

HSBC Bank Middle East Limited, Bahrain Branch
**HSBC General Terms and Conditions for
Investment and Insurance Products (Bahrain)**

Effective 4 July 2021



HSBC GENERAL TERMS AND CONDITIONS FOR INVESTMENT AND INSURANCE PRODUCTS (BAHRAIN)

Effective from 4 July 2021

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Introduction – what you need to know

These Terms govern your Wealth Relationship with us. It is important that you read them and ask us any questions you may have before signing up to them. There is a contents page at the front and a glossary section at the back to help you navigate these Terms and understand the meaning when we use a capitalized word or phrase. We have also included in this section some important information that you should be aware of before you sign up to these Terms, together with section references so that you can review particular sections of the Terms in more detail.

We may change these Terms at any time and we will provide you with advance notice of the change where required by Applicable Regulations. If you don't agree to the change, you can end your Wealth Relationship with us by sending us a written notice.

Please note that this section is designed to highlight important information that you need to know. It is not intended to be a summary of the entire Terms, therefore it is still important that you read all the Terms and not just rely on this section.

	Relevant sections to review
▶ We offer Wealth Services to help you establish your financial goals (if relevant) and make your decision on which Investment Products and/or Insurance Products to choose. However, we are not an investment manager, and therefore we do not manage your investment portfolio on your behalf, we do not monitor that your investments remain suitable for you, we do not provide on-going advice and we are not authorized to make decisions on, or take action in respect of, your Investment or Insurance Products. We will only act upon your instructions in accordance with these Terms. It is your responsibility to keep track of the performance of your Products and, where relevant, adequacy of your Products (e.g. by checking your valuation statements and policy terms and having review meetings with your adviser), let us know if your personal circumstances, financial goals or attitude to risk change and provide us with your instructions in respect of your Products.	Sections 2 and 5

<ul style="list-style-type: none"> ▶ Some Products we sell are sold on an advised basis. This means that we will look at your personal circumstances, financial goals and attitude to risk and we will make a recommendation of one or more Products which we believe is suitable for you. If you choose to proceed with the Investment Product(s) recommended by us, we will contact you periodically to ask you to review the information that was provided by you to us and confirm such information is up to date. You will need to notify us of any change to the information previously provided by you to us. This may trigger a review of your existing Investment Products. ▶ For some Products, we do not offer any advice or recommendation. You may also take a Product or request us to effect a Transaction without any advice or recommendation from us. We will tell you at the time we sell you a Product whether we are giving you advice or not. The decision to take any specific Products will always be yours. It is your responsibility to make a decision on whether to proceed with a particular Transaction and, where relevant, on whether to act based on our advice or not. 	Section 2
<ul style="list-style-type: none"> ▶ Investment and Insurance Products carry risks. The Product Documentation explain the risks associated with the Product. Generally speaking, investments carry the types of risks set out in section 3, which you should familiarize yourself with prior to investing. We will also make available to you the applicable risk disclosure notices from the Product Provider(s). It is your responsibility to ensure you understand the risks before you make any decision to take a Product. If your investment falls in value, we will not be responsible for this, so long as we have informed you of the types of risks and have made available to you the risk disclosure notices. Past performance of a particular Product is not an indicator or evidence of the future performance and the value of investments can go down as well as up and you may not get back the amount originally invested. 	Section 3
<ul style="list-style-type: none"> ▶ Under these Terms we are a Distributor of Products. The Products are manufactured by third parties, which may include other members of the HSBC Group unless we specify otherwise. Where we distribute third party Products, we are responsible for the sale of particular Products, but we are not responsible for the Products themselves. The third party Product Provider will be responsible for the Product itself. That is why it is important that you read the Product Documentation carefully before agreeing to take a particular Product, to ensure you understand the way the Product works, the applicable fees and charges (and how these impact the surrender or redemption value), and the risks of taking that Product. When you decide to transact in a Product, you must give us instructions or orders in the manner and format as agreed with us. Depending on the type of Product, there may be different execution and settlement process and different entities involved. ▶ For certain Investment Funds (which are classified as overseas domiciled collective investment undertakings (CIU) by the Central Bank of Bahrain), we are appointed by the Investment Funds to act as their placement agent in offering units in the Investment Funds to investors in Bahrain. We will receive remuneration from the Investment Funds for our activities relating to the distribution of these Investment Funds and ongoing maintenance and servicing for our customers who are unitholders in these Funds. You authorize us to act as your agent in relation to the Execution and Custody Services provided by Pershing for your Transactions relating to Investment Funds. You will pay our fees and charges for acting as your agent. By accepting these Terms, you are expressly giving up any right to challenge on the grounds of any conflict of interest which may arise from us acting as placement agent of the Investment Funds and us acting as your agent relating to Pershing’s Execution and Custody Services under the laws of Bahrain or any other jurisdiction. ▶ In Bahrain, we act as the Appointed Representative of Zurich International Life Limited (“Zurich”) for the Insurance Products provided by Zurich. Our relationship with Zurich in Bahrain is governed by an appointed representative agreement and a local distribution agreement. 	Sections 1.1, 1.13, 2.3, 5, 6, 7 and 8
<ul style="list-style-type: none"> ▶ We will disclose to you our applicable fees and/or charges before you transact. You should check our Schedule of Services and Tariffs and other relevant documentation carefully for details of our applicable fees and/or charges. 	Section 1.7

<ul style="list-style-type: none"> ▶ Our affiliates, third parties or their affiliates may provide Execution and/or Custody Services to you subject to the Applicable Regulations. The identity of the service provider(s) and their details are included in these Terms. These Terms set out the basis on which you will be provided with the Execution and/or Custody Services together with the terms and conditions of the relevant service provider(s). By accepting these Terms, you authorize us, acting as your agent, to appoint these service providers and enter into a contractual relationship with each service provider through us as your agent and you agree that you will be bound by all the terms and conditions of the service provider(s) entered into by us as your agent in respect of the services to be provided by them to you as set out in these Terms (as may be varied or amended in accordance with those terms and conditions). ▶ Your Investment Products transacted through us under these Terms and Related Documentation will be held in an offshore Investment Account in Jersey, Channel Islands, with Pershing (Channel Islands) Limited (“PCI”) as your Custodian, which is a subsidiary of Bank of New York Mellon. You will have a contractual relationship with PCI, but you will deal with us directly in respect of your investments and we, acting as your agent, will pass on your instructions to PCI. We will also pass on communications of Corporate Actions that we receive from PCI to you as soon as reasonably practicable after receiving these from PCI. We cannot advise you on any matter relating to Corporate Action notices received by you. You are solely responsible for any consequences arising from your instructions to us relating to Corporate Actions. We are not responsible for any delays (or any resulting action or failure to act) relating to Corporate Actions, including any losses which may be incurred by you. ▶ If there is more than one of you wishing to hold your investments jointly, we will tell you in the Investment Account Opening Form or Change of Joint Investment Account Ownership Form the potential legal ownership options available to you under Jersey law, which will impact what happens to your jointly held investments when one joint investment account holder passes away. We cannot advise you on your choice of ownership option in relation to your joint Investment Account. You should seek independent legal and/or tax advice relating to probate and inheritance matters in the relevant jurisdictions. 	<p>Sections 1.4, 1.8 Section 4 and Appendix 1</p>
<ul style="list-style-type: none"> ▶ Whilst we will only sell you Products that we are authorized to sell under local law and regulation, we are not lawyers or tax advisers and therefore we will not give you any legal or tax advice. Legal and tax matters can be complicated, therefore you may wish to obtain your own independent legal or tax advice. We are also not qualified to advise you on what will happen to your investments after you pass away, although we will inform your legal heirs / legal personal representatives of the documents we will need to see in order to redeem your investments in that eventuality. 	<p>Sections 1.11, 1.18 and 2.3</p>
<ul style="list-style-type: none"> ▶ We have the right to end your Wealth Relationship with us at any time on 30 days’ notice. Pershing also has the right to close your Investment Account at any time. If this happens, we will ask you to move your investments to another custody platform or redeem them. If you do not redeem them or move them to another custody platform within the notice period we give to you, then you agree that we may redeem them and, after deducting all sums owed by you to us, third party Product Provider or Pershing from the redemption monies, pay the balance to you. We will not be responsible if this causes you any loss. 	<p>Sections 1.16, 4 and Appendix 1</p>
<ul style="list-style-type: none"> ▶ We will collect, store, use, transfer, process and retain your information and personal data. We will also share it with relevant third parties (including, for example, the third party Product Providers and the entities providing Execution Services or Custody Services to you). We will only do so where we have a lawful basis for using your personal data in accordance with Applicable Regulations. 	<p>Section 1.5</p>
<ul style="list-style-type: none"> ▶ You must tell us if you have any changes to your contact information and you must tell us immediately if you are planning to move countries or change your residency or citizenship. This is because such a change might impact the Products you already hold and what products and services we/third parties continue to be able to offer you. It is your responsibility to inform any third party Product Providers directly of changes to your contact information, address, residency or citizenship. 	<p>Section 1.4</p>
<ul style="list-style-type: none"> ▶ These Terms shall be governed by and construed in accordance with the laws of Bahrain. The courts of Bahrain shall have jurisdiction to settle any suit, action or other proceedings relating to these Terms. 	<p>Section 9</p>

1. General

1.1 Information about us

Who are you and who are you regulated by?

We are HSBC Bank Middle East Limited Bahrain Branch and we offer Wealth Services in Bahrain. Our main office is situated at Building 2505, Road 2832 Block 428, P.O. Box 57 Manama, Kingdom of Bahrain. We are a bank duly licensed by the Central Bank of Bahrain as a conventional retail bank licensee and registered under Bahrain Commercial Registration No. 330-1 issued by the Ministry of Commerce, Industry and Tourism in Bahrain. We are regulated by the Central Bank of Bahrain in Bahrain.

We have to comply with Applicable Regulations and, by accepting these Terms, you agree that we may take such action (or omit to take such action) as is necessary to comply with Applicable Regulations, even if such Applicable Regulations conflict with these Terms. You agree that you will not hold us liable for any losses you suffer as a result of us complying with Applicable Regulations.

What do you do?

We are a deposit taking bank, offering one or more Wealth Services in compliance with Applicable Regulations. We may update or amend the scope of Wealth Services from time to time.

As part of our Wealth Services, we may make the following Products available for you in compliance with Applicable Regulations:

- ▶ Investment Funds
- ▶ Fixed Income Products
- ▶ Insurance Products
- ▶ Structured products

We may update or amend the scope of Products made available to you from time to time.

The Products are manufactured by third parties (which may include other members of the HSBC Group) unless we specify otherwise. Under these Terms, we act as a Distributor of Products and we are responsible for the sale of Products but we are not responsible for the Products themselves. The third party Product Provider(s) will be responsible for their Product(s). This means that, in addition to reading these Terms, you must also read the Product Documentation, taking note of any free look period and ensuring you understand the way the Product works, all applicable fees and charges and the risks of taking that Product, before you take a particular Product. When you decide to transact in a Product, you must give us instructions or orders in the manner and format as agreed with us. Depending on the type of Product, there may be different execution and settlement process and different entities involved.

The Products and the related Wealth Services that are available to you may change from time to time. We will let you know what Products and Wealth Services are available for you to choose at a particular time. Removing a Product from sale will not usually impact any previous sales of that Product to our customers, but we will notify you if we believe there is an impact. Additionally, when you have a financial review with us and you are holding a Product that we no longer make available to our customers, we will discuss this with you and take your instructions on how you wish to proceed.

1.2 Information about these Terms and how you accept them

What are these Terms and when do they apply?

These Terms are general terms and conditions that govern the relationship between us when you purchase any Product or make a Transaction through us or use any of our Wealth Services. We call this our "**Wealth Relationship**". They also contain our terms and conditions relating to the sale and servicing of particular Products.

These Terms apply throughout your Wealth Relationship with us. It is important that you read them in their entirety and ensure you understand them before you indicate your acceptance of them. If you do not understand something in them, please contact us using the details set out in section 10. You should not accept them if you do not understand them.

How do I use these Terms?

We have added questions into these Terms to help you find the right section. The questions are not part of the Terms. We have also added a Glossary (in section 11) to help you understand some of the words or phrases we use in these Terms. Where you see words or phrases with capital letters (for example "Products"), you can refer to the Glossary to find out what those words or phrases mean. The Glossary does form part of these Terms.

Are these the only terms that apply to our Wealth Relationship?

No. The following documentation contains terms and conditions that apply to our Wealth Relationship, in addition to these Terms:

- ▶ Product Documentation;
- ▶ Transaction Confirmation;
- ▶ Investment Account Opening Form and Change of Joint Investment Account Ownership Form;
- ▶ Application Forms in respect of Investment Products;
- ▶ Customer Declaration Forms in respect of Insurance Products;
- ▶ Financial Planning Documentation (where applicable);
- ▶ Our Personal Banking General Terms and Conditions;
- ▶ Our Online Banking Terms and Conditions (where applicable);
- ▶ Schedule of Services and Tariffs; and
- ▶ Country Terms, which form part of these Terms and are set out in section 9.

The above documentation ("**Related Documentation**"), together with these Terms, comprises the legally binding agreement between us in respect of our Wealth Relationship and each and every Product, Transaction and use of the Wealth Services.

Whilst we do not think that there are any inconsistencies between the different sets of terms, if there is any inconsistency the terms of the relevant Product Documentation will prevail. Similarly, the Country Terms will take precedence over these Terms, and these Terms will take precedence over the Personal Banking General Terms and Conditions.

If any part of these Terms becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect the legality, validity or enforceability of such terms in any other jurisdictions or the remainder of these Terms in that jurisdiction.

How do I accept these Terms and from when do they apply?

If you are a new customer, we will ask you to sign (including by way of electronic methods, where applicable) the Investment Account Opening Form, the relevant Application Form or Customer Declaration Form, as applicable, at the outset of our Wealth Relationship indicating your acceptance of these Terms, as they are amended from time to time. These Terms apply from the date that you accept them on the Investment Account Opening Form, the relevant Application Form or Customer Declaration Form.

If you have an existing Wealth Relationship with us which is governed by a previous version of these Terms, we will give you a notice that the Terms have changed and will send you a full copy of the latest Terms (including by using electronic means). Where practicable, we may also send you a summary of the key changes made to the previous version.

If these Terms have been changed by us and the change requires a notice from us to you under section 1.3 below, the amended version will apply from the effective date specified in the notice we give to you (or the date you make a Transaction after the notice, if earlier). You agree that your non-objection to the changes to these Terms or continued use of our Wealth Services constitutes your acceptance of the changes. For more information on changes, please see section 1.3.

In addition, each time you take a Product or use a Wealth Service, you shall be deemed to have accepted the latest version of these Terms (as amended from time to time) and the Related Documentation. We will make available the latest version of these Terms on our website at www.hsbc.com.bh

You agree that where you provide acceptance or consent in an electronic form (including the use of digital or electronic signatures and, indications of acceptance by ticking a check box on electronic forms or digital platforms), this shall constitute your legal acceptance as if you had provided your acceptance or consent in writing and all relevant laws and regulations applicable to acceptance of contracts via electronic methods will apply.

Do I need an Investment Account to enter into any Transactions in respect of Investment Products?

Yes. You need to establish an Investment Account through us by submitting the Investment Account Opening Form and agreeing to the terms and conditions applicable to such Investment Account, which are available from us.

We reserve the right not to accept your application for opening an Investment Account through us.

1.3 Changes to these Terms and our fees and charges

Can you change these Terms and your fees and charges?

Yes, we can. By agreeing to these Terms, you are agreeing that we may change these Terms and our fees and charges (or introduce new fees and charges) at our discretion at any time.

