retention of transaction and similar information or the reporting of unresolved disputes to regulatory bodies, authorities or agencies;
- h) assess the quality of our service to customers and to provide staff training;
- i) improve the relevance of offers of products and services by our Affiliates to our customers;
- j) recover debt;
- k) confirm your identity; and
- l) comply with sanctions and prevent and detect crime, including fraud and money laundering.

24.2. Unless you expressly inform us otherwise, you agree we may from time to time make general reference to our relationship with you (including use of your name, trademark and/or corporate logo) in our external marketing and related materials. These materials may be displayed or provided to third parties. You confirm that you own and/or have the right to use, and may permit third parties to use, your trademarks and corporate logos.

## 25. Sharing your information with third parties

25.1. In addition to our Affiliates, we may share your information in the following circumstances (which may involve transfer overseas):

- a) where we have your or your agent's express or implied permission;
- b) where we are required or requested to do so by law and/or by law enforcement agencies, judicial bodies, government entities, tax authorities or regulatory bodies around the world;
- c) to third party service providers, agents and sub-contractors acting on our behalf, such as the companies which print our account statements;
- d) to debt collection agencies;
- e) to credit reference and fraud prevention agencies;
- f) to companies providing industry credit benchmarking services;
- g) to other companies that provide you with benefits or services (such as insurance cover) associated with your product or service;
- h) where required for an actual or potential sale, reorganisation, transfer or other transaction relating to our business;
- i) any exchange, depository, clearing house or settlement system, swap data depository or trade repository and their third party services providers (whether local or global) where we are required to disclose in order to provide you with products and services;
- j) any person under a duty of confidentiality to us (and/or our Affiliates) in relation to your information or who have undertaken to keep such information confidential, including our professional advisers and auditors;
- k) in an anonymous form as part of statistics or other aggregated data shared with third parties; or
- l) where permitted by law, it is necessary for our legitimate interests or those of a third party, and it is not inconsistent with the purposes listed above.

## 26. Sharing your information with credit reference and fraud prevention agencies

26.1. In order to meet our legal and regulatory obligations, we may (at the commencement of the relationship and periodically) request and share information about you, your business or the proprietors of that business from or with credit reference agencies. Those agencies may keep a record of our request(s). We may also consider any financial connections you have with third parties.

26.2. In order to prevent and detect fraud and/or money laundering, the information provided by you may be checked, shared with and accessed by fraud prevention agencies, including organisations from other countries. If false or inaccurate information is provided and/or fraud is identified or suspected details may be recorded with these agencies to prevent fraud and money laundering. Law enforcement agencies may access and use this information.

## 27. Security of your information

- 27.1. We are committed to ensuring that your information is secure with us and with the third parties who act on our behalf. For more information about the steps we are taking to protect your information please visit <https://personal.natwest.com/personal/fraud-and-security.html>.

## 28. Client Money and Client Assets

- 28.1. Save as expressly stated in any agreement between you and us, in the normal course of business we will not hold Client Money (as defined by the FCA Rules). Money held by us or our Affiliates in an account with us or an Affiliate on your behalf will be held as a deposit by us as banker and not as trustee (or in Scotland, as agent).
- 28.2. As a result, money relating to designated investment business will not be held in accordance with the Client Money rules of the FCA (the "Client Money Rules"). If we, or one of our Affiliates, were to fail or become bankrupt, the Client Money Distribution and Transfer Rules (as defined by the FCA Rules) will not apply to deposits and you will not be entitled to share any distribution under those rules.
- 28.3. There may be limited circumstances in which we do hold Client Money, for example (but not limited to) pursuant to particular contractual terms agreed between us to that effect where Applicable Regulations require us to do so.
- 28.4. In the event that we, or one of our Affiliates, hold Client Money or other assets on your behalf, we will hold them in accordance with the client money and client asset requirements set out in Annex 2 of these Terms.
- 28.5. If you have any questions relating to how your money or assets are held at any given time please contact your usual NatWest Markets contact.

