

**COMMERZBANK**

The bank at your side



# Terms of business for eligible counterparties



22 November 2022

# Contents

- 3 Eligible counterparty agreement**
- 13 Conflicts of interest policy**
- 15 Emerging markets risk disclosure statement**
- 17 Transactions in “non-investment” products**
- 18 Agency module**
- 21 Equities module**
- 24 Fixed income securities module**
- 26 Futures and options module**
- 28 Futures and options product information**
- 31 Trustee annex to the netting provisions**
- 33 MiFID II/MiFIR module**
- 38 Annex: Standardised cost information**

# Eligible counterparty agreement

This client agreement, together with all Modules and accompanying documents, (including the cover letter), as amended from time to time, (this "Agreement"), sets out the terms of the contract between you and us. It is, therefore, very much in your interests to read it carefully.

## 1 General information

### 1.1 Information about us

Commerzbank AG London Branch is authorised and regulated by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and the European Central Bank. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. (FRN: 124920) Registered in England and Wales (Company Number: FC008139) Registered Office: 30 Gresham Street, London EC2P 2XY.

### 1.2 Capacity

We act as principal and not as agent on your behalf. We shall treat you as an eligible counterparty for the purposes of the FCA Rules. You have the right to request a different client categorisation offering a greater level of regulatory protection, but in that event we may not be able to provide our services to you. You act as principal and not as agent (or trustee) on behalf of someone else.

### 1.3 Commencement

This Agreement supersedes any previous agreement between you and us on the same subject matter. This Agreement shall apply to all Transactions contemplated under this Agreement provided that in the event of conflict between this Agreement and any master agreements between you and us that govern Transactions, then those master agreements shall prevail.

### 1.4 Subject to Applicable Regulations

This Agreement and all Transactions are subject to Applicable Regulations so that:

- (i) if there is any conflict between this Agreement and any Applicable Regulations, the latter will prevail;
- (ii) nothing in this Agreement shall exclude or restrict any obligation which we have to you under Applicable Regulations;
- (iii) we may take or omit to take any action we consider necessary to ensure compliance with any Applicable Regulations;
- (iv) all Applicable Regulations and whatever we do or fail to do in order to comply with them will be binding on you;
- (v) such actions that we take or fail to take for the purpose of compliance with any Applicable Regulations shall not render us or any of our directors, officers, employees or agents liable; and
- (vi) you agree to comply with all Applicable Regulations.

### 1.5 Market action

If a Market (or intermediate broker or agent, acting at the direction of, or as a result of action taken by, a Market) or regulatory body takes any action which affects a Transaction, then we may take any action which we, in our reasonable discretion, consider desirable to correspond with such action or to mitigate any loss incurred as a result of such action. Any

such action shall be binding on you. If a Market or regulatory body makes an enquiry in respect of any of your Transactions, you agree to co-operate with us and promptly to supply information requested in connection with the enquiry.

### 1.6 Charges

You shall pay our charges as agreed with you from time to time, any taxes imposed by any competent authority on any account opened or Transaction effected by or cleared for you; any fees or other charges imposed by a Market or any clearing organisation; interest on any amount due to us at the rates then charged by us (and which are available on request); and any other value added or other applicable taxes of any of the foregoing, including any withholding tax.

### 1.7 Payments

All payments to us under this Agreement shall be made in same day funds in a relevant currency required for settlement of the Transaction to the bank account designated by us for such purposes. All such payments shall be made by you without any deduction or withholding.

**1.8 Remuneration and sharing of charges** We may receive remuneration from, or share charges with, an Associate or other third party in connection with Transactions carried out on your behalf.

### 1.9 Description of service

A description of the main characteristics of the service we will provide is as follows:

The majority of services covered by this Agreement are provided by that part of Commerzbank AG, London Branch which is included within Commerzbank Corporates and Market (CBCM). CBCM is the integrated Corporate and Investment Banking division of Commerzbank AG, and provides corporate, retail and institutional clients with a comprehensive range of commercial and investment banking products.

CBCM maintains a considerable presence in international capital markets through its activities in credit, equities, interest rates and foreign exchange, with a strong focus on derivatives and structured products. CBCM develops innovative solutions to meet its clients' capital and debt-raising needs and offers them access to a broad array of investment and risk management products across all major asset classes.

Commerzbank AG, London Branch also provides other services that are covered by this Agreement, such as those related to wholesale money market products.

### 1.10 Language

This Agreement is supplied to you in English and we will continue to communicate with you in English for the duration of this Agreement.

## 2 Right to cancel

### 2.1 Right to cancel

You should note that you are not entitled to cancel this Agreement (but you can terminate it as set out in the Termination clause).

## 3 No advice

### 3.1 Execution only

We deal on an execution-only basis and do not advise on the merits of particular Transactions, or their taxation consequences.

### 3.2 Own judgement and suitability

In asking us to enter into any Transaction, you represent that you have been solely responsible for making your own independent appraisal and investigations into the risks of the Transaction and that you have sufficient knowledge, market sophistication, professional advice and experience to make your own evaluation of the merits and risks of such a Transaction. We give you no warranty as to the suitability of the products traded under this Agreement and assume no fiduciary duty in our relations with you.

**3.3 Incidental information and investment research** Where we do provide trading recommendations, market commentary or other information:

- a) this is incidental to your dealing relationship with us. It is provided solely to enable you to make your own investment decisions and does not amount to advice;
- b) if any relevant document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, you agree that you will not pass it on to any such person or category of persons;
- c) we give no representation, warranty or guarantee as to the accuracy or completeness of such information or as to the tax consequences of any Transaction;
- d) where information is in the form of a document containing a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, you agree that you will not pass it on contrary to that restriction;
- e) you accept that prior to despatch, we may have acted upon it ourselves or made use of the information on which it is based. We do not make representations as to the time of receipt by you and cannot guarantee that you

Terms of business for eligible counterparties will receive such information at the same time as other clients. Any published research reports or recommendations may appear in one or more screen information service.

Please refer to our Conflicts of Interest Policy (included herein) for further information on how we manage conflicts which would affect the impartiality of investment research we provide to you.

## 4 Confidentiality and data protection

### 4.1 Confidentiality

We will treat all information we hold about you or your account or Transactions as confidential, even when you are no longer a client. You agree, however, that we may disclose this information to other companies in our Group and that we and they may disclose it to those who provide services to us or act as our agents; to anyone to whom we transfer or propose to transfer any of our rights or duties under this Agreement; to credit reference agencies or other organisations that help us and others make credit decisions and reduce the incidence of fraud or in the course of carrying out identity, fraud prevention or credit control checks; to regulators and governmental agencies, in any jurisdiction, where we are required to do so by Applicable Regulations; there is a public duty to disclose or our interests require disclosure; at your request; or with your consent.

### 4.2 Data protection

Before providing us with any information relating to identifiable living individuals in connection with this Agreement you should provide the following information to those individuals (except where they already have the information):

- a) the categories of personal data that you are providing to us;
- b) our identity, and that they can contact us at [dataprotection.london@commerzbank.com](mailto:dataprotection.london@commerzbank.com) and our data protection officer at Data Protection, Commerzbank AG 30 Gresham Street, London, EC2V 7PG;
- c) that we may process their personal data as data controller for the purposes of:
  - (i) administering and operating your account;
  - (ii) complying with Applicable Regulations;
  - (iii) our legitimate interests, in particular in the course of the operational support and development of our businesses, including to evaluate customer service, efficiency and cost, as well as risk management purposes;
  - (iv) carrying out credit, money laundering and conflict checks for the prevention of fraud and financial crime;
  - (v) exercising and defending our legal rights anywhere in the world;
  - (vi) complying with legal and regulatory requests made to us anywhere in the world;
  - (vii) reporting (including without limitation transaction reporting and position reporting) to, and audits by, national and international regulatory, enforcement or exchange bodies and complying with court orders associated with us.
- d) that this processing is permitted by applicable data protection law because it is
  - (i) necessary for the purposes of our legitimate interests in pursuing the purposes set out above (which are not overridden by prejudice to the relevant individuals' privacy); and/or, in some cases,
  - (ii) necessary so that we can comply with Applicable Regulations;
- e) that we may disclose their personal data to relevant persons in (c) above and to persons specified in clause 4.1 of this Agreement;
- f) that this may involve transfer of their personal data to any country, including countries outside the European Economic Area, but that in those cases, except where the relevant country has been determined to ensure an adequate level of data protection by the European Commission or we need to make the transfer in order to perform a contract concluded in the interests of the relevant individual, we will ensure that the transferred personal data are protected by a data transfer agreement. You

may obtain further details of these transfers and agreements by contacting our Data Protection officer at [dataprotection.london@commerzbank.com](mailto:dataprotection.london@commerzbank.com).

- g) that we will retain their personal data for as long as necessary to meet legal, regulatory and business requirements. Retention periods may be extended if we are required to preserve personal data in connection with litigation, investigations and proceedings;
- h) that they have rights of access to and rectification or erasure of their personal data and to restrict or object to its processing, which they can exercise by contacting us (see paragraph (b) above); and
- i) can lodge complaints about our processing of their personal data with the Office of the Information Commissioner ([www.ico.org.uk](http://www.ico.org.uk)).

## 5 Instructions and basis of dealing

### 5.1 Placing of instructions

You may give us instructions in writing (including fax), by email or other electronic means or orally (including by telephone), unless we tell you that instructions can only be given in a particular way. We have the right to refuse to take instructions from you, provided we give you prompt notice of such refusal. We will not be liable for any action we take in good faith, pursuant to receipt of instructions from you, nor will we be responsible for verifying the accuracy of instructions received from you. If you give instructions by telephone, your conversation will be recorded. If any instructions are received by us by telephone, computer or other medium, we may ask you to confirm such instructions in writing. We shall be authorised to follow instructions notwithstanding your failure to confirm them in writing. Instructions for the simultaneous sale and purchase of a security on behalf of the same beneficial owner may not be given under this Agreement. In this Agreement "instructions" and "orders" have the same meaning.

### 5.2 Confirmations

We shall send you confirmations for any Transactions that we have executed on your behalf, by electronic mail to the email address notified by you or by such other means agreed between you and us. It is your responsibility to inform us of any change to your email address, the non-receipt of a confirmation, or whether any confirmations are incorrect before settlement. Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within two Business Days of despatch to you or we notify you of an error in the confirmation.

**5.3 Intermediate brokers and other agents** We may, at our entire discretion, arrange for any Transaction to be effected with or through the agency of an intermediate broker, who may be an associate of ours, and may not be in the United Kingdom. Neither we nor our respective directors, officers, employees or agents will be liable to you for any act or omission of an intermediate broker or agent. No responsibility will be accepted for intermediate brokers or agents selected by you.

### 5.4 Performance and settlement

You will promptly deliver any instructions, money, documents or property deliverable by you under a Transaction in accordance with that Transaction as modified by any instructions given by us for the purpose of enabling us to perform our obligations under the relevant matching Transaction on a Market or with an intermediate broker. All Market Transactions should be settled or delivered in accordance with the relevant Market Rules. You acknowledge that Markets have cut-off times, and that we may not always be able to settle a Transaction on the due date for settlement.

### 5.5 Position limits

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.

### 5.6 Trade Reporting

Under Applicable Regulations, we may be obliged to make information about certain Transactions public. You agree 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.

## 6 Electronic trading terms

### 6.1 Scope

Subject to any existing agreement between us for the provision of Electronic Services, these clauses apply to your use of any Electronic Services.

### 6.2 Access

Once you have gone through the security procedures associated with an Electronic Service provided by us, you will be entitled to access such service, unless agreed otherwise or stated on our website. We may change our security procedures at any time and we will tell you of any new procedures that apply to you as soon as possible.

### 6.3 Restrictions on services provided

There may be restrictions on the number of Transactions that you can enter into on any one day and also in terms of the total value of those Transactions when using an Electronic Service. You acknowledge that some Markets place restrictions on the types of orders that can be directly transmitted to their electronic trading systems. These types of orders are sometimes described as synthetic orders. The transmission of synthetic orders to the Market is dependent upon the accurate and timely receipt of prices or quotes from the relevant Market or market data provider. You acknowledge that a Market may cancel a synthetic order when upgrading its systems, trading screens may drop the record of such an order, and you enter such orders at your own risk.

### 6.4 Right of access

In respect of any Market to which we allow you to submit orders or receive information or data using the Electronic Services, we may at any time or times, on reasonable notice (which, in certain circumstances, may be immediate) inspect (or instruct our Market's sub-contractors to inspect) your System to ensure that it complies with the requirements notified by us to you from time to time and that you are using the Electronic Services in accordance with this Agreement and any requirements of any relevant Market or Applicable Regulations.

### 6.5 Access requirements

You will be responsible for providing the System to enable you to use an Electronic Service.

### 6.6 Virus detection

You will be responsible for the installation and proper use of any virus detection/ scanning program we require from time to time.

### 6.7 Use of information, data and software

In the event that you receive any data, information or software via an Electronic Service other than that which you are entitled to receive pursuant to this Agreement, you will immediately notify us and will not use, in any way whatsoever, such data, information or software.

**6.8 Maintaining standards** When using an Electronic Service you must:

- a) ensure that your System is maintained in good order and is suitable for use with such Electronic Service;
- b) run such tests and provide such information to us as we shall reasonably consider necessary to establish that your System satisfies the requirements notified by us to you from time to time;
- c) carry out virus checks on a regular basis;
- d) inform us immediately of any unauthorised access to such Electronic Service or any unauthorised Transaction or instruction which you know of or suspect and, if within your control, cause such unauthorised use to cease;
- e) not at any time leave the terminal from which you have accessed such Electronic Service or let anyone else use the terminal until you have logged off such Electronic Service; and
- f) in the event you become aware of a material defect, malfunction or virus in the System or in an Electronic Service, immediately notify us of such defect, malfunction or virus and cease all use of such Electronic Service until you have received permission from us to resume use.

### **6.9 Intellectual property**

All rights in patents, copyrights, design rights, trade marks and any other intellectual property rights (whether registered or unregistered) relating to the Electronic Services remain vested in us or our licensors. You will not:

- (i) copy, interfere with, tamper with, alter, amend or modify the Electronic Services or any part or parts thereof unless expressly permitted by us in writing;
- (ii) reverse compile or disassemble the Electronic Services; or
- (iii) purport to do any of the same or permit any of the same to be done, except in so far as such acts are expressly permitted by law.

Any copies of the Electronic Services made in accordance with law are subject to the terms and conditions of this Agreement. You shall ensure that all the licensors' trademarks and copyright and restricted rights notices are reproduced on these copies. You shall maintain an up-to-date written record of the number of copies of the Electronic Services made by you. If we so request, you shall as soon as reasonably practical, provide to us a statement of the number and whereabouts of copies of the Electronic Services.

### **6.10 Liability and indemnity**

Without prejudice to any other terms of this Agreement, relating to the limitation of liability and provision of indemnities, the following clauses shall apply to our Electronic Services:

- a) **System errors**  
We shall have no liability to you for damage which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers. You acknowledge that access to Electronic Services may be limited or unavailable due to such system errors, and that we reserve the right upon notice to suspend access to Electronic Services for this reason.
- b) **Delays**  
Neither we nor any third-party software provider accepts any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with an Electronic Service.

- c) **Viruses from an Electronic Service**

We shall have no liability to you (whether in contract or in tort, including negligence) in the event that any viruses, worms, software bombs or similar items are introduced into your System via an Electronic Service or any software provided by us to you in order to enable you to use such Electronic Service, provided that we have taken reasonable steps to prevent any such introduction.

