



Terms of Business

Lightship Derivatives UK Limited

For Professional Clients and Eligible Counterparties

Version 1.1
October 06, 2025

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LIGHTSHIP DERIVATIVES UK LIMITED

TERMS OF BUSINESS

These terms of business (the “**Terms of Business**” or the “**Terms**”), together with any Schedules and accompanying documents (including the covering letter, or electronic mail, as applicable), as amended from time to time, (together this “**Agreement**”) set out the terms on the basis of which we provide services to you. This Agreement governs each Transaction entered into or outstanding between you and us on or after your receipt of these Terms. Please let us know as soon as possible if there is anything which you do not understand.

References to “we” or “us” shall, unless otherwise specified herein or required by context, mean each of Lightship Derivatives UK Limited and any successor thereto with which you transact the business set out in this Agreement. Please refer to your trading documents which should specify which entity you are trading with for any given Transaction. Unless otherwise specified herein or required by context and notwithstanding references to “we” or “us” in these Terms, Lightship Derivatives UK Limited shall not be liable for the acts or omissions of the other.

DEFINITIONS

Interpretation: In this Agreement:

“**Affiliated Company**” means, in the case of Lightship Derivatives UK Limited, another undertaking in the Lightship Derivatives Group, and in relation to you will mean an undertaking in the same group as you, as defined by s.474 of the Companies Act 2006;

“**Applicable Regulations**” means:

- (a) FCA Rules and 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 (in relation to a person (“**A**”)):

- (a) an Affiliated Company of A;
- (b) an appointed representative of A or of any Affiliated Company of A; or
- (c) any other person whose business or domestic relationship with A or his Affiliated Company might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties;

“**Base Currency**” means Sterling, unless otherwise agreed in writing;

“**Business Day**” means a day (other than a Saturday or Sunday):

- (a) on which in relation to a date for the payment of any sum denominated in (i) any Currency (other than euro), banks generally are open for business in the principal financial centre of the country of such Currency; or (ii) euros, settlement of payments denominated in euros is generally possible in London; and

(b) on which in relation to a date for the delivery of any property, property of such type is capable of being delivered in satisfaction of obligations incurred in the market in which the obligation to deliver such first property was incurred; and

(c) for all other purposes, which is not a public holiday in London;

“Currency” shall be construed so as to include any unit of account;

“Electronic Service” means a service provided by us, via an internet service, a wireless access protocol service and/or an electronic order routing system; for example an internet trading service offering clients access to information and trading facilities;

“EUWA” means the European Union (Withdrawal) Act 2018 as amended or restated from time to time;

“Event of Default” means any of the events of default as listed in sub-clauses (a) to (j) of clause 10.1 headed “Events of Default”;

“FCA” means The Financial Conduct Authority of the UK and any successors thereto;

“FCA Rules” means the Rules of the FCA as set out in the FCA Handbook and as amended from time-to-time;

“Force Majeure” means any event beyond the relevant party’s reasonable control, which could not reasonably have been prevented or mitigated, including but not limited to natural disasters, war, terrorism, epidemics, acts of government or supranational bodies, or industrial action not limited to the affected party’s workforce. For the avoidance of doubt, obligations to make any payment or other purely financial obligations shall not be excused or suspended by reason of a Force Majeure event;

“Market” means any regulated market, multilateral trading facility or organised trading facility (as such terms are defined in the FCA Rules) or any other third country trading facility determined to be equivalent to a regulated market, multilateral trading facility or organised trading facility pursuant to the relevant provision of MiFID2;

“MiFID2” means Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and Regulation No 600/2014 of the European Parliament and of the Council on markets in financial instruments as it has been implemented (and amended and restated) in the UK and the UK versions of any delegated regulations, technical standards, guidelines, questions and answers made under or in relation to such directive and regulation and were implemented in the UK by the EUWA, and each as amended or restated by the UK from time to time;

“Netting Transaction” means a Transaction which is intended to be subject to clause 11 entitled “Netting” (the “Netting Clause”) and for such purposes is identified as a “Netting Transaction” by its own terms;

“Order Execution Policy” this is Lightship’s Order Execution Policy which can be found on its website – www.lightshipderivatives.com;

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

“Sterling” means the official currency of the UK;

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

“Transaction” means:

- (a) a contract made on a Market or pursuant to the Rules of a Market;
- (b) a contract which is subject to the Rules of a Market;
- (c) a contract which would be (but for its term to maturity only) 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;
- (d) a contract which is not within the definition of (a) above, but subsequently becomes subject to the Rules of any Market;
- (e) any other transactions, which are undertaken pursuant to this Agreement; or
- (f) a transaction which is matched with any transaction within paragraph (a), (b), (c), (d) or (e) of this definition;

in any of cases (a) to (f) above being an option, contract for differences, swap, forward contracts and any other derivative contracts of any kind in relation to any commodity; and

“**UK**” means the United Kingdom.

General interpretation: A reference in this Agreement to a “clause” or “Schedule” shall be construed as a reference to, respectively, a clause or Schedule 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 reenactment thereof. A reference in this Agreement to “document” shall be construed to include any electronic document. References to persons include bodies corporate, unincorporated associations and partnerships/persons, firms, companies, corporations, governments, states or agencies of a state or any associations or partnerships (whether or not having separate legal personality) of two or more of the foregoing. 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 Rules have the same meaning in this Agreement unless expressly defined in this Agreement;

Schedule: The clauses contained in the attached Schedule (as amended from time to time) shall apply where relevant. We may from time to time send to you further schedules in respect of Markets or Transactions. In the event of any conflict between the clauses of any Schedule and these Terms of Business, the clauses of the Schedule shall prevail. The fact that a clause is specifically included in a Schedule 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;

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

GENERAL TERMS

INFORMATION

1. General Information

- 1.1 **Information about us:** Lightship Derivatives UK Limited (“LDU”) is authorised and regulated by the Financial Conduct Authority. LDU’s registered office and principal place of business in the UK is 75 King William Street, London EC4N 7BE; telephone: +44 7561698785.

The FCA's registered office is 12 Endeavour Square, London, E20 1JN. Please check their respective websites www.fca.org.uk for up-to-date contact details before contacting them.