## 29. General Lien

- 29.1. All cash and securities ("Custody Assets") held by us or our nominees for you shall be subject to a general lien in NatWest Markets' favour, insofar as any outstanding obligations remain due from you to us.
- 29.2. Where any of your Custody Assets are held with a third party (including a sub-custodian, nominee, depositary or settlement system) you agree that such third party (or any person to whom the holding of your Custody Assets is delegated) may have a security interest, lien, right of set-off, or similar rights over your Custody Assets under the standard terms of such third party or other person where such rights are of a type routinely required by such third party or other person to cover exposures incurred in relation to the services provided by it, and to the extent permitted by the FCA Rules (except to the extent that rights on different terms are required by Applicable Regulations in a third country jurisdiction in which your Custody Assets are held by such a third party, and we take reasonable steps to determine it is in your best interests to hold your Custody Assets in such manner). Where your Custody Assets are held by a third party (or any person to whom the holding of your Custody Assets is delegated), and such third party or other person has a security interest, lien, right of set-off, or similar rights over your Custody Assets, you are exposed to the risk that such third party or other person may exercise such rights over your Custody Assets and reduce the amount of your Custody Assets even where you have not breached any of your obligations under this Agreement. If your Custody Assets are subject to a security interest, lien, right of set-off or similar right in a third country jurisdiction, then we will disclose further information to you indicating the risks associated with the arrangement and take other steps to make the ownership status of the asset clear, as required under the FCA Rules.

## 30. Exclusion of Liability/Indemnities

- 30.1. Nothing in these Terms will exclude or restrict any liability that we owe you under Applicable Regulations. Except to the extent that the same results from gross negligence, wilful default or fraud, we, our directors, officers, employees and agents shall not be liable for any loss resulting from any act or omission made under or in relation to or in connection with these Terms or the solvency, acts or omissions of any third party with whom we deal or transact business or who is appointed by us in good faith. We will make available to you, when and to the extent reasonably so requested and at your expense, details of any rights that we may have against such person.
- 30.2. If any action or proceeding is brought by or against us, against or by a third party, in relation to any transaction with or for you, you shall co-operate with us to the fullest extent possible in the prosecution or defence of such action or proceeding. Except to the extent that the same results from gross negligence, wilful default or fraud, you shall indemnify us and hold us harmless together with our Affiliates and our directors, officers, employees or agents, on a full indemnity basis from and against all actions, claims, liabilities, losses, damages and expenses of any nature arising from us dealing with you pursuant to these Terms.

30.3. To the extent possible under Applicable Regulations, we do not accept liability for any adverse tax implications of any transaction whatsoever.

## 31. Termination

31.1. The arrangements set out in these Terms may be terminated forthwith and without notice if:

- a) you admit to your inability to pay your debts as they fall due or enter into any scheme or arrangement with your creditors or, in the case of a company, file or have filed against you a petition for winding up, pass a resolution for winding up or have a receiver, liquidator, administrator or similar officer appointed over all or any part of your assets or undertaking or, in the case of an individual, a bankruptcy petition is presented or a trustee in bankruptcy is appointed or a protection order is made under the provisions of the Mental Health Act 1983 (or successor legislation); or
- b) we consider it necessary or desirable, for our own protection, or to prevent what we consider is or might be a violation of any Applicable Regulation or good standard of market practice.

31.2. Unless specified otherwise in these Terms and in accordance with Applicable Regulations, termination will be without prejudice to the completion of any outstanding transactions and any other legal rights or obligations which may already have arisen. You agree that such termination shall not affect:

- a) any representations, warranties, undertakings or indemnities made or given by you under these Terms, each of which shall survive such termination; and
- b) any other legal rights or obligations which have arisen prior to or upon termination (including, without limitation, where relevant in respect of any transactions which have been executed but have not yet been settled or cleared) and which remain undischarged at the point of such termination.

## 32. Communications

32.1. Save as otherwise agreed or where Applicable Regulations require otherwise, we will communicate with you, and send documents and other information to you, in English. Save as otherwise agreed or where Applicable Regulations require otherwise, you agree to communicate with us, and send documents and other information to us, in English and that we may communicate with you by post, telephone, electronic communication or (where your specific consent has been separately provided) through our website at <https://www.nwm.com/disclosures>.

32.2. You agree to our representatives or employees making, to the extent permitted by Applicable Regulations, unsolicited telephone calls, sending electronic communications to you (whether by facsimile, electronic mail or otherwise) or making personal visits to you from time to time, in order to provide you with dealing services or for any other related purpose. Please notify us if you no longer wish to receive such communications.