- d) **Viruses from your System**

You will ensure that no computer viruses, worms, software bombs or similar items are introduced into our computer system or network and will indemnify us on demand for any loss that we suffer arising as a result of any such introduction.

- e) **Unauthorised use**

We shall not be liable for any loss, liability or cost whatsoever arising from any unauthorised use of the Electronic Service. You shall on demand indemnify, protect and hold us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and costs resulting from or arising out of any act or omission by any person using an Electronic Service by using your designated passwords, whether or not you authorised such use.

- f) **No warranty**

We make no representation or warranty, express or implied, statutory or otherwise as to condition, quality, performance or fitness for purpose as to the Electronic Services and specifically disclaim any such representation and warranty, including, without limitation, any warranty of satisfactory quality or fitness for a particular purpose, except to the extent that exclusion is permitted by law. By using the Electronic Services, you agree to assume the entire risk of that use.

- g) **Markets**

We shall not be liable for any act taken by or on the instruction of a Market, clearing house or regulatory body.

**6.11 Suspension or permanent withdrawal with notice** Subject to clause 6.12, we may suspend or permanently withdraw an Electronic Service, by giving you ten days written notice.

**6.12 Immediate suspension or permanent withdrawal** We have the right, unilaterally and with immediate effect, to suspend or withdraw permanently your ability to use any Electronic Service, or any part thereof, without notice, where we consider it necessary or advisable to do so, for example due to your non-compliance with the Applicable Regulations, breach of any provisions of this Agreement, on the occurrence of an Event of Default, network problems, failure of power supply, failure of a Market, clearing house or third party, for maintenance, or to protect you when there has been a breach of security. In addition, the use of an Electronic Service may be terminated automatically, upon the termination (for whatever reason) of

- (i) any licence granted to us which relates to the Electronic Service; or
- (ii) this Agreement.

The use of an Electronic Service may be terminated immediately if an Electronic Service is withdrawn by any Market or we are required to withdraw the facility to comply with Applicable Regulations.

### **6.13 Effects of termination**

In the event of a termination of the use of an Electronic Service for any reason, upon request by us, you shall, at our option, return to us or destroy all hardware, software and documentation we may have provided you in connection with such Electronic Service and any copies thereof.

## 7 Client Assets

### 7.1 Client Assets

We are an approved bank. We will hold your money as banker, rather than as trustee. The protections provided under the Financial Conduct Authority rules on client money will not apply to your money that is held by us. In the unlikely event of the failure of Commerzbank AG, the FCA client money distribution rules will also not apply to your money that we hold and you will not be entitled to share in any distribution made under these rules. However, the protections under the UK Financial Services Compensation Scheme and/or the Einlagensicherungsfonds [Deposit Protection Fund of the Federation of German Banks, ESF] and/or the Entschädigungseinrichtung deutscher Banken [Compensation Scheme of German Banks, EdB] may apply."

## 8 Margining arrangements

### 8.1 Margin call

You agree to pay us on demand such sums by way of margin as are required from time to time under the Rules of any relevant Market (if applicable) or as we may in our discretion reasonably require for the purpose of protecting ourselves against loss or risk of loss on present, future or contemplated Transactions under this Agreement.

### 8.2 Form of margin

Unless otherwise agreed, margin must be paid in cash. The currency of the cash margin you pay to us shall be the currency of the relevant underlying Transaction (if applicable) or as we may in our discretion reasonably decide from time to time. Cash margin is paid to us as an outright transfer of title and you will not retain any interest in it. Cash margin received by us will be recorded by us as a cash repayment obligation owed by us to you.

### 8.3 Non-cash margin

Where we agree to accept non-cash collateral, it must be in a form acceptable to us. The value of the non-cash collateral and the proportion of that value to be taken into account for margin purposes shall be determined by us in our absolute discretion.

### 8.4 Set-off on default

If there is an Event of Default or this Agreement terminates, we shall set-off the balance of cash margin owed by us to you against your obligations (as reasonably valued by us) to us. The net amount, if any, payable between us following such set-off, shall take into account the Liquidation Amount payable under the Netting provisions of clause 11.

### 8.5 Security interest

As a continuing security for the performance of the Secured Obligations under or pursuant to this Agreement, you grant to us, with full title guarantee, a first fixed security interest in all non-cash margin now or in the future provided by you to us or to our order or under our direction or control or that of a Market or otherwise standing to the credit of your account under this Agreement or otherwise held by us or our associates or our nominees on your behalf.

### 8.6 Further assurance

You agree to execute such further documents and to take such further steps as we may reasonably require to perfect our security interest over, be registered as owner of or obtain legal title to the margin, secure further the Secured Obligations, enable us to exercise our rights or to satisfy any market requirement.

### 8.7 Substitution

You may not withdraw or substitute any property subject to our security interest without our consent.

### 8.8 Negative pledge

You undertake neither to create nor to have outstanding any security interest whatsoever over, nor to agree to assign or transfer, any of the cash or non-cash margin transferred to us, except a lien routinely imposed on all securities in a clearing system in which such securities may be held.

### 8.9 Power to charge

You agree that we may, to the extent that any of the margin constitutes "financial collateral" and this Agreement and your obligations hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "Regulations")), free of any adverse interest of yours or any other person, grant a security interest over margin provided by you to cover any of our obligations to an intermediate broker or Market, including obligations owed by virtue of the positions held by us or other of our clients.

### 8.10 Power of sale

If an Event of Default occurs, we may exercise the power to sell all or any part of the margin. The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to any exercise by us of our rights to consolidate mortgages or our power of sale. We shall be entitled to apply the proceeds of sale or other disposal in paying the costs of such sale or other disposal and in or towards satisfaction of the Secured Obligations.

### 8.11 General lien

In addition and without prejudice to any rights to which we may be entitled under this Agreement or any Applicable Regulations, we shall have a general lien on all property held by us or our Associates or our nominees on your behalf until the satisfaction of the Secured Obligations.

### 8.12 Definition

"Secured Obligations" means the net obligation owed by you to us after the application of set-off under clause 8.4.

### 8.13 Power of appropriation

To the extent that any of the margin constitutes "financial collateral" and this Agreement and your obligations hereunder constitute a "security financial collateral arrangement" under the Regulations, we shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, you agree that the value of such financial collateral so appropriated shall be the amount of the margin, together with any accrued but unposted interest, at the time the right of appropriation is exercised. The parties further agree that the method of valuation provided for in this Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

## 9 Representations, warranties and covenants

### 9.1 Representations and warranties

You represent and warrant to us on the date this Agreement comes into effect and as of the date of each Transaction that:

- a) you have all necessary authority, powers, consents, licences and authorisations and have taken all necessary action to enable you lawfully to enter into and perform this Agreement and such Transaction and to grant the security interests and powers referred to in this Agreement;
- b) the persons entering into this Agreement and each Transaction on your behalf have been duly authorised to do so;
- c) this Agreement, each Transaction and the Obligations created under them both are binding upon you and enforceable against



you in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;

- d) no Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination of the above) an Event of Default (a "Potential Event of Default") has occurred and is continuing with respect to you or any Credit Support Provider;
- e) you act as principal and sole beneficial owner (but not as trustee) in entering into this Agreement and each Transaction;
- f) any information which you provide or have provided to us in respect of your financial position, domicile or other matters is accurate and not misleading in any material respect;
- g) except as otherwise agreed by us, you are the sole beneficial owner of all margin you transfer under this Agreement, free and clear of any security interest whatsoever other than a lien routinely imposed on all securities in a clearing system in which such securities may be held.

## 9.2 Covenants

You covenant to us that:

- a) you will not send orders or otherwise take any action that could create a false impression of the demand or value for a security, or send orders which you have reason to believe are in breach of Applicable Regulations. You shall observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position; and
- b) you will provide us promptly following any reasonable request made by us with such information as we may reasonably require to evidence the matters referred to in this clause or to comply with any Applicable Regulations.

## 10 Events of Default

### 10.1 Events of Default

The following shall constitute Events of Default:

- a) a party fails to make any payment when due under or to make delivery of any property when due under, or to observe or perform any other provision of this Agreement;
- b) a party commences a voluntary case or other procedure seeking or proposing liquidation, reorganisation, moratorium, or other similar relief with respect to itself or to its debts under any bankruptcy, insolvency, regulatory, or similar law or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian, examiner or other similar official (each a "Custodian") of it or any substantial part of its assets, or takes any corporate action to authorise any of the foregoing;
- c) an involuntary case or other procedure is commenced against a party seeking or proposing liquidation, reorganisation, or moratorium, or other similar relief with respect to it or its debts under any bankruptcy, insolvency, regulatory, or similar law or seeking the appointment of a Custodian of it or any substantial part of its assets;
- d) you or any Credit Support Provider (or any Custodian acting on behalf of either of you or a Credit Support Provider) disaffirms, disclaims or repudiates any obligation under this Agreement or any guarantee, hypothecation agreement, margin or security agreement or document, or any other document containing an obligation of a third party ("Credit Support Provider"), or of you,

in favour of us supporting any of your obligations under this Agreement (each a "Credit Support Document");

- e) (i) any Credit Support Provider fails, or you yourself fail to comply with or perform any agreement or obligation to be complied with or performed by you or it in accordance with the applicable Credit Support Document;
- (ii) any Credit Support Document expires or ceases to be in full force and effect prior to the satisfaction of all your obligations under this Agreement, unless we have agreed in writing that this shall not be an Event of Default;
- (iii) any representation or warranty made or given or deemed made or given by any Credit Support Provider pursuant to any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given; or (iv) any event referred to in paragraphs (b) or (c) of this clause 10.1 occurs in respect of any Credit Support Provider; and
- f) any representation or warranty made or given or deemed made or given by a party under this Agreement or any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given.

## 11 Netting

### 11.1 Liquidation date

Subject to the following clause 11.2, at any time following the occurrence of an Event of Default in relation to a party, then the other party (the "Non-Defaulting Party") may, by notice to the party in default (the "Defaulting Party"), specify a date (the "Liquidation Date") for the termination and liquidation of Netting Transactions in accordance with this clause.

### 11.2 Automatic termination

Any Event of Default specified in paragraphs (b) or (c) of the definition of Events of Default shall automatically constitute a Liquidation Date, without the need for any notice.

### 11.3 Calculation of Liquidation Amount

Upon the occurrence of a Liquidation Date:

- a) neither party shall be obliged to make any further payments or deliveries under any Netting Transactions which would, but for this clause, have fallen due for performance on or after the Liquidation Date and such obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Liquidation Amount;
- b) the Non-Defaulting Party shall as soon as reasonably practicable determine (discounting if appropriate), in respect of each Netting Transaction referred to in paragraph (a) above, the total cost, loss or, as the case may be, gain, in each case expressed in the Base Currency specified by the Non-Defaulting Party as a result of the termination, pursuant to this Agreement, of each payment or delivery which would otherwise have been required to be made under such Netting Transaction; and
- c) the Non-Defaulting Party shall treat each such cost or loss to it as a positive amount and each such gain by it as a negative amount and aggregate all such amounts to produce a single, net positive or negative amount, denominated in the Non-Defaulting Party's Base Currency (the "Liquidation Amount").

#### **11.4 Payer**

If the Liquidation Amount is a positive amount, the Defaulting Party shall pay it to the Non-Defaulting Party and if it is a negative amount, the Non-Defaulting Party shall pay it to the Defaulting Party. The Non-Defaulting Party shall notify the Defaulting Party of the Liquidation Amount, and by which Party it is payable, immediately after the calculation of such amount.

#### **11.5 Payment**

The Liquidation Amount shall be paid in the Base Currency of the Non-Defaulting Party by the close of business on the business day following the completion of the termination and liquidation under this clause. Any Liquidation Amount not paid on the due date shall bear interest at a rate reasonably determined by the Non-Defaulting Party.

#### **11.6 Single agreement**

This Agreement, the particular terms applicable to each Netting Transaction, and all the amendments to any of them shall together constitute a single agreement between us.

### **12 Rights on default**

#### **12.1 Default**

On an Event of Default arising in relation to you or at any time after we have determined, in our absolute discretion, that you have not performed (or we reasonably believe that you will not be able or willing in the future to perform) any of your obligations to us, in addition to our rights under the Netting clause we shall be entitled without prior notice to you:

- a) instead of returning to you investments equivalent to those credited to your account, to pay to you the fair market value of such investments at the time we exercise such right; and/or
- b) to sell such of your investments as are in our possession or in the possession of any nominee or third party appointed under or pursuant to this Agreement, in each case as we may in our absolute discretion select or and upon such terms as we may in our absolute discretion think fit (without being responsible for any loss or diminution in price) in order to realise funds sufficient to cover any amount due by you hereunder; and/ or
- c) to close out, replace or reverse any Transaction, buy, sell, borrow or lend or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as, at our sole discretion, we consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any of your contracts, positions or commitments.

### **13 Termination without default**

#### **13.1 Termination**

Unless required by Applicable Regulations, either party may terminate this Agreement (and the relationship between us) by giving ten days' written notice of termination to the other. We may terminate this Agreement immediately if you fail to observe or perform any provision of this Agreement or in the event of your insolvency.

Upon terminating this Agreement, all amounts payable by you to us will become immediately due and payable including (but without limitation):

- a) all outstanding fees, charges and commissions; and
- b) any dealing expenses incurred by terminating this Agreement; and
- c) any losses and expenses realised in closing out any Transactions or settling or concluding outstanding obligations incurred by us on your behalf.

#### **13.2 Existing rights**

Termination shall not affect then outstanding rights and obligations (in particular relating to clauses 14 to 17 and Transactions which shall continue to be governed by this Agreement and the particular clauses agreed between us in relation to such Transactions) until all obligations have been fully performed.

### **14 Exclusions, limitations and indemnity**

#### **14.1 General exclusion**

Neither we nor our directors, officers, employees, or agents shall be liable for any losses, damages, costs or expenses, whether arising out of negligence, breach of contract, misrepresentation or otherwise, incurred or suffered by you under this Agreement (including any Transaction or where we have declined to enter into a proposed Transaction) unless such loss is a reasonably foreseeable consequence or arises directly from our or their respective gross negligence, wilful default or fraud. In no circumstance shall we have liability for losses suffered by you or any third party for any special or consequential damage, loss of profits, loss of goodwill or loss of business opportunity arising under or in connection with this Agreement, whether arising out of negligence, breach of contract, misrepresentation or otherwise. Nothing in this Agreement will limit our liability for death or personal injury resulting from our negligence.

#### **14.2 Indemnity**

You shall pay to us such sums as we may from time to time require in or towards satisfaction of any debit balance on any of your accounts with us and, on a full indemnity basis, any losses, liabilities, costs or expenses (including legal fees), taxes, imposts and levies which we may incur or be subjected to with respect to any of your accounts or any Transaction or any matching Transaction on a Market or with an intermediate broker or as a result of any misrepresentation by you or any violation by you of your obligations under this Agreement (including any Transaction) or by the enforcement of our rights.

#### **14.3 Limitation of liability**

We shall not be liable to you for any partial or non-performance of our obligations hereunder by reason of any cause beyond our reasonable control, including without limitation any breakdown, delay, malfunction or failure of transmission, communication or computer facilities, industrial action, act of terrorism, act of God, acts and regulations of any governmental or supra national bodies or authorities or the failure by the relevant intermediate broker or agent, agent or principal of our custodian, sub-custodian, dealer, Market, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations. Nothing in this Agreement will exclude or restrict any duty or liability we may have to you under the regulatory system (as defined in the FCA and/ or PRA Rules), which may not be excluded or restricted thereunder .