If we make a material change to these Terms that we believe will impact your Products and Wealth Services:

- 1) we will give you at least 30 days' notice in advance of the change (or such notice period as is prescribed by Applicable Regulations); or
- 2) where we have to make a material change immediately for a valid reason, we will notify you afterwards.

We will give you at least 30 days' notice in advance of any change to our fees and charges (or such notice period as is prescribed by Applicable Regulations).

If you do not object to the change we have made within the notice period specified in the notification then we will assume you agree to the change. You agree that your non-objection or continued use of our Wealth Services constitutes your acceptance of such change, without the requirement to re-sign any documentation.

Unless otherwise specified in our notification, a change to these Terms or our fees and charges will not affect any outstanding order or Transaction or any legal rights or obligations which may already have arisen.

If we believe a particular change to these Terms will not impact your Products and Wealth Services, then the change will take place without notice to you. You agree that you will be bound by such change. You can always find a copy of the latest version of these Terms on our website at www.hsbc.com.bh

We will use appropriate methods to update you about the changes (for more information on notice periods and methods, see sections 1.2 and 1.4).

1.4 Communications between us, statements and notifications

How will you contact me in respect of our Wealth Relationship?

Your adviser may contact you directly. We may also write to you, using the most recent contact details we have in our records for you, using any of the methods set out in section 3 of the Personal Banking General Terms and Conditions.

What if my contact details have changed?

You must tell us, in writing or in certain circumstances via electronic means as determined by us, as soon as possible if any of your personal information (e.g. your name, residency status, country of residency etc.) or the contact details (e.g. telephone numbers, mobile numbers, email address, postal address, etc.) we hold for you change. We will ask you to complete a change of information form to instruct us to update our records. It is your obligation to keep us updated with your most up-to-date information, including Know Your Customer documentation (your passport, residency status, official identification document etc.), employment details and salary and contact details. If you don't keep us updated, then we may have to take certain actions, such as restricting your Products or our Wealth Services or even ending our Wealth Relationship (for more information, see section 1.16). It may also mean that you do not receive important communications from us. We will not be responsible for any losses you suffer as a result of you not keeping us updated with your correct personal information, documentation and contact details.

Where you have taken a third party Product through us, it is your responsibility to update such third party Product Providers (including other members of the HSBC Group) directly of any changes to your personal information or contact details. We will not be responsible for updating your information with such third party Product Providers, unless we are obliged under our contract with them to do so. If you don't keep such third party Product Providers updated, then you may not receive important communications from them (e.g. valuations, notifications or other updates). We will not be responsible for any detriment you may suffer (including but not limited to financial losses) as a result of you not keeping them updated with your correct information. We will update Pershing of any change to your personal information or contact details, where you have Investment Products held in an Investment Account that have been sold to you by us.

What do I need to do if I move countries?

We sell Products and provide Wealth Services to customers who are physically present in Bahrain at the time of the relevant Transactions. We are bound by Applicable Regulations and our own internal policies and procedures in respect of which Products and Wealth Services we can provide to customers who are not residents in Bahrain. We do not sell any Products or provide any Wealth Services to US Persons. If you become a US Person, you must tell us immediately as this will impact what Products and Wealth Services we are able to provide.

You must notify us as soon as possible if your country of residency changes, or if you are planning on leaving your existing country of residency, as this may impact what Products and Wealth Services we and/or third party Product Providers can provide or hold for you, how we communicate with you and what Transactions we may permit, in accordance with Applicable Regulations and our own policies and procedures.

How do I contact you in respect of our Wealth Relationship?

If you want to contact us in respect of our Wealth Relationship, please contact your adviser or local branch in the first instance. Otherwise, please use the contact details set out on our public website.

For more information on how to make formal communications, please see section 4 of our Personal Banking General Terms and Conditions.

For more information on how to make a complaint, please see section 1.15.

Will you send me statements?

For Investment Products held in your Investment Account, we will send you regular statements setting out the value of your investments as at the date of the statement. These are based on the valuations Pershing (Channel Islands) Limited ("PCI") provides to us. Additionally, PCI will send you periodic custody reports or statements directly. For more information on PCI, see section 4.

We do not send physical statements for Insurance Products. For Insurance Products, the third party Product Providers may send you statements directly. Where applicable, you will also be given access to the third party Product Provider's online portal, where you can access valuation information. We are not responsible for the contents, completeness or accuracy of any statements or other information made available to you by the third party Product Providers.

What important notices might I receive from you?

Where we are notified by Pershing (Channel Islands) Limited ("PCI") of a Corporate Action notice, we will pass on that communication to you as soon as reasonably practicable after receiving the notice ourselves.

We cannot advise you on any matter relating to Corporate Action notices received by you. You are solely responsible for any consequences arising from your instructions to us relating to Corporate Actions.

We are not responsible for any delays (or any resulting action or failure to act) relating to Corporate Actions, including any losses which may be incurred by you.

In which language will you communicate to me?

We will usually communicate verbally with you in English, but we can assign an Arabic speaking adviser to you if you let us know that you prefer to communicate verbally in Arabic. It may not be possible to provide written communications in Arabic or we may not have Arabic language documentation available. In that instance, communications and documentation will be in English only.

What if I have difficulties reading / understanding these Terms and other communications from you?

You must tell us if you have difficulties reading or understanding our documentation or communications.

If you have difficulties reading or understanding our documentation or communications or we think you require additional assistance, then for your own protection we may require you to take additional steps when dealing with us in respect of the Products and Wealth Services.

1.5 Your information – how we treat it

What will you do with my information?

We will collect, store, use, process, transfer and share your information and personal data and we may do so either in Bahrain or in another jurisdiction (where Applicable Regulations permit). Please see section 8 of the Personal Banking General Terms and Conditions and our Privacy Notice for more information. The Privacy Notice (which is available on our website www.hsbc.com.bh or through our branch) applies to our Wealth Relationship with you. We will only use your information and personal data where we have a lawful basis for using it. These lawful bases include where:

- ▶ as part of our Wealth Services to you, we will use your personal data to carry out your instructions to receive information or quote on Products you are interested in, to obtain Products from third party Product Providers and to enter into the relevant Transaction;
- ▶ we will share your personal data to the entities providing Execution Services or Custody Services to you.

By accepting these Terms, you agree to us using your information in the manner and circumstances provided for in these Terms and you are agreeing that we may treat your information as set out in the Personal Banking General Terms and Conditions and the Privacy Notice and continue to do so even after our Wealth Relationship has ended.

1.6 Financial crime and international financial sanctions

What are your financial crime and international financial sanctions obligations?

Sections 1.26 and 8 of the Personal Banking General Terms and Conditions and our Privacy Notice set out information about our financial crime and international financial sanctions obligations and how this impacts our relationship with you, including our expectations and requirements of you. These apply to our Wealth Relationship with you.

Where there are third party Product Providers or we use third parties to provide Wealth Services to you, such third parties may have their own financial crime and international financial sanctions obligations and these may differ to ours. Where such third parties take action in line with their own financial crime and international financial sanctions obligations and this causes you loss, we shall not be responsible.

1.7 Our fees and charges, your tax liabilities

What are your fees and charges?

Our fees and charges will be disclosed to you at the time you take a Product, use a Wealth Service or make a Transaction. Please check our Schedule of Services and Tariffs for details of our fees and charges. You agree that you will pay our fees and charges and that we may debit your Nominated Cash Account to take payment.

Our fees and charges are in addition to any fees and charges levied by any third party Product Providers, which you also agree to pay. Any third party fees and charges will also be disclosed to you. Please ensure you read any third party Product Documentation for full details of fees and charges levied by Product Providers.

Do I have to pay tax on your fees and charges?

You will be required to pay the amount of any tax or other duty imposed by any Tax Authority from time to time on any Wealth Services we provide to you. This may include, but is not limited to, any value added taxes, or similar consumption taxes. We reserve the right to collect and deduct such applicable taxes from you and/or any of your accounts held with us at any time.

All charges or fees payable to us shall be made by you without any deduction, unless required by the Applicable Regulations in which case the amount of such charges or fees payable shall be increased to the extent necessary to ensure that we receive a net amount equal to the full amount which we would have received had payment not been made subject to any withholding tax.

Can you change your fees and charges?

Yes, we can. Please see section 1.3 above for more information.

Do you receive any other amounts in connection with my Transactions?

Yes, as a Distributor of a Product we may receive payments or commissions from the Product Provider if you take a Product through us. You will not pay these payments directly to us.

We may accept from any manager, stockbroker, underwriter or other person (which may include another member of the HSBC Group) commission, payment or any other benefit in relation to your Transactions. You agree that we may keep these payments or benefits.

Do I have to pay taxes in relation to my Products?

You will be required to pay the amount of any tax or other duty imposed by any Tax Authority from time to time in respect of your Products and/or any monies arising from, or returns on, such Products. This may include, but is not limited to, any income tax, capital gains tax, withholding tax or any other taxes. It is your sole responsibility to pay such taxes when they are due to the relevant Tax Authority.

1.8 Joint investments

Can we have joint investments? How do we open a joint Investment Account through you?

It depends on the terms of the particular Product or Wealth Service (and any applicable third party terms), but usually you can open a joint Investment Account and hold Investment Products jointly.

Each of you will need to sign (including by way of electronic methods where applicable) the Investment Account Opening Form and specify the ownership type for the joint Investment Account. You can change the ownership type for an existing joint Investment Account by way of a Change of Joint Investment Account Ownership Form. All joint Investment Account holders will need to sign (including by way of electronic methods where applicable) the Change of Joint Investment Account Ownership Form.

Do we all need to sign to operate our joint Investment Account and enter into a Transaction relating to Investment Products?

All joint Investment Accounts will be held on an "either/or" signing mandate. This means that any one account holder may operate the joint Investment Account in respect of all investments held or to be held in that account and we are authorized by all of you to, and will, accept any one of the signatures of the joint account holders on (i) any instruction concerning the holding(s) in that account or (ii) any decisions in respect of investments made for the joint Investment Account. The "either/or" signing mandate is set out in the Investment Account Opening Form which all of you will need to sign.

Each joint account holder hereby acknowledges that where any of the joint account holders provides us with any instruction or decision in respect of investments for the joint Investment Account, all relevant information or documentation has been shared and discussed with the other joint account holders, including but not limited to, the relevant Application Form(s) and all information and assessment outcome contained in such form(s).

We will rely on this "either/or" signing mandate to act on any instruction or decision made (or purported to be made) by any of the joint account holders.

What happens if we have a dispute?

If we become aware of a dispute between joint Investment Account holders (e.g. one of you notifies us of a dispute or we receive conflicting instructions from more than one of you and have not yet acted on the first instruction received), we will not get involved. Irrespective of you having an “either/or” signing mandate on your joint Investment Account, we will not act on any instructions received from either or any of the joint Investment Account holders. We will act in accordance with written instructions from all the joint Investment Account holders or if we receive a legally binding court order with respect to the funds in the joint Investment Account. We shall not be responsible for any loss resulting from any such action taken by us.

Please note that if we become aware of a dispute, we may be unable to provide new Products and Wealth Services to you and we may even ask you to close your joint Investment Account, after providing you with a reasonable period of notice. Please see section 1.16 for more information.

Will you provide all of us with information about our joint investments?

We will provide all of you with information about joint investments you hold together.

We will provide at least one of the account holders with one statement covering your joint investments to the address you specify in your Investment Account Opening Form. In addition to this, third party Product Providers may also provide you with their own statements from time to time.

Will you give all of us advice on our joint investments?

Yes, for certain Products we may advise all joint Investment Account holders together in respect of jointly owned investments. However we may allow any one joint account holder to sign all documentation for Transactions in respect of investments in the joint Investment Account on the basis of the “either/or” signing mandate we hold in accordance with the Investment Account Opening Form signed by all of you (see above).

Will we be considered to own an equal share of our joint investments held in our Investment Account?

How you legally own joint Investment Products will depend on the type of Investment Product, its terms and conditions, where it is held and (in some cases) how you chose to hold it.

Your adviser will be able to guide you to the relevant terms and conditions of a particular Investment Product and tell you where it will be held, but will not be able to advise you on any legal, structural or tax implications of the legal ownership position, in particular if you are asked to elect how to legally own it. How you legally own the joint Investment Product may impact what happens to it if one of you dies or all of you die. You should get independent professional advice on the subject of legal ownership and death before you jointly invest in a particular Investment Product.

We will tell you in the Investment Account Opening Form or Change of Joint Investment Account Ownership Form the potential legal ownership options available to you under Jersey law, which will impact what happens to your jointly held investments when one joint Investment Account holder passes away. We cannot advise you on your choice of ownership option in relation to your joint Investment Account. You should seek independent legal and/or tax advice relating to probate and inheritance matters in the relevant jurisdictions.

In the absence of any written indication or election from you, we will always assume (where relevant) that each of you holds an equal and distinct share of any joint investments.

What happens if one of us dies?

You must tell us as soon as possible if one of you dies. Please see section 1.11 for more information on the applicable process that will apply in the event that one or all of you die.

What if one or all of us wants to end the Wealth Relationship?

If you want to end your Wealth Relationship (as more fully described at section 1.16), then we will accept instructions from any of you if you have an “either/or” signing mandate. If you want to end your Wealth Relationship and your joint Investment Account is held on an “and” signing mandate basis then all of you will need to give us instructions together.

1.9 Minors

Can I have a Wealth Relationship with you if I am a minor?

We do not allow you to have a Wealth Relationship with us if you are under the age of 21.

There may be specific age limits that apply to particular products and services.

1.10 Acting in your own capacity

You agree that you will act in your own capacity and for your own benefit at all times. We will only deal with you in your own capacity and we will not deal with you via a third party.

1.11 Death and incapacity

What happens to my Products if I die?

In the event of your death, your legal heirs or personal representatives must tell us as soon as possible. We will then tell them what documents we require in order for them to effect a redemption of the Products.

What happens to particular Products that you hold upon your death will depend on the type of Product, its terms and conditions, its value, where it is held and (in some cases for joint investments) how you chose to hold it legally. Usually, we will require your legal heirs or personal representatives to provide us with a court order issued in the relevant jurisdiction where your investments are held in relation to your investments, for example some jurisdictions such as Jersey require a court order to deal with a deceased's personal investments of certain value which should be arranged by the legal heirs.

We cannot advise your legal heirs or personal representatives in relation to wills, probate, estate or legacy planning issues, inheritance, tax or legal matters. We will not assist your legal heirs or personal representatives in respect of applying for probate or any other relevant court orders that may be required. They may need to seek independent professional advice, the costs of which would be their responsibility.

What happens if I am not able to instruct you due to my mental incapacity?

If you become mentally incapacitated (for instance, you become mentally impaired due to illness or accident or are unable to make decisions for yourself for whatever reason), your Representative(s) needs to give us notice as soon as possible, and provide us with any documents we request or documents necessary under Applicable Regulations. We reserve the right to await instructions from the court of the relevant jurisdiction(s) before allowing further transactions in respect of your Products. We will not be responsible for any losses before we are notified of your mental incapacity or any losses that result from us not taking actions in respect of your Products pending further instructions from the court of the relevant jurisdiction(s).

Please note that your Representatives will be subject to the same Know Your Customer enquiries as we would ordinarily make for you in your personal capacity. If we are not satisfied with the results of our enquiries or if we do not think we have enough information in relation to your Representatives, we will not be obliged to act on their instructions and may even have to end our Wealth Relationship with you (for more information, please see section 1.16).

1.12 Payments, set-off and our other recovery rights

What are my payment obligations?

You must make all payments of any amounts (including all fees, charges, taxes and levies) payable by you relating to the execution or settlement of all Transactions or relating to your Products under these Terms on demand without set off, counterclaim or deduction.