## 33. Electronic Channels

33.1. From time to time we may receive from you, or send to you, communications or instructions through an electronic channel, such as an electronic trading platform ("Electronic Channel"), including instructions relating to transactions. You shall comply with any terms and conditions imposed by the provider of the applicable Electronic Channel. You agree to be bound by any communication or instruction (including any resulting transaction) originating from or purported to have originated from you over any Electronic Channel that is accompanied by valid user identification or other authentication details. We do not give any warranty or representation as to the performance or fitness for purpose of any Electronic Channel. You acknowledge and agree that Electronic Channels may be subject to interruptions, errors (including errors in any data generated thereby), malfunctions and/or delays and that we are not liable for such issues. Transaction requests that you send to us over Electronic Channels may be subject to review by us and may be rejected. These Terms do not oblige us to enter into transactions with you over any Electronic Channel and we may suspend or terminate our trading with you over any such channel at any time, with or without notice.

### 34. Notices

- 34.1. Unless we have agreed otherwise in writing, any written notice sent by post shall be sent by first class mail and will be deemed delivered three business days after posting. Any written notice sent electronically or via facsimile will be deemed delivered one business day after transmission. Proof that the notice was posted or transmitted electronically to the correct postal or electronic address/number will be sufficient proof of delivery.
- 34.2. Notices for us should be addressed to: NatWest Markets, Client Onboarding, 2nd Floor, 250 Bishopsgate, London, EC2M 4AA.
- 34.3. We shall treat your registered office address, or such other address as we hold for you, as the relevant address for the service of notice to you unless you inform us in writing of any change of address from time to time.

### 35. Complaints and Compensation

- 35.1. A copy of our internal complaints handling procedure is available on our website <https://www.nwm.com/complaints> and on request. If you have a complaint about our services you should raise it in the first instance with your usual NatWest Markets contact. If you are not satisfied with the response given (or if you prefer not to raise the matter with your usual contact) you may raise the matter with our NatWest Markets Client Complaint Team using the following details:

NatWest Markets Plc  
Compliance & Conduct  
250 Bishopsgate, 2<sup>nd</sup> Floor  
London  
EC2M 4AA.

Email: [NWMComplaints@natwestmarkets.com](mailto:NWMComplaints@natwestmarkets.com)

- 35.2. If you are still not satisfied after following our complaints handling procedure, you may subsequently be entitled to complain directly to the Financial Ombudsman Service. You can find out more about the Financial Ombudsman Service in a leaflet available from NatWest Markets Conduct Advisory Department. Alternatively you can write to: Financial Ombudsman Service, Exchange Tower, London E14 9SR or telephone 020 7964 1000.
- 35.3. You may have the right to claim through the Financial Services Compensation Scheme for losses resulting from any default in relation to obligations owed under the FCA and PRA Rules. Payments under the Scheme to clients in the United Kingdom are limited to a maximum of £85,000 for deposits, £170,000 for joint account deposits, and £50,000 for investment business. Further details are available on request and further information can be obtained from the Financial Services Compensation Scheme at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or by telephone on 0800 0234567 or 020 77414100.

### 36. Amendment

- 36.1. We reserve the right at all times, subject to FCA and PRA Rules, to vary these Terms by written notice to you. You will be given 30 days' prior written notice in advance of any material variation taking effect, unless it is impracticable in the circumstances to give such notice.

### 37. Set-off

- 37.1. Without prejudice to any other rights to which we may be entitled, we may at any time and without notice to you set off any amount (whether actual or contingent, present or future) owed by you to us against any amount (whether actual or contingent, present or future) owed by us to you. For these purposes, we may ascribe a commercially reasonable value to any amount which is contingent or which for any other reason is unascertained.