### **15 Miscellaneous**

#### **15.1 Amendments**

We have the right to amend the terms of this Agreement. If we make any material change to this Agreement, we will give at least ten Business Days' written notice to you. Such amendment will become effective on the date specified in the notice. Any other amendment must be agreed in writing between us.

#### **15.2 Notices**

Unless otherwise agreed, all notices, instructions and other communications to be given by us under this Agreement shall be given to the address or fax number provided by you to us.

Likewise, all notices, instructions and other communications to be given by you under this Agreement shall be given to the address or fax number that we shall specify in writing. You will notify us of any change of your address in accordance with this clause.

### 15.3 Recording of calls

We may record telephone conversations without use of a warning tone to ensure that the material terms of the Transaction and any other material information relating to the Transaction is promptly and accurately recorded. Such records will be our sole property and accepted by you as evidence of the orders or instructions given.

### 15.4 Third-party rights

This Agreement shall be for the benefit of and binding upon us both and our respective successors and assigns. You shall not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer your rights or obligations under this Agreement or any interest in this Agreement, without our prior written consent, and any purported assignment, charge or transfer in violation of this clause shall be void. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999.

### 15.5 Time of essence

Time shall be of the essence in respect of all obligations of yours under this Agreement (including any Transaction).

### 15.6 Rights and remedies

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

### 15.7 Set-off

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.

### 15.8 Partial invalidity

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

## 16 Governing law and jurisdiction

### 16.1 Governing law

A Transaction which is subject to the Rules of a Market shall be governed by the law applicable to it under those Rules. Subject thereto, this Agreement shall be governed by and construed in accordance with English law.

### 16.2 Law applicable to relationship prior to the conclusion of the Agreement

The law applicable to the relationship between us prior to the conclusion of this Agreement is English law.

### 16.3 Jurisdiction

Each of the parties irrevocably:

- a) agrees for our benefit that the courts of England shall have jurisdiction to settle any suit, action or other proceedings relating to this Agreement ("Proceedings") and irrevocably submits to the jurisdiction of such courts (provided that this shall not prevent us from bringing an action in the courts of any other jurisdiction); and
- b) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court and agrees not to claim that such Proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over it.

### 16.4 Service of process

If you are situated outside England and Wales, process by which any Proceedings in England are begun may be served on you by being delivered to the address in England or Wales nominated by you for this purpose. This does not affect our right to serve process in another manner permitted by law.

## 17 Interpretation

### 17.1 Interpretation

In this Agreement: "**Applicable Regulations**" means:

- a) FCA and/or PRA Rules or any other rules of a relevant regulatory authority;
- b) the Rules of the relevant Market; and
- c) all other applicable laws, rules and regulations as in force from time to time;

"**Associate**" means an undertaking in the same group as us, a representative whom we or an undertaking in the same group as us appoint, or any other person with whom we have a relationship that might reasonably be expected to give rise to a community of interest between us and them;

"**Base Currency**" means such currency as we may, in our sole discretion, determine from time to time;

"**Business Day**" means a day which is not a Saturday or a Sunday and upon which banks are open for business in London;

"**Credit Support Provider**" means any person who has entered into any guarantee, hypothecation, agreement, margin or security agreement in our favour in respect of your obligations under this Agreement;

"**Electronic Services**" means a service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system;

"**Event of Default**" means any of the events of default as listed in paragraphs (a) to (f) of clause 10.1;

"**Market**" means, except where indicated otherwise, any regulated market, or multilateral trading facility (as such terms are defined in the FCA and/or PRA Rules);

**“Netting Transaction”** means a Transaction which is intended to be subject to the clause entitled “Netting” and for such purposes is identified as a “Netting Transaction” or by its own terms;

**“Rules”** means articles, rules, regulations, procedures and customs, as in force from time to time; and

**“System”** means all computer hardware and software, equipment, network facilities and other resources and facilities needed to enable you to use an Electronic Service; and

**“Transaction”** means any transaction subject to this Agreement, and includes:

- (i) a contract made on a Market or pursuant to the Rules of a Market;
- (ii) a contract which is subject to the Rules of a Market;
- (iii) a contract which would (but for its term to maturity only) be a contract made on, or subject to the Rules of a Market and which, at the appropriate time, is to be submitted for clearing as a contract made on, or subject to the Rules of a Market; in any of cases (a), (b) and (c) being a future, option, contract for differences, spot or forward contract of any kind in relation to any commodity, metal, financial instrument (including any security), currency, interest rate, index or any combination thereof;
- (iv) a transaction which is matched with any transaction within paragraph (a), (b) or (c) of this definition; or
- (v) any other transaction which we both agree, in any specific Module or otherwise, shall be a Transaction.

## Conflicts of interest policy

**A full-service bank such as Commerzbank AG (“Commerzbank”), which provides a wide range of investment dealing and advisory services as well providing loans to its clients, inevitably faces many conflicts of interest which arise in the normal course of business. Consistent with its regulatory obligations, Commerzbank advises its clients about its policies and procedures for dealing with these conflicts of interest.**

**Conflicts of interest can arise between Commerzbank, other companies in the Commerzbank Group (the “Group”), the management or employees of Commerzbank, other persons associated with Commerzbank and Commerzbank’s clients, or between individual clients of Commerzbank.**

In particular, conflicts of interest can arise: • in the case of investment advice and asset management, where Commerzbank is remunerated when it deals in financial instruments;

- on the receipt or provision of benefits (e.g. sales commissions or benefits in kind) from or to third parties in connection with investment services;
- through performance-related remuneration of employees and agents of Commerzbank;
- by the provision of benefits to employees and agents of Commerzbank;
- from other business activities, including Commerzbank’s own profits from trading as principal and in selling financial instruments which it owns;
- from Commerzbank’s relationships with issuers of financial instruments, for instance where there is a lending or advisory relationship or various joint ventures with such issuers;

### 17.2 General interpretation

A reference in this Agreement to a “clause” or “Module” shall be construed as a reference to, respectively, a clause or Module of this Agreement, unless the context requires otherwise. References in this Agreement to any statute or statutory instrument or Applicable Regulations include any modification, amendment, extension or re-enactment thereof. A reference in this Agreement to “document” shall be construed to include any electronic document. The masculine includes the feminine and the neuter and the singular includes the plural and vice versa as the context admits or requires. Words and phrases defined in the FCA and/or PRA Rules have the same meaning in this Agreement unless expressly defined in this Agreement.

### 17.3 Modules

The clauses contained in the attached Modules (as amended from time to time) shall apply. We may from time to time send to you further Modules in respect of Markets or Transactions. In the event of any conflict between the clauses of any Module and this Agreement, the clauses of the Module shall prevail. The fact that a clause is specifically included in a Module in respect of one Market or Transaction shall not preclude a similar clause being expressed or implied in relation to any other Market or Transaction.

### 17.4 Headings

Headings are for ease of reference only and do not form part of this Agreement.

- in producing financial research on issuers whose financial instruments are offered for sale to clients;
- through obtaining information that is not in the public domain;
- from the personal relationships of employees or management of Commerzbank or of persons associated with them; or
- through the involvement of these persons in supervisory boards or advisory boards.

Whenever two or more business interests arise, conflicts of interest may be present. Commerzbank always properly manages such conflicts of interest.

Commerzbank employees have a duty to observe certain standards and codes of conduct. Commerzbank expects its employees at all times to be prudent and be honest, to conduct themselves lawfully and professionally, to comply with relevant market standards and in particular always to take proper account of the legitimate interests of clients.

One of the ways in which the integrity and quality of a financial institution may be demonstrated is by the professional manner in which it deals with conflicts of interest. Therefore Commerzbank has an independent compliance office (“Group Compliance”), reporting directly to Commerzbank’s Board of Managing Directors, who are responsible for identifying monitoring, avoiding and managing conflicts of interest within the Group. In particular Commerzbank has taken steps to:

- implement policies and procedures to safeguard clients’ interests when providing investment advice and asset management services;

- adopt policies and procedures governing the acceptance and provision of benefits and the disclosure thereof;
- prevent the improper distribution of confidential information by the establishment of information barriers, the separation of responsibilities and the physical restriction of access to certain departments of Commerzbank;
- maintain a list of those employees and agents of Commerzbank who have access to confidential information, which assists in the monitoring and control of such information and the prevention of misuse of it;
- maintain a list of issuers on whom financial research may not be published or whose financial instruments may not be traded in order to minimise or eliminate potential conflicts of interest;
- disclose to Group Compliance the securities transactions of those employees or agents of Commerzbank, for whom conflicts of interest could arise, given the nature of their duties;
- train its employees in the relevant policies and procedures; and
- enable Commerzbank to disclose unavoidable conflicts of interest to the relevant clients prior to the business transaction or to the provision of advice.

The following issues in particular need to be borne in mind:

When selling financial instruments, Commerzbank may receive benefits from investment companies and issuers of financial instruments. These benefits may include sales commissions paid by investment companies to Commerzbank out of their management fees and sales commissions. Commerzbank may also receive placement commissions or discounts on the issue price paid by issuers of financial instruments. Furthermore, Commerzbank may receive issue premiums, insofar as these have been charged on the sale of investment units or other financial instruments. Commerzbank discloses such benefits which it receives to its clients in line with its regulatory obligations.

Also in line with its regulatory obligations, Commerzbank may recommend only those financial instruments which are suitable and appropriate to the circumstances of the client.

It is possible that certain products, particularly the Group's own products, may be recommended as suitable and appropriate to a client in preference to products of other financial services providers. In the case of investment funds – with the exception of money market and real estate funds – Commerzbank may recommend products from a select number of external financial services providers.

Finally, in connection with its investment dealing activities, Commerzbank receives complimentary benefits, or benefits supplied at less than market cost such as financial research or other information material, training, certain technical services and equipment to access information systems from other service providers.

Commerzbank uses these benefits to provide services of the highest quality as demanded by clients and to continually improve these services.

Commerzbank may pay commissions and fixed fees to introducers or agents, who introduce clients to Commerzbank or who act in relation to individual transactions. Commerzbank may also direct or refer some aspects of our business to third parties, where it is in the client's interest to do so. Furthermore brokers may also receive benefits directly from third parties, in particular investment companies and issuers of securities, in addition to any commission paid by Commerzbank. Commerzbank also provides information in respect of potential conflicts of interest relating to issuers and/or their securities in financial research

produced for clients by Commerzbank. Potential conflicts of interest, which could arise in the course of the production of financial research, are addressed in a separate Commerzbank Corporate & Markets Research guideline on dealing with conflicts of interest. This guideline can be viewed at/downloaded from the internet at <http://www.cbksec.com/rsh/other/conflictspolicy.pdf>.

If you have any questions about this policy, please raise them with your usual Commerzbank contact.

# Emerging markets risk disclosure statement

This risk disclosure statement is intended to inform you of the uncertainties and risks associated with investments and transactions in products (equities, fixed income, derivatives, currencies and other contracts) ("Instruments") of, or related or linked to issuers and obligors, based or principally engaged in business in emerging markets countries. This brief statement forms a risk disclosure statement and you should consider its contents very carefully.

## Investments in emerging markets

Investments in emerging markets Instruments should only be made if you have independent and expert knowledge of the relevant markets, are able to consider and weigh the various risks presented by such instruments, and have the financial resources necessary to bear the substantial risk of loss of investment in such Instruments.

## Emerging markets

Countries with emerging markets include, but are not limited to:

- (i) developing countries, as defined by the International Finance Corporation, that have an emerging stock market;
- (ii) countries that have a low or middle income according to the World Bank; and
- (iii) countries listed in World Bank publications as developing.

The list of emerging market countries is subject to continuous change and is upon request from your usual contact within Commerzbank AG, London Branch.

## Event risk

A country or region may suffer an unforeseen catastrophic event (e.g. a natural disaster) which may lead to rapid movements in the value of currencies or Instruments that relate to that country or region. The value of currencies and Instruments may also be affected by local or global political, economic or other events.

## Political risk

Many emerging market countries are or have recently been the subject of significant political change that has affected the regulation of trade, industry, financial markets and investment. Such countries may, in the future, reverse these political changes and introduce confiscatory taxation, exchange controls, compulsory acquisition or nationalisation that may adversely affect the value of relevant instruments. Any perceived, actual or expected changes in government policies may significantly affect the value of instruments.

## Economic risk

The economies of emerging market countries are in early or intermediate stages of economic development. In comparison to the economies of developed countries, the economies of emerging market countries may not have the infrastructure to withstand economic factors that may affect them. Therefore, as a result, the value of Instruments that are linked to that economy may be significantly affected.

## Credit risk

Emerging market debt tends to be riskier than developed market debt. Issuers in emerging markets are more likely to forego interest and capital payments.

## Currency risk

Many instruments are denominated in foreign currencies. The relative weakening of a country's currency to the US dollar or other benchmark currency will negatively affect the dollar value of an Instrument denominated in that currency. Currency values are linked to a

combination of social, political and economic factors and may change rapidly.

## Market risk

The equity and debt markets of emerging market countries are less developed than those of more developed countries in terms of levels of transparency, liquidity, efficiency and regulation. Price volatility may be extreme.

## Regulatory/legal risk

In comparison to more developed countries, there is often less government supervision and regulation of the financial markets and those that participate in them. Laws may be uncertain regarding ownership rights and obligations. There may not be an independent judiciary experienced in business and corporate law. You may find it difficult in obtaining or enforcing legal remedies and judgements in local courts.

## Trade settlement, processing and clearing

Many emerging markets may have different clearance and settlement procedures from those in more developed countries. There may be delays in recording ownership of Instruments, during which there may be changes in the value of Instruments. Increased settlement risks may mean that you face higher funding costs.

## Bondholder/shareholder risk

Laws and regulations concerning the corporate governance of emerging market issuers may provide little protection to bond or shareholders. Disclosure of financial results may be limited. Those who control the issuer may be under no duty to consider the interests of the bond or shareholders. There may be no effective mechanisms to enforce the rights of bond or shareholders.

**Before making any investment in an emerging markets Instrument, you should independently satisfy yourself that you understand and appreciate the significance of the risks and that such investment is appropriate and suitable for you and those for whom you act in light of your objectives, experience, financial and other resources. You should also ensure that you fully understand the nature of the transactions you enter and the nature and extent of your exposure to risk or loss, which may significantly exceed the amount of any initial payment by you. We assume that if you are acting for others, then they are aware of the risks of emerging market Instruments and that prior to each transaction you have determined that it is suitable for your client. You should understand that we act solely in the capacity of an arm's length counterparty and not as your advisor unless otherwise agreed in writing.**

# Transactions in “non-investment” products

We wish to inform you that transactions in “non-investment” products fall outside the scope of the definitions of “investments” under the Financial Services and Markets Act 2000 (the “Act”) and hence the protections offered by the Act, including the Financial Services Compensation Scheme.

A broad summary of “non-investment” products may be found in The Non-Investments Product Code (the “Code”) published by the Bank of England.

Transactions regulated by the rules, or expressed to be made on or under the rules, of a Recognised Market are generally outside the scope of the Code.

The Code is applicable to wholesale market dealings in London in non-investment products, namely:

- sterling wholesale deposits;
- foreign currency wholesale deposits;
- gold and silver bullion wholesale deposits;
- spot and forward foreign exchange; and • spot and forward gold and silver bullion.

The Code does not in any way affect the regulation of deposit-taking under the Act. The Code does not cover debt securities, the issuance of which may involve the acceptance of deposits as these are defined as investments under the Act. The Code does, however, cover wholesale deposits that are specified as investments in the Regulated Activities Order made under the Act, as well as wholesale deposits that are not so specified.