Any payments made by you must come from your Nominated Cash Account. It is your responsibility to fund your Nominated Cash Account in advance of buying a Product and ensure it is sufficiently funded from the date you give us your instructions to enter into a Transaction until the settlement date of that Transaction. This applies to all your instructions or orders relating to a Product, including without limitation, any one off instructions or reoccurring and standing instructions.

If there are insufficient monies in your Nominated Cash Account in order for a standing instruction you have issued to be honored, then section 16.3 of the Personal Banking General Terms and Conditions will apply, for example, we may exercise our discretion to either reject the payment instruction or effect the payment instruction.

We will not be responsible if you fail to fund your Nominated Cash Account and this results in any Transaction not being executed, any losses or discontinuation in relation to your Products. If the currency of your Product is different from the currency of your Nominated Cash Account, we will not be responsible for any fluctuations in the relevant foreign currency exchange rates.

What are your rights of set-off? What other recovery rights do you have?

Set-off means using money in one account to meet a debt on another account. Under section 12 of the Personal Banking General Terms and Conditions, we have a right to use money you have with us to reduce or repay amounts you (or any other person with whom you hold a joint account) owe us. By accepting these Terms, you are agreeing that we may apply our rights of set-off as set out in the Personal Banking General Terms and Conditions.

If you:

- (a) fail to make payment or delivery in relation to the execution or settlement of any Transactions when required;
- (b) breach any provisions of these Terms, any Market requirements or Applicable Regulations, each relating to your payment or delivery obligations; or
- (c) become subject to an Insolvency Event (or if we reasonably consider you have not performed or unlikely to perform your payment or delivery obligations),

we may, without prejudice to any other right or remedy available to us, and without further notice:

- (i) cancel, close out, terminate or reverse all or any Transactions for your Investment Account;
- (ii) retain, sell, charge, create a security interest over or otherwise dispose of any cash, investments or other assets held for your Investment Account and apply the same or any proceeds of sale thereof in full or partial settlement of any liability; and/or
- (iii) exercise any other right or remedy available to us pursuant to these Terms or take such other action as we may, in our absolute discretion, consider necessary, desirable or expedient.

Can I choose a Payment Account into which I can receive monies arising from my Investment Products?

You can choose a Payment Account, into which you wish any payments arising from your Investment Products to be made (e.g. redemptions, payments upon maturity, dividend or coupon payments, etc.). Your Payment Account details are notified by us to your Custodian Pershing (Channel Islands) Limited ("PCI"). See section 4 for more details.

The Payment Account may be different to your Nominated Cash Account. Your Payment Account will be subject to the local laws and regulations that apply in the jurisdiction in which that account is located.

It is your responsibility to keep us updated if you want to change your Payment Account. If you want to change your Payment Account, you will need to contact your adviser and complete a form telling us the new account details. We will in turn notify your Custodian PCI of the new account details. We will use the most up to date Payment Account details provided by you but we will not be liable for any delays, losses or costs incurred as a result of incorrect or incomplete Payment Account details, your failure to notify us of changes to Payment Account details or any payment being rejected due to incorrect or incomplete Payment Account details.

If the currency of your Investment Account or the currency of your Investment Product is different from the currency of your Payment Account, we will not be responsible for any losses due to foreign currency exchange rates.

1.13 Our use of third parties

Do you use third parties to provide Products or Wealth Services?

Yes. Products distributed by us to you are provided by third party Product Providers, unless we tell you otherwise. We may appoint third parties to perform some Wealth Services on our behalf, and we may change such third parties at any time. Those third parties:

- ▶ may or may not be a member of the HSBC Group and may be local or overseas; and
- ▶ may further appoint another party to perform the relevant Wealth Services.

We will remain responsible to you for the activities of such third parties unless we notify you otherwise. We may pay these third parties fees or other payments for the services provided by them. We may also pay fees to members of the HSBC Group or any other person in return for introducing you to us. These payments may or may not affect the charges you are required to pay us. We may also pass information about you and your Products to those other parties to the extent permitted by Applicable Regulations.

In the event of an insolvency or any other similar proceedings in relation to any third party Product Provider, we will not be held liable for any consequences you may suffer as a result of such event. If any third party Product Providers are located in an overseas country, your Products will be subject to the laws of that overseas jurisdiction and your rights relating to those Products may be different or in addition to those that apply in Bahrain or your country of residency.

1.14 Transfer

Can you transfer my accounts associated with my investments to another bank or financial institution?

Yes, we can transfer all of our rights in relation to any accounts associated with your investments taken through us to another bank or financial institution that purchases those rights. We can also transfer all of our obligations in relation to such accounts but only to someone who is authorised or recognised by our regulators as being able to take on those obligations. If we are considering transferring any of our rights or obligations, we may share your information with third parties in relation to the proposed transfer. In the event any of our rights or obligations are transferred, we will give you reasonable notice in advance of the transfer using methods we think are appropriate (including electronic notifications).

Can I transfer my accounts associated with my investments to someone else?

No, you cannot transfer any of your rights and obligations in relation to your accounts associated with your investments, or such accounts themselves, to anyone else.

1.15 Complaints

What do I do if I am not happy with the Wealth Services you are providing or any Product I hold through you?

If you have a complaint about anything relating to Wealth Services provided to you or your Products, please contact your adviser in the first instance. You can also raise your complaint by calling us. Our contact numbers are set out at our public website (<https://www.hsbc.com.bh/help/contact/>). You will receive a notification acknowledging your complaint within two Bahrain Business Days. In the event we are unable to provide an immediate solution to your complaint, you will be provided with a Complaint Reference Number, together with the approximate time frame required to resolve the matter. You will be contacted with a full response from us.

If your complaint is not satisfactorily resolved or if you do not receive a response within the time frame communicated to you, please write to:

Customer Experience Team

Building 2505, Road 2832 Block 428
P.O. Box 57 Manama
Kingdom of Bahrain
e-mail: customerexperiencebh@hsbc.com

We have a formal complaints handling process and you can be assured any complaint will be handled professionally and your concerns thoroughly investigated.

If your complaint relates to a particular Product (as opposed to the Wealth Services we provide in respect of such Product), we may ask you to write to the Product Provider directly.

If your complaint relates to the Execution Services and/or Custody Services provided to you, we shall follow it up with the entity providing such services and take action to preserve your rights towards them if they are in breach of their obligations.

What do I do if you cannot resolve my complaint or I am still unhappy after receiving your final response?

If we are unable to resolve your complaint to your satisfaction you may also complain to our regulator, the Central Bank of Bahrain (<https://www.cbb.gov.bh/>).

1.16 Ending your Wealth Relationship with us

1.16.1 What if I want to end my Wealth Relationship with you?

You have the right to end your Wealth Relationship with us, you can tell us at any time in writing and request to close your Investment Account.

If you decide to end your Wealth Relationship with us, we will no longer be able to provide the Wealth Services to you in respect of any Investment or Insurance Products held at the time you decide to end the Wealth Relationship with us and we will inform our third party Product Providers and Pershing (as necessary).

1.16.2 Are there circumstances when you would end your Wealth Relationship with me?

Yes. You agree that we may end our Wealth Relationship with you, including suspending or closing your Investment Account, with immediate effect, for any of the following reasons:

- ▶ You don't pay any amount due to us in relation to the Investment Account or any other accounts or products you hold with us;
- ▶ We become aware that something you told us is false or misleading at the time it was given;
- ▶ You declare bankruptcy, reschedule your debts or seek a freeze or other similar relief relating to your debts or a third party (such as a trustee receiver, liquidator or administrator) is appointed to deal with your assets;
- ▶ You fail to comply with any law or regulation which you are required or expected to comply with;
- ▶ You fail to comply with any law or regulation or our, or our third party Product Providers' or Pershing's, obligations in relation to financial crime (see below);
- ▶ You fail to comply with any court order that we receive;

- ▶ In the case of a joint Investment Account, jointly held Products or where there is another person with authority to give instructions in relation to your holdings, where we are aware of a dispute between you;
- ▶ You, or where there is a joint account any of you, die or become incapacitated;
- ▶ We think that you are not the true owner of the investments;
- ▶ You, or we, close the Nominated Cash Account you are required to maintain in accordance with section 1.12; or
- ▶ If there is any other reason which we reasonably believe requires the suspension or closure of the Investment Account.

We have an obligation to detect, investigate and prevent financial crime (which includes money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of sanctions or attempts to violate laws or regulations). In carrying out these obligations we may delay, block or refuse to act on your instructions and we may ultimately close your Investment Account with immediate effect. If we do this, we will not be liable to you or any third party for any loss that is suffered.

You also agree that we may end our Wealth Relationship with you, including suspending or closing your Investment Account, at any time without any reason on 30 days' notice (or on any other notice period as set out by Applicable Regulations).

You agree that we do not need a court order to be able to end our Wealth Relationship with you.

If we suspend your Investment Account, this means that we will not act on any instructions that you give to us in relation to that account until the suspension is lifted. We will not be responsible to you or any third party for any loss that is suffered in these circumstances.

You agree that, where law and regulations allow, we may tell our third party Product Providers and/or Pershing in the event that we decide to end our Wealth Relationship with you and may tell them the reasons why we have decided to end the Wealth Relationship with you.

1.16.3 What about third party Product Providers or Pershing – can they end their relationship with me?

Third party Product Providers may reject your applications or Transactions and may even request us to end our Wealth Relationship with you or redeem a particular Product you may hold through us. If we act upon this request, we will not be liable for any losses you may suffer as a result of such rejection, relationship ending or redemption.

Pershing may end their relationship with you and close your Investment Account (see section 4 and Appendix 1 to these Terms).

1.16.4 What happens to my Investment Products when I end my Wealth Relationship with you and close my Investment Account?

If you choose to end your Wealth Relationship with us under section 1.16.1 and to close your Investment Account, we will ask you what you would like us to do with your Investment Products. This may involve us transferring your relevant Investment Products to another Custodian of your choice or selling your Investment Products and paying you the balance (net of all fees, charges and other amounts owed by you). We will not be responsible if this causes you any loss. You will also need to check with the relevant third party Product Providers and your chosen Custodian (where applicable) who may have additional requirements.

1.16.5 What happens to my Investment Products when you end the Wealth Relationship with me and close my Investment Account?

If we end our Wealth Relationship with you with immediate effect under section 1.16.2, we may suspend all transactions relating to your Investment Account, sell your Investments Products held in the Investment Account and ultimately close your Investment Account with immediate effect.

and If we end our Wealth Relationship with you by giving you 30 days' notice under section 1.16.2 and we do not receive any instructions from you about what you would like us to do with your Investment Products within the 30-day period, we may without further notice to you sell them.

If we have to sell your Investment Products in these circumstances:

- ▶ Any amount that we or third party Product Providers or Pershing are owed will be deducted from the sale proceeds; and
- ▶ you may not receive as much money for an Investment Product with a fixed term as if you had held it for the full fixed term of that Product.

We will not be responsible for any loss that you may suffer as a result of us selling your investments in the circumstances set out here.

Where we sell your Investment Products we will usually pay the sale proceeds (after all deductions) to you by transferring the money into your Payment Account. If the currency of the money transferred is different from the currency of your Payment Account, we will not be responsible for any losses due to foreign currency exchange rates.

1.16.6 What happens to my Insurance Products when our Wealth Relationship has ended?

You will continue to have a direct contractual relationship with the Insurance Product Providers until either you or they decide to terminate that relationship, and your Insurance Products will not be impacted unless the Insurance Product Providers tell you otherwise (e.g. if you have moved countries or if you are no longer making regular premium payments). It is your responsibility to continue making premium payments to the Insurance Product Providers by whatever means available to you after your Wealth Relationship with us has ended.

1.17 Our legal obligations

When will you be responsible for losses suffered by me?

We will not be responsible to you for any loss unless it was caused because of our gross negligence, willful default or fraud.

You agree that we will not be responsible to you for any loss caused by adverse tax implications of any Transaction. We do not provide tax advice.

Notwithstanding any other provisions in these Terms, we will not be liable for any loss of profit, savings, revenue or goodwill or any consequential, indirect, incidental, special or punitive loss of any kind.

Additionally, we will not be responsible to you for any risks that may apply to you taking out a Product, and in particular any losses caused by any delay or change in market conditions before a Transaction is implemented.

What if you have a conflict of interest?

We are part of a global organization which provides a wide range of financial services. This means that sometimes when we undertake a transaction with or for you, we or another company in the HSBC Group or some other person connected with us may have an interest in that transaction and this interest may conflict with your interests. We have established procedures which are designed to identify and manage such conflicts.

What if we have a dispute about these Terms?

These Terms and all matters arising from them or in connection with them shall be governed and construed in accordance with the law and jurisdiction set out in the Country Terms – see section 9 for more information.

1.18 Your additional responsibilities

What additional responsibilities do I have?

You are responsible for obtaining your own tax, legal and accounting advice. In particular, you must ensure that you are aware of:

- ▶ any tax you may need to pay in relation to any of your Products, and
- ▶ what other tax obligations you may have (such as filing requirements).

Certain countries have tax laws which apply outside of that country. You should seek professional advice if you are unsure about your position.

We are not responsible for any of your tax or related reporting obligations. You are solely responsible for fulfilling your worldwide tax reporting and filing obligations with respect to your investment holdings.

2. Wealth Services including Financial Planning

2.1 The options available to you

2.1.1 Giving advice through financial planning - What constitutes "advice"?

Where we have completed a goal based financial planning with you, assessed your risk tolerance (including your ability to bear risks and losses) and your knowledge and experience of investing and made a recommendation of one or more Products which we think are suitable for you and meet your needs, this means we have given you advice.

2.1.2 Execution Only – no advice

You may request to take a Product or effect a Transaction without any advice or recommendation from us and we will not advise you on that Product or Transaction. You will be solely responsible for your choice of Product and the outcome of the Transaction. We will make it clear at the time you ask us to effect the Transaction or take a Product that we are not giving you any advice or making a recommendation.

For certain Products, we do not provide any advice or recommendation and we will only allow you to transact on these Products solely based on your own selection of such Products.

The relevant documentation that we provide you will state the fact that we are not giving you any advice or making a recommendation and confirm that you are aware you are acting on this basis. You will be asked to sign (including by way of electronic methods, where applicable) the relevant documentation and keep a copy for your records.

2.2 Financial planning – acting on our advice and acting against our advice

2.2.1 What is goal based financial planning? What happens at a financial planning meeting?

At a financial planning meeting, your adviser will obtain information about your personal and financial circumstances and goals. We will also obtain information about your risk tolerance (including your ability to bear risks and losses) and your knowledge and experience of investing. We will use the information provided by you to assess what Products are suitable for you and provide you with our advice or recommendation.

It is very important that the information we hold about you is complete, accurate and correct at the time we give you advice. This is because we base our advice on that information. If any of the information that we hold about you is incomplete, inaccurate or incorrect, we will not be able to advise you accurately and a Product that we recommend may not be suitable for you.

Following your financial planning meeting(s), we will provide you with the relevant Financial Planning Documentation for you to sign (including by way of electronic methods, where applicable) and keep a copy for your records.

2.2.2 When will I be considered to have acted on your advice?

The decision to take any specific Products will always be yours.

Where you proceed with a Transaction based on our advice or recommendation, you will have acted on our advice.

2.2.3 When will I be considered to have acted against your advice?

If you choose a Product or ask us to effect a Transaction that is not in line with our recommendations or advice, then you will be acting on your own initiative against our advice. You will be solely responsible for your choice of Product and the outcome of the Transaction.

When you choose to act against our advice, the relevant Financial Planning Documentation that we provide you will state this fact and confirm that you are aware you are acting on this basis. You will be asked to sign (including by way of electronic methods, where applicable) the relevant Financial Planning Documentation and keep a copy for your records.