### **38. Assignment and Transfer of Business**

- 38.1. You shall not be entitled to assign or transfer any of your rights or obligations under these Terms without our prior written consent. You agree that we shall be permitted to assign all of our rights under these Terms to any of our Affiliates without your consent. If our business, in whole or in part, is consolidated or amalgamated with, or merged into, or all or substantially all our assets are transferred to, another entity, you agree that we may assign or transfer our rights and, upon written notice to you, our obligations under these Terms to that entity.
- 38.2. In the event that we sell or otherwise transfer all or part of our business with you, you consent to the transfer of any Client Money sums and Custody Asset (as defined by the FCA Rules) balances held for you and relating to the business being transferred to a third party. Any Client Money sums and Custody Asset balances transferred will be held by the transferee on terms which require the transferee to return such sums or balances to you as soon as practicable at your request, and in accordance with the Client Asset Rules (as defined in the FCA Rules) or if not held in accordance with the Client Asset Rules, we will exercise all due skill, care and diligence in assessing whether the person to whom the Client Money or Custody Assets are transferred will apply adequate measures to protect these balances. In such an event, you will be notified no later than seven days after the transfer takes place.

### **39. Third Party Rights**

- 39.1. These Terms are personal to the parties and shall not be enforceable by any third party.

### **40. Severability**

- 40.1. Each provision of these Terms is severable and if any provision of these Terms is or becomes invalid under or contravenes Applicable Regulations, the remaining provisions shall not be affected and shall remain in full force.

### **41. Governing Law and Jurisdiction**

- 41.1. These Terms, all transactions under or pursuant to these Terms and any matter arising out of or in connection with these Terms, including non-contractual matters, are governed by and shall be construed in accordance with the laws of England and Wales and the courts of England and Wales shall have non-exclusive jurisdiction.

## **Annex 1: Contact Details for EEA Branches**

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### **Germany**

NatWest Markets Plc  
Niederlassung Deutschland  
Ulmenstraße 30  
D-60325 Frankfurt am Main  
Germany

Investment business conducted with this branch will be subject to the conduct of business rules of the Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin).

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### **Republic of Ireland**

NatWest Markets Plc  
  
George's Quay  
Dublin 2  
D02 VR98  
Republic of Ireland

Investment business conducted with this branch will be subject to the conduct of business rules of the Central Bank of Ireland.

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## Annex 2: Our obligations in respect of Client Money and Custody Assets

The latest version of this Annex is available at: <https://www.nwm.com/media/1631/nwm-client-money-and-custody-assets-statement.pdf>.

### 1. Client Money

- 1.1. In the event that we hold any money for you as Client Money, we will make arrangements for the money to be held in a segregated account separate from our own funds with a central bank, an EEA credit institution or a bank authorised in a non-EEA state in which Client Money is placed ("Client Bank Account") in accordance with the Client Money Rules. We may transfer client money to a third party such as (but not limited to) an exchange, clearing house or intermediate broker for the purpose of a transaction for you with or through that third party or to meet your obligation to provide collateral.
- 1.2. Client Money will be subject to internal control mechanisms and proper accounting procedures in accordance with the Client Money Rules. The legal and regulatory regime applying to any such Client Bank Account or third party outside the EEA will be different from that applying within the EEA, and your rights in relation to that Client Money may differ accordingly. A list of the Client Bank Accounts that we use from time to time is available on request.
- 1.3. Unless otherwise agreed in writing, any Client Money held for you will be held for all clients in general Client Bank Accounts on an omnibus basis. This means that in the event of the failure of us or our Affiliates, any shortfall would be borne by all clients rateably in accordance with their entitlements in respect of the Client Money held for such clients on such basis. We have no responsibility or liability for any insolvency, acts or omission of any bank, credit institution or other third party to whom we may pass Client Money received from you.
- 1.4. Furthermore, in the event of the insolvency or any other analogous proceedings in relation to a Client Money bank or third party under a Client Money arrangement (a "Third Party Insolvency"), any shortfall caused by the insolvency of such Client Money bank or third party would also be borne by all such clients rateably in accordance with their entitlement and not just those whose Client Money was held with the relevant bank or other third party. The likelihood of any shortfall may be affected by whose rights have priority upon insolvency and the operations of any local compensation scheme. We would not be liable for any shortfall in respect of a Third Party Insolvency unless we had failed to comply with any duty of care or fiduciary obligation to which we were subject. We will only have an unsecured claim against the third party on behalf of you and our other clients, and you will be exposed to the risk that the money received by us from the third party is insufficient to satisfy the claims of you and all other clients with claims in respect of the relevant account with that third party.
- 1.5. We will not pay interest on balances held as Client Money unless otherwise agreed.