Should we deal with you in any of the products covered by the Code, you may not benefit from the Financial Services Compensation Scheme in respect of those products.

In any event, these transactions will be covered by the Code maintained by the Bank of England. We remain committed to ensuring that all transactions conducted by us with you are always carried out in line with the highest standards of market conduct and integrity.

Details of the regulatory arrangements which the Bank of England will apply to the market in non-investment products, and copies of the Code, may be obtained from the Bank of England, Threadneedle Street, London EC2R 8AH. Alternatively, they are displayed on the Bank of England’s website (<http://www.bankofengland.gov.uk>).

In the unlikely event of a default by us, a claim for compensation may be made on the Deposit Protection Fund of the Federation of German Banks, which covers deposits and customer property.

# Agency module

## 1 Application and scope

### 1.1 Scope of these terms

These terms set out the basis on which we will provide the services referred to in the Agreement to you where you are acting as agent for each Counterparty. Where you are acting for your own account these terms shall not apply.

### 1.2 Notification

You will notify us before placing any order on behalf of a Counterparty that you are acting as agent for that Counterparty and inform us of the identity, address and any other details which we require in respect of each Counterparty to enable us to form a credit and counterparty risk assessment in respect of any Transaction.

### 1.3 Instructions

You may give us oral or written instructions and orders. We shall not accept nor act upon any instructions received by us unless we reasonably believe the instructions came from persons duly authorised by you ("Authorised Persons"). If we refuse to act on any instruction or order, we shall notify you as soon as practicable of our refusal.

### 1.4 Capacity

Each Transaction will be entered into by you as agent for and on behalf of the Counterparty specified by you (whether by code name or otherwise) in accordance with term 1.5 below. Unless we agree otherwise in writing, we shall treat you alone as our client and we shall not treat any Counterparty as our client for the purposes of the FCA Rules.

### 1.5 Nature of Counterparties

You represent, warrant and undertake on your own behalf and as agent for the Counterparties that no Counterparty will be a state or a separate entity within the meaning of the State Immunity Act 1978 and that a Counterparty shall, at the time an instruction is given in respect of it, have the characteristics of, and conform, to any criteria agreed between us from time to time.

### 1.6 Counterparty accounts

We shall, in respect of each Counterparty, establish and maintain one or more separate sub-accounts (each a "Counterparty Account"). You undertake, as agent for the relevant Counterparty and on your own behalf, in respect of each instruction given, to specify within two hours of giving an instruction (or such other time as we may reasonably specify) the Counterparty Account to which the relevant instruction relates. Until you specify a specific Counterparty Account you shall be personally liable, as principal, in respect of the relevant Transaction. You further undertake, as agent for each Counterparty and on your own behalf, to notify us immediately if any two or more Counterparty Accounts relate to the same Counterparty.

### 1.7 Separate administration

We shall, subject to these terms, administer Counterparty Accounts which we reasonably believe relate to different Counterparties separately, including for the purposes of calculating any margin requirement. We shall not exercise any power to consolidate accounts or set off amounts

owing between Counterparty Accounts relating to different Counterparties.

## 1.8 Documentation

You agree to forward to a Counterparty any documentation in relation to such Counterparty that we are required to provide under the FCA Rules and which we make available to you for that purpose.

## 2 Advice

### 2.1 Limitations

You, as agent for the Counterparties and on your own behalf, retain full responsibility for making all investment decisions with respect to any Counterparty. We will not be responsible for judging the merits or suitability of any Transaction to be entered into on behalf of a Counterparty. Unless otherwise required under Applicable Regulations, we shall have no responsibility for your or any Counterparty's compliance with any laws or rules governing or affecting your conduct or that of any Counterparty, or for your or any Counterparty's compliance with any laws or rules governing or affecting Transactions.

## 3 Representations, warranties and covenants

### 3.1 The Agreement

The representations and undertakings Module shall not apply to you.

### 3.2 Representations and warranties

As agent for each Counterparty and on your own behalf, you represent and warrant to us as of the date these terms come into effect and as of the date of each Transaction that:

- a) you and the Counterparty each have all necessary authority, powers, consents, licences and authorisations and have taken all necessary action to enable you lawfully to enter into and perform these terms, the Agreement and each Transaction and to grant the security interests and powers referred to in the Margin Module and elsewhere in these terms and the Agreement;
- b) the person(s) entering into these terms, the Agreement and each Transaction have been duly authorised to do so;
- c) these terms, the Agreement, each Transaction and the obligations created under each of them are binding upon, and are enforceable against, you and/or the Counterparty (as applicable) in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you or the Counterparty is bound;
- d) no Event of Default or Potential Event of Default has occurred and is continuing with respect to you or the Counterparty;
- e) each of you and the Counterparty is permitted under its constitution and any applicable law or regulation and is financially able to sustain any loss which may result from Transactions, and that entering into Transactions is a suitable investment vehicle for the Counterparty;
- f) the relevant Counterparty owns, with full title guarantee, all investments, margin (or collateral) deposited with, transferred to us or charged in our favour, by you acting as agent for the Counterparty and such investments, margin (or collateral) are free from any prior mortgage, charge, lien or other encumbrance whatsoever and neither you acting as agent for the relevant Counterparty, nor the Counterparty itself, will further pledge or charge such investments, margin (or collateral) or grant any lien



over them while it is pledged or charged to us except with our prior written consent; and

- g) any information which you provide or have provided to us in respect of your or the Counterparty's financial position, domicile, or other matters is accurate and not misleading in any material respect.

### **3.3 Covenants**

You, as agent for each Counterparty and on your own behalf, covenant to us that you will:

- a) ensure at all times that you and the Counterparty obtain and comply with the terms of and do all that is necessary to maintain in full force and effect all authority, powers, consents, licences and authorisations referred to above;
- b) promptly notify us of the occurrence of any Event of Default or Potential Event of Default with respect to yourself or the Counterparty.
- c) provide to us on request such information regarding your and the Counterparty's financial or business affairs as we may reasonably require to evidence the authority, powers, consents, licenses and authorisations referred to above or to comply with any Applicable Regulations;
- d) provide to us on request copies of the relevant sections of the Counterparty's constitutive documents relating to its capacity to enter into Transactions and appoint an agent to act on its behalf and that any such extract will, to the best of your knowledge, 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;
- e) either:
- i. execute as agent for the Counterparty where you are duly authorised to do so, or, in each other case;
  - ii. procure that the Counterparty executes, as applicable, on our request all such transfers, powers of attorney and other documents as we may require to vest any assets or otherwise grant any security interest or other interest referred to in the Margin Module of the Agreement in us, our nominee, a purchaser or transferee;
- f) immediately notify us if you cease to act for any Counterparty or if the basis upon which you act on behalf of the counterparty alters to an extent which would affect this Agreement or any Transaction made thereunder; and
- g) immediately notify us in writing if at any time any of the warranties, representations or undertakings in this module are or become or are found to be incorrect or misleading in any material respect.

## **4 Anti-money laundering**

### **4.1 Anti-money laundering**

You represent, warrant and undertake that you are now and will be at all material times in the future in compliance with all Applicable Regulations concerning money-laundering. We are required to follow the Applicable Regulations concerning money-laundering relating to the identification of the Counterparty unless we elect to deal with you on the basis set out in clause 4.2. If satisfactory evidence of identity has not been obtained by us within a reasonable time period, we reserve the right to cease to deal with you.

### **4.2**

If you are a UK or EU regulated credit or financial institution, or a regulated financial sector firm from a FATF country (i.e. a member of the Financial Action Task Force), we may deal with you on the understanding that you

are complying with EU regulations (or the local equivalent) concerning money-laundering and that evidence of the identification of any Counterparty will have been obtained and recorded under procedures maintained by you.

## **5 Margining arrangements and discharge**

### **5.1 Margin**

References to "you" in the margining provisions of the Agreement shall all be deemed to be references to you acting as agent on behalf of each Counterparty in respect of which you provide margin to us from time to time.

### **5.2 Discharge**

Where under any term any payment or other performance (including the delivery of securities or any other property) is due from us, it shall be a discharge of our obligation to make such payment or performance to you notwithstanding that any Counterparty shall be interested (whether beneficially or otherwise) in such payment or performance.

## **6 Netting**

### **6.1 Events of Default**

References to "Party" in the netting provisions of the Agreement shall be deemed to be references to you acting on your own behalf and to each Counterparty. If any Event of Default occurs in respect of you or a Counterparty we shall be entitled to exercise our rights under the netting provisions of the Agreement in accordance with the following sentences of this term and the expression "Defaulting Party" shall be construed accordingly. In respect of an Event of Default which occurs in respect of you (as opposed to any Counterparty), our rights under the netting provisions of the Agreement shall apply separately in respect of each Counterparty Account. If an Event of Default occurs in respect of a Counterparty, our rights under the netting provisions of the Agreement shall be limited to the relevant Counterparty Account(s).

## **7 Indemnity**

### **7.1 Indemnification**

Notwithstanding that you may act as agent you undertake as principal to indemnify us in respect of any liabilities, costs, damages and losses incurred in relation to any Transaction effected by you as agent on behalf of any Counterparty.

## **8 Interpretation**

### **8.1 Interpretation of these terms**

In this Module: "**Counterparty**" means any counterparty agreed to by us from time to time and on behalf of which you are to enter as agent into Transactions with us; and where a counterparty does not constitute a single legal person, means the trustees, individuals or other persons who are the primary representatives of the organisation, trust or fund on whose behalf they are dealing.

# Equities module

## 1 Scope

### 1.1 Transactions

The clauses in this Module apply to Transactions in Equity Securities. For these purposes, "Transaction" means a transaction relating to an Equity Security, including a transaction under which delivery of an Equity Security is contemplated upon its formation falling within paragraphs (i) to (iv) of the definition of "Transaction" in the interpretation provisions of this Agreement.

### 1.2 Netting

Any Transaction to which this Module applies shall be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" following an Event of Default.

## 2 Dealing as principal

### 2.1 Execution and capacity

Every order which we may take is accepted and executed on the basis that we act on our own account as principal and not as agent for you.

## 3 Trading procedures

### 3.1 Our quotes

You acknowledge that any prices displayed by us are, or may be, indicative only. Therefore in certain market conditions the market price may have moved between the sending and the actual execution of a Transaction. Such movement may be in your favour or against you.

### 3.2 Cut-off times

We may establish cut-off times for instructions which may be earlier than the times established by the particular Market and/or any clearing house involved in any Transaction, and you shall have no claims against us arising out of the fact that an order was not placed by you ahead of our cut-off time.

### 3.3 Corporate Actions

Where an order is given to us in respect of any Equity Security for which a Corporate Action is imminent we may decline to accept your instructions.

**3.4 Our duty in respect of Corporate Actions** Where, in respect of any Equity Securities held by us for your account or deliverable to us for your account, any Corporate Actions occur, we shall not be obliged to undertake any action, even if you specifically instruct us, unless we expressly consent in writing.

## 4 Off-Market and grey market investments

### 4.1 Off-Market transactions

If we sell you any Equity Securities which are not quoted on a regulated market, as defined by the Applicable Regulations, unless we specify a longer period, we shall, to the extent required by law, ensure the

availability to you of a reasonable repurchase price for such Equity Securities for three months after the original sale to you. You may find it difficult to sell such Equity Securities after the end of such period due to their nature and possible illiquidity.

### 4.2 Suspended and grey market investments

We may enter into Transactions for or with you in:

- a) an Equity Security whose listing on a Market is suspended, or the listing of or trading in which has been discontinued, or which is subject to a Market announcement suspending or prohibiting trading; or
- b) a grey market investment, which is an Equity Security for which application has been made for listing or admission to trading on a Market where the Equity Security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the Equity Security is not already listed or admitted to trading on another Market.

### 4.3 Transparency

It is possible that there may be insufficient published information on which to base a decision to buy or sell such Equity Securities as referred to in the two preceding clauses.

## 5 Short-selling

### 5.1 Sales presumed not to be Short Sales

Unless your instructions specify to the contrary, all sale instructions are accepted by us on the understanding that you own the Equity Securities sold. We shall not be obliged to accept any instruction for a Short Sale Transaction unless satisfactory arrangements for making available the relevant Equity Securities for delivery have been agreed with us (which may include your entering into a securities lending arrangement with us or a third party or your agreement to our doing so on your behalf).

### 5.2 Short Sale instructions

Upon our acceptance of a Short Sale instruction, we shall record the position as if you had sold the Equity Securities to us as principal. We shall in respect of any Short Sale Transaction effect delivery of the Equity Securities on or before the settlement date. To do so, we may borrow Equity Securities from a third party or lend them to you ourselves. Unless you advise us that you have arranged to borrow the Equity Securities from a particular lender (in which case we shall, subject to whatever conditions have been previously agreed between us and you, seek to confirm such arrangements), we shall have absolute discretion in the selection of lenders.

### 5.3 Rolled Transactions

Where Equity Securities have been borrowed by you or on your behalf to cover settlement obligations, each Short Sale will be closed out upon notice, by you or us, of not less than the standard settlement period for the relevant Market or clearing organisation. When a Short Sale is closed out, you shall deliver or procure delivery of the relevant Equity Securities in accordance with our directions. Notice shall be deemed to have been given by you under this sub-clause, specifying delivery after expiry of such standard settlement period, if an Event of Default occurs or this Agreement is terminated.

### 5.4 Margin

We may mark all Short Sale positions in your account to market, and at any time the gain or loss shall be calculated as if the date for delivery of the Equity Securities subject to the Short Sale falls immediately after the expiry of the standard settlement period for the relevant Market or

clearing organisation. Such gain or loss may be taken into account in computing any obligation to provide margin to us.

## **5.5 Income**

If we are required to pay income in respect of any Equity Securities subject to a Short Sale to any person from which such Equity Securities have been borrowed on your behalf, we shall debit a sum of money from your account equivalent to the amount necessary to enable us to make an equivalent payment to such person in relation to the applicable loan of the Equity Securities together with such expenses or fees as may apply.

## **6 Limit Orders**

### **6.1 Our role as principal**

Any Limit Order in respect of an Equity Security in which we act as market-maker or otherwise as principal will be given by you on the understanding that:

- a) the order will not be executed unless and until we bid for the Equity Security at the same or a higher price than that specified in the order (in the case of a sell order) or offer it at the same or a lower price than that specified in the order (in the case of a buy order) with a view to purchasing or selling (as the case may be) the Equity Security concerned in the amount of the order; and
- b) until execution, you may buy the Equity Security (where the order you gave was to buy) at a price equal to or lower than stated in the order, or sell it (where the order was to sell) at a price equal to or higher than that stated in the order. Any such purchase or sale may be from or to any third party and for our own account or for that of any Affiliated company.

### **6.2 Cancellation**

If you wish to cancel a Limit Order before its execution or expiry, subject to Applicable Regulations the order remains valid until you receive a confirmation of cancellation of that order from us.

### **6.3 Publication**

Unless you notify us to the contrary, we shall not immediately make public any Limit Order in respect of shares admitted to trading on an EEA Regulated Market which is not immediately executed under prevailing market conditions.

## **7 Settlement and ownership**

### **7.1 Purchases**

You shall pay for any Equity Securities purchased for you on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there is insufficient cash in your account to enable us to meet the settlement obligations, we shall not be obliged to settle the Transaction. Where there is insufficient cash in your account and we do proceed to settlement, we may accept delivery of the Equity Securities, charge your account for the payment to satisfy your obligation, sell the Equity Securities at a price we believe to be reasonable, charge interest for any delayed settlement and credit your account with the net proceeds thereof (after deduction of commission and other costs).