2.3 What we won't do and limitations of our Wealth Services

2.3.1 What are the limitations of the Wealth Services you offer?

Where we do not provide any advice or recommendation on certain Products under section 2.1.2, we, acting as Distributor, do not conduct any assessment as to whether a particular Product you wish to take complies or is consistent with the principles of Shariah ("**Shariah Compliant**" or "**Shariah Compliance**").

You acknowledge that you are solely responsible for satisfying yourself as to whether a particular Product you wish to take is Shariah Compliant. You will not rely on us, any of our affiliates in the HSBC Group or any documentation prepared by us or our affiliates for the purposes of a determination or confirmation that the Product you wish to take is Shariah Compliant. You will not claim any dispute on the grounds of Shariah Compliance of the Product and will not have or raise any objections as to matters of Shariah Compliance in respect of or in relation to any of the Product Documentation.

Where you have acted on our advice under sections 2.2.1 and 2.2.2, we will not:

- ▶ monitor your Products and/or your circumstances to check whether your Products continue to be suitable for you (for example, we will not monitor changes to your personal or financial circumstances, or changes which impact the Product Provider, or general market changes);
- ▶ guarantee the performance of any Product we may recommend to you; or
- ▶ provide ongoing information to you about future opportunities which may be suitable for you.

If you choose to proceed with the Investment Product(s) recommended by us, we will contact you periodically to ask you to review the information that was provided by you to us and confirm such information is up to date. You will need to notify us of any change to the information previously provided by you to us. This may trigger a review of your existing Investment Products. See section 6.5.3 below for more details.

We are not under any obligation to provide you with on-going advice in relation to the management of your Products or in respect of any particular Transaction. It is your responsibility to keep your Products under review to ensure they continue to meet your changing needs, goals and financial circumstances.

2.3.2 What won't you advise me on?

We will not provide you with any tax, legal or accounting advice or any advice on inheritance, estate planning or Shariah principles or matters and we shall not at any time be deemed to be under any duty to provide such advice.

3. Risks

What are the risks that may apply when I take out a Product?

The level and type of risks will depend on the type of Product, and the Product Documentation explain the risks associated with a particular Product. As an illustration, some of the risks may include:

- ▶ Liquidity Risk
- ▶ Market Risk
- ▶ Credit Risk
- ▶ Insolvency Risk
- ▶ Currency Risk
- ▶ Interest Rate Risk
- ▶ Regulatory / Legal / Structural Risk
- ▶ Operational Risk

Past performance of a particular Product is not an indicator or evidence of the future performance and the value of investments can go down as well as up and you may not get back the amount originally invested.

You must read all risk disclosure notices provided to you in respect of a particular Product. You should ensure you fully understand the relevant risks before making a decision to take out a Product.

4. Execution of Transactions relating to Investment Products and Custody of your Investment Products

4.1 Who provides Execution Services in relation to Investment Products to me? What are the terms and conditions applicable to these Execution Services? From when do they apply? How do I accept the Execution Services terms and conditions?

Our affiliates, third parties or their affiliates may provide Execution Services to you subject to the Applicable Regulations. In relation to investment Products, Pershing Securities Limited ("PSL"), as your broker, provides Execution Services to you, entering into a contractual relationship with you through us as your agent. Sections 4.3 and 4.4 set out the basis on which you will be provided with PSL's Execution Services, the applicable terms and conditions, when do they apply and how you can accept these terms and conditions.

You hereby authorize us to change the entity providing Execution Services to you at our discretion, but we will always give you reasonable notice of this before we do so and explain the options available to you in respect of your investments.

No Execution Services shall be provided to you by us as principal or as your agent. We will not own any Investment Product on your behalf at any time.

4.2 Who provides Custody Services to me? Who holds my investments?

Our affiliates, third parties or their affiliates may provide Custody Services to you subject to the Applicable Regulations.

The entity providing Custody Services or any of their selected sub-custodians are third parties and they may be located overseas and therefore your investments may be subject to the laws of that overseas jurisdiction. This means that your rights relating to your investments may be different to those of your home country. We will not be responsible for the actions or omissions of any such third parties. In the event of an insolvency or any other similar proceedings in relation to any such third parties, we will not be held liable for any consequences you may suffer as a result of such event.

By accepting these Terms, you agree that your investments are to be held by a Custodian appointed by you through us acting as your agent. These Terms set out who the Custodian is, where it is located and what terms and conditions apply to its provision of Custody Services to you. Pershing (Channel Islands) Limited ("PCI") is the Custodian and sections 4.3 and 4.4 set out the basis on which you will be provided with PCI's Custody Services, the applicable terms and conditions, when do they apply and how you can accept these terms and conditions.

You hereby authorize us to change the entity providing Custody Services to you at our discretion, but we will always give you reasonable notice of this before we do so and explain the options available to you in respect of your investments.

Please note that we do not monitor or supervise the investments or their issuer. We are also not responsible for any fall in or preservation of the value of the investments you hold with the Custodian.

If you have subscribed for Investment Funds through us in the past, they may be held by you with a custodian other than PCI, or directly held by you with the Product Provider, as a result of the Product Provider recording your own name in the relevant fund register records, in which case the terms and conditions you signed at the time of subscribing for those Products will apply in so far as they relate to the custody arrangements applicable to them unless we have notified you to the contrary. It is important that you keep your address and contact details updated with such custody platform provider or Product Provider directly, as they (not us) will be responsible for providing you with valuation statements and notifications in respect of the investments you hold with them.

No Custody Services shall be provided to you by us and we will not be responsible for holding and safekeeping your Investment Products.

4.3 Who is Pershing (PCI and PSL)? What services are provided by Pershing (PCI and PSL) to me? How do I receive services from Pershing (PCI and PSL)?

Pershing (Channel Islands) Limited (“**PCI**”) is a company registered in Jersey, under company number 107773. Its registered office is at 5 St. Andrew’s Place, Charing Cross, St Helier JE4 9RB. PCI is regulated by the Jersey Financial Services Commission (“**JFSC**”) for the conduct of investment business. PCI provides Custody Services to you as its client and such Custody Services are provided by PCI to you pursuant to an agreement between you and PCI, entered into by us as your agent, the entire terms of which are set out in Appendix 1 to these Terms where you receive services from us and give us instructions or orders.

Pershing Securities Limited (“**PSL**”) is an affiliate company of PCI which will provide Execution Services to you as noted at section 4.1 above. PSL is a company registered in the United Kingdom, under company number 2474912 and is regulated by the Financial Conduct Authority in the UK for the conduct of investment business.

You authorize us, acting as your agent, to appoint PCI as your Custodian and, where you receive services from us and give us instructions or orders, to appoint PSL as your broker. You authorize us, acting as your agent, to receive your instructions or orders to deal in such Investment Products as may be available through us and to transmit such instructions or orders to PSL for execution.

You agree that you will be bound by all the terms and conditions entered into by us as your agent in respect of the services to be provided by PCI and PSL to you as set out in Appendix 1 to these Terms (as may be varied or amended in accordance with those terms and conditions). See section 4.4 below for more information.

You must have a Nominated Cash Account with us in order to use Pershing’s services. If for whatever reason your Nominated Cash Account is to be closed, your investments will need to be transferred to another Custodian (where possible) or redeemed – for more information, see section 1.16.

4.4 What are the terms and conditions of PCI and PSL? From when do they apply? How do I accept the terms and conditions of PCI and PSL?

Following your authorization to us under these Terms, we will, as your agent and on your behalf, enter into an agreement with PCI and PSL (the “**Pershing Agreement**”).

In relation to services you receive from us, Appendix 1 to these Terms contains certain information relating to both PCI and PSL and sets out the entire terms of the Pershing Agreement on which (i) PSL will provide Execution Services to you as referred to in section 4.1; and (ii) PCI will provide Custody Services to you, including settlement of Transactions relating to Investment Products and holding cash and securities for you.

Appendix 1 imposes certain specific obligations on you which form part of your obligations to us, but do not affect your contractual relationship with PCI and, in relation to services you receive from us, PSL, which shall at all times be governed by the Pershing Agreement.

You authorize us, acting as your agent, to enter into and create the Pershing Agreement noted above, which will come into effect between you and each of PCI and PSL, when PCI first opens an account in its books for you. You agree that you will be bound by (a) all terms of the Pershing Agreement as custody client of PCI and, (b) in relation to services you receive from us, all terms of the Pershing Agreement as a brokerage client of PSL.

If you have any question about the Pershing Agreement or Appendix 1, you should contact us to discuss this as soon as possible, and before you accept these Terms or agree to receive any of Pershing’s services. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before you accept these Terms.

For the purposes of the creation and operation of the Custody Services provided by PCI to you, all relevant information in respect of your Transactions and other instructions in respect of Investment Products, your information provided to us and relevant information on your accounts with us, will be shared by us with PCI. We may also provide information about you to PSL in relation to its provision of Execution Services to you.

4.5 Can I instruct, through you, the transfer of my investments held with another Custodian to PCI?

Yes. We offer an asset transfer in service, which assists you to transfer your investments held with another Custodian to PCI as your new custodian. If you would like to transfer your investments held with another Custodian to PCI as your new custodian, we will check with PCI to see if such investments are eligible to be held with PCI and ask you to complete an asset transfer form and sign up to some additional terms and conditions relating to the transfer of those assets. Upon completion of the transfer, the transferred assets will be held for you by PCI in your Investment Account with PCI in Jersey. Please read the terms and conditions on the asset transfer form carefully before requesting a transfer under this Section. We will not be responsible for any consequences arising from the transfer or failure to transfer for whatever reason.

It is important that you own any assets that you wish to transfer in your own name, and not for the benefit of any other person. It is also important that you have not given any charge or other similar security interest over those investments. We will not be responsible for any losses in the event you do not own the investments or that any third party has a right or interest over such investments in any way.

4.6 Can I instruct, through you, the transfer of my investments held with PCI to another Custodian?

Yes, you can instruct, through us, PCI to transfer one or more of your Investment Products held in your Investment Account with PCI to another Custodian subject to the applicable terms and conditions for the transfer. It is your responsibility to check with the new Custodian to confirm that the relevant Investment Product(s) is eligible to be held with that Custodian and what information and documentation are required by such Custodian to effect the transfer. You need to contact us to request a transfer under this Section and provide us with the applicable documentation from the new Custodian. We will in turn pass on your transfer request to PCI. We will not be responsible for any consequences arising from the transfer or failure to transfer for whatever reason.

5. Instructions and Orders, Settlement Obligations, Transaction Confirmations and Reports

5.1 How do I give my instructions or orders in relation to a Transaction or Product, what must be included in my instructions or orders and what will you do upon receiving my instructions?

You may give us instructions or orders in any of the following ways:

- (a) in writing (including, where permitted, the use of electronic signatures);
- (b) orally by a recorded telephone line; or
- (c) through your Personal Internet Banking or Mobile Banking Service (where permitted),

unless we tell you that instructions or orders for a particular Transaction or Product can only be given in a particular way. You may be subject to supplemental and additional terms and conditions applicable to that particular Transaction or Product.

If we tell you that you can give instructions or orders by telephone, your conversation with us will be recorded. If any instructions or orders are received by us by telephone, we may ask you to confirm such instructions or orders in writing. We are permitted to follow your oral instructions or orders (including by a recorded telephone line) notwithstanding your failure to confirm them in writing.

We are authorized to act on your behalf for instructions or orders given by you under these Terms. You should give us instructions or orders during our business opening hours on a Bahrain Business Day unless our supplemental and additional terms and conditions applicable to a particular Transaction or Product specify otherwise. After receipt of your instructions or orders during our business opening hours, we will transmit them promptly to the relevant entity responsible for the execution of your instructions or orders. If your instructions or orders are received by us outside of our business opening hours, we will transmit them promptly to the relevant entity on the next Bahrain Business Day.

When you give us instructions or orders in relation to a Transaction or Product, we will tell you what information and details must be included in such instructions or orders together with all required documents. If you hold a joint Investment Account, we may request information or documentation from each of the joint Investment Account holders. If your instructions relate to an Insurance Product, the relevant third party insurer will require the necessary information and documents from you.

5.1 cont. You are responsible for the accuracy and completeness of all information and details contained in your instructions or orders and all required documents. We are not responsible for any loss or delay where the contents of your instructions or orders and any documents provided by you are inaccurate or incomplete.

The internet and other electronic or digital platforms may not be secure, reliable or timely. You acknowledge and accept that any communications effected between us using the internet or other electronic means may be intercepted, copied, adapted or imitated by third parties. We are not responsible for any loss you may suffer as a result of such third party actions. Please refer to our Online Banking Terms and Conditions for more information on the security of internet and other electronic means.

5.2 Can I cancel or amend my instructions or orders?

You may only cancel or amend your instructions or orders with our consent, prior to the execution of such instructions or orders.

5.3 Can you decline to act on my behalf for my instructions or orders?

Yes, we can decline your instructions or orders to enter into a Transaction. If we decline to act on your behalf for such instructions or orders, we do not have to give you a reason but we shall promptly notify you accordingly.

5.4 Can you put limitations or control on my instructions or orders prior to them being effected?

Yes, we have the right (but no obligation) to set limits, criteria and/or parameters to control your ability to place instructions or orders at our absolute discretion. Such limits, criteria and/or parameters may be amended by us at our absolute discretion and may include for example:

- (a) controls over maximum instruction amounts and maximum instruction sizes;
- (b) limits and other criteria set by the broker or custodian for the execution and settlement of client transactions;
- (c) controls over our total exposure to you; or
- (d) any other limits, parameters or controls which we may be required to implement in accordance with Applicable Regulations.

5.5 How are my instructions or orders executed?

We shall ensure that any of your instructions or orders given to us are transmitted to the relevant entity for execution. We will not be able to transmit your instructions or orders to buy a Product until your Nominated Cash Account is sufficiently funded in accordance with Clause 1.12. If there is any material difficulty relevant to your instruction or order we shall notify you promptly. We shall transmit an instruction or order on your behalf on a Bahrain Business Day however the execution and completion of such order may only occur during trading or opening hours on an International Business Day. Any instructions or orders received on a non-Bahrain Business Day will be transmitted on the next Bahrain Business Day.

We reserve the right not to transmit your instructions or orders where we have requested information or documentation from you and you have failed to provide it to us. Where there is a delay in you providing us with requested information or documentation, we may ask you to complete and sign new documentation to refresh your order or instruction. In both cases, we will not be liable to you if your orders or instructions are not transmitted or executed or if there is a delay in the execution of such orders or instructions.

If your instructions relate to an Insurance Product, please also refer to section 8 for details on the additional requirements which will apply.

5.6 What are my settlement obligations in relation to a Transaction or Product?

5.6.1 All Transactions will be settled in accordance with Market requirements.

5.6.2 You agree that we shall be permitted to do all such things as are necessary to give effect to any Transaction and its settlement.

5.6.3 You agree that you shall provide all money, documents or property deliverable by you under a Transaction in good order and in sufficient time.

- 5.6.4 Prices relating to Investment Products are provided by third parties. Errors may occur in such price quotations. We do not and will not guarantee the accuracy or completeness of, or reliability on, any such price quotations. We will not be responsible for any errors in such prices provided by third parties or for any loss or damages arising from any inaccuracies or omissions or reliance on such prices quoted by third parties.

In addition to any other rights we may have in law, we will not be bound by any contract which appears to have been made (whether or not confirmed by us) at a price which:

- (a) we can demonstrate was manifestly incorrect at the time of the Transaction; or
- (b) was, or ought reasonably to have been, known by you to be incorrect at the time of the Transaction.

- 5.6.5 You hereby undertake that any money, documents or property deliverable by you under a Transaction is free from any mortgage, pledge, lien, security interest or other charge or encumbrance, or any other agreement having the same economic effect over or in respect of the documents or property deliverable.