- 1.2 **Communication:** Communication between us may be in writing (including fax), by email or other electronic means, or orally (including by telephone). Except where otherwise agreed, the language of communication shall be English, and you will receive documents and other information from us in English.
- 1.3 **Our capacity:** We generally act in an agency or arranging capacity, but from time to time may act as the principal to a Transaction, usually temporarily before a Transaction is given up and/or centrally cleared. If we act as the principal or arranger we will make this clear to you.
- 1.4 **Your capacity:** Under this Agreement you act as principal and not as an agent on behalf of someone else unless otherwise stated by you. If you are acting as agent, the Schedule attached hereto in relation to agents shall apply.
- 1.5 **Your classification:** For the purposes of the FCA Rules, unless we have classified you as an “**Eligible Counterparty**” in all our dealings with you, we will treat you as a “**Professional Client**” (each as defined in the FCA Rules), as stipulated in the covering letter, or electronic mail (as applicable), that accompanies these Terms.

Eligible Counterparty: If you have been classified by us as an Eligible Counterparty, you have the right to request a different client categorisation offering a greater level of regulatory protection. Such request should be made to us in writing. Treatment as a Retail Client is not available.

Professional Client: If you have been classified by us as a Professional Client and you request to us in writing categorisation as an Eligible Counterparty and we agree to such categorisation, we would no longer be required by regulatory rules to provide certain protections granted to Professional Clients. The regulatory protections concerned include formal requirements in the following areas: (a) to act in accordance with your best interests; (b) in certain contexts to provide enhanced information to you before providing services; (c) to achieve Best Execution (as defined in clause 6.9 of these Terms) in respect of your orders; (d) to execute orders subject to other constraints as regards timing and handling relative to other clients' orders.

If you request to be categorised as a “**Retail Client**” (as defined in the FCA Rules) thereby requiring a higher level of regulatory protection we will not provide our services to you.

Opted up Professional Clients: We will only serve clients who would naturally be Retail Clients under the FCA Rules (e.g. local public authorities) if we can treat them as Professional Clients (this is referred to as opting up). We can only opt you up if certain criteria are met and certain procedures followed. We must carry out an adequate assessment of your expertise, experience and knowledge to satisfy ourselves that you are capable of making investment decisions and understanding the risks involved. Professional Clients typically have greater knowledge and experience of investing in

financial markets and a higher appetite for risk, and are given a lesser degree of consumer protection under Applicable Regulations.

You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation.

- 1.6 **Scope:** In relation to your trading activity with LDU, the Transactions may include options, futures or forward contracts and any other derivative contracts in relation to any commodity unless we agree otherwise with you.

This Agreement is supplemental to any trading agreements or terms (including, without limitation, ISDA, DRV, FBF, PSA/ICMA, CMOF, TBMA/ICMA, GMRA, or GMSLA master agreements) that we may have entered into or will in the future enter into between ourselves. If we have entered into any such trading agreement or terms with you and in the event of any conflict between the provisions of this Agreement and those of the trading agreement or terms, then the provisions of the trading agreement or terms shall prevail to the extent of the conflict over those of this Agreement.

We do not provide investment advice or portfolio management services.

- 1.7 **Commencement:** This Agreement supersedes any previous general terms of business between you and us on the same subject matter and takes effect on the first date we provide a service to you or you place an order, or otherwise agree to enter into a Transaction with us whether or not you have signed and returned it.
- 1.8 **Duty and responsibility:** We are obliged by the Applicable Regulations to comply with certain rules of conduct. However, we assume no greater responsibility or fiduciary duty than that imposed by Applicable Regulations or the express terms of this Agreement.
- 1.9 **Right to cancel:** You should note that you are not entitled to cancel this Agreement (but you can terminate it as set out in clause 13 entitled "Termination without default").

2. Applicable Regulations and Market action

- 2.1 **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.
- 2.2 **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 to promptly supply information requested in connection with the enquiry.

ADVICE

3. Advice

3.1 **Execution only:** We deal on an execution only basis and do not provide personal recommendations (as defined in Applicable Regulations) or advice on the merits, appropriateness or suitability for you of particular Transactions or services, or their taxation consequences.

3.2 **Own judgment and suitability:** In asking us for Transaction related information, or where you enter into any Transaction with us, you represent that you have been solely responsible for making your own independent appraisal and investigations into the risks of the Transaction. You represent that you have sufficient knowledge, market sophistication, professional advice and experience to make your own evaluation of the merits and risks of any 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.

If you are a Professional Client then we are, under the FCA Rules, entitled to assume that you have the necessary experience and knowledge in order to understand the risks involved in relation to the particular services or Transactions, or types of Transaction or product, for which we have classified you as a Professional Client.

If you are an Eligible Counterparty there is no requirement on us to consider whether any service, product or Transaction is appropriate for you.

We will therefore not conduct an appropriateness assessment on you unless you are a Professional Client that we have opted up.

3.3 **Incidental information:** Where we do provide trading recommendations, market commentary or other general advice or 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 a personal recommendation or advice;
- (b) 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; and
- (c) 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.

OUR RELATIONSHIP WITH YOU

4. Your information

4.1 **Confidentiality:** This confidentiality clause is subject to any other confidentiality provisions agreed between you and us. 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 any Affiliated Company of ours or any entity in which we or an Affiliated Company has a direct or indirect interest, and that we and they may disclose it: (1) to those who provide services to us or act as our agents; (2) to anyone to whom we transfer or propose to transfer any of our rights or duties under this Agreement; (3) 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; (4) to regulators

and governmental agencies, in any jurisdiction, where requested by such regulator or agency or where we are required to do so by Applicable Regulations, there is a public duty to disclose or our interests require disclosure; (5) to the extent required or permitted under, or made in accordance with or to facilitate compliance with (i) provisions of Applicable Regulations which mandate reporting, retention and/or delivery of information (including but not limited to pursuant to anti-money laundering, sanctions screening, market abuse, portfolio reconciliation, dispute resolution, portfolio compression, mandatory trade execution and mandatory clearing requirements) or (ii) any order, rule or directive which mandates reporting, disclosure, retention and/or delivery of transaction and similar information issued by an authority, body or agency in accordance with which we are required or accustomed to act; (6) to and between our Affiliated Companies or any persons or entities who provide services to Affiliated Companies in connection with the Applicable Regulations and you acknowledge that disclosures made to comply with the Applicable Regulations could result in anonymous transaction and pricing data becoming available to the public; and (7) at your request or with your consent.