### **7.2 Sales**

You shall make Equity Securities sold by you available for settlement on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there are insufficient Equity Securities held for your account, we shall not be obliged to settle the Transaction. Where there are insufficient Equity Securities in your account and we do proceed to settlement, we may buy the Equity Securities required for delivery at a price we believe to be reasonable, charge your account for

the cost thereof, deliver the Equity Securities to satisfy the delivery obligation, and credit your account with the net proceeds thereof (after deduction of commission and other costs).

### **7.3 Title**

If in any Transaction we deliver Equity Securities or pay money on your behalf, but your obligations in respect of that Transaction are not performed simultaneously with or prior to our own delivery or payment, then we shall not be obliged to credit your account with any Equity Securities or money received by us from any third party until your own obligations to us are fully performed; and any such Equity Securities or money received by us shall be our property not yours.

### **7.4 Finality**

We shall owe no payment or delivery obligation and shall not be deemed to hold any property belonging to you as a result of settlement of a Transaction until we have received, with finality, the cash or Equity Securities to which you are entitled.

### **7.5 Contractual settlement**

We may, in our discretion, provisionally credit and debit your account on the due date of settlement as if the Transaction had settled on that date even where, under Applicable Regulations, the Transaction has not settled in your favour or our favour with finality.

We may, however, in our absolute discretion reverse any such provisional debits and credits at any time until we receive payment (on sale) or delivery (on purchase) on your behalf with finality. We shall not be liable to you in respect of income or any other rights relating to the Equity Securities which would have accrued on the monies or investments if settlement had taken place on the contractual settlement date.

### **7.6 CREST**

Where you instruct us to effect settlement by accepting the transfer of Equity Securities to our nominated CREST account you accept that payment obligations upon settlement will be dealt with through a settlement bank and that the creation of a settlement bank payment obligation will to the extent of such obligation discharge payment due from us.

### **7.7 Non-DvP Markets**

In some securities markets, delivery of Equity Securities and payment may not be made simultaneously. In such markets we may make payment or delivery of Equity Securities at such time and in such manner as is in accordance with relevant local law and practice or with the customs prevailing in the relevant market.

### **7.8 Fails**

We will notify you if settlement of a Transaction fails to take place on the contractual settlement date, whether because of a default by a counterparty to that Transaction or otherwise.

### **7.9 Aggregation for settlement**

Settlements in respect of executed Transactions may, in our discretion, be netted to the lowest number of movements for each type of Equity Security reasonably possible, subject to Applicable Regulations.

**7.10 Relevant Markets and clearing organisations** Where more than one trading Market is potentially relevant in respect of a Transaction or an Equity Security, it shall be within our discretion to determine the settlement period or other matters relevant to the operation of this Module.

## 8 Stabilisation

### 8.1 Stabilisation activity

We may effect Transactions in Equity Securities that may be the subject of stabilisation, a price supporting process that may take place in the context of new issues. The effect of stabilisation can be to make the market price of the new issue temporarily higher than it would otherwise be. We shall owe you no duties in respect of legitimate stabilisation activities which we undertake.

## 9 Transparency

### 9.1 Trade Reporting

Under Applicable Regulations, we may be obliged to make information about certain Transactions public. You agree and acknowledge that any and all proprietary rights in such Transaction information are owned by us and you waive any duty of confidentiality attaching the information which we are obliged to disclose.

## 10 Definitions

### 10.1 Definitions

In this Module: **“Corporate Action”** means any step taken by an issuer of Equity Securities with reference to holders of its Equity Securities, and includes capital reorganisation; capitalisation; change in listing; consolidation; conversion; delisting; de-merger; alteration in ranking; redemption; rights issue; scheme of arrangement; takeover; or any equivalent or analogous step under the law of any relevant jurisdiction.

**“Equity Security”** means any security which is a share in a company, or a security equivalent to a share in a company, a partnership or other entity, provided that it is negotiable on the capital Market, and includes a depository receipt in respect of a share.

**“Limit Order”** means an order to buy or sell an Equity Security at its specified price limit or better and for a specified size.

**“Short Sale”** means a Transaction for the sale of equities not owned by you at the time scheduled for settlement of the sale Transaction.

# Fixed income securities module

## 1 Scope

### 1.1 Transactions

The clauses in this Module apply to Transactions in Fixed Income Securities. For these purposes, “Transaction” means a transaction relating to a Fixed Income Security.

### 1.2 Netting

Any Transaction to which this Module applies shall be deemed included in the definition of “Netting Transaction” for the purposes of this Agreement and subject to termination and liquidation under the clause headed “Netting” following an Event of Default.

## 2 Dealing as principal

### 2.1 Execution and capacity

Every order which we may take is accepted and executed on the basis that we act on our own account as principal and not as agent for you.

## 3 Trading arrangements

### 3.1 Bond market liquidity

You acknowledge that fixed income instruments may be illiquid and that the market price of any particular instrument may be difficult to ascertain. Where our Transaction Execution Guidelines apply in respect of your instructions you accept that price will not typically be the primary factor in determining whether best execution has been achieved.

### 3.2 ICMA Rules and Recommendations

All Transactions in “international securities” as that term is defined in the Rules and Recommendations of the International Capital Market Association and unless agreed otherwise at the time of trade in non-US debt or convertible instruments shall be subject to such Rules and Recommendations, which are included within the meaning of “Applicable Regulations” for the purposes of this Module.

## 4 Settlement and ownership

### 4.1 Purchases

You shall pay for any Fixed Income Securities purchased for you on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there is insufficient cash in your account to enable us to meet the settlement obligations, we shall not be obliged to settle the Transaction. Where there is insufficient cash in your account and we do proceed to settlement, we may accept delivery of the Fixed Income Securities, charge your account for the payment to satisfy your obligation, sell the Fixed Income Securities at a price we believe to be reasonable, and credit your account with the net proceeds thereof (after deduction of commission and other costs).

### 4.2 Sales

You shall make Fixed Income Securities sold by you available for settlement on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there are insufficient Fixed Income Securities held for your account, we shall not be obliged to settle the Transaction. Where there are insufficient Fixed Income Securities in your account and we do proceed to settlement, we may buy the Fixed Income Securities required for delivery at a price we believe to be reasonable, charge your account for the cost thereof, deliver the Fixed

Income Securities to satisfy the delivery obligation, and credit your account with the net proceeds thereof (after deduction of commission and other costs).

### 4.3 Title

If in any Transaction we deliver Fixed Income Securities or pay money on your behalf, but your obligations in respect of that Transaction are not performed simultaneously with or prior to our own delivery or payment, then we shall not be obliged to credit your account with any Fixed Income Securities or money received by us from any third party until your own obligations to us are fully performed; and any such Fixed Income Securities or money received by us shall be our property not yours.

### 4.4 Finality

We shall owe no payment or delivery obligation and shall not be deemed to hold any property belonging to you as a result of settlement of a Transaction until we have received, with finality, the cash or Fixed Income Securities to which you are entitled.

### 4.5 Non-DvP Markets

In some securities markets, delivery of Fixed Income Securities and payment may not be made simultaneously. In such markets we may make payment or delivery of Fixed Income Securities at such time and in such

manner as is in accordance with relevant local law and practice or with the customs prevailing in the relevant market.

#### **4.6 Fails**

We will notify you if settlement of a Transaction fails to take place on the contractual settlement date, whether because of a default by a counterparty to that Transaction or otherwise.

### **5 Short-selling**

#### **5.1 Sales presumed not to be Short Sales**

Unless your instructions specify to the contrary, all sale instructions are accepted by us on the understanding that you own the Fixed Income Securities sold. We shall not be obliged to accept any instruction for a Short Sale Transaction unless satisfactory arrangements for making available the relevant Fixed Income Securities for delivery have been agreed with us (which may include your entering into a securities lending arrangement with us or a third party or your agreement to our doing so on your behalf).

#### **5.2 Short Sale instructions**

Upon our acceptance of a Short Sale instruction, we shall record the position as if you had sold the Fixed Income Securities to us as principal. We shall in respect of any Short Sale Transaction effect delivery of the Fixed Income Securities on or before the settlement date. To do so we may borrow Fixed Income Securities from a third party or lend them to you ourselves. Unless you advise us that you have arranged to borrow the Fixed Income Securities from a particular lender (in which case we shall, subject to whatever conditions have been previously agreed between us and you, seek to confirm such arrangements), we shall have absolute discretion in the selection of lenders.

#### **5.3 Rolled Transactions**

Where Fixed Income Securities have been borrowed by you or on your behalf to cover settlement obligations, each Short Sale will be closed out upon notice, by you or us, of not less than the standard settlement period for the relevant Market or clearing organisation. When a Short Sale is closed out, you shall deliver or procure delivery of the relevant Fixed Income Securities in accordance with our directions.

Notice shall be deemed to have been given by you under this sub-clause, specifying delivery after expiry of such standard settlement period, if an Event of Default occurs or this Agreement is terminated.

#### **5.4 Margin**

We may mark all Short Sale positions in your account to market, and at any time the gain or loss shall be calculated as if the date for delivery of the Fixed Income Securities subject to the Short Sale falls immediately after the expiry of the standard settlement period for the relevant Market or clearing organisation. Such gain or loss may be taken into account in computing any obligation to provide margin to us.

#### **5.5 Income**

If we are required to pay income in respect of any Fixed Income Securities subject to a Short Sale to any person from which such Fixed Income Securities have been borrowed on your behalf, we shall debit a sum of money from your account equivalent to the amount necessary to enable us to make an equivalent payment to such person in relation to the applicable loan of the Fixed Income Securities together with such expenses or fees as may apply.

### **6 Definitions**

#### **6.1 In this Module**

**“Fixed Income Securities”** means any security which is a bond or other debt instrument, including government and public issues, but excluding any lending arrangement.

**“Short Sale”** means a Transaction for the sale of Fixed Income Securities not owned by you at the time scheduled for settlement of the sale Transaction.

# Futures and options module

## 1 Scope

### 1.1 Transactions

The clauses in this Module apply to transactions in futures and options. In this Module, "Transaction" means a transaction listed in sub-clauses (i)-(iv) of the definition of Transaction in the interpretation provisions of this Agreement.

### 1.2 Netting

Any Transaction to which this Module applies shall, subject as follows, be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" (the "Netting Clause") following an Event of Default. The Netting Clause shall not apply to any Transaction to the extent that action which conflicts with or overrides the provisions of the Netting Clause has been started in relation to that Transaction by a Market or clearing organisation under Applicable Regulations and is continuing.

## 2 Trading arrangements

### 2.1 Matching trades

In respect of every Transaction made between you and us subject to the Rules of a Market, we shall, unless otherwise agreed in writing in relation to a particular Market, act as principal in any Transaction with you. We shall make (or arrange to make through an intermediate broker who may be an associate) on a principal-to-principal basis a matching Transaction on the relevant Market or accept the allocation to us of such a Transaction.

### 2.2 Give-up

In respect of every Transaction made between you and us and given up to be cleared by another broker or dealer as specified by you:

- a) if such broker or dealer accepts the give-up, we shall (without prejudice to any claim we may have for commission or other payment) upon such acceptance cease to be a party to the Transaction and shall have no obligation to you for its performance;
- b) if such other broker or dealer declines to accept the give-up, we shall be entitled at our option either to confirm the Transaction with you or to liquidate it by such sale, purchase, disposal or other Transaction or cancellation as we may in our discretion determine, whether on the relevant Market or by private contract or any other feasible method (including taking it over ourselves or transferring it to an associate); and any balance resulting from such liquidation shall be promptly settled between you and us but without prejudicing our rights under this Agreement or otherwise.

**2.3 International Uniform Give-up Agreement** You authorise us to enter into and execute any International Uniform Give-up Agreement on your behalf. Where you and we are party to an International Uniform Give-up Agreement, and in the event of any inconsistency, the provisions of such agreement shall prevail over this Agreement.

### 2.4 Allocation on delivery or exercise

Where the relevant Market or intermediate broker does not specify a particular Transaction when making a delivery or exercising an option, we may allocate randomly or in a way which seems to us to be most equitable.

### 2.5 Exercise of options

You understand that Markets have established exercise cut-off times for the tender of instructions in relation to exercise of options and that options will become worthless in the event that you do not deliver instructions by such cut-off time. You also acknowledge that we may establish exercise cut-off times which may be earlier than the exercise cut-off times established by the relevant Market, and you shall have no claims against us arising out of the fact that an option was not exercised.

### 2.6 Deemed exercise of options

Where by virtue of the Rules of a Market an option is exercised automatically under a back-to-back Transaction which has been entered into by us on your instructions, the corresponding Transaction to which you and we are both party will be deemed to have been automatically exercised at the same time.

### 2.7 Correction of order

You understand that Markets may from time to time sanction the making of contracts by us off-exchange in order to satisfy your order, where there has been an error in the execution of your order on-exchange. Where a better price (an improvement) can be obtained, we may seek to secure and offer that improvement to you. Where, in response to your order, we have bought or sold in accordance with the instruction in your order to buy or, as the case may be, to sell but have traded the wrong delivery/ expiry month or wrong exercise price of the relevant contract, then we may in accordance with the Rules of any relevant Market offset any loss arising from that trade against any improvement achieved for you in the course of correctly satisfying your order, thus offering you only the net improvement, if any.

### 2.8 Close-out

Unless otherwise agreed in writing between you and us or where the Rules of a Market provide otherwise, whenever any Transaction is entered into to close out any existing Transaction, then the obligations of each of us under both sets of Transactions shall automatically and immediately be terminated upon entering into the second Transaction, except for any settlement payment due in respect of such closed out Transactions.

## 3 Clearing services

**3.1 Transaction given up to us for clearing** Subject to the Rules of any relevant Market, this clause applies where there is a give-up agreement between you, us and a third-party executing broker, and the reference number or mnemonic applicable to you is quoted by such executing broker when a Transaction is submitted to us for clearing. In acting as your clearing broker we shall accept a Transaction given up to us for clearing only if we have agreed with you to clear Transactions of such a description and the acceptance thereof would not breach any position or other limits applicable to your account with us.

Notwithstanding any provision contained in the relevant give-up agreement, if we accept such Transaction for clearing, such Transaction shall be binding and conclusive on you immediately on its acceptance for clearing by us whether or not the details of such Transaction have previously been confirmed to us by you. We shall not be liable to you for any losses, costs, expenses or damages arising from any discrepancy between details in your instructions to such executing broker and details of Transactions submitted to us for clearing. Any dispute relating to a Transaction given up or attempted to be given up to us for clearing shall be determined under applicable arbitration rules of the relevant Market.

### 3.2 Fees paid to executing broker

Subject to the Rules of any relevant Market, if a give-up agreement between you, us and a third-party executing broker provides that the executing broker will invoice us directly for its commissions in relation to the execution of an order, then we shall be entitled to rely on the details specified in any invoice presented to us by such executing broker and, notwithstanding that the amounts specified in the invoice may be

## Futures and options product information

incorrect, you shall fully reimburse us for any sum paid to the executing broker in respect of that invoice. We shall have no liability to you for any losses, costs, expenses or damages incurred or suffered by you as a result of an incorrect amount being specified in an invoice.

## 4 Financial futures requiring non-cash settlement

### 4.1 Sales

You shall make securities deliverable by you available for settlement on or before the settlement date. Where there are insufficient securities in your account and we do proceed to settlement, we may buy the securities required for delivery at a price we believe to be reasonable, charge your account for the cost thereof, deliver the securities to satisfy the delivery obligation, and credit your account with the net proceeds thereof (after deduction of commission and other costs).