- 5.6.6 You agree that all of the rules, procedures, regulations, customs, usages, rulings, requirements and interpretations of the Market, the clearing house and custodians or depositories and any such action or step taken by us to prevent or remedy a breach of those rules, procedures, regulations, customs, usages, rulings, requirements and interpretations shall be binding on you as if expressly set out, or authorized by you, in these Terms.

We shall have no liability for any loss or detriment suffered or incurred by you by reason of:

- (a) us taking or failing to take any action or step to prevent or remedy a breach referred to above; or
- (b) a Market, clearing house, custodian or depository taking or failing to take any action, where authorized, permitted or required to do so, including without limitation the exercise by such Market, clearing house, custodian or depository of any procedure, right or claim against you.

5.7 When and how do I receive my Transaction Confirmations?

Unless provided differently in the sections for the relevant Products, we or the relevant third party Product Provider shall send you Transaction Confirmations within a reasonable period of time (or as otherwise required under the Applicable Regulations) for any Transactions that are effected on your behalf by post, by electronic communication or by any other means we agree with you. It is your responsibility to inform us of any change to your e-mail address and other contact details, the non-receipt of a Transaction Confirmation, or whether any Transaction Confirmations are incorrect before settlement.

Transaction Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless:

- (a) we receive from you objection within 10 Bahrain Business Days of dispatching the Transaction Confirmation to you; or
- (b) we notify you of an error in the Transaction Confirmation. If we have notified you of any such error we shall issue a revised Transaction Confirmation and the revised Transaction Confirmation shall be conclusive and binding on you, unless we receive your objection within 10 Bahrain Business Days of dispatching the revised Transaction Confirmation to you,

provided that in any case any objection or error can only be corrected before the settlement date of the Transaction.

5.8 Is there any situation where information on my Transactions may be disclosed by you?

Yes, under Applicable Regulations we may be obliged to disclose information about certain Transactions to the relevant Authorities. 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 such information which we reasonably disclose.

6. Investment Funds

6.1 What does this section cover?

This section contains specific terms relating to any Transactions in respect of Investment Funds. This section should be read in conjunction with the relevant Product Documentation.

6.2 Can any payment, calculation or other action be taken by you on a non-Business Day?

No. Subject to the relevant Product Documentation and sections 5.1 and 5.5 of these Terms, should any payment, calculation or other action to be taken by us falls on a day other than a Bahrain Business Day, it shall be conducted on or as appropriate with reference to, the next day that is a Bahrain Business Day.

6.3 What types of services can be provided to me relating to Investment Funds?

6.3.1 Execution and Custody Services can be provided to you relating to Investment Funds. See section 4 above for more details on how you may receive these services and which entities provide such services to you.

6.3.2 We may provide you with one or more Wealth Services relating to Investment Funds. See section 2 above for more details on how we may provide the relevant Wealth Services to you.

6.4 How do I subscribe for Units in Investment Funds?

6.4.1 You will need to complete and sign (including by way of electronic methods where permitted) the relevant Application Form to subscribe for Units. We will transmit your instructions to subscribe for Units as set out in the relevant Application Form on the basis that they are in good order to Pershing Securities Limited ("PSL") for execution as soon as practicable after receiving such instructions in accordance with sections 5.1 and 5.5.

6.4.2 Subscriptions in Investment Funds may be made in such currencies as we may allow, with such minimum initial investment as we may determine from time to time.

6.4.3 Based on the amount of your Subscription as set out in the relevant Application Form, the number of Units for that Subscription will be calculated by reference to the applicable Net Asset Value per Unit as determined by the Product Provider.

6.4.4 We reserve the right, in our absolute discretion, to refuse any Subscription application. Should we refuse any Subscription application, you will be notified as soon as practicable.

6.5 How do I switch my Investment Fund(s)? Do you offer any Wealth Services relating to switching?

6.5.1 You will need to complete and sign (including by way of electronic methods where permitted) the relevant Application Form to switch from your existing Investment Fund(s) to new one(s). We will transmit your instructions to enter into a Switch Transaction as set out in the relevant Application Form on the basis that they are in good order to Pershing Securities Limited ("PSL") for execution as soon as practicable after receiving such instructions in accordance with sections 5.1 and 5.5. In case where any part of the Switch Transaction in respect of your Units in a particular Investment Fund is not effected for any reason, your instructions for that part of Transaction will be disregarded and you must give us new instructions as specified by us at that time.

We will not be responsible for any market movement or price fluctuation in the relevant Unit(s) while any part of the Switch Transaction is being effected.

6.5.2 We reserve the right to charge a fee for Switch Transactions.

6.5.3 During your regular reviews with your adviser, we may identify that the Investment Fund(s) you hold are no longer suitable for your current needs, goals, financial circumstances or risk tolerance, or your investment portfolio may need to be "re-balanced", or you may be holding an Investment Fund that we do not sell (or no longer sell) and therefore we have no information to form an opinion on its continued suitability for you. In these circumstances, we may (but are not obliged to) make a recommendation to switch, transfer or re-direct your holding in the relevant Investment Funds or your contributions to the relevant Investment Funds.

If we make a recommendation to change your existing Investment Funds in any way and you choose to proceed against our recommendation and/or retain your existing Investment Funds unchanged, you will be acting against our advice (see section 2.2 above for more details).

6.6 How do I redeem my Investment Fund(s)?

6.6.1 You will need to complete and sign (including by way of electronic methods where permitted) the relevant Application Form to redeem your Investment Fund(s). We will transmit your instructions to redeem the Units as set out in the relevant Application Form on the basis that they are in good order to Pershing Securities Limited (“PSL”) for execution as soon as practicable after receiving such instructions in accordance with sections 5.1 and 5.5.

Where any Redemption Transaction in respect of your Units in a particular Investment Fund is not effected for any reason, your instructions for that Transaction will be disregarded and you must give us new instructions as specified by us at that time.

6.6.2 Based on the number of Units to be redeemed as set out in the relevant Application Form, the amount of your Redemption will be calculated by reference to the applicable Net Asset Value per Unit as determined by the Product Provider.

Proceeds from a Redemption Transaction (net of any monies owed by you) will be paid into your Payment Account.

6.6.3 We may deduct any charges or other amounts due, any tax liabilities and any additional expenses incurred in effecting a Redemption Transaction.

6.7 When do I receive Transaction Confirmations and Valuations of my Investment Funds?

6.7.1 We will send you a Transaction Confirmation within five (5) Bahrain Business Days for each Subscription or each Redemption.

6.7.2 You will be sent a valuation of your Unit(s) held in Investment Funds periodically in accordance with the Applicable Regulations.

6.8 What are the fees, commission, other charges or currency exchange risk relating to Investment Funds? What other information I need to know and agree to?

6.8.1 A Transaction Fee will be applied to your Subscription Transaction in accordance with the Schedule of Services and Tariffs.

6.8.2 In providing our Wealth Services to you under these Terms, we may pay or receive fees, commissions, or any other benefits to or from our associated group companies or third parties.

In accordance with the Applicable Regulations, certain Investment Funds are classified as overseas domiciled collective investment undertakings (CIUs) by the Central Bank of Bahrain. These Investment Funds are required to have a placement agent domiciled in Bahrain. **We are appointed by these Investment Funds to act as their placement agent in offering units to investors in Bahrain on behalf of the Investment Funds. We will receive remuneration from the Investment Funds for our activities relating to the distribution of these Investment Funds and ongoing maintenance and servicing for our customers who are unitholders in these Funds. Our remuneration from the Investment Funds is in the form of annual maintenance fees. If you would like to have more details on such fees, please contact your adviser.**

You authorize us to act as your agent in relation to the Execution and Custody Services provided by Pershing for your Transactions relating to Investment Funds. Please refer to Section 4 and Appendix 1 for more details. You will pay our fees and charges for acting as your agent as set out in our Schedule of Services and Tariffs.

By accepting these Terms, you are expressly giving up any right to challenge on the grounds of any conflict of interest which may arise from us acting as placement agent of the Investment Funds and us acting as your agent relating to Pershing’s Execution and Custody Services under the laws of Bahrain or any other jurisdiction.

6.8.3 Charges as they apply to individual Investment Funds are set out in the relevant Product Documentation, including initial charges for Subscription Transactions.

6.8.4 If you undertake a Switching Transaction, you may pay a Switching charge in accordance with the Schedule of Services and Tariffs ; however, in some cases the Transaction Fees for Subscription Transactions in the relevant Unit(s) may apply.

6.8.5 In addition to our fees or charges, holdings in Unit(s) in Investment Funds are also subject to management fees, charges and expenses and these are set out in the relevant Product Documentation.

- 6.8.6 Where we provide, or arrange the provision of, Custody Services in respect of Unit(s) in Investment Funds, charges may be applied in accordance with the Schedule of Services and Tariffs. In addition, a Securities Transfer Charge may be applied.
- 6.8.7 Where the consideration of any Subscription or payments on Unit(s) in an Investment Fund are made in a currency different to the currency of your Nominated Cash Account, our standard terms in respect of currency exchange shall apply. You acknowledge that such payments carry exchange rate risk.
- 6.8.8 Where the currency of the underlying value of your Investment Fund is different to the currency denomination of your Nominated Cash Account, differences in currency exchange rates may have an adverse effect on the value of your investment.

7. Fixed Income Products

7.1 What does this section cover?

This section contains specific terms relating to any Transactions in respect of Fixed Income Products. This section should be read in conjunction with the relevant Product Documentation.

7.2 Can any payment, calculation or other action be taken by you on a non-Business Day?

No. Subject to the applicable Product Documentation and sections 5.1 and 5.5 of these Terms, should any payment, or calculation or other action to be taken by us falls on a day other than a Bahrain Business Day, it shall be conducted on or as appropriate with reference to the next Bahrain Business Day.

7.3 What services can be provided to me relating to Fixed Income Products?

- 7.3.1 Execution and Custody Services can be provided to you relating to Fixed Income Products. See section 4 above for more details on how you may receive these services and which entities provide such services to you.
- 7.3.2 You acknowledge that we do not provide you with any advice or recommendation in relation to any dealing arrangements for Fixed Income Products. See section 2.1.2 for more details. In this regard, you acknowledge that the decision as to whether to invest in a specific Fixed Income Product is your own and you are solely responsible for the choice of the Fixed Income Product and the outcome of the Transaction.

7.4 How do I purchase a Fixed Income Product?

- 7.4.1 You will need to complete and sign (including by way of electronic methods where permitted) a Buy Order to purchase a Fixed Income Product. We will transmit your instructions to purchase the Fixed Income Product on the basis that they are in good order to Pershing Securities Limited ("PSL") for execution as soon as practicable after receiving such instructions in accordance with sections 5.1 and 5.5.
- 7.4.2 Upon settlement of your Buy Order, the Total Consideration payable will be debited from your Nominated Cash Account.
- 7.4.3 We will send you a Transaction Confirmation within five (5) Bahrain Business Day for each Buy Order effected for you.

7.5 How do I sell a Fixed Income Product?

- 7.5.1 You will need to complete and sign (including by way of electronic methods where permitted) a Sell Order to sell or redeem a Fixed Income Product. We will transmit your instructions to sell the Fixed Income Product on the basis that they are in good order to Pershing Securities Limited ("PSL") for execution as soon as practicable after receiving such instructions in accordance with sections 5.1 and 5.5.
- 7.5.2 Upon settlement of your Sell Order, the sale proceeds (net of any monies owed by you) will be credited to your Payment Account and the relevant Transaction Fee (if any) will be debited from your Nominated Cash Account.
- 7.5.3 We will send you a Transaction Confirmation within five (5) Bahrain Business Days for each Sell Order effected for you.

7.6 How do I receive my Coupons or Sukuk Profit or Return and Maturity Payments?

- 7.6.1 The Coupon or Sukuk Profit or Return amount(s) will be credited to your Payment Account within a reasonable period of time after the relevant Coupon or Sukuk Profit or Return is received by the relevant Custodian or Nominee.

7.6.2 Following the Maturity Date of a Fixed Income Product where the Notional Amount is received by the relevant Custodian or Nominee, the Notional Amount will be credited to your Payment Account. Please note that the payment of Notional Amount from the third party Product Provider is subject to the relevant terms and conditions of the Fixed Income Product.

7.6.3 Where payments from a Fixed Income Product (including Coupon or Sukuk Profit or Return payments and Maturity Payments) are made in a currency different to the currency of your Payment Account, our standard terms in respect of currency exchange shall apply. You acknowledge that such payments carry exchange rate risk.

7.7 What are the charges relating to Fixed Income Products?

7.7.1 A Transaction Fee will be applied to every dealing in Fixed Income Products in accordance with the Schedule of Services and Tariffs.

7.7.2 Where we provide, or arrange the provision of, Custody Services in respect of Fixed Income Products, charges will be applied in accordance with the Schedule of Services and Tariffs. In addition, a Securities Transfer Charge will be applied.

7.7.3 Where the consideration for a Buy Order or payments for a Fixed Income Product are made in a currency different to the currency of your Nominated Cash Account, our standard terms in respect of currency exchange shall apply. You acknowledge that such payments carry exchange rate risk.

7.7.4 Where the currency of the underlying value of your Fixed Income Product is different to the currency denomination of your Nominated Cash Account, differences in currency exchange rates may have an adverse effect on the value of your investment.

7.7.5 Applicable fees and charges will be debited from your Nominated Cash Account at the time of the relevant Transaction.

8. Insurance Products

8.1 What does this section cover?

This section contains specific terms relating to any Transactions in respect of Insurance Products and the related Wealth Services that we may provide you. This section should be read in conjunction with the relevant Product Documentation, the Insurance Policy and its terms and conditions.

8.2 Are you an insurer? What services do you provide in relation to Insurance Products?

8.2.1 No. We are not an insurer. We act in the capacity of a Distributor of Insurance Products in accordance with the Applicable Regulations. **In Bahrain, we act as the Appointed Representative of Zurich International Life Limited ("Zurich") for the Insurance Products provided by Zurich.** Zurich International Life Limited is an insurance company duly licensed by the Central Bank of Bahrain under the laws of Bahrain and registered under Bahrain Commercial Registration NO. 17444, having its offices at PO Box 10032, Manama, Kingdom of Bahrain. Our relationship with Zurich in Bahrain is governed by an appointed representative agreement and a local distribution agreement.

We are not authorized to effect any Insurance Policies on behalf of Zurich and you acknowledge that Insurance Policies will only be effective upon issue by Zurich.

We are not responsible for the terms and conditions of any Insurance Policies, cancellations, claims, processing, administration, valuations, notices or communications of any Insurance Policies. These are the sole responsibilities of Zurich which are clearly set out in the Product Documentation applicable to the Insurance Policies issued by Zurich.

We are not permitted to:

(i) charge, collect and hold any Premium in respect of any Insurance Product provided by Zurich (or any endorsement, renewal or adjustment of such product); or

(ii) determine, handle, settle or otherwise be involved in, any claims under any Insurance Product held by you, in each case for or behalf of Zurich.

In the event that our relationship with Zurich is terminated in Bahrain, we will inform you by using any of the methods set out in section 3 of the Personal Banking General Terms and Conditions.

8.2.2 All Premiums are quoted by, and subject to the acceptance of, Zurich. We are not authorized to alter the Premium rates or terms and conditions of Insurance Policies.

8.2.3 We may provide you with one or more Wealth Services relating to Insurance Products. See section 2 above for more details on how we may provide the relevant Wealth Services to you.

8.3 What documentation and information do I need to provide relating to Insurance Products?

8.3.1 You will need to complete the necessary Product Documentation required by Zurich to apply for an Insurance Product. The information you provide may form the basis of or form part of the Insurance Policy and it is your responsibility to ensure the information provided is correct and complete.