You will treat all information you hold about us or Transactions as confidential, even if we no longer have any outstanding Transactions with you. We agree, however, that you may disclose this information to any Affiliated Company of yours and that you may disclose it: (1) to those who provide services to you or act as your agents; (2) to anyone to whom you transfer or propose to transfer any of your rights or duties under this Agreement; (3) to credit reference agencies or other organisations that may help you make credit decisions and reduce the incidence of fraud or in the course of carrying out identity, fraud prevention or credit control checks; (4) to regulators and governmental agencies, in any jurisdiction, where requested by such regulator or agency or where you are required to do so by Applicable Regulations, there is a public duty to disclose or your interests require disclosure; (5) to the extent required or permitted under, or made in accordance with or to facilitate compliance with (i) provisions of Applicable Regulations which mandate reporting, retention and/or delivery of information (including but not limited to pursuant to anti-money laundering, sanctions screening, market abuse, portfolio reconciliation, dispute resolution, portfolio compression, mandatory trade execution and mandatory clearing requirements) or (ii) any order, rule or directive which mandates reporting, disclosure, retention and/or delivery of transaction and similar information issued by an authority, body or agency in accordance with which you are required or accustomed to act; and (6) at our request or with our consent.

4.2 **Marketing:** We may analyse and use the information we hold about you to enable us to give you information (by post, telephone, email or other medium, using the contact details you have given us) about products and services offered by us (or by our Affiliated Companies or selected third parties) which we believe may be of interest to you. If you do not wish to receive marketing information, please let us know by contacting us in writing.

4.3 **Data Protection:** Before providing us with any information relating to identifiable living individuals in connection with this Agreement you should ensure that those individuals are aware of:

- (a) our identity and contact details;
- (b) that we may use their information to administer and operate your account, provide you with services pursuant to these Terms of Business, disclose this data to third parties in so far as it is necessary to provide those services and, from time to time, inform you about other products or services which we believe may be of interest to you;
- (c) that we are entitled to process the individuals' information for the purposes in sub-clause (b) to:
 - (i) comply with legal obligations that we are subject to in relation to reporting transactions to protect against fraud; and

- (ii) to pursue our legitimate interests in providing you with the required services.
 - (d) that this may involve disclosure of their information as discussed in clause 4.1 above, which may include transfer of their information to any country, including countries outside the United Kingdom (“UK”) which may not have strong data protection laws, but we will ensure that the relevant safeguards are in place to ensure their information is protected and transferred in a manner consistent with how their information will be protected by us in the UK;
 - (e) that we will keep their information only for as long as necessary for the purpose it has been collected and is processed for or as required under Applicable Regulations;
 - (f) that they have rights of access to, and correction of, their information which they may exercise by contacting us in writing;
 - (g) that they may lodge a complaint with the Information Commissioner’s Office if they are unhappy with the way that we are using their information; and
 - (h) if any data subject does not wish to receive information from us, then they should contact us using the details provided in these Terms.
- 4.4 **Your rights:** You may have rights of access to some or all of the information we hold about you, to have inaccurate information corrected and to tell us that you do not wish to receive marketing information, under data protection law. If you wish to exercise any of these rights, please contact us in writing.
- 4.5 **Additional due diligence:** On occasions we may conduct additional “Know Your Customer” reviews of our customer accounts in order to update our records in compliance with Applicable Regulations. In order to assist with this review we may from time to time request additional documentation from yourselves, the provision of which shall be mandatory. Failure to provide any requested documents may result in us having to give you notice in writing that we are unable to continue the provision of our services to you.
- 4.6 **Reporting:** We will ensure that you receive adequate reports on the services provided by us (including contract notes and confirmations on the basis set out in this Agreement). We may provide more frequent reports or ad hoc reports on request at our discretion.
- 4.7 **Provision of information via a website:** We may provide information to you via a website and we will notify you of the website address when such information is accessible and when such information is revised.
5. **Conflicts of interests and material interests**
- 5.1 **Conflicts management policy:** We have in place a written conflicts management policy. A summary of our conflicts management policy is set out below. We may provide more information on our website or we may provide this to you upon written request.
- (a) We are engaged in a range of regulated activities in the UK in addition to other activities in the UK and elsewhere that we or our Associates undertake. This may give rise to situations where we, under the Applicable Regulations:
 - (i) may have interests, relationships and/or arrangements which conflict with those of you whether in relation to this Agreement or otherwise; and/or

- (ii) may have other clients whose interests conflict with your interests.
- (b) We have measures and controls in place to identify both potential and actual conflicts of interest. This includes, for example, identifying situations where we are likely to make a financial gain, or avoid a financial loss, at your expense or where we carry out the same business as you. We have identified a wide range of scenarios where a potential conflict of interest may arise, in particular where we or our Associates provide corporate finance business and where we deal on or own account.
- (c) In addition to identifying conflicts, we have procedures to try and prevent conflicts from arising and also to manage conflicts of interests that do arise. This includes segregation of duties for and supervision of staff engaged in different business activities which may also include information barriers (both physical and systems access), maintenance of a restricted list, personal account dealing restrictions applicable to all staff and their connected persons, a gifts, entertainment and inducement policy, relevant training to staff and a remuneration policy and independent remuneration committees to deal with remuneration that may or does give rise to a conflict of interests.
- (d) Where we do not consider that our measures and controls to manage conflicts (such as those outlined above) are sufficient to manage a conflict, we may:
 - (i) choose to disclose specific conflicts to clients and to ask for their informed consent to continue to act, notwithstanding the existence of any such conflict; and/or
 - (ii) decline to act, for example where the group is already acting for another client and we consider that it would may be inappropriate for us to undertake business for you and we are not in a position to manage the conflict of interest on a reasonable basis or are precluded from doing so by a legal or regulatory constraint.

6. Instructions and basis of dealing

- 6.1 **Request for quote:** Where we receive your request, we may find it necessary to engage in the market before, during and after the execution of transactions. This approach is solely aimed at enhancing the execution services we provide to you. In undertaking these activities, we are committed to taking reasonable steps to manage conflicts of interest and to act in your best interests.

While our intention is to avoid any significant adverse impact on you through such hedging activities, it is important to acknowledge that these actions could influence the prices at which transactions are executed, both in dealings with us and potentially with other firms. These activities will use the information you provide for the quote and may also reflect on your past trading activities.