### 4.2 Settlement agent

You will notify us of all relevant details required by us of your settlement agent in respect of Transactions which may be subject to securities delivery obligations. You will procure that your settlement agent enters into such other documentation as may be necessary to ensure that the clearing and settlement of such Transactions takes effect without liability to us.

## 5 EFP transactions

### 5.1 EFPs

Subject to the terms of any particular EFP Transaction, in relation to each EFP Transaction, upon our becoming bound to Futures Contracts entered into in replication of the Physical Contract, the Physical Contract shall be automatically discharged.

### 5.2 Reverse EFPs

Subject to the terms of any particular Reverse EFP Transaction, in relation to each Reverse EFP Transaction, the Physical Contract with you shall arise automatically upon the closing out (including by creation of opposite positions, on the relevant Market) of the Futures Contracts which the Physical Contract is intended to replace.

### 5.3 Existence of Transactions

The existence of an EFP Transaction or Reverse EFP Transaction is conditional on registration of the Futures Contracts (or, as the case may be, contracts effecting close-out) occurring on the date specified in the confirmation relating to the Transaction.

### 5.4 Payment

We will notify you of the amount of any payment due between you and us as a result of entering into an EFP Transaction or Reverse EFP Transaction, to whom it is payable and when.

### 5.5 Definitions

In this clause: “EFP Transaction” means a transaction between you and us which comprises a Physical Contract which is intended to be replaced by Futures Contracts.

“Futures Contract” means a contract on terms prescribed by a Market.

“Physical Contract” means a Transaction the terms of which are comparable with the terms of Futures Contract, which is not entered into on or back-to-back with a transaction entered into by us on a Market.

“Reverse EFP Transaction” means a transaction between you and us

which comprises a Physical Contract which is intended to replace Futures Contracts.

## 1 Understanding the risk of derivative products

1.1 You should not deal in derivative products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the contract is suitable for you in the light of your circumstances and financial position.

1.2 Although futures and options can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Derivative products will not always act in the same way. Your relationships with us may vary depending on the product and style of the transaction, and clearing houses may not always owe you a direct obligation. Different products involve different levels of exposure to risk and in deciding whether to trade in such products you should be aware of the following points.

1.3 You should be aware that the product information and advice contained in this Module is not necessarily a comprehensive description of all aspects of the product. Additionally, specific products may be tailored for you and may differ in detail from any description set forth in this Module. The terms of the particular transactions will prevail over the product description and information given herein.

## 2 Futures

2.1 Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash.

2.2 The risk of loss in trading commodity futures contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit your losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.

2.3 Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit (“limit move”).

2.4 The “gearing” or “leverage” often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.

2.5 Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements. You may sustain a total loss of the funds that you deposit with us to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by us to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time

required by us, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.

- 2.6 You should consider the nature of the protections available to safeguard funds or property deposited for your account.

### 3 Options

- 3.1 There are many different types of options with different characteristics subject to the following conditions.

#### 3.1.1 Buying options

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

#### 3.1.2 Writing options

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

#### 3.1.3 Traditional options

Certain London Stock Exchange (“LSE”) member firms under special LSE rules write a particular type of option called a “traditional option”. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no access to market participants to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

### 3.2 Certain options

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

### 4 Contracts for differences

- 4.1 Futures and options contracts can also be referred to as a contract for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this.

### 5 International markets

- 5.1 Internationals markets will involve different risks from the UK markets. In some cases the risks will be greater. You may request an explanation of the relevant risks and protections (if any) which will operate in any international markets, including the extent to which we would accept liability for any default of an international firm through whom we deals. The potential for profit or loss from transactions on international markets or in non-domestic denominated contracts will be affected by fluctuations in foreign exchange rates. Such transactions may also be affected by exchange controls that could prevent or delay performance. **6**

### Contingent liability transactions

- 6.1 Contingent liability transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.
- 6.2 If you trade in futures, contracts for differences or sell options you may sustain a total loss of the margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.
- 6.3 Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

### 7 Suspensions of trading

- 7.1 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 Market trading is suspended or restricted or if the systems of the relevant Market cannot function for any reason. 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.

### 8 Clearing house protections

- 8.1 On many Markets, the performance of a transaction by us (or third party with whom we are dealing on your behalf) is “guaranteed” by the Market or clearing house. However, this guarantee is unlikely in most circumstances to cover you, and may not protect you in the event that we or another party defaults on the obligations due to you. Not all Markets act in the same way. Further specific information about trading on the London Metal Exchange (“LME”) can be found at [www.lme.co.uk](http://www.lme.co.uk). Further specific information about trading derivative products on Euronext.liffe can be found at [http://www.euronext.com/home\\_derivatives-2153-EN.html](http://www.euronext.com/home_derivatives-2153-EN.html).

### 9 Insolvency

- 9.1 In the event of our insolvency or default, or that of any other brokers involved with your transaction, your positions may be 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, we will 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.



## **10 Warrants**

- 10.1 A warrant is a time-limited right to subscribe for shares, debentures, loan stock, government securities or other assets and is exercisable against the issuer of the warrant. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the asset may result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.
- 10.2 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 pre-determined timescale then the investment becomes worthless.
- 10.3 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.
- 10.4 Transactions in off-Market warrants may involve greater risk than dealing in Market traded warrants because there is no access to a 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.

## **11 Securitised derivatives**

- 11.1 These instruments may give you a right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment, or they may give you rights under a contract for differences which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument".
- 11.2 These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment may result in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.
- 11.3 These instruments have a limited life, and may (unless there is some form of guaranteed return of the amount you are investing in the product) expire worthless if the underlying instrument does not perform as expected.
- 11.4 You should only buy this product if you are prepared to sustain a loss of the money you have invested plus any commission or other transaction charges.
- 11.5 You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position, and if in any doubt please seek professional advice.

## **12 General information**

- 12.1 Exchange-traded futures and options are not subject to a prospectus.
- 12.2 You may incur liabilities related to exchange-traded futures and options which are calculated in accordance with Market or clearing house rules.
- 12.3 We may not deal directly in the relevant Market but may act through one or more brokers or intermediaries. In such cases, your positions may be affected by the performance of those third parties in addition to our performance.
- 12.4 The price and liquidity of any investment depends upon the availability and value of the underlying asset, which can be affected by a number of extrinsic factors including, but not limited to, political, environmental and technical. Such factors can also affect the ability to settle or perform on time or at all.

12.5 Any payments made or received in relation to any investment may be subject to tax and you should seek professional advice in this respect.

12.6 Where you are unable to transfer a particular instrument which you hold, to exit your commitment under that instrument, you may have to offset your position by either buying back a short position or selling a long position. Such an offsetting transaction may have to be over the counter and the terms of such a contract may not match entirely those of the initial instrument. For example, the price of such a contract may be more or less than you received or paid for the sale or purchase of the initial instrument.

# Trustee annex to the netting provisions

## 1 Scope

### 1.1 Application

This Trustee Annex supplements the provision of this Agreement entitled "Netting".

## 2 Representations and covenants

### 2.1 Additional representations and warranties:

a) Each of you and each Trustee Party represents and warrants to us as of the date of execution by it of these terms (and, if applicable, as of the date of its accession to and adoption of these terms in accordance with the Trustee Annex) that:

- i. each such person has authority (including in the case of you and each Trustee Party, full power and authority under the terms of the instrument (the "Trust Deed") under which the trust of which you act as trustee for the purposes of this Agreement (the "Trust") is constituted) to enter into this agreement; and
- ii. no Event of Default or Potential Event of Default has occurred and is continuing with respect to any such person.

b) Each of you and each Trustee Party represents to us, as of the date of execution of this Agreement (or, if applicable, as of the date of its accession to and adoption of these terms in accordance with the Trustee Annex) and as of the date of each Transaction, and warrants that:

- i. all of the Trustee Parties appointed in respect of the Trust are bound by this Agreement; and
- ii. each Trustee Party has a right to be indemnified out of the assets of the Trust in respect of any obligations undertaken or to be undertaken by it to us under this Agreement or any Transaction.

### 2.2 Additional covenants:

a) Without prejudice to the generality of the clause entitled "Covenants", each of you and each Trustee Party covenants to us that it will promptly notify us of:

- i. each appointment, death, incapacity, insolvency and retirement of a Trustee Party; and
- ii. the winding-up of the Trust under the provisions of the Trust Deed or otherwise.

b) Where this Agreement has been executed by one or more Trustee Parties acting or purportedly acting both on your behalf and on behalf of each other Trustee Party holding office as trustee of the Trust at the time of execution, each of such executing Trustee Parties represents and covenants (independently of the effectiveness of the remainder of this agreement) that such Trustee Parties have full power and authority under the terms of the Trust Deed and the general law applicable to trustees to do so, and have the power and authority on behalf of each other Trustee Party to confer the rights constituted under paragraph 4 of this Trustee Annex.

c) Each Trustee Party covenants to us, that:

- i. it will at all times obtain and comply with the terms of, and do all that is necessary to maintain in full force and effect, all authorisations, approvals, licences and consents (including all requirements of the Trust Deed and the general law applicable to trustees) required to enable it lawfully to perform its obligations under this agreement; and

- ii. it will promptly notify us of the occurrence of any Event of Default or Potential Event of Default with respect to itself.

## 3 Events of Default

### 3.1 Events of Default

The occurrence of any of the following additional events shall constitute an Event of Default to which automatic termination under the Netting provisions of this Agreement shall not apply:

- a) any Trustee Party loses the right to be indemnified out of the assets of the Trust in respect of any obligation undertaken by it under the Agreement or any Transaction or any fact comes to our attention on the basis of which we reasonably believe that such Trustee Party would lose or has lost such right;
- b) any Trustee Party not bound to this Agreement at the date of its execution who is at any time thereafter appointed as trustee in respect of the Trust fails to accede to and adopt this Agreement, all Transactions then outstanding and all rights and obligations thereunder within a reasonable time from such appointment in any manner acceptable to us;
- c) any Trustee Party revokes any consent given pursuant to this Trustee Annex; and
- d) action is taken which under the terms of the Trust Deed or by operation of law constitutes initiation of winding-up of the Trust.

## 4 New trustees

### 4.1 Appointment of new trustees

Each party to this Agreement and each Trustee Party acknowledges that from time to time new persons may be duly appointed as trustees of the Trust (each person so appointed, a "New Trustee Party") and accordingly, notwithstanding any restriction on assignment or transfer under this Agreement:

- a) we and each Trustee Party hereby each consent to the accession to and adoption of the terms and obligations hereunder by each and every New Trustee Party from time to time, which accession and adoption shall take effect as a novation of the Agreement and all Transactions then outstanding such that each New Trustee Party may thereafter (as trustee of the Trust and subject to the terms of the Trust Deed) exercise your rights, and shall thereafter be bound by your obligations (including obligations under such Transactions);
- b) in any case where any Trustee Party so bound immediately before such a novation remains so bound after such novation, that Trustee Party shall be bound thereafter jointly with each New Trustee Party;
- c) the consent given by virtue of this provision may only be revoked by a Trustee Party by notice in writing to us; and
- d) the terms of this provision shall take effect as an open offer by us, you and each Trustee Party bound by this agreement at the time of appointment of any New Trustee Party to each and every New Trustee Party to accede to and adopt the terms and obligations under the agreement and all Transactions then outstanding hereunder, which shall be deemed accepted by any subsequent dealings by you under this Agreement or in any manner acceptable to us.

## 5 Definitions and interpretation

5.1 Definitions and interpretation in this Trustee Annex:

- a) where any such Transaction is entered into with us by or on behalf of one or more Trustee Parties purportedly acting on your behalf, “Transaction” includes each such Transaction;
- b) “Trustee Party” means, at any time, a person holding office as trustee of the Trust at such time (whether or not a party to this Agreement); and
- c) a reference to any person as “it” or otherwise in the neuter gender shall not be construed so as to limit the application of the provision in which the reference appears in relation to any natural or legal person.

**5.2 Application to trustees** Any

reference in this Agreement:

- a) to the obligations of a Party shall, insofar as it may apply to you, include a reference to the obligations owed by any Trustee Party; and any reference in the Netting provisions of this Agreement to “you” shall be read as a reference to you or a Trustee Party; and
- b) to “you”, at any time, includes all persons who have acceded to this Agreement in accordance with this Trustee Annex, but does not include any person who has been, but is no longer, a Trustee Party and who has been discharged of its obligations hereunder by us in writing.

# MiFID II/MiFIR module

## General Information

### Information about us

We, **Commerzbank Aktiengesellschaft**, are authorised and regulated by the European Central Bank (“**ECB**”) and the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, “**BaFin**”). Our London branch is authorised by the Prudential Regulation Authority (“**PRA**”). Subject to regulation by the Financial Conduct Authority (“**FCA**”) and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Our registered office is Kaiserplatz, D60311 Frankfurt and for the London branch the principal place of business is 30 Gresham Street, London, EC2V 7PG. The FCA’s registered office is 12 Endeavour Square, London E20 1JN. The PRA’s address is 20 Moorgate London EC2R 6DA. The ECB’s address is Sonnemannstr. 22, D60324 Frankfurt. The BaFin’s address is Graurheindorfer Str. 108, D-53117 Bonn. Any reference in this Agreement to the ‘FSA’ shall be read as a reference to the FCA or PRA (as applicable).

### Classification and Capacity

We will write to you to inform you if you have been classified as a professional client or an eligible counterparty. You act as principal and not as agent (or trustee) on behalf of someone else unless you inform us otherwise.

## Advice/no Advice

### Information from you

ts clients – for example, through regular new issues, notice of such increase; and especially involving certificates and other forms of structured investment. The Bank also offers products provided by qualified selected distribution partners.

Where you are a Professional Client, we are obliged under Applicable Regulations to obtain information about your personal and financial circumstances so that we can make an investment recommendation or take an investment decision which is suitable for you. The reason for assessing suitability is to enable us to act in your best interests. We use the information provided by you when we assess the suitability of investments for you. You are responsible for ensuring that information provided to the Bank for this purpose is accurate, complete and up to date. Please note that where you are a Professional Client, we are entitled to make certain assumptions about your level of experience and knowledge in respect of the products, transactions and services for which you have been categorised as a Professional Client. If you are an Eligible Counterparty, we do not have to undertake a suitability assessment.

Within the scope of providing investment advice concerning investment funds and certificates, the Bank will recommend products from the range of Commerzbank Group’s own products. In this way, the Bank offers innovative products to **Non-advisory business**

If you ask us to enter into a Transaction in respect of certain shares, certain bonds, authorised asset trust units or certain other non-complex financial instruments, we are not required to assess the suitability of the instrument or service provided or offered, and you will not benefit from the protection of Applicable Regulations on assessing suitability.

## Appropriateness

In general, where we provide investment services or asset management services, we will need you to provide us with the information regarding your knowledge and experience in the investment field relevant to the specific type of product and service offered or demanded, in order for us to assess whether the service or product envisaged is appropriate for you. Please note that we are entitled to assume that you have the necessary level of experience and knowledge to understand the risks involved in relation to particular products, transactions or services for which you have been categorised as a Professional Client.

If you are an Eligible Counterparty, we do not have to undertake an assessment of whether any products, transactions or services for which you have been categorised as an Eligible Counterparty are appropriate for you.

Please also note that we are not required and will not unless agreed with you assess the appropriateness of a financial instrument or service provided or offered to you where the service only consists of execution or reception and transmission of client orders for non-complex instruments at your own initiative. In such cases therefore you will not benefit from the protections of the Applicable Regulations relating to an assessment of appropriateness.