8.3.2 You must comply with your duty of disclosure obligations as required by Zurich.

8.4 Is there any other information I need to be aware of relating to Insurance Products?

8.4.1 As your Insurance Products are provided by Zurich, you will need to contact them directly in relation to any changes to your Insurance Policies or any action or event initiated by Zurich which may affect your Insurance Policies.

8.5 How do I receive my Insurance Policy and what information is included in that document?

8.5.1 Your Insurance Policy will be issued to you directly by Zurich.

8.5.2 Your Insurance Policy shall, at a minimum, provide details of your Insurance Products, Premiums, renewal dates and applicable terms and conditions.

8.6 How do I pay my Premiums? What happens if I miss one or more Premium payments?

8.6.1 You can pay your Premiums through your Nominated Cash Account or credit card as permitted by Zurich. Failure to pay Premiums when they are due can have serious consequences including loss of your benefits and discontinuation of your Insurance Policy.

8.6.2 We shall be under no obligation to make Premium payments to Zurich on your behalf if we have not received the necessary cleared funds on the payment date(s) from your Nominated Cash Account. Zurich may not agree to reinstate a cancelled Insurance Policy if such policy has lapsed due to non-payment of Premium(s).

8.7 What are the product charges relating to Insurance Products?

Charges as they apply to the Insurance Products are set out in the relevant Product Documentation and will be applied by Zurich.

In providing our Wealth Services to you under these Terms, we may receive commissions or other benefits from Zurich.

9. Country Terms

9.1 Do you need my consent to use my information?

Yes. By accepting these Terms, you consent to us using your information in the manner and circumstances provided for in these Terms. Please see sections 1.5 and 5.8 for more information.

9.2 Which law governs all matters arising from or in connection with these Terms?

These Terms and Related Documentation (excluding the Product Documentation) and all non-contractual obligations and other matters arising from them or in connection with them shall be governed by and construed in accordance with the laws of Bahrain.

9.3 In which court can I bring an action against you relating to these Terms?

You irrevocably:

(a) agree for our benefit that the courts of Bahrain shall have jurisdiction to settle any suit, action or other proceedings relating to these Terms ("Proceedings") and irrevocably submits to the jurisdiction of such courts provided that this shall not prevent us from bringing action against you in the courts of any other jurisdiction; and

(b) waive any objection which you may have at any time to the laying of venue of any Proceedings brought in any such court and agree not to claim that such Proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over it.

10. Contacting us

What are your contact details in Bahrain ?

Please see section 1.4 of these Terms and section 4 of the Personal Banking General Terms and Conditions for information about how to contact us. In Bahrain, you can write to us at:

HSBC Bank Middle East Limited Bahrain Branch
 Building 2505, Road 2832 Block 428
 P.O. Box 57 Manama
 Kingdom of Bahrain

Or you can call us on:

Premier customers: within Bahrain 1756 9994 or 8000 1288, outside Bahrain +973 17569643

Advance customers: within Bahrain 1756 9569, outside Bahrain +973 1756 9569

11. Glossary

Authorities	means any judicial, administrative, public or regulatory body, any government or government ministry or department, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.
Applicable Regulations	means: (i) the rules and regulations of any relevant regulatory authority; and (ii) all other applicable laws, rules, procedures, guidance and regulations (including, without limitation, data protection, accounting rules and anti-money laundering/sanctions legislation, regulations, rules and guidance).
Application Forms	means the investment product application forms, the instruction forms, the order forms and any other equivalent electronic communications, which you will need to sign or give your consent in order to enter into any Transactions relating to Investment Products.
Bahrain	means the Kingdom of Bahrain.
Bahrain Business Days	means Sunday to Thursday, excluding any day which the Central Bank of Bahrain declares is a bank holiday, unless otherwise stipulated in these Terms.
Change of Joint Investment Account Ownership Form	means the change of joint investment account ownership form and any other equivalent electronic communications, which each joint account holder of an Investment Account will need to sign in order to change the joint ownership of that Investment Account.
Corporate Action	means any rights issues, takeover offers, capital reorganizations, conversion or subscription rights that affect or relate to one or more of your Investment Products held in your Investment Account.
Country Terms	means any terms that Applicable Regulations and/or our local regulator in the relevant country obliges us to raise expressly to your attention. The Bahrain Country Terms can be found in section 9.
Custodian	means an entity who provides the Custody Services to you and holds the relevant Investment Products on your behalf on its custody platform.
Custody Service	means the safekeeping and administration of your relevant Investment Products, and, where applicable, shall also include the settlement of Transactions relating to Investment Products and the provision of Nominee services.

Customer Declaration Form	means the customer declaration form or any other equivalent electronic acceptance, which you will need to sign or give your consent prior to any Transactions relating to Insurance Products.
Distributor	means a distributor (or sub-distributor) of Products to retail customers in Bahrain.
Execution Service or Dealing Service	means the buying or selling of, or dealing in, Investment Products.
Financial Planning Documentation	means the financial planning report setting out your financial goals and any advice or recommendation you have received from us, the risk tolerance questionnaires, the investment note and all other ancillary documents, disclaimers and declarations (as applicable).
Fixed Income Products	means interest or non interest-paying bonds, notes, bills, money market instruments or Sukuk that are issued by governments or corporations and, when applicable, containing provisions for securities convertibility into its equity.
HSBC Group	means HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and “any member of the HSBC Group” has the same meaning.
In respect of Fixed Income Products:	<p>(a) “Buy Order” means the instructions given by you to us to purchase a Fixed Income Product in the relevant Application Form;</p> <p>(b) “Coupon” means the applicable interest payable on the relevant Fixed Income Product (other than Sukuk) as described in the relevant Product Documentation;</p> <p>(c) “Sukuk Profit or Return” means the applicable periodic profit distributions payable on the relevant Sukuk as described in the relevant Product Documentation;</p> <p>(d) “Maturity Date” means the maturity or dissolution date of a Fixed Income Product as specified in the applicable Product Documentation;</p> <p>(e) “Maturity Payment” means the Notional Amount of the relevant Fixed Income Product, along with any Coupon or Sukuk Profit or Return, payable to you on the Maturity Date;</p> <p>(f) “Notional Amount” means the relevant face value of a Fixed Income Product;</p> <p>(g) “Sell Order” means the instructions given by you to us to redeem or sell a Fixed Income Product in the relevant Application Form;</p> <p>(h) “Total Consideration” is the total amount payable for the purchase of Fixed Income Products as stated on the relevant Transaction Confirmation; and</p> <p>(i) “Transaction Fee” means the fee applicable to each Buy Order or Sell Order executed on your behalf.</p>
In respect of Insurance Products:	<p>(a) “Insurance Policy” means policies of insurance underwritten by third party insurers for you, including the policy schedule and associated terms and conditions applicable to the policies; and</p> <p>(b) “Premium” means the payment required periodically by a third party insurer to provide coverage under a given Insurance Policy for a defined period of time.</p>

In respect of Investment Funds:	<p>(a) “Net Asset Value per Unit” means the value per Unit of a particular share class in an Investment Fund, as described and determined in the Product Documentation for that Investment Fund.</p> <p>(b) “Redemption” means a Transaction whereby Unit(s) of an Investment Fund are sold by you using the relevant Application Form.</p> <p>(c) “Subscription” means a Transaction whereby Unit(s) of an Investment Fund are purchased by you using the relevant Application Form.</p> <p>(d) “Switch” means two or more related Transactions whereby existing Unit(s) held in an Investment Fund are sold by you and new Unit(s) in one or more different Investment Fund(s) are purchased by you using the net redemption value of the existing Unit(s).</p> <p>(e) “Units” means units, shares or other interests (as the case may be) in a particular share class held in an Investment Fund.</p> <p>(f) “Transaction Fee” means the fee applicable to each Subscription executed on your behalf.</p>
Insolvency Event	in relation to a person means making an application for or being the subject of a petition in bankruptcy (including settlement plan) or winding up, having a receiver or administrative receiver, administrator, liquidator or trustee in bankruptcy appointed with respect to that person or any of his/her assets and/or proposing or entering into any scheme of arrangement, settlement plan or composition with creditors.
Insurance Product	means any insurance product provided by an insurance company.
International Business Days	means Monday to Friday, excluding any day on which the relevant Market is closed.
Investment Account	means the investment account in your name, which will contain all your Investment Products held with your Custodian Pershing (Channel Islands) Limited (“PCI”).
Investment Account Opening Form	means the investment account opening form and any other equivalent electronic communications, which you will need to sign in order for us to assess your eligibility and arrange the opening of the Investment Account for you.
Investment Funds	means all types of collective investment schemes (excluding Exchange Traded Funds), for example mutual funds, unit trusts and liquid alternative investments.
Investment Product	means any Product other than an Insurance Product.
Know Your Customer or KYC	means our regulatory requirement to know who all our customers are. We will ask you to provide KYC documentation (typically your passport, residency visa, Emirates ID card and other identification documentation) when you open an account with us and may ask you to update it periodically throughout your relationship with us.
Market	means any regulated market, multilateral trading facility or other trading venue which brings together or facilitates the bringing together of multiple third-party buying and selling interests in investments; and, where applicable, includes a reference to the person that operates and/or manages the system.
Nominated Cash Account	means the current or savings account you hold with us (including a replacement account), which you tell us to use for making payments in connection with all your Transactions and Product(s). You are obligated to have a Nominated Cash Account held with us at all times pursuant to section 1.12. Such account will be subject to the Personal Banking General Terms and Conditions.
Nominee	means an entity who is acting as the nominee holder or the legal holder of a relevant Investment Product or title to the Investment Product held on your behalf.
Payment Account	means any active bank account in your name which you tell us that you want to receive payments (e.g. dividends, coupons and redemption proceeds) into in respect of your Investment Products. It can be held with us or with another financial institution. You may tell us to change your Payment Account during your Wealth Relationship with us.

Pershing	means Pershing (Channel Islands) Limited (PCI) and, where applicable, may also include Pershing Securities Limited (PSL), an affiliate of PCI, in respect of Execution Services provided by PSL to you relating to certain Investment Products.
Personal Banking General Terms and Conditions	means the general relationship terms and conditions governing our banking relationship with you generally, as amended from time to time. You will have accepted these when you first opened a current or savings account with us in Bahrain. The Personal Banking General Terms and Conditions are available at www.hsbc.com.bh .
Personal Internet Banking or Mobile Banking Service	means the personal internet banking and mobile banking online platforms offered by us, as set out in and governed by the Online Banking Terms and Conditions (the latest version is available at www.hsbc.com.bh).
Products	<p>means the following wealth and insurance products that you may transact via us:</p> <ul style="list-style-type: none"> ▶ Investment Funds ▶ Fixed Income Products ▶ Insurance Products ▶ Structured Products <p>We may update or amend the scope of Products made available to you from time to time.</p> <p>For further information, see section 1.1.</p>
Product Documentation	means the product specific terms and required documentation that apply when you take a particular Product. They may include, for example, the particular Product’s terms and conditions, application forms, illustrations, key investor information document, risk disclosure and any other document specific to that particular Product. Where the Product is manufactured by a third party, the documentation will be that of the third party.
Product Provider	means an entity that issues and manufactures the Products. In the case of a Sukuk Product, the Product Provider will include any entity acting as trustee or obligor under that Product.
Related Documentation	means the Product Documentation, Transaction Confirmation, Investment Account Opening Form, Change of Joint Investment Account Ownership Form, Application Forms in respect of Investment Products, Customer Declaration Forms in respect of Insurance Products, Financial Planning Documentation (where applicable), Personal Banking General Terms and Conditions, Online Banking Terms and Conditions (where applicable), Schedule of Services and Tariffs and Country Terms. For further information, see section 1.2.
Representative	means your legal guardian / representative / attorney who has authority to deal with the Products you hold through us on your behalf.
Securities Transfer Charge	means the Custodian or Nominee fee applied to the transfer of title to a relevant Investment Product undertaken on your behalf.
Schedule of Services and Tariffs	means the Bahrain schedule of services and tariffs as communicated by us to you from time to time and is available at www.hsbc.com.bh .
Structured Product	means a financial product that has been structured so that its price and/or performance is linked, directly or indirectly, to an underlying investment, reference asset, indices or rates.
Tax Authorities	means Bahrain or foreign tax, revenue, fiscal or monetary authorities, in existence now and in the future and “ Tax Authority ” shall mean any one of these.
Terms	means these HSBC General Terms and Conditions for Investment and Insurance Products, as may be amended from time to time.
Transaction	means each and every transaction you enter into with or through us in relation to a particular Product in accordance with the Terms and the Related Documentation.

Transaction Confirmation	means the communication or contract note we or the relevant third party Product Provider send(s) to you to confirm that a Transaction has been effected and include, where applicable, the Transaction details.
US Person	The meaning of US Person will depend on the context in which this term is used under these Terms and it may vary depending on the type of Product or Wealth Service or the Product Provider. In general, US Person means any person who is a national or resident of the United States of America or who holds a green card or other type of permanent residence status. Please refer to the relevant Product Documentation in respect of a particular Product to find more details on the meaning of US Person.
Wealth Relationship	means the relationship between us when you take one or more Products or make any Transaction through us or use any of our Wealth Services. For further information, see section 1.2.
Wealth Services	means all investment and insurance related services we may provide to you in accordance with the Applicable Regulations (including, but not limited to, providing you with financial planning or periodic reviews and facilitating for you to enter into any Transaction). We may update or amend the scope of the Wealth Services from time to time.

Appendix 1

Terms and Conditions of PCI and PSL applicable to their Execution and Custody Services in respect of Investment Products

1. RELATIONSHIP BETWEEN YOU, US AND PERSHING

- 1.1 To help us provide our services to you we have entered into an agreement with Pershing (Channel Islands) Limited ("**PCI**") under which PCI agrees to provide custody and associated services to you as its client, in order to facilitate the investment transactions for our clients and instruct PCI to settle and to hold the related investments and cash. Such services will be provided by PCI to you pursuant to an agreement between you and PCI, the entire terms of which are set out in this Appendix 1 (the "**Custody Agreement**"). In accordance with the General Terms and Conditions for Investment and Insurance Products, we will as your agent enter into the Custody Agreement with PCI, and such Custody Agreement will come into effect between you and PCI when PCI first opens an account in its books for you. Furthermore, we have agreed with Pershing Securities Limited ("**PSL**"), an affiliate of PCI based in the UK, that it will provide investment **Dealing Services** to you.
- 1.2 The entire provisions of the Custody Agreement and the entire terms of the **Dealing Services** provided by PSL applicable to you are set out in this Appendix 1. PCI is not party to this Appendix 1, therefore any reference in this Appendix 1 to obligations of PCI to you, or your obligations to PCI, is a reference to the corresponding obligation imposed by the Custody Agreement. You and PCI will only be subject to and bound by the terms of the Custody Agreement as set out in this Appendix 1.
- 1.3 Please note that any terms set out in bold in this Appendix 1 are described further in the Glossary which is set out in Annex 1 to this Appendix 1.
- 1.4 PCI is a company registered in Jersey; company number 107773. Its registered office is at 5 St. Andrew's Place, Charing Cross, St Helier JE4 9RB. PCI is regulated by the Jersey Financial Services Commission (the "**JFSC**") for the conduct of investment business. PSL is a company registered in the United Kingdom, under company number 2474912. Its registered office is at Royal Liver Building, Pier Head, Liverpool, England, L3 1LL. PSL is regulated by the Financial Conduct Authority in the UK for the conduct of investment business.
- 1.5 By accepting the General Terms and Conditions for Investment and Insurance Products, you authorise us to enter into the Custody Agreement as your agent, and you agree that:
- 1.5.1 we are authorised by you to give instructions to PCI as your agent in accordance with the General Terms and Conditions for Investment and Insurance Products and the Custody Agreement, and may provide information about you to PCI;
- 1.5.2 PCI is entitled to rely on any instructions or information which it receives in accordance with the terms of the Custody Agreement from us as your agent without making any further checks or enquiries;
- 1.5.3 PCI is authorised to hold cash and securities on your behalf, and to transfer such cash or securities from any account it maintains in its books for you to meet your settlement or other obligations under the Custody Agreement; and
- 1.5.4 we are authorised by you to transmit your instructions and orders to PSL as your agent in accordance with the General Terms and Conditions for Investment and Insurance Products and this Appendix 1, and may provide information about you to PSL in relation to your instructions and orders.