- 6.2 **Placing of instructions:** You may give us instructions in writing (including facsimile), orally (including by telephone) or by other electronic communication received by us that has been transmitted subject to proper test or security procedures (including, for example, Bloomberg) unless we tell you that instructions can only be given in a particular way. If you give instructions by telephone, your conversation will be recorded. Unless otherwise agreed, e-mail or other electronic messages in respect of each instruction for general trading will only be accepted if specifically acknowledged by us. 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. In this Agreement “instructions” and “orders” have the same meaning.

- 6.3 **Authority:** We shall be entitled to act for you upon instructions given or purporting to be given by you or any person authorised on your behalf without further enquiry as to the genuineness, authority or identity of the person giving or purporting to give such instructions.
- 6.4 **Cancellation/withdrawal of instructions:** We can only cancel your instructions if we have not acted upon those instructions. Instructions may only be withdrawn or amended by you with our consent.
- 6.5 **Right not to accept orders:** We may, but shall not be obliged to, accept instructions to enter into a Transaction. If we decline to enter into a proposed Transaction, we shall not be obliged to give a reason but we shall promptly notify you accordingly.
- 6.6 **Failure to clear:** If a Transaction (or agreement to enter into a Transaction), is rejected or otherwise fails to be registered on a Market or to be centrally cleared, we reserve the right to resubmit such Transaction (or agreement to enter into a Transaction) in our sole discretion. Subject to the rules of any relevant Market or any relevant central counterparty, any Transaction (or agreement to enter into a Transaction) executed by us as principal that is intended to be exchange-traded and cleared by a central counterparty but fails to clear or be registered with the relevant exchange may be declared by us to be void ab initio (i.e. such a Transaction or agreement to enter into a Transaction is considered never to have formed).
- 6.7 **Control of orders prior to execution:** We have the right (but no obligation) to set limits and/or parameters to control your ability to place orders at our absolute discretion. Such limits and/or parameters may be amended, increased, decreased, removed or added to by us at our absolute discretion and may include (without limitation): (i) controls over maximum order amounts and maximum order sizes; (ii) controls over our total exposure to you; (iii) controls over prices at which orders may be submitted (to include (without limitation) controls over orders which are at a price which differs greatly from the market price at the time the order is submitted to the order book); (iv) controls over the Electronic Services (to include (without limitation) any verification procedures to ensure that any particular order or orders has come from you); or (v) any other limits, parameters or controls which we may be required to implement in accordance with Applicable Regulations.
- 6.8 **Execution of orders for Professional Clients:** In accordance with Applicable Regulations, the provisions of this clause apply solely to clients we classify as Professional Clients. We shall use our reasonable endeavours to execute any order promptly, but in accepting your orders we do not represent or warrant that it will be possible to execute such order or that execution will be possible according to your instructions. We shall carry out an order on your behalf only when the relevant Market is open for dealings, and we shall deal with any instructions received outside Market hours as soon as possible when that relevant Market is next open for business (in accordance with the rules of that Market). Where required, you will agree that we may execute an order on your behalf outside a Market.
- 6.9 **Best Execution:** In accordance with Applicable Regulations, the provisions of this clause apply solely to clients classified as Professional Clients. You confirm that you have read and accepted our Order Execution Policy which you can find on our website (www.lightshipderivatives.com). We will notify you of any material changes to our order execution policy. We will not notify you of non-material changes to such policy.

We will consider the continued placement of orders by you to constitute your continued consent to our order execution policy as in effect from time to time. Where we execute orders in commodities on your behalf, we will take all reasonable steps to obtain the best possible result (“**Best Execution**”) by following our order execution policy, subject to any specific instructions received from you. We consider that we will be executing orders on your behalf where you legitimately rely on us to protect your interests in relation to a transaction. Where we provide you, either on request or on a continuing basis, with a quote for the purchase or sale of a commodity or deal with you as a

counterpart as principal for our own account we will negotiate the terms of the transaction accordingly. Where you provide us with specific instructions, including specifying the characteristics of a bespoke product, either relating to an order or a particular aspect of an order, we will execute the order in accordance with those instructions. You should be aware that providing specific instructions to us in relation to the execution of a particular order may prevent us from taking steps that we have designed and implemented in the order execution policy to give Best Execution.

- 6.10 **Crossing of orders:** In relation to business conducted with LDU, we may arrange for a Transaction to be executed, either in whole or in part, by selling an investment to you from another client, or a client of an Associate of ours, or vice-versa. We shall not give you prior notice if we arrange for a Transaction to be executed in this manner.
- 6.11 **Aggregation of orders:** We may combine your order with our own orders and orders of other clients. By combining your orders with those of other clients we must reasonably believe that this is in the overall best interests of our clients. However, aggregation of orders may work to your disadvantage by resulting in you obtaining a less favourable price in relation to a particular order.
- 6.12 **Order information:** If you are a Professional Client, we shall provide you at least the essential information concerning the execution of any Transaction by us on your behalf. We shall also, on your request, provide you with information about the status of your order.
- 6.13 **Intermediate brokers and other agents:** We may, at our sole 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 UK. 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.
- 6.14 **Position limits:** You acknowledge and agree that it is your responsibility to monitor and ensure your compliance with any applicable limits on the size of a net position which a person can hold in commodity derivatives traded on Markets ("**Position Limits**"). You warrant that in providing LDU with any instruction to carry out orders on your behalf, you will not be in breach of a Position Limit. You agree to notify LDU when you suspect or becomes aware that any Position Limit would be crossed if LDU were to execute an order for you. You acknowledge that LDU may be unable to carry out orders in accordance with your instructions in order to ensure that such Position Limits are not crossed. For the avoidance of doubt, you acknowledge and agrees that we will not be responsible for calculating Position Limits on your behalf or determining if Position Limits would be breached if LDU were to carry out orders in accordance with you instructions.
- 6.15 **Position reporting and disclosure:** You agree to deliver to LDU such information on your positions in commodity derivatives as LDU may require to enable it to complete and submit reports to the relevant Market or regulator in accordance with the provisions of any Applicable Regulation. You consent to LDU providing information about the positions that you hold to Markets and competent authorities in the course of submitting such reports. Where you act on behalf of an underlying client, you undertake to provide, or procure that there is provided to LDU, such information as LDU may require on your positions in commodity derivatives as well as, if applicable, the positions of the clients of those clients and so on until the end client is reached, to enable LDU to complete and submit reports to the relevant Market or regulator. You undertake to ensure that all such clients have given their consent to LDU providing information about the positions that they hold to Markets and regulators. You consent to LDU disclosing its interest in contracts entered into by LDU on your behalf.
- 6.16 **Transaction reporting:** Under Applicable Regulations, we may be obliged to make information about certain Transactions public and/or to report them to competent authorities, such as the FCA. 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. If you are an investment firm which is subject to a duty to report transactions to the FCA when transmitting orders to us for execution (either when placing orders in the exercise of discretion or otherwise order placing) then any agreement between us in relation to your delegation of reporting to us will be provided and entered into separately from these Terms of Business. For the purpose of Transaction reporting you must notify us prior to entering into a relevant Transaction whether you are engaging in short selling or not. Where you do not notify us, we are obliged to report that we have been unable to ascertain this from you.