## Third party research

We may receive research from third parties in connection with a service and may, in accordance with Applicable Regulations, pay for such research from a research payment account funded by clients. We may charge you a research charge, for the purposes of funding such research payment account. We shall operate such research payment account in accordance with our research policy, as amended from time to time, a copy of which is available on request. Furthermore, in respect of such research charges:

- (a) you agree that we shall charge you the amount agreed by you and us in a separate agreement per year (the “**Annual Research Budget**”);
- (b) we will invoice you for the research services you used and we shall collect such charges from you on an annual basis;
- (c) we may in our discretion increase the Annual Research Budget from time to time, by providing you with prior
- (d) where the Annual Research Budget for that same period exceeds the actual research charges paid to the providers of research during the relevant period, we may either rebate or offset such excess through one or a combination of the following methods: (i) by rebating the relevant excess amount (or part thereof) to you; or (ii) by offsetting the relevant excess amount (or part thereof) against the Annual Research Budget for the following period (and reducing amounts collected in respect thereof accordingly).

## Non-Monetary Benefits from Third Parties

We are required to inform you that, in providing services, we may accept and retain minor non-monetary benefits from third parties, where permitted according to Applicable Regulations, for example: participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service or hospitality of a reasonable de minimis level.

### **Conflicts of Interest**

Commerzbank London Branch maintains a Conflicts of Interest Policy in accordance with the requirements of MiFID II. The policy, amongst other things, identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients, specifies the procedures or measures which should be followed by the Bank in order to prevent or manage and report those conflicts of interests and sets out procedures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary activities. The policy clarifies that disclosure of conflicts of interest is a measure of last resort to be used by the Bank to address its regulatory obligations only where the organisational and administrative arrangements established to prevent or manage conflicts of interest are not sufficient to ensure that the risks of damage to the interests of clients will be prevented.

Please contact your Regional Relationship Manager for further information on the Conflicts of Interest Policy. The Conflicts of Interests Policy may be amended from time to time. Information on the Conflict of Interests Policy will be available on our website.

### **Provision of investment advice No independent fee-based investment advice**

The Bank does not provide investment advice in the form of independent fee-based investment advice, but on a commission basis. As such any advice will be restricted advice. This means that the Bank will not always assess a diverse range of financial instruments that are available across the market in the course of giving advice. As mentioned above, advice may be limited to advice on financial instruments issued or provided by the Bank or its affiliates or by entities with which the Bank or its affiliates have close legal or economic relationships, including contractual relationships.

Unless the Bank agrees with you, such advice is not provided on an on-going basis and the Bank will not be providing a periodic assessment of the suitability of the financial instruments that may have been recommended.

The costs for providing advice (e.g. advisor salaries, etc.) are covered by the Bank's income generated when doing business with a client. These costs, which may vary depending on the product concerned, include sales commissions paid by providers of investment products, execution commissions, or trading income. Unless agreed otherwise no separate fee is charged for individual investment advice provided.

### **Asset management**

The Bank offers a professional asset management service to its clients. This requires a separate agreement with the Bank, in which the client sets out its investment strategy, plus any additional investment guidelines if applicable. The Bank supports clients with recommendations concerning the choice of investment strategy, taking the client's individual circumstances into consideration. For this purpose, the Bank will obtain sufficient information on clients' individual circumstances and investment objectives. When managing client assets, the Bank takes investment decisions at its own discretion, observing the client's instructions and requirements. The Bank will provide clients with separate information on the management of their assets, especially by way of regular reports prepared specifically for this purpose. Periodic statements which set out the activities undertaken and the performance of your portfolio for the reporting period will be provided to you at least every three months.

Where we act as an asset manager, we will tell you if the overall value of your portfolio depreciates by 10% from the start of each reporting period (and thereafter at multiples of 10%). We will do this by the end of the

business day that the threshold is exceeded (or the next business day if the threshold is exceeded on a non-business day).

When providing these services to you, unless our agreement with you states otherwise, the Bank may delegate to its affiliates the discretionary management of all or part of the financial instruments in your portfolio. Further details are available upon request.

In the course of providing our asset management service the Bank is prohibited from accepting and retaining any fees, commission or monetary benefits, or accepting any non-monetary benefits (other than certain minor non-monetary benefits), where these are paid or provided by any third party or person acting on their behalf. Examples of such minor, non-monetary benefits may include participation in conferences and hospitality whose value does not exceed a reasonable de minimus threshold.

### **Notice regarding cross-selling**

Where the Bank offers an investment service to its clients in conjunction with another product or service, it will inform clients whether the individual components may also be obtained separately – in which case the Bank will provide a separate indication of costs for each component. If the overall risk of the package differs from the risks associated with individual products, the Bank will also inform clients requiring maximum protection about the individual components, the risks associated with each component, and the type of risks as well as cross-relationships.

### **Information on Bank Resolution**

As a matter of principle, shareholders and creditors are always exposed to the risk that obligations from a financial instrument or other claims are not honoured (credit risk of the issuer or counterparty). This risk materialises in the event of the issuer's insolvency (inability to pay/over-indebtedness). Special regulations apply to credit institutions. There is an additional risk of an authority imposing resolution measures upon the issuer or counterparty. Such measures may be ordered, for example, if a bank's assets fall short of its liabilities; if the bank is unable (or will be unable in the near future) to settle its liabilities when due; or if the bank needs exceptional financial support. The consequences of a resolution action may include a partial or full write-down of financial instruments issued by (or claims against) the Bank, or it may require such instruments or claims to be converted into equity (shares, or other forms of equity instruments). Details regarding the consequences of resolution actions on liability are available on:

[https://www.commerzbank.de/en/hauptnavigation/aktionaere/informationen\\_f\\_r\\_fremdkapitalgeber/bankenabwicklung/Bankenabwicklung.html](https://www.commerzbank.de/en/hauptnavigation/aktionaere/informationen_f_r_fremdkapitalgeber/bankenabwicklung/Bankenabwicklung.html).

### **Product approval process**

The Bank will offer clients only financial instruments for which it has carried out a product approval process. It will also ascertain the proper handling of conflicts of interest. In particular, the Bank will ensure that the structure and characteristics of a financial instrument are designed to meet the needs of an identified target market of clients (see below) within the relevant category of clients and that the financial instrument's distribution strategy is compatible with the identified target market.

### **Target market**

The Bank is obliged to determine a target market for each financial instrument, taking information provided by the manufacturer of the financial instrument into consideration. It will also use information provided by its clients. The Bank will consider all target market criteria when providing investment advice, which may lead to restrictions concerning its recommendations. The Bank's recommendation may diverge from the target market in substantiated, exceptional circumstances, in which case the Bank will inform clients accordingly. In

the execution only business, the Bank will only verify the target market criteria of client category, knowledge and experience, and distribution strategy; clients must verify the remaining target market criteria themselves, for example, using the respective Key Information Document provided by the manufacturer. Moreover, where a client is outside the target market, the Bank may reject order execution, or may give a warning to the client.

#### **Risk Information**

Our provision of investment services may mean that you enter into Transactions in financial instruments. All financial instruments carry risk. The Bank will provide you with a description of the risks associated with financial instruments that you may acquire or dispose of through its services on a case-by-case basis.

You should ensure that you fully understand all of the risks associated with your investment activity. If you are in doubt as to such risks or the impact of any risks on you or as to your ability to bear risk, you should seek professional advice regarding the relevant investment from a person duly qualified to provide such advice (which may include the Bank if it has agreed to provide investment advice to you).

Depending on the services provided to you, further information may be provided in your agreements with the Bank regarding risks associated with financial instruments or the Bank's services.

#### **Transaction reporting to securities supervisory authorities**

The Bank must generally report transactions in securities or other financial instruments to the securities supervisory authority. The purpose of these reports is to enable the supervisory authority to effectively monitor the capital markets, and to identify any infringements (against the prohibition of insider trading, for example). Reporting obligations will be extended from 3 January 2018 onwards, to include client details, i.e. company name, and/or the client's legal representative. In addition, the client's individual identification code must be reported. For **legal entities** and companies, the Legal Entity Identifier (LEI) will be used. In order to report details of client transactions, the Bank may need to disclose confidential information to a regulatory authority, which may be via a third party, where such disclosure is required to enable us to assist clients in complying with these reporting obligations.

You acknowledge and agree that we may refuse to enter into, execute, transmit, deal in or otherwise arrange any Transaction where you have not provided such information (and waived or procured the waiver of any data confidentiality or data protection obligations in respect of such information) as we may reasonably require in order for us to comply with any transaction reporting or market transparency requirements in respect of such transaction or where our non-receipt of such information (including without limitation an applicable LEI) would mean that we are prohibited by Applicable Regulation to enter into, execute, transmit, deal in or otherwise arrange such Transaction.

#### **Client's duty to cooperate**

For orders in securities or other financial instruments to be accepted and executed from 3 January 2018 onwards, cooperation from clients is required, in order to permit orderly reporting. The client will need to apply for a legal entity identifier (LEI) from a Registration Agent. Issuance of an LEI entails costs and it must be maintained by paying an annual fee. The Bank will only be able to execute orders once a client has notified the Bank of its LEI. Processing of an LEI application may take some time and as such the Bank encourages you to apply for it at your earliest convenience if you currently do not have one.

#### **Regulatory Reporting**

Under Applicable Regulations, we may be obliged to make information about certain Transactions public or provide such details to an execution venue to enable the execution venue to comply with its requirements under Applicable Regulations to make such details public. You agree 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. In addition, where we execute a Transaction with you on an over the counter basis and the Transaction is subject to publication in accordance with Article 21 MiFIR, you agree that the party acting as seller shall make public the information regarding the Transaction in accordance with Applicable Regulations, unless only one of you or us 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 Applicable Regulations.

#### **Acting as a systematic internaliser**

Where, acting in our capacity as a systematic internaliser, we make public firm quotes in bonds and equities traded on a regulated market, multilateral trading facility or organised trading facility, in accordance with Article 18(1) MiFIR, you agree that we may limit: (i) the number of Transactions that we undertake to enter into with you at the published quote; and (ii) the total number of Transactions that we undertake to enter into with other clients at the published quote. Where we grant access to quotes provided by us in our capacity as a systematic internaliser, and the quoted size is at or below the size specific to the financial instrument, we may enter into a Transaction with any other client to whom the quote is made available, in accordance with Article 18(5) MiFIR.

#### **Electronic Trading Terms**

##### **Direct electronic access**

We retain responsibility for obligations under the MiFID II Directive in connection with such direct electronic access services and are responsible for ensuring you comply with the MiFID II Directive and with the rules of any applicable Market in connection with your activities through such access.

#### **Representations, Warranties and Covenants**

You represent, warrant and covenant to us that:

- (a) you will at all times obtain and comply, and do all that is necessary to maintain in full force and effect, all authority, powers, consents, licences and authorisations referred to in this clause;
- (b) you will promptly notify us of the occurrence of any Event of Default or Potential Event of Default with respect to yourself or any Credit Support Provider;
- (c) you will (i) comply with all Applicable Regulations in relation to this Agreement and any Transaction, so far as they are applicable to you; and (ii) use all reasonable steps to comply with all Applicable Regulations in relation to this Agreement and each Transaction, where such Applicable Regulations do not apply to you but your cooperation is needed to help us comply with our obligations;
- (d) you will not send orders or otherwise take any action that could create a false impression of the demand or value for a financial instrument, or send orders which you have reason to believe are in breach of Applicable Regulations. You shall observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position;

- (e) upon demand, you will provide us with such information as we may reasonably require to evidence the matters referred to in this clause or to comply with any Applicable Regulations;
- (f) you are willing and able, upon request, to provide us with information in respect of your financial position, domicile or other matters;
- (g) you will provide such information (and any updates to such information as may have already been provided) relating to you and your agents, employees, underlying principals or others as we may reasonably require in order to and in time for us to comply with Applicable Regulations in respect of your transactions or the services provided or expected to be provided to you (“Counterparty Data”);
- (h) you represent to us that Counterparty Data that you deliver is, at the time of delivery, true, accurate and complete in every material aspect, you acknowledge and agree that we may use the Counterparty Data to comply with transaction reporting and market transparency requirements, and rely on the Counterparty Data without investigation, unless and until you inform us otherwise and undertake to provide us, on reasonable notice, with any material changes or updates to the Counterparty Data; and
- (i) you have obtained and will duly renew and maintain one or more LEI codes that relate to you. You will immediately inform us in writing of any changes to such LEI codes and of any new LEI codes issued to you.

## Miscellaneous

### Provision of information through a website

You hereby consent to the provision by the Bank of the following information, where not personally addressed to you, by means of a website (which may or may not be in addition to other means of communication):

- a) general information about the Bank and its services;
- b) information about the nature and risks of certain financial instruments;
- c) information concerning the safeguarding of financial instruments and the holding of client money;
- d) information on costs and associated charges;
- e) information about the Bank’s order handling policy, conflicts of interest policy, complaints policy and other policies of the Bank; and
- f) any other information required to be provided to you under Applicable Regulation or applicable laws.

### Electronic Communications

Subject to Applicable Regulations, any communication between us using electronic signatures shall be binding as if it were in writing. Orders or instructions given to you via e-mail or other electronic means will constitute evidence of the orders or instructions given. Your communications with us will be recorded. A copy of the record will be available on request for a period of five years and, where requested by the FCA or other relevant regulatory authority, for a period of up to seven years.

### Recording of calls

If you give us execution or trade instructions by telephone, your conversation will be recorded. We may record telephone conversations without use of a warning tone to ensure that the material terms of the Transaction, and any other material information relating to the Transaction is promptly and accurately recorded. Such records will be our sole property and accepted by you as evidence of the orders or

instructions given. A copy of the recording will be available on request for a period of five years and, where requested by the FCA or other relevant regulatory authority, for a period of up to seven years. The Bank will continue to comply (where applicable) with applicable data protection laws and regulations. In addition to the notices and consents in respect of the processing, use and transfer of personal data you give us under our existing agreement, the Bank may also process, use and transfer personal data given by you for the purpose of recording telephone conversations and keep a copy of electronic communications that are made, sent or received in the course of providing services to you.

### Order log

The Bank will retain a record of its dealings with you that lead to an order being placed, and will retain this record for a minimum period of five years. Where required by supervisory authorities, such records may be retained for seven years.

### Complaints procedure

We are obliged to put in place internal procedures for handling complaints fairly and promptly. You may submit a complaint to us, for example by letter, telephone, e-mail, or in person. We will send you a written acknowledgement of your complaint promptly following receipt, enclosing details of our complaints procedures, including when and how you may be able to refer your complaint to the Financial Ombudsman Service. Please contact us if you would like further details regarding our complaints procedures.

### Costs of securities investments and financial instruments

Investments in securities or financial instruments involve costs. The amount of such costs, and how they are spread across the term of the investment, depends upon the type of investment, besides other factors. You can find our standardised costs tables attached. Product specific costs information can be obtained in relation to the relevant product.

### Transaction execution guidelines

Client orders can be routinely executed at various trading venues, for example, at regulated markets/exchanges, multilateral trading facilities or organised trading facilities, in Germany or internationally, and in floor or electronic trading. Where you are a Professional Client, when executing orders or when placing orders with other brokers for execution, we will do this in accordance with our order execution policy which is in effect from time to time (“Execution Policy”). With effect from 3 January 2018, information on the

Execution Policy will be available on our website. You will be responsible for checking for any changes to the Execution Policy that are published from time to time. You acknowledge and agree that when instructing or authorising an order, you give your consent to such order being handled in accordance with the Execution Policy.