1.6 PCI shall not have any responsibility for the following matters:

- 1.6.1 our own operations;
- 1.6.2 the consequences of properly acting on the instructions provided by us to PCI in respect of the opening of an account for you;
- 1.6.3 the supervision of your activity and the consequences of properly acting on the instructions sent by us for the operation of your accounts;
- 1.6.4 our ongoing relationship with you;
- 1.6.5 making all necessary anti-money-laundering compliance checks relating to your business with us and the initiation of your relationship with us;
- 1.6.6 explaining to you the types of investments covered by our services and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;
- 1.6.7 receiving, transmitting, accepting or executing any orders for you;
- 1.6.8 assessment of the suitability or appropriateness of transactions and investments for you or warning you of any possible inappropriateness of an investment;
- 1.6.9 providing any investment advice to you or taking investment management decisions on your behalf;
- 1.6.10 reviewing your accounts for market abuse, insider trading and compliance with any applicable legal and regulatory requirements to which we or you may be subject, other than to the extent required by Jersey law or regulatory requirements, the JFSC Rules, or any other legal or regulatory requirements applicable to PCI; or
- 1.6.11 giving instructions to any broker or third party.

2. THE ROLES AND OBLIGATIONS OF PEOPLE ACTING TOGETHER OR FOR ONE ANOTHER

- 2.1 If you hold an account jointly or otherwise hold assets jointly, with any other person, then you and any such other person(s) shall have joint and several liability to PCI. Examples of situations where such joint and several liability may arise are as follows:
 - 2.1.1 *Joint account holders:* As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by PCI to any one or more of those account holders will be treated as made to all of them.
 - 2.1.2 *Trustees:* As well as the trustees of any trust being jointly and severally liable to PCI in the way described above, PCI will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by PCI to any one or more of the trustees will be treated as made to all of them.
 - 2.1.3 *Partners:* If a partnership is PCI's client then each partner will be personally, jointly and severally liable to PCI in the manner described above. Any payment or accounting made by PCI to any one or more of the partners will be treated as made to all of them.

3. YOUR ACCOUNTS WITH PCI

- 3.1 PCI will open and maintain accounts on its books in your name in order to provide its services to you. When PCI receives any cash and securities from you, or on your behalf, then it will record them in such accounts.
- 3.2 PCI will have the right at its absolute discretion to stop providing services and close any accounts it holds and maintains in your name. The circumstances in which this may happen may include:
- 3.2.1 if PCI is obliged to stop providing such services as a result of any applicable law or regulation (such as anti-money laundering provisions);
 - 3.2.2 if PCI is not able to provide such services effectively, PCI ceases to provide services to us or providing such services would materially adversely affect PCI's operation;
 - 3.2.3 where you are in material breach of the terms of the Custody Agreement;
 - 3.2.4 if providing such services to you or to us in relation to your account will have a materially adverse effect on PCI's reputation or will be in breach of any relevant law or regulation applying to you or to us (such as tax legislation); or
 - 3.2.5 if your liabilities in relation to your account, and amounts owing by you to PCI, exceed or are likely to exceed the value of the cash and securities PCI holds for you.
- We will notify you if PCI chooses to exercise this discretion and the reasons for its decision, unless we are or PCI is prevented from doing so by some legal or regulatory constraint.
- 3.3 You may at any time when there are no outstanding obligations owed by you to PCI, give notice in writing to us to stop receiving services from PCI, close your accounts with PCI and terminate the Custody Agreement to which you are party.
- 3.4 If either you or PCI decide to close your accounts with PCI, you will need to give instructions on the future custody of your securities so that PCI can transfer your money and securities (after deducting amounts owed to it) to your new custodian.

4. COMMUNICATION AND INSTRUCTIONS

- 4.1 PCI will only accept instructions for your accounts from us and not directly from you.
- 4.2 PCI may rely on and act on any instructions which PCI in good faith believes were given by us (or our representatives) as your agent. Such instructions can only be cancelled or changed if we give written notice to PCI sufficiently in advance to enable PCI to prevent the processing of the instructions. If PCI seeks instructions from us and we do not respond within a reasonable time, then PCI may take such action as it considers appropriate on the relevant matter. PCI will not be responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of PCI. This means that if the delay or inaccuracy is not PCI's fault, then you cannot obtain redress from PCI.
- 4.3 There may be circumstances where PCI refuses to accept any instruction for your account. For example, PCI may do so for any of the reasons set out in paragraphs 3.2.1 to 3.2.5 above or where:
- 4.3.1 the transactions fall outside the criteria that we have arranged with PCI for the settlement of client transactions (in respect of which appropriate limits may be incorporated into the operational procedures and/or applied in respect of your transactions from time to time);

4.3.2 PCI cannot carry out the instruction because it cannot receive or deliver the relevant securities; or

4.3.3 PCI does not have the necessary regulatory permission to hold a particular security.

We will inform you if PCI refuses to accept an instruction and the reasons for its decision, unless we are prevented from doing so because of any legal or regulatory constraint.

4.4 If you have any questions or concerns relating to your account with PCI, you should tell us and we will deal with PCI on your behalf. You should not contact PCI directly without consulting first with us, except where communicating with us is not possible for any reason.

4.5 All communications whether written, spoken, electronic or in any other form between you, us and PCI shall be in English.

5. DEALING

5.1 We have agreed with PCI that PSL is to execute transactions for your account when we transmit orders, acting as your agent, to PSL. We have agreed and acknowledged that PSL will treat us as its client pursuant to the FCA Rules. In order for PSL to provide **Dealing Services** for your account, you need to ensure that:

- (a) where you are buying investments, there is sufficient cash in your account; and
 - (b) where you are selling investments, documents of title or transfer forms that are required are delivered to PSL,
- in either case, prior to the execution of the transaction by PSL.

5.2 PSL will provide **dealing or execution services** on the following basis:

- (a) execution by PSL will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
- (b) PSL will treat the instructions we give them on your behalf as binding on you. Any express instruction from us to PSL on your behalf concerning order execution will override PSL's order execution policy and will remain binding on you;
- (c) PSL will execute such orders in accordance with PSL's order execution policy as amended from time to time and provided to us;
- (d) PSL may combine your orders with orders for its other clients or PSL's own orders. PSL will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
- (e) once PSL executes any transaction on your behalf, PSL will, unless you previously instructed us otherwise, send or arrange for us to receive for onward delivery to you a contract note. It is very important that you check the detail of all contract notes you receive, and notify us (and not PSL directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it, unless we notify PSL of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

6. SETTLEMENT OF TRANSACTIONS

6.1 When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. The settlement terms will vary dependent upon the market and securities dealt in. The contract note will specify the settlement date.

It is your responsibility to ensure that PCI receives the necessary securities, documents or cash (as the case may be) in order for PCI to settle the transaction on your behalf. PCI must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.

6.2 You undertake that any cash or securities held for you by PCI, or transferred to PCI for your account by you, will be free from any right of a third party to make claims against that money or those securities. In particular, it is your obligation to make sure that no other person will be entitled to:

6.2.1 security rights over your cash or securities, such as a **security interest**, a **mortgage** or a **charge**;

6.2.2 any right to withhold or retain your cash or securities, such as a **lien**;

6.2.3 any other rights to have any of your cash or securities paid or transferred to them, or to prevent any transfer of your cash or securities from going ahead; or

6.2.4 any right to be paid all or any of the proceeds of a transaction received by PCI on your behalf;

so that PCI is able to act on settlement instructions from us in respect of your transactions.

6.3 In order to settle transactions on your behalf, PCI will, as appropriate, need to receive securities or cash from, or deliver cash or securities to, the other party to the transaction (the "**counterparty**") or the relevant custodian or agent acting on behalf of the counterparty. If a transaction has to be settled by PCI through a **CCP** or **CSD**, certain additional provisions of the Custody Agreement, as summarised in Annexes 2 and 3, shall apply. In such cases, transactions may be subject to **netting** as described in Annex 2.

6.4 You agree that you will not have any rights to cash or investments which are due to be received by you following a transaction until you have performed your own obligations in relation to that transaction and PCI has been able to settle that transaction on your behalf. Similarly, PCI has no obligation to account to you for any such cash or investments until you have performed your obligations and the transaction has been settled. Until that has happened, PCI is entitled, without giving you any further notice, to sell or otherwise dispose of any such investments and apply the proceeds or any cash it receives in relation to the transaction in order to discharge or reduce any of your obligations in relation to the transaction.

6.5 PCI is not obliged to credit to your account any cash or securities it receives for your account until it has received such cash or securities in irrevocable and unconditional settlement of the relevant transaction, so that the party delivering such cash or securities is not able to reverse the delivery or require redelivery. If for any reason PCI does credit cash or securities to your account earlier than this and PCI reasonably considers that irrevocable and unconditional settlement is unlikely to take place, then PCI will be entitled to reverse the entry and require you to give back or redeliver the cash or securities or their equivalent.

6.6 Transactions executed on your behalf may settle through a **CCP** or **CSD** or other depositary transfer agent or other similar body or custodian combined with transactions for the account of other clients of ours. If this happens then PCI will allocate between our clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If PCI receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then PCI will allocate that cash or investments received by it on the following basis:

6.6.1 in accordance with any priority for settlements determined by PCI prior to the transactions taking place;

6.6.2 if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which we specified to PCI, so that the earliest in time will settle first in each case;

- 6.6.3 where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case;
- 6.6.4 where these allocations are necessary, they will also be subject to the operation of the relevant **CCP, CSD**, custodian or other entity. Such operations may include a **netting** rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.
- 6.7 If PCI holds cash or securities for you outside the UK, certain additional provisions of the Custody Agreement shall apply, as summarised in Annex 3.
- 6.8 Time shall be of the essence with respect to any payment, delivery or other obligation of yours to PCI.

7. CLIENT MONEY

- 7.1 Money held by PCI for your account will be held by PCI in compliance with the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001 when these apply to the money. This means, amongst other things, that PCI will hold your money in a special designated client bank account which is an account kept separate from PCI's own funds.
- 7.2 When considering where that client bank account should be, PCI will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money (such as which banks or credit institutions are used, the amount of client money deposited with the bank or credit institutions and any use of fixed term deposits for client money). These requirements will not apply where your money is held with a central bank of a country. It is important to note that PCI is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.
- 7.3 When PCI holds your money in a client account, it may be pooled with money belonging to other clients of PCI. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss. Such a deficiency is likely to arise if a relevant bank or credit institution with which client money is deposited by PCI becomes insolvent or otherwise defaults on its obligations to pay out money when due.
- 7.4 If PCI holds money for you which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution.
- 7.5 Notwithstanding clause 7.4, you agree the amount of any interest on money that would be credited to your account and made available to you (subject to clause 11 (Charges)) will be determined by us, and will be as notified by us to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. We may decide that PCI need not credit interest to your account if the amount of the interest falls below a threshold amount notified to you by us. You will be entitled to interest at the central bank base rate for Sterling, US Dollars, and the Euro, and the applicable local agent credit rate for other currencies, less a money management fee charged by PCI for managing the balance of client money on your account. If the money management fee is higher than the relevant interest rate referred to above, then an appropriate charge in the form of debit interest may be charged for that balance as notified to you by us.
- 7.6 If we, or PCI, are unable to contact you (for example if you move and fail to update your address with us), so that we are unable to deliver money held for your account to you, or you fail to respond to our communications requesting any instructions from you concerning such money, with the result that any of your money held by PCI is unclaimed, PCI may transfer such money to a pooled client unclaimed money account subject always to PCI undertaking to make good any valid claim by you. The money held in the client unclaimed money account will be held by PCI in compliance with the JFSC Rules.
- 7.7 Sometimes PCI will settle a transaction for you which requires your money or securities to be passed to a **Relevant Party** in order to meet the obligations under that transaction or as **Margin or Collateral**. When a **Relevant Party** is involved then any money or securities passed to the **Relevant Party** may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.

- 7.8 Please refer to the provisions of Annex 3 which set out the terms of the Custody Agreement which will apply if your money is held by PCI with a credit institution or bank outside Jersey, the UK or EEA.
- 7.9 PCI may use a bank which is affiliated to PCI to hold client money on your behalf subject always to any specific JFSC Rules concerning the use of such affiliate bank.
- 7.10 Money held by PCI in pooled client money accounts as set out in this clause 7, may (in part) be deposited (where permitted under JFSC Rules) into a fixed term deposit. Money held in fixed term deposits cannot be withdrawn by PCI until the fixed term expires. This means that the part of the client money pool (as described in clause 7.3 above) which is held in fixed term deposits would not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, PCI would not be able to move client money held in a fixed term deposit until the expiry of such fixed term and therefore would not be able to mitigate the risk of any default or insolvency of the relevant bank or credit institution and the possible creation of a deficiency in the client money pool (resulting in a loss as described in clause 7.3) which may arise during such fixed term. By accepting these Terms of Business, you acknowledge you are aware of and accept the risks set out in this clause 7.10.

8. CUSTODY AND ADMINISTRATION OF YOUR SECURITIES

- 8.1 Subject to clause 8.2, where PCI holds securities for your account it will register those securities in the name of a **nominee company** controlled by PCI or by a member of PCI's group.
- 8.2 In some situations, for example where the rules of a particular market or **CSD** require, PCI will register your securities in the name of an **Eligible Custodian**. PCI will not usually register securities in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your securities are held overseas the provisions of the Custody Agreement set out in Annex 3 shall also apply.
- 8.4 When your securities (including any money held for your account) are held by PCI with a depository or an **Eligible Custodian**, such depository or **Eligible Custodian** may have rights against your securities, arising out the operation of local law, local regulatory rules, or market practice which may include:
- 8.4.1 security rights over them including but not limited to a **security interest**, a **mortgage** or **charge**;
 - 8.4.2 rights to withhold or retain them, such as by way of a **lien**;
 - 8.4.3 other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
 - 8.4.4 rights to be paid any or all of the proceeds of a transaction involving the asset.
- PCI has agreed with the **Eligible Custodians** that such rights as set out in this clause 8.4 are limited to those in respect of debts arising (i) out of properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in clause 6) with respect to the securities held by the **Eligible Custodian**; or (ii) under the rules of a **CSD, CCP** or local settlement system.
- 8.5 PCI shall keep a record of your entitlement to your securities in situations where PCI or an **Eligible Custodian** (or a **nominee company**) have registered or recorded your investment in a combined account or pooled in some other way with securities belonging to other clients of ours, of PCI or of the **Eligible Custodian**. In such a situation you should note the following effects, and by accepting these Terms of Business you expressly acknowledge and accept these risks:

- 8.5.1 your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
- 8.5.2 In the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You should note that PCI has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under JFSC Rules;
- 8.5.3 if there is an irreconcilable shortfall following any loss by or default of, PCI or the **Eligible Custodian** (or a **nominee company**) then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other clients of PCI;
- 8.5.4 sometimes PCI will receive securities or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances PCI may, in accordance with JFSC Rules, allocate such securities between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
- 8.5.5 if a share issue or other corporate event favoured the 'small investor' (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your securities were registered in your own name; and
- 8.5.6 sometimes amounts or securities may arise which would not have arisen if the securities had been registered in your own name. You may not be entitled to any such additional amounts.
- 8.6 Any instructions you wish to give about the administration of securities held by PCI should be given to us in writing for us to send to PCI. We will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided us with a copy of a valid power of attorney authorising us, or the relevant person, to send such instructions.
- 8.7 PCI will inform us of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively "**corporate actions**") that affect or relate to securities held on your behalf by PCI or an **Eligible Custodian**. PCI will do so as soon as reasonably practicable after receiving notice of those events. We will, in turn, inform you.
- 8.8 You should contact us and not PCI if you have any questions in connection with any corporate actions. PCI is not responsible for taking decisions in relation to any corporate actions and will require instructions from us, acting on your behalf, on matters such as:
- 8.8.1 exercising conversion and subscription rights;
- 8.8.2 dealing with takeovers or other offers or capital reorganisations;
- 8.8.3 exercising voting rights (where PCI exercises such rights on your behalf).
- 8.9 If any notification is given to you by us pursuant to clause 8.7, you must ensure that you provide instructions to us, for onward transmission to PCI in sufficient time to ensure that PCI is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor PCI is obliged to do more than give one notification on the relevant matter.
- 8.10 PCI will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the securities held by PCI for your account.
- 8.11 Sometimes PCI or an **Eligible Custodian** who is holding your securities may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that PCI or any **Eligible Custodian** may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs PCI or an **Eligible Custodian** incurs when complying with these

obligations may be deducted by PCI from your account. If you are eligible to reclaim any such withholdings or deductions then this will be your responsibility and not that of PCI or an **Eligible Custodian**, to do so.