CHARGES AND PAYMENTS

7. Charges and Payments

- 7.1 **Charges:** You shall pay our charges, 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 any other value added or other applicable taxes of any of the foregoing, including any withholding tax. Any alteration to charges will be notified to you at or before the time of the change. You should be aware of the possibility that other taxes or costs may exist that are not paid through or imposed by us. Our charges set out separately in the form of a Rates Schedule.
- 7.2 **Costs resulting from use of distance means:** In addition to the costs referred to above, additional costs as agreed with you from time to time in writing may be payable by you by virtue of the fact that a contract is entered into via email, telephone, fax or by other electronic means.
- 7.3 **Payments:** All payments to us under this Agreement shall be made in same day funds in a relevant Currency to the bank account designated by us for such purposes. All such payments shall be made by you without any deduction or withholding.
- 7.4 **Remuneration and sharing charges:** When we are providing our services under these Terms of Business we are required to comply with the FCA Rules on inducements. This means in summary that we are not permitted to accept or retain any fees, commissions, monetary or non-monetary benefits (each an inducement) paid or provided by a third party in relation to our service to you. We are similarly not allowed to pay or provide any inducement to any third party in relation to the provision of services to you. We can only accept or retain or pay or provide such inducements if they meet certain conditions. The inducement must not impair compliance of our duty to act honestly, fairly and professionally in accordance with the best interest of its clients and it must enhance the quality of the relevant service to you. We must also make disclosures about the inducement to you before we provide the relevant service to you.

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

Where permitted by Applicable Regulations, we may receive remuneration from, or share charges with, an Associate or other third party in connection with Transactions. Where such arrangements directly affect the business you undertake with us, we will notify you of the nature and amount of such fees, commissions or benefits, excluding minor non-monetary benefits.

- 7.5 **Default interest:** If you fail to pay us any amount when it is due, we reserve the right to charge you interest (both before and after any judgment) on any such unpaid amount calculated at the rate as reasonably determined by us to be the cost of funding such overdue amount. Interest will accrue on a daily basis and will be due and payable by you as a separate debt.
- 7.6 **Currency indemnity:** If we receive or recover any amount in respect of an obligation of yours in a Currency other than that in which such amount was payable, whether pursuant to a judgment of any court or otherwise, you shall indemnify us and hold us harmless from and against any cost (including costs of conversion) and/or loss suffered by us as a result of receiving such amount in a Currency other than the Currency in which it was due.
- 7.7 **Withholding taxes:** We may deduct or withhold all forms of tax (whether of the UK or elsewhere in the world whenever imposed) from any payment if obliged to do so under the Applicable Regulations. In accounting for tax or making deductions or withholding of tax, we may estimate the amounts concerned. Any excess of such estimated amount over the final confirmed liability shall be credited or sent to you as quickly as reasonably practicable.
- 7.8 **Client money and client assets:** We do not hold client money or client assets. If you make an overpayment to us in respect of any fees, costs or charges due from you:
- (a) we will not treat such overpayment as client money;
 - (b) we may net, set off or otherwise apply such overpayments against any outstanding fees that you owe to any of our Affiliated Companies;
 - (c) where relevant, we may treat such overpayment as title transfer collateral;
 - (d) otherwise we will reimburse you promptly where this is possible;
 - (e) where the application, use as title transfer collateral or reimbursement of such overpayment is not possible we may pay the overpayment to a charity in our discretion.

Where we treat cash from you as collateral pursuant to this Agreement all rights and title will pass to and be held by us and it will not be held by us as a trustee, it will not be client money, it will not be segregated from our own money (or any money belonging to our other clients, as relevant), it will not be subject to the client money protections conferred by the FCA Rules and we may use it in the course of our business. You will therefore rank as a general creditor of ours in respect of such money. If we become subject to any insolvency proceedings, the FCA Rules will not apply to any money we hold for you and so you will not be entitled to share in any distribution under the FCA Rules. Unless otherwise agreed between the you and us in writing, we shall pay interest to you on any cash that we receive from you and hold as collateral in accordance with this clause 7.8, as may be notified by us to you from time to time.

REPRESENTATIONS, WARRANTIES AND COVENANTS

8. **Representations, warranties and covenants**
- 8.1 **Representations and warranties:** Where Schedule 1 (Agency Schedule) is applicable, this clause 8 shall be disapplied.
- 8.2 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;
- (e) you act as principal 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) you are financially able and prepared to sustain a total loss of funds resulting from Transactions and trading in such Transactions is a suitable investment vehicle for you; and
- (h) you are entering into Transactions for hedging purposes only and not for speculative purposes, unless you expressly tell us otherwise in writing.

8.3 Covenants: You 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;
- (c) you will comply with all Applicable Regulations in relation to this Agreement and any Transaction, so far as they are applicable to you or us;
- (d) you will not send orders or otherwise take any action that could constitute market abuse, including but limited to creating a false impression of the demand or value for a security or sending orders which you have reason to believe are in breach of Applicable Regulations;
- (e) you shall observe the standard of behaviour reasonably expected of a person in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of a person in our position; and
- (f) 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.