### 2. Treatment of Custody Assets

- 2.1. Where we hold Custody Assets for you we will register these assets either in your name, the name of our nominee, the name of our appointed sub-custodian (or their nominee) or exceptionally our name. Custody Assets will only be registered in our name or our appointed sub-custodian where required by local law or market practice outside of the United Kingdom (and only to the extent permitted by the FCA's client asset rules ("Custody Rules")).
- 2.2. Where Custody Assets will be held with a third party outside the UK or in our name or the name of our Affiliates, we will take reasonable care to satisfy ourselves that it is in your best interests to do so or there is no feasible alternative because of Applicable Regulations or market practice. Custody Assets will be subject to internal control mechanisms and proper accounting procedures in accordance with the applicable custody rules.
- 2.3. Please be aware that your Custody Assets may be pooled with those of other clients of ours, or the Sub-Custodian in one omnibus account. Holding investments in an omnibus account is standard practice for service providers. However, you should be aware that in the event of a shortfall in our insolvency or that of the third party, you may not receive all of your Custody Assets and may share rateably in accordance with all clients' entitlements subject to Applicable Regulation. Furthermore, delays in identifying individual investments may result in an increased risk of loss. Where we use a third party to hold assets we will take appropriate care to ensure these parties have sufficient expertise and market reputation.

- 2.4 **Warning:** Where Custody Assets will be held with a third party outside the UK or in our name, it may not be possible under local law to register or record your Custody Assets separately from our assets, with the risk of delay and loss in the event of our insolvency. We may hold Custody Assets with a third party, located outside the EEA. The legal and regulatory regime applying to any such accounts or third party would be different from that applying within the EEA, and your rights in relation to that Custody Asset may differ accordingly.
- 2.5 Where Custody Assets are held by third parties we would not be liable for the acts, omissions or insolvency of any third party, other than any nominee company controlled by us, or controlled by any of our Affiliates, unless we had failed to comply with any duty of care or fiduciary or other applicable regulatory obligation to which we were subject. Consequently, if a third party becomes insolvent, there may be some risk to your Custody Assets if all or part of your Custody Assets held by such party are not delivered to our order by the third party's insolvency official. By conducting business with us under these Terms you consent to your Custody Assets being held in this manner where relevant.

### **3. Statements**

- 3.1 We will provide you with statements in respect of any Client Money sums or Custody Assets held for you at least quarterly, as required by the Client Asset Rules. You are entitled to request at any time a statement of the Client Money or Custody Assets held for you under this Agreement. You agree that for the provision of any such statement, we may charge you such amount as we determine to reasonably correspond to our actual costs for providing such statement.
- 3.2 We will not provide you with a quarterly statement where we provide you with access to an online system through which you can access up-to-date statements of your Client Money or Client Asset holdings. However, if you do not access valuations through such online system at least once per quarter, we will revert to providing you with quarterly statements.

### **4. Shortfalls**

- 4.1 In the event that a shortfall in Custody Assets is identified through reconciliations or otherwise, until we resolve that shortfall we may hold the firm's assets under the Custody Rules, or segregate an equivalent sum of money as Client Money, or a combination of both, to make good such a shortfall. Where we determine that a third party is responsible, we will take all reasonable steps to quickly resolve the situation with the relevant party.

### **5. Dormant Accounts**

- 5.1 In the event that there has been no movement other than in respect of payment or receipt of interest, charges or similar items on your account in respect of Client Money, or we have not received instructions from you in relation to your Custody Assets for the prescribed period, and we can demonstrate we have taken reasonable steps to trace you and return your Client Money or Custody Assets, we may cease to treat such sums as Client Money or liquidate such Custody Assets and pay away the balances to charity as permitted by Applicable Regulations. The prescribed periods are 6 years for Client Money and 12 years for Custody Assets. Prior to paying any such sums away we will have made all reasonable steps to trace you and return your Client Money or Custody Assets as required by the FCA. We unconditionally undertake that should you subsequently submit a valid claim to your Client Money or Client Assets, we will pay to you a sum equal to the value of the Client Money or Custody Assets at the time they were liquidated or paid away (as applicable).

### **6. Compensation**

- 6.1 Please refer to the Complaints and Compensation Section for details of compensation that may be available to you.