### Interpretation

“Market” means any regulated market, clearing house, CCP, multilateral trading facility or organised trading facility (as such terms are defined in the FCA Rules);

# Annex



**Definition of costs when entering into a trade according to MiFID II**

In accordance with MiFID II costs are equivalent to the difference between the mid-market price and the price at the time of entering into the trade.

Indicative maximum costs shown are non-binding and subject to change. Costs which will actually be incurred upon entering into a trade may differ from this in individual particular they are influenced by factors such as client credit rating, market conditions, prevailing trade dates, spread widening and the existence of a Support Annex.

**Supplementary cost information**

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred with such information being generally provided immediately prior to concluding a trade.

**Explanations regarding standardised cost information**

Indicative maximum costs shown are non-binding and subject to change. Costs which will actually be incurred upon entering into a trade may differ from this in individual particular they are influenced by factors such as client credit rating, market conditions, prevailing trade dates, spread widening and the existence of a Support Annex.

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred with such information being generally provided immediately prior to concluding a trade.



# Standardised cost information for Bonds

concerning costs and related charges pursuant to Article 17 of the German Securities

Directive (EU) 2017/1035 (MiFID II) and the Prospectus Regulation (EU) 2017/1033 (PR)

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material. Instead, it is required information designed to inform you about the costs involved prior to entering into a contract.



# Standardised cost information for Commodity Derivatives

concerning costs and related charges pursuant to Article 17(1) of Directive EU (MiFID II) and section 1(1) of the German Securities Trading Act (WpHG)

## Definition of costs when entering into a trade according to MiFID II

In accordance with MiFID II, costs are equivalent to the difference between the fair value and the clients' price at the time of entering into the trade. These costs are identical to the initial negative market value upon trade entry they cover the Bank's expenses for structuring and selling the product to the client, as well as the Bank's AG's income.

## Explanations regarding standardised cost information

The costs shown are indicative. Costs which will actually be incurred upon entering into a trade may differ from this indication in particular where they are influenced by factors such as the clients' credit rating, market conditions prevailing on the trade date and the existence of a Credit Support Annex.

## Performance and cross-relationship with the costs of entering into the trade

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred with such information being generally provided immediately prior to concluding a trade.

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material. Instead, it is legally required information designed to inform you about the costs involved prior to entering into a contract.

## Performance information

Notwithstanding performance information, Commerzbank AG does not disclose performance data for OTC derivatives given the fact that these are typically used for hedging underlying transactions. Performance data disclosed without taking the underlying transaction into consideration would yield erroneous results.

Forward Swap	Standardised cost based on notional of EUR		Commodity Option		Standardised cost based on notional of EUR	
	to Month to Month	to Month to Months	Maturity	Underlying	to Month to Month	to Month to Months
Minimum Costs in EUR	EUR EUR	EUR EUR	Minimum Costs in EUR	EUR EUR	EUR EUR	EUR EUR
			Commodity Underlying Group			
			Commodity Underlying Group			
			Commodity Underlying Group			

whereby a floating price based on a single day observation is exchanged for a fixed price

whereby a floating price based on the average of daily prices over a specified period is exchanged for a fixed price

whereby the buyer of the option has the right but not the obligation to purchase a specific price at a specific date and time

Commodity Underlying Groups

In order to illustrate different market characteristics among different commodity underlyings we have grouped our traded underlyings into groups of underlyings that are broadly similar with regards to market characteristics (volume traded, bid/offer market depth available, etc.) which in turn results in different standard trading costs for each of the groups

**Commodity Underlying Group** Coffee-ICE Corn-CBOT Cotton-ICE Wheat-CBOT Cocoa-ICES Soybeans-CBOT Sugar-ICE Rapeseed-Euronext Milling Wheat-Euronext Soybean Oil Brent Crude Oil-ICE WTI Crude Oil-NYMEX Carbon-Spot EUA ICE Low Sulphur Gas Oil NY Harbor ULSD Natural Gas (Henry Hub)-NYMEX Aluminium-LME Copper-LME Nickel-LME Gold Silver

**Commodity Underlying Group** Soybean Meal Cocoa-Euronext Feed Wheat-ICE Maize-Euronext Robusta Coffee-ICE Whites Sugar-ICE Dated Brent Dubai Crude Carbon-Spot CER Diesel ppm CIF Cargoes NW MEDiesel ppm CIF Cargoes NWE-UK spec Diesel ppm CIF Med Diesel ppm FOB Barges ARAGas oil CIF Cargoes NWEGas oil CIF MED Gas oil FOB Barges Rdam Left Fuel CIF Cargoes NWE Jet fuel FOB Barges ARAGas oil FOB Barges ARAGas oil FOB MED Cargoes Fuel Oil FOB Barges Fuel Oil FOB NWE Cargoes Fuel Oil Singapore crst Fuel Oil Singapore crst Naphtha CIF Cargoes NWE Singapore Gas oil Lead-LME Zinc-LME Palladium Platinum

**Commodity Underlying Group** Frozen Concentrate Orange Juice Rubber (TSR) SGX Coal Argus API Coal Argus API Phelix Baseload-EPEX Carbon-Spot ERU Carbon-Spot AEU-Aviation Jet Fuel FOB MED Cargoes Jet Kerosene Gulf Coast Kerosene Singapore Fuel Oil CIF MED Cargoes Fuel Oil CIF FNWE Cargoes Fuel Oil of FOBUS GCBarges Fuel Oil CIF Cargoes NWE Fuel Oil CIF MED Cargoes Rheinischene-HEL Ultra Low Sulfur Diesel Gulf Coast Alloy-LME Iron Ore CFR Tianjin (China) Tin-LME

### Definition of costs when entering into a trade according to MiFID II

In accordance with MiFID II costs are equivalent to the difference between the fair value and the clients' price at the time of entering into the trade. These costs are identical to the initial negative market value upon trade entry they cover the Bank's expenses for structuring and selling the product to the equity as well as the Commerzbank AG's income.

### Explanations regarding standardised cost information

The costs shown are indicative costs which will actually be incurred upon entering into a trade and may differ from this indication in particular they are influenced by factors such as the clients' credit rating, market conditions prevailing on the trade date and the existence of a Credit Support Annex.

### Performance and cross-relationship with the cost of entering into the trade

#### Performance information

# Standardised cost information for Interest Rate Derivatives

concerning costs and related charges pursuant to Article 17(1) of Directive EU (MiFID II) and section 1(1) of the German Securities Trading Act (WpHG)

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material. In standard legal requirements, information designed to inform you about the costs involved prior to entering into a contract.

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred with such information being generally provided immediately prior to concluding a trade.

Note regarding performance information: Commerzbank AG does not disclose performance data for OTC derivatives given the fact that these are typically used for hedging underlying transactions. Performance data disclosed without taking the underlying transaction into consideration would yield erroneous results.

20 years		
%	Amount	%
3.50 %	45,000	4.50 %
3.50 %	45,000	4.50 %
3.50 %	45,000	4.50 %
3.50 %	45,000	4.50 %
3.50 %	45,000	4.50 %
3.50 %	45,000	4.50 %
4.00 %	50,000	5.00 %
4.00 %	50,000	5.00 %
4.00 %	50,000	5.00 %
4.00 %	50,000	5.00 %
4.00 %	50,000	5.00 %

3.25 %
3.25 %





IROptions Kristall		Standardised cost based on a notional of EUR
Category*	Incurrency	
A		
B		
C		
D		

\*The category depends on the input parameters of the option and will be relayed to the client before closing the transaction

**Explanation regarding standardised cost information**

The costs shown are indicative. Costs which will actually be incurred upon entering into a trade may differ from this indication in particular they are influenced by factors such as the client's credit rating, market conditions prevailing on the trade date and the existence of a Credit Support Annex. The shown currency pairs are indicative. These costs apply to trades in other currency pairs.

**Performance information**

### Definition of costs when entering into a trade according to MiFID II

In accordance with MiFID II, costs are equivalent to the difference between the fair value and the clients' price at the time of entering into the trade. These costs are identical to the initial negative market value upon trade entry. They cover the Bank's expenses for structuring and selling the product, cost of equity as well as Commerzbank AG's income.

### Performance and cross-relationships with the costs of entering into the trade

# Standardised cost information for FX Derivatives

concerning costs and related charges pursuant to Article 17(1) of Directive EU (MiFID II) and section 1(1) of the German Securities Trading Act (WpHG)

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material. Instead, it is legally required information designed to inform you about the costs involved prior to entering into a contract.

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred with such information being generally provided immediately prior to concluding a trade.

to

Not regarding performance information. Commerzbank AG does not disclose performance data for OTC derivatives given the fact that these are typically used for hedging underlying transactions. Performance data disclosed without taking the underlying transaction into consideration would yield erroneous results.







FX Time Option Forward		Standardised cost based on a notional of: 1,000,000.00 EUR					
		6 months		12 months		18 months	
Maturity:	Minimum cost in EUR	EUR	%	EUR	%	EUR	%
EUR/USD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/GBP	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CHF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/JPY	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/AUD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CAD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HKD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SEK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NOK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/DKK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/NZD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/SGD	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/MXN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HRK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/BGN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/CZK	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/HUF	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/PLN	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RON	150	6,667	0.67%	13,333	1.33%	20,000	2.00%
EUR/RUB	150	6,667	0.67%	13,333	1.33%	20,000	2.00%



FX Option		Standardised cost based on notional of EUR			
		Maturity	months	months	months
Currency pair	Minimum cost in EUR	E U R E U R E U R			
	EUR-USD				
	EUR-GBP				
	EUR-CHF				
	EUR-G				
	EUR-EM				

FX Options (Kristall)		Standardised cost based on notional of EUR	
Category*	incurrency		
A			
B			
C			
D			

\*The category depends on the input parameters of the option and will be relayed to the client before closing the transaction

# Standardised cost information for Equity Derivatives

concerning costs and related charges, pursuant to Article 24 (4) of Directive 2014/65/EU ("MiFID II") and section 63 (7) sentence 1 of the German Securities Trading Act ("WpHG")

This document provides the most important information regarding the costs of this financial instrument. It does not constitute marketing material; instead, it is legally required information designed to inform you about the costs involved prior to entering into a contract.

## 1. Definition of costs when entering into a trade, according to MiFID II

In accordance with MiFID II, costs are equivalent to the difference between the fair value and the client's price, at the time of entering into the trade. These costs are identical to the initial negative market value upon trade entry; they cover the Bank's expenses for structuring and selling the product, cost of equity, as well as Commerzbank AG's income.

## 3. Explanations regarding standardised cost information

The costs shown are indicative. Costs which will actually be incurred upon entering into a trade may differ from this indication; in particular, for OTC/Swaps they are influenced mainly by factors such as the client's credit rating, market conditions prevailing on the trade date, and the existence of a Credit Support Annex and for securitised they are influenced mainly by factors such as the market conditions prevailing on the trade date, inherent market risk of the transaction and tenor of the security.

## 2. Performance and cross-relationship with the costs of entering into the trade

The purpose of this standardised cost information is to provide you with an overview of expected costs. Standardised cost information is generally supplemented by information about costs that will actually be incurred, with such information being provided immediately prior to concluding a trade.

## 4. Performance information

Note regarding performance information:  
Commerzbank AG does not disclose performance data for OTC derivatives, given the fact that these are typically used for hedging underlying transactions. Performance data disclosed without taking the underlying transaction into consideration would yield erroneous results. The impact of costs for securities where the coupon and or the performance is not directly proportional to the costs on the yield cannot be calculated .

Maturity	Standardised cost based on a notional of: 1,000,000 EUR											
	0 to 3 Months in EUR	%	3 to 6 Months in EUR	%	6 to 12 Months in EUR	%	12 to 24 Months in EUR	%	24 to 36 Months in EUR	%	36 Months + in EUR	%
<b>Single Stock Plain Vanilla Option Asia:</b>												
HK	800	0.08%	1,300	0.13%	2,100	0.21%	4,400	0.44%	6,900	0.69%	10,400	1.04%
Japan	1,800	0.18%	2,300	0.23%	3,600	0.36%	5,800	0.58%	10,800	1.08%	14,400	1.44%
Singapore	1,800	0.18%	2,300	0.23%	3,600	0.36%	5,800	0.58%	10,800	1.08%	14,400	1.44%
Other Asia	4,600	0.46%	5,600	0.56%	7,600	0.76%	9,200	0.92%	13,000	1.30%	23,000	2.30%
<b>Index Plain Vanilla Option Asia:</b>												
HSI/HSCEI	400	0.05%	400	0.05%	700	0.07%	1,000	0.10%	1,000	0.10%	1,300	0.13%
NKY	400	0.05%	400	0.05%	700	0.07%	1,000	0.10%	1,000	0.10%	1,300	0.13%
KOSPI2	400	0.05%	400	0.05%	700	0.07%	1,300	0.13%	1,300	0.13%	1,800	0.18%
Other indices	800	0.08%	800	0.08%	1,800	0.18%	2,900	0.29%	2,900	0.29%	2,900	0.29%
<b>Single Stock Plain Vanilla Option Europe - US</b>												
Blue Chip Europe	550	0.06%	1,300	0.13%	2,100	0.21%	4,400	0.44%	6,900	0.69%	10,400	1.04%
Rest of Europe	800	0.08%	1,800	0.18%	3,600	0.36%	5,800	0.58%	10,800	1.08%	14,400	1.44%
Blue Chip US	550	0.06%	800	0.08%	1,600	0.16%	2,900	0.29%	5,400	0.54%	8,400	0.84%
Rest of US	800	0.08%	1,300	0.13%	2,600	0.26%	5,800	0.58%	8,800	0.88%	12,400	1.24%
<b>Index Plain Vanilla Option Europe - US</b>												
SX5E	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%
DAX	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%
FTSE	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%
SPX	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%
Other indices	135	0.05%	500	0.05%	500	0.05%	500	0.05%	500	0.05%	700	0.07%
<b>Non Plain Vanilla Options</b>												
	5,000	0.50%	5,000	0.50%	5,000	0.50%	5,000	0.50%	5,000	0.50%	5,000	0.50%
<b>Securitized Derivatives</b>												
	3,500	0.35%	6,000	0.60%	6,000	0.60%	7,000	0.70%	7,000	0.70%	14,000	1.40%

Swap	Standardised cost based on a notional of: 1,000,000 EUR											
	0 to 3 Months		3 to 6 Months		6 to 12 Months		12 to 24 Months		24 to 36 Months		36 Months +	
Maturity	in EUR	%	in EUR	%	in EUR	%	in EUR	%	in EUR	%	in EUR	%
<b>Single Stock Swap</b>												
L2b Assets	1,800	0.18%	1,800	0.18%	2,000	0.20%	2,400	0.24%	3,000	0.30%	3,500	0.35%
Other	2,000	0.20%	2,000	0.20%	2,200	0.22%	2,600	0.26%	3,200	0.32%	3,700	0.37%
Wrong Way Risk	25,000	2.50%	28,000	2.80%	31,000	3.10%	34,000	3.40%	37,000	3.70%	40,000	4.00%
<b>Index Swap</b>												
L2b Assets	1,200	0.12%	1,200	0.12%	1,400	0.14%	1,800	0.18%	3,400	0.34%	3,900	0.39%
Other	1,500	0.15%	1,500	0.15%	1,700	0.17%	2,100	0.21%	3,700	0.37%	4,100	0.41%
<b>Custom Basket Swap</b>												
L2b Assets	1,500	0.15%	1,200	0.12%	1,400	0.14%	1,800	0.18%	3,400	0.34%	3,900	0.39%
Other	1,700	0.17%	1,500	0.15%	1,700	0.17%	2,100	0.21%	3,700	0.37%	4,100	0.41%