INDEMNITIES AND LIMITATION OF LIABILITY

9. Exclusions, limitations and indemnity

- 9.1 **General exclusion:** Neither we nor our directors, officers, employees, or agents shall be liable for any losses, damages, costs or expenses (together "**Loss**"), whether arising out of negligence, 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) even if such Loss is a reasonably foreseeable consequence unless such Loss arises directly from our or their respective gross negligence, wilful default or fraud. In no circumstance, shall we have liability for Loss 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.
- 9.2 **Tax implications:** Without limitation, we do not accept liability for any adverse tax implications of any Transaction whatsoever.
- 9.3 **Changes in market conditions:** Without limitation, we do not accept any liability by reason of any changes in market conditions or any consequent delay as a result thereof before any particular Transaction is effected.
- 9.4 **Liability:**
- (a) We shall not be liable to you for any partial or non-performance of our obligations hereunder by reason of any Force Majeure, 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, dealer, Market, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations.
 - (b) Notwithstanding anything else in this Agreement and subject to Applicable Regulations, our maximum liability to you will be the higher of:
 - (i) £1 million Sterling; or
 - (ii) the amount of fees (excluding VAT) charged by us to you in the 12 months preceding the date a claim is formally submitted to us.
 - (c) Nothing in this clause 9.4 or otherwise in this Agreement will exclude or restrict any duty or liability which is not possible to exclude or restrict under Applicable Regulations.
- 9.5 **Responsibility for orders:** You will be responsible for all orders entered on your behalf via the Electronic Services.
- 9.6 **Entire agreement:** You acknowledge that you have not relied on or been induced to enter into this Agreement by a representation other than those expressly set out in this Agreement. We will not be liable to you (in equity, contract or tort under the Misrepresentation Act 1967) for a representation that is not set out in this Agreement and that is not fraudulent.
- 9.7 **Indemnity:** Without prejudice to any other provision in these Terms and to the extent permitted by Applicable Regulations, you hereby undertake to ratify all acts that we carry out in the proper performance of the services under these Terms and you agree to hold us harmless from and

indemnify us and keep us indemnified against all actions, proceeds, claims, costs, demands and expenses which may be brought against, suffered or incurred by us. 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.

DEFAULT, NETTING AND TERMINATION

10. Events of Default

10.1 *Events of Default*: The following shall each constitute an Event of Default:

- (a) you fail to make any payment when due under this Agreement or to make or take delivery of any property when due under, or to observe or perform any other provision of this Agreement and such failure continues for two Business Days after notice of non-performance has been given by us to the you;
- (b) you commence a voluntary case or other procedure seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you, if insolvent), or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian or other similar official (each a “**Custodian**”) of you or any substantial part of your assets, or if you take any corporate action to authorise any of the foregoing, and in the case of a reorganisation, arrangement or composition, we do not consent to the proposals;
- (c) an involuntary case or other procedure is commenced against you seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you, if insolvent) or seeking the appointment of a Custodian of you or any substantial part of your assets and such involuntary case or other procedure either (a) has not been dismissed within five days of its institution or presentation or (b) has been dismissed within such period but solely on the grounds of an insufficiency of assets to cover the costs of such case or other procedure;
- (d) you are unable to pay your debts as they fall due or are bankrupt or insolvent, as defined under any bankruptcy or insolvency law applicable to you; or any indebtedness of yours is not paid on the due date therefore, or becomes capable at any time of being declared, due and payable under agreements or instruments evidencing such indebtedness before it would otherwise have been due and payable, or any suit, action or other proceedings relating to this Agreement are commenced for any execution, any attachment or garnishment, or distress against, or an encumbrance takes possession of, the whole or any part of your property, undertaking or assets (tangible and intangible);
- (e) you disaffirm, disclaim or repudiate any obligation under this Agreement;
- (f) any representation or warranty made or given or deemed made or given by you under this Agreement 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;

- (g) you are dissolved, or, if your capacity or existence is dependent upon a record in a formal register, the registration is removed or ends, or any procedure is commenced seeking or proposing your dissolution, removal from such a register, or the ending of such a registration;
- (h) where you are a partnership, any of the events referred to in sub-clauses (b) to (d) or (g) of this clause occurs in respect of one or more of your or its partners;
- (i) you have or we consider it likely that you will violate any Applicable Regulation or good standard of market practice; or
- (j) any event of default (however described) occurs in relation to you under any other agreement between us or between you and an Affiliated Company of ours.

11. Netting

11.1 **Rights on default:** On the occurrence of an Event of Default, we may exercise our rights under this clause, except that in the case of the occurrence of any Event of Default specified in clause 10.1 sub-clauses (b) or (c) (each a “**Bankruptcy Default**”), the Automatic Termination (as defined hereafter) provision clause 11.3 shall apply.

11.2 **Liquidation Date:** Subject to clause 11.3, at any time following the occurrence of an Event of Default, we may, by notice to you, specify a date (the “**Liquidation Date**”) for the termination and liquidation of Transactions in accordance with this clause 11.

11.3 **Automatic Termination:** If we have agreed with you in any trading agreements that automatic early termination applies in respect of you, then the date of the occurrence of any Bankruptcy Default under these Terms of Business shall automatically constitute a Liquidation Date (“**Automatic Termination**”), without the need for any notice by us and the provisions of clause 11.4 shall then apply.

11.4 **Calculation of Liquidation Amount:** Upon the occurrence of a Liquidation Date:

- (a) neither of us 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) we shall (on, or as soon as reasonably practicable after, the Liquidation Date) determine (discounting if appropriate), in respect of each Netting Transaction referred to in sub-clause (a) the total cost, loss or, as the case may be, gain, in each case expressed in the Base Currency (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, cost, loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position) 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 (assuming satisfaction of each applicable condition precedent and having due regard, if appropriate, to such market quotations published on, or official settlement prices set by the relevant Market as may be available on, or immediately preceding, the date of calculation); and
- (c) we shall treat each cost or loss to us, determined as above, as a positive amount and each gain by us, so determined, as a negative amount and aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the “**Liquidation Amount**”).

- 11.5 **Payer:** If the Liquidation Amount determined pursuant to this clause is a positive amount, you shall pay it to us and if it is a negative amount, we shall pay it to you. We shall notify you of the Liquidation Amount, and by whom it is payable, immediately after the calculation of such amount.
- 11.6 **Other transactions:** Where termination and liquidation occurs in accordance with this clause, we shall also be entitled, at our discretion, to terminate and liquidate, in accordance with the provisions of this clause, any other transactions entered into between us which are then outstanding.
- 11.7 **Payment:** Unless a Liquidation Date has occurred or has been effectively set, we shall not be obliged to make any payment or delivery scheduled to be made by us under a Netting Transaction for as long as an Event of Default or Potential Event of Default with respect to you has occurred and is continuing.
- 11.8 **Base Currency:** For the purposes of any calculation hereunder, we may convert amounts denominated in any other Currency into the Base Currency at such rate prevailing at the time of the calculation as we shall reasonably select.
- 11.9 **Additional rights:** Our rights under this clause shall be in addition to, and not in limitation or exclusion of, any other rights which we may have (whether by agreement, operation of law or otherwise).
- 11.10 **Application of this clause to Netting Transactions:** Except where otherwise agreed this clause applies to each Netting Transaction entered into or outstanding between us on or after the date this Agreement takes effect.
- 11.11 **Single agreement:** This Agreement, the particular terms applicable to each Netting Transaction, and all amendments to any of them shall together constitute a single agreement between us. We both acknowledge that all Netting Transactions entered into on or after the date this Agreement takes effect are entered into in reliance upon the fact that the Agreement and all such terms constitute a single agreement between us.
- 11.12 **Other agreements:** Subject to clause 11.6, the provisions of this clause shall not apply to any Transaction which is subject to liquidation and termination under another agreement. However, any sum resulting from a liquidation and termination under another agreement, may be set-off against the Liquidation Amount.
- 11.13 **Closing out:** Unless otherwise agreed in writing between us, or the Rules of any relevant Market provide otherwise, if we enter into any Transaction with you in order to close-out any existing Transaction between us, then our respective obligations under both such Transactions shall automatically and immediately be terminated upon entering into the second Transaction, except for any settlement payment due from one of us to the other in respect of such close-out.
12. **Rights on default**
- 12.1 **Default:** On an Event of Default 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 any rights under the above clause 11 we shall be entitled without prior notice to you 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 Business Days prior 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, other than in the case of Force Majeure, or in the event of your insolvency.

Upon terminating this Agreement, all amounts payable 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 clause 9 (under the heading "Exclusions, limitations and indemnity") and clauses 14 and 15 (under the heading "Miscellaneous, Governing Law and Jurisdiction") and Transactions which shall continue to be governed by this Agreement and the particular clauses agreed between you and us in relation to such Transactions until all obligations have been fully performed.

MISCELLANEOUS, GOVERNING LAW AND JURISDICTION

14. Miscellaneous

- 14.1 **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. Where no effective date is specified in the notice, the amendment will take effect ten Business Days from the date of receipt of the notice. If and to the extent that Applicable Regulations are abolished, amended or otherwise altered, we may amend this Agreement accordingly in order to ensure that this Agreement complies with any such changes. Such amendments shall take effect immediately. Any amendment you require must be agreed in writing between us. Unless otherwise agreed, an amendment will not affect any outstanding order or Transaction or any accrued legal rights or obligations.

- 14.2 **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, except where otherwise required, all notices to be given to us under this Agreement shall be given in writing to Lightship Derivatives UK Limited, as the case may be, attention: Chief Compliance Officer, 75 King William Street, 2nd Floor, London, England, EC4N 7BE.

- (a) Notices made pursuant to this Agreement shall be effective two Business Days after dispatch if dispatched by post.
- (b) Except as otherwise provided in this Agreement, all advices, confirmations, notices, statements, listing and any other document or correspondence shall be in writing and sent to you by tested telex, authenticated SWIFT, electronic mail or first class pre-paid post and addressed to you at the last address notified to us in writing.
- (c) Each notice, instruction or other communication to you (except confirmations of trade, statements of account, and calls for collateral) shall be conclusive unless written notice of

objection is received by us within five Business Days of the date on which such document was deemed to have been received.

You will notify us of any change of your address in accordance with this clause.

- 14.3 **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.

- 14.4 **Recording of calls and records of meetings:** We may minute face to face meetings and may record or monitor telephone calls and electronic communications for the purposes of training, checking instructions, verifying your identity and ensuring that we are meeting our service standards and requirements under Applicable Regulations. These recordings and minutes may be used as evidence if there is a dispute. Telephone conversations will be recorded 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.

Copies of recordings that we make of conversations with you (by telephone or by electronic communication) will be available on request for a period of five years and, where requested by the FCA or any other competent authority, for a period of up to seven years. You agree that we may charge you such amount as we determine to be a commercially reasonable cost for providing such records.

- 14.5 **Our records:** Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with our services. You will not object to the admission of our records as evidence in any legal proceedings because such records are not originals, are not in writing or are documents produced by a computer. You will not rely on us to comply with your record keeping obligations, although records may be made available to you on request in compliance with Applicable Regulations or otherwise at our absolute discretion.

- 14.6 **Your records:** You agree to keep adequate records in accordance with Applicable Regulations to demonstrate the nature of orders submitted and the time at which such orders are submitted.

- 14.7 **Complaints procedure:** In relation to business conducted with us, we have 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. Where you submit a formal complaint to us we will send you a written acknowledgment of your complaint within five Business Days of receipt enclosing details of our complaints procedure. Please contact us if you would like further details regarding our complaints procedures.

We will provide you with further details of our complaints procedure upon your written request or when acknowledging your complaint.

- 14.8 **The Financial Services Compensation Scheme:** The Financial Services Compensation Scheme provides compensation cover for eligible claimants (e.g. private individuals) who have lost money as a result of an investment firm going into default. The compensation limit for investment business is displayed on The Financial Services Compensation Scheme's website or can be obtained on request (see website and contact details below). You can get more information from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU or at www.fscs.org.uk.

- 14.9 **Third party rights and assignment:** 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.
- 14.10 **Joint and several liability:** If you are a partnership, or otherwise comprise more than one person, your liability under this Agreement shall be joint and several. In the event of the death, bankruptcy, winding-up or dissolution of any one or more of such persons, then (but without prejudice to the above or our rights in respect of such person and his successors) the obligations and rights of all other such persons under this Agreement shall continue in full force and effect.
- 14.11 **Rights and remedies:** The rights and remedies provided under this Agreement are cumulative and not exclusive of those provided by Applicable Regulations. 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.
- 14.12 **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.
- 14.13 **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.
- 14.14 **Co-operation for proceedings:** If any action or proceeding is brought by or against us with respect to a third party in relation to this Agreement or arising out of any act or omission by us required or permitted under this Agreement, you agree to co-operate with us to the fullest extent possible in the defence or prosecution of such action or proceeding.
15. **Governing law and jurisdiction**
- 15.1 **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, all Transactions under or pursuant to this Agreement and any matter arising out of or in connection with this Agreement, including non-contractual matters, shall be governed by and construed in accordance with English law.
- 15.2 **Law applicable to relationship prior to the conclusion of the Agreement:** The law applicable to the relationship between you and us prior to the conclusion of this Agreement is English law.
- 15.3 **Jurisdiction:** You and we irrevocably:
- (a) agree 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 either party from bringing an action in the courts of any other jurisdiction); and

- (b) waive 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.

15.4 ***Waiver of immunity and consent to enforcement:*** You irrevocably waive to the fullest extent permitted by applicable law, with respect to yourself and your revenue and assets (irrespective of their use or intended use) all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any courts, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which you or your revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agree that you will not claim any immunity in any Proceedings. You consent generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

15.5 ***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.

Schedule 1 – Agency schedule

1. Application and scope

- 1.1 **Scope:** 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 an Underlying Customer. Where you are acting for your own account the supplemental terms set out in this Agency Schedule shall not apply.
- 1.2 **Notification:** You will notify us before placing any order on behalf of an Underlying Customer that you are acting as agent for that Underlying Customer. Upon request, you shall inform us of the identity, address and any other details which we require in respect of an Underlying Customer to enable us to perform a credit and counterparty risk assessment.
- 1.3 **Instructions:** You may give us instructions in writing (including facsimile) or orally (including by telephone), unless we tell you that instructions can only be given in a particular way. Unless otherwise agreed, e-mail or other electronic messages in respect of each instruction will only be accepted if specifically acknowledged by us. We shall be entitled to act for you upon instructions given or purporting to be given by you or any person authorised on your behalf without further enquiry as to the genuineness, authority or identify of the person giving or purporting to give such instructions.
- 1.4 **Capacity:** Each Transaction will be entered into by you as agent on behalf of your Underlying Customer in accordance with clause 1.5 below. Unless we agree otherwise in writing, we shall treat you alone as our customer and we shall not treat any Underlying Customer as our customer 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 Underlying Customers that no Underlying Customer will be a state or a separate entity within the meaning of the State Immunity Act 1978 and that a Underlying Customer shall, at the time an instruction is given in respect of it, have the characteristics and conform to any criteria agreed between us from time to time.
- 1.6 **Underlying Customer accounts:** We shall, in respect of each Underlying Customer, establish and maintain one or more separate sub-accounts. You undertake, as agent for the relevant Underlying Customer 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 sub account to which the relevant instruction relates. Until you specify a specific sub account you shall be personally liable, as principal, in respect of the relevant Transaction. You further undertake, as agent for each Underlying Customer and on your own behalf, to notify us immediately if any two or more sub-accounts relate to the same Underlying Customer.
- 1.7 **Separate administration:** We shall, subject to these terms, administer sub accounts which we reasonably believe relate to different Underlying Customers separately, including for the purposes of calculating any collateral requirement. We shall not exercise any power to consolidate accounts or set off amounts owing between sub accounts relating to different Underlying Customers.
- 1.8 **Documentation:** You agree to forward to an Underlying Customer any documentation in relation to such Underlying Customer that we are required to provide under the Applicable Regulations and which we make available to you for that purpose.
- 1.9 **Evidence of Underlying Customers:** In certain circumstances we may require satisfactory evidence of identity, address and other details in respect of each Underlying Customer to enable us to form a credit and Underlying Customer risk assessment in respect of any Transaction.

2. **Advice**

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

3. **Representations, Warranties and Covenants**

3.1 **The Agreement:** Clause 8 of the Terms of Business under the heading “Representations, Warranties and Covenants” shall not apply to you.

3.2 **Representations and warranties:** As agent for each Underlying Customer 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 your Underlying Customer 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 elsewhere in this Agency Schedule 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 your Underlying Customer (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 your Underlying Customer is bound;
- (d) no Event of Default or Potential Event of Default has occurred and is continuing with respect to you or your Underlying Customer;
- (e) each of you and your Underlying Customer 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 Underlying Customer; and
- (f) any information which you provide or have provided to us in respect of your or your Underlying Customer's financial position, domicile, or other matters is accurate and not misleading in any material respect.

3.3 **Covenants:** You, as agent for each Underlying Customers and on your own behalf, covenant to us that you will:

- (a) ensure at all times that you and your Underlying Customer 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 your Underlying Customer;
- (c) provide to us on request such information regarding your and your Underlying Customer'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 your Underlying Customer'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; and
- (e) immediately notify us if you cease to act for any Underlying Customer or if the basis upon which you act on behalf of an Underlying Customer alters to an extent which would affect this Agreement or any Transaction made thereunder; and immediately notify us in writing if at any time any of the warranties, representations or undertakings in this Agency Schedule are or become or are found to be incorrect or misleading in any 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 Underlying Customers unless either of the following clause 4.2 or clause 4.3 applies, and 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 regulated credit or financial institution in the UK, EU or a non-EU country which is a member of the Financial Action Task Force, we shall deal with you on the understanding that you are complying with regulations concerning money laundering and that evidence of the identification of your Underlying Customer will have been obtained, recorded and is maintained under procedures maintained by you.
- 4.3 If you are a regulated credit or financial institution in a country which is not a member of the Financial Action Task Force, we reserve the right not to deal with you until we have obtained satisfactory evidence of the identification of your Underlying Customer.

5. **Discharge**

- 5.1 **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 your Underlying Customer shall be interested (whether beneficially or otherwise) in such payment or performance.

6. **Indemnity**

- 6.1 **Indemnification:** Notwithstanding that you may act as agent on behalf of your Underlying Customer, you undertake as principal to indemnify us in respect of any all losses, liabilities, judgments, suits, actions, Proceedings, claims, damages and costs resulting from or arising out of claims raised by any Underlying Customer (together "**Liabilities**") incurred in relation to any Transaction effected by you as agent, except where such Liabilities arise from the default of one or

more of your Underlying Customers or the liability is for the payment of settlement proceeds in respect of any Transaction, in which case you agree to provide sufficient details of such Underlying Customer(s) to us and any other assistance reasonably requested by us, to facilitate our pursuit of any claim against such Underlying Customer.

7. **Interpretation**

7.1 ***Interpretation of the terms in this Agency Schedule:***

“Underlying Customer” means any Underlying Customer agreed by us from time to time on behalf of which you are to enter as agent into Transactions with us; and where an Underlying Customer 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.