- 8.12 PCI will arrange for you to receive (in accordance with JFSC Rules) a safe custody statement of the securities and cash balances it holds for you, reported on a trade date basis (or on such other basis as stated in the statement itself). The frequency of such statements is determined by JFSC Rules. PCI may provide such statement to you via appropriate on-line or electronic means (subject to JFSC Rules), and provided we or PCI have notified you of the availability of such statement, it shall be your responsibility to access and review such statement.
- 8.13 In some circumstances PCI may refuse to hold any investment or securities for you. This may occur in any of the circumstances outlined in clause 3.2 of these terms or if the investment concerned is of a kind for which PCI does not have facilities, or arrangements with appropriate **Eligible Custodians**, to hold, or if holding the investment would expose PCI to liabilities. We will notify you if PCI notifies us that it has chosen to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 8.14 PCI will not loan your securities or use them to raise finance unless you have entered into a separate specific written agreement with PCI allowing such use of your securities.

9. CONSEQUENCES OF YOUR DEFAULT

- 9.1 If you fail to pay cash or deliver securities (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to PCI relating to such payment or delivery then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this clause 9.
- 9.2 You will not have a right to title or interest in any cash or securities received for your account while you are in default and up to the amount or value of such default. PCI will have no obligation to deliver or account to you for any such cash or securities and PCI will be entitled to retain any cash or securities received for your account until such time that you have met your obligations.
- 9.3 PCI may, without providing any advance notice, use any cash, or sell any securities, held or received for your account and use the proceeds (after deducting any costs in doing so) to eliminate or reduce any unpaid obligations owed to PCI. Any surplus remaining after discharging the obligations owed to PCI will be paid to you. If the cash and proceeds of disposals do not cover all the obligations owed to PCI, you will still owe PCI the balance.
- 9.4 PCI may, among other things, and without giving you further notice:
- 9.4.1 enter into any other transaction (including those with the effect of closing-out a position, or reversing or cancelling a transaction previously entered into);
- 9.4.2 take or refrain from taking further action which it considers would, or could, reduce or eliminate any liability under any transaction undertaken for you. PCI may take similar action where it reasonably considers that you have not, or are unlikely to perform your obligations under these terms.
- 9.5 Where PCI exercises its rights to use your cash or dispose of your securities under clause 9.3 above, subject to any surplus due to you, it will have no further obligation to you (and neither you nor we will have any right to require PCI) to account to you, or to anyone else, for any securities or cash received following such use or sale.
- 9.6 You agree that PCI may **set off** transfer or apply (without further notice to you) any obligations or monies owed by PCI to you in order to satisfy in whole or in part any debt or obligation or sum that is due from you to PCI. This applies even if the obligations are in different currencies and includes the payment of any fees or charges due to PCI and any amounts due under your indemnity obligations to ensure PCI does not lose money as a result of your default under or the services it provides to you under the Custody Agreement.

- 9.7 In exercising its rights under the Custody Agreement, as set out in these terms, PCI may convert currencies and carry out foreign exchange transactions with you or on your behalf at such rates and in a manner that PCI may in its discretion determine. In such circumstances, PCI shall be acting on its own behalf and not executing your orders. It shall therefore not be liable to you for the result obtained, nor for its choice of which investments are to be sold.
- 9.8 The provisions of the Custody Agreement described in this clause 9 will continue to apply even if we or PCI stop providing services to you, so long as any obligations for your account remain outstanding. They apply in addition to any other right PCI has, and they will not be affected by any failure by PCI or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

10. LIMITS ON PCI'S LIABILITY TO YOU AND INDEMNITIES YOU GIVE TO PCI

- 10.1 The liability of PCI (and where relevant its directors, employees or agents) to you for any loss or damage which you suffer in connection with the Custody Agreement is limited to circumstances where any such loss or damage has arisen directly as a result of negligence, fraud or wilful default or a breach of the JFSC Rules by PCI (or where relevant, its directors, employees or agents). In any event, PCI will not be liable to you for any indirect or consequential losses (howsoever arising). PCI will also not be liable for any loss that is a loss of profit or for any losses that arise from any damage to your business or reputation.
- 10.2 This means that PCI will only be liable under the Custody Agreement for losses that arise as a result of its negligence, fraud or wilful default or a breach of the JFSC Rules by PCI (or where relevant, its directors, employees or agents) and then only, for any losses which:
- 10.2.1 arise naturally from a breach by PCI (or where relevant, its directors, employees or agents) of PCI's obligations; and
- 10.2.2 which were reasonably foreseeable to PCI at the time the Custody Agreement was entered into.
- 10.3 It is important that you understand that you are responsible for making sure that PCI does not suffer by reason of acting for you. You agree in these terms, and under the terms of the Custody Agreement, to make good and reimburse (indemnify) PCI and each of its directors and employees and agents ("**Indemnified Persons**"), after the deduction of any applicable taxes, for and against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than PCI's corporation tax) which are caused by:
- 10.3.1 PCI providing its services to you in accordance with the Custody Agreement as set out in these terms;
- 10.3.2 material breach by you of any of the terms of the Custody Agreement as notified to you in these terms;
- 10.3.3 default or failure by you to make a delivery of securities or payment when due in accordance with the Custody Agreement as set out under these terms; or
- 10.3.4 any challenge to the validity of, or requirement for proof or ownership, or in respect of any fraud or forgery in relation to any securities delivered to PCI by you or on your behalf, or in relation to any document of transfer regarding such securities. This will include any electronic instruction or information, which appears to transfer such securities.
- 10.4 You will not be liable to indemnify PCI under this clause 10 or the terms of the Custody Agreement, and PCI will have no right or claim against you or us under the terms of the Custody Agreement, if any consequences to PCI are caused by the negligence, wilful default, fraud, or any breach of the JFSC Rules, of PCI (or where relevant, its directors, employees or agents).
- 10.5 PCI has no liability to you or us under the Custody Agreement for failure to provide any of the services under the Custody Agreement if that failure is caused wholly or partly by events beyond PCI's reasonable control. This includes (but is not limited to) any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, suspension or limitation of trading by any exchange or clearing house

or any fire, pandemics, flood or other natural disaster. In any of these (or other similar) circumstances any or all of PCI's obligations under the Custody Agreement will be suspended until the state of affairs giving rise to the failure of PCI is remedied.

- 10.6 The provisions in this clause 10 and the Custody Agreement will continue to apply even if we or PCI stop providing services to you. They apply in addition to any other right of indemnity or claim of any Indemnified Person, whether or not under these terms, and they will not be affected by any failure by PCI or anyone else to fully enforce their contractual rights, whether as to payment, time, performance or otherwise.

11. CHARGES

- 11.1 All fees and charges payable by you in relation to the services provided by PCI (in particular, where applicable, the money management fee), and any taxes payable through PCI, will be set out in our Schedule of Services and Tariffs as notified by us to you from time to time. PCI is permitted to either pay out of the assets and money it holds for you for your account or by way of set off as described at clause 9 above or require you to pay them directly to PCI or to PCI through us. You may also be liable for other taxes or charges which are not payable through PCI.

12. PCI'S CONFLICTS OF INTEREST

- 12.1 PCI, its associated group companies (associates) or nominees may provide services as set out in these terms in circumstances in which PCI or its associates have a material interest. This interest could be direct or indirect and PCI or its associates could also have a relationship with someone else, which may involve a conflict of interest or potential conflict of interest with you. Examples where such actual or potential conflicts may happen include situations where PCI or any of its associates:
- 12.1.1 is, or is acting on behalf of, the counterparty to a transaction that is executed by associates of PCI (whether or not involving a fee or commission or increased or reduced price offered or received by PCI or such associates);
 - 12.1.2 has a long or short position in the relevant investment; or
 - 12.1.3 is otherwise connected to the issuer of the investment to which any instructions relate.
- 12.2 PCI may receive payments from fund managers if PCI provides services to those fund managers through the PCI Nexus Funds Trading Platform. Any payments of this kind are calculated by reference to the value of the assets that PCI holds in custody for its clients.
- 12.3 PCI may place money held for your account with a bank or other financial institution (in accordance with the JFSC Rules) and earn interest and retain some or all of that interest from that bank or financial institution.
- 12.4 A summary of PCI's conflicts policy (including further disclosure concerning the payments PCI may receive from fund managers) is published on PCI's website at www.pershing.je under the heading of "compliance disclosures" (a hard copy is available on request from us).
- 12.5 You acknowledge that neither PCI nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

13. DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

- 13.1 PCI may store, use or otherwise process personal information about you which is provided by you or us on your behalf. The purposes for which it can store, use or process such personal information are providing custody services under the Custody Agreement, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments. In Jersey, PCI operates and has made all the appropriate notifications in accordance with applicable data protection legislation.
- 13.2 Any information that we and PCI hold about you is confidential to you and will only be used in connection with the provision of services under these Terms of Business by us and under the Custody Agreement (as set out in these terms) by PCI (as may be set out in more detail in PCI's published privacy policy as referred to in clause 16). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. PCI will only disclose your information to third parties in the following circumstances:
- 13.2.1 if required by law or if requested by any regulatory authority (including any tax authority) or exchange having control or jurisdiction over you, us or PCI (or any associate of ours or PCI);
- 13.2.2 to investigate or to prevent fraud, market abuse, tax evasion or other illegal activity;
- 13.2.3 in connection with the provision of services to you by us or PCI;
- 13.2.4 for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
- 13.2.5 if it is in the public interest to disclose such information; or
- 13.2.6 at your request or with your consent.
- 13.3 The restrictions on the use of confidential information described above are subject at all times to a general proviso that PCI may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.
- 13.4 Neither we nor PCI will sell, rent or trade your personal information to any third party for marketing purposes unless you give your express consent.
- 13.5 You should note that by accepting these terms you agree that PCI is allowed under the Custody Agreement to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as Jersey and the UK. PCI will, however, always take steps to ensure that your information is used by third parties only in accordance with PCI's policy.
- 13.6 You are entitled to a copy of any information PCI holds about you. In the first instance, you should direct any such requests to us and we will pass your request on to PCI. You should let us know if you think any information PCI holds about you is inaccurate and we will ask PCI to correct it.

14. COMPLAINTS

- 14.1 If you have a complaint you should notify our compliance officer in the first instance. If, however, your complaint concerns an aspect of the service provided to you by PCI and you wish to copy your complaint to PCI directly, copies should be sent to:

Pershing (Channel Islands) Limited
5 St Andrew's Place, Charing Cross, St Helier
Jersey JE4 9RB
Attention: the Compliance Officer

- 14.2 Where you make a complaint, both we and PCI will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your letter within 5 business days. The acknowledgement sent will include a full copy of our or PCI's internal complaints handling procedure. Upon resolution of your complaint we or PCI will send you a final response letter, which sets out the nature of our response of any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with our or PCI's final response, or we or PCI have failed to resolve your complaint within 8 weeks of receipt, you may be entitled to refer your complaint to the Channel Islands Financial Ombudsman. A leaflet detailing the procedure will be provided in our or PCI's final response.

15. AMENDMENT

- 15.1 PCI reserves the right to alter the terms of the Custody Agreement at any time, and we reserve the right to alter these terms at any time to reflect amendments made by PCI to the Custody Agreement. PCI will only alter the terms of the Custody Agreement after giving prior written notice to us in reasonable time to enable us to notify you so that you can consider the impact of the proposed changes, unless it is impractical in the circumstances for PCI to give us such notice or for us to give you such notice.

16. PROVISION OF INFORMATION VIA A WEBSITE

- 16.1 PCI and PSL may provide the following information to you via the website www.pershing.je (under the "disclosures" section). Such information may be amended from time to time by PCI:
- 16.1.1 General disclosures of information about PCI, its services and disclosures relating to such services in general;
 - 16.1.2 Information concerning the safekeeping of securities and money held by PCI or any of its appointed **Eligible Custodians**;
 - 16.1.3 Information on PCI's and PSL costs and charges which PCI and PSL are required to publish by law or the applicable regulatory rules;
 - 16.1.4 Information relating to PSL's order execution policy, order handling and conflicts of interest for the **Dealing Services** referred to in clause 5;
 - 16.1.5 PCI's privacy policy covering the processing of any personal data under the relevant data protection legislation; and
 - 16.1.6 Disclosures and policies containing general information in relation to the services provided by PCI to you which PCI is required to publish or which is addressed to the generality of its clients (excluding amendments to the provisions of the Custody Agreement in accordance with these terms);

PROVIDED ALWAYS that such information provided via the website does not include any confidential information or personal data relating to you.

17. GENERAL

- 17.1 PCI's obligations to you are limited to those set out in the Custody Agreement as set out in these terms. PCI shall in particular not owe any wider duties of a fiduciary nature to you.
- 17.2 No third party shall be entitled to enforce these terms or the terms of the Custody Agreement in any circumstances.
- 17.3 Any failure by PCI (whether on an ongoing basis or not) to insist upon strict compliance with any of the terms of the Custody Agreement as set out herein is not deemed to amount to PCI giving up or waiving any of any of its rights or remedies under such terms of the Custody Agreement. The rights and remedies conferred on PCI by the Custody Agreement will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by PCI of any other additional rights and remedies.
- 17.4 The Custody Agreement, the terms of which are set out in these terms, is governed by Jersey law and you irrevocably agree to submit, for the benefit of PCI, to the exclusive jurisdiction of the Courts of Jersey in respect of all disputes arising under the Custody Agreement.

ANNEX 1

Glossary

Business Days	means any day on which the London Stock Exchange is open for trading and which is not a public holiday in Jersey
CCP	<p>This stands for central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.</p> <p>Certain markets that PSL trades in on your behalf will involve a CCP and such transactions will be subject to the rules of the CCP.</p>
Charge	A charge does not involve a transfer of ownership but gives a degree of control to a third party over any dealing or disposal of the asset.
Clearing and Settlement Services	The process by which, once a security has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the securities or the title to the securities is transferred from the seller to the buyer.
CSD	<p>This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets.</p> <p>When settling a transaction on your behalf PCI may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.</p>
Custody Services	The safekeeping and administration of any securities held by PCI or its nominee company on your behalf.
Dealing or Execution Services	The buying or selling of investments on your behalf.
Eligible Custodian	This refers to a third party custodian (or its nominee company) who PCI selects under the JFSC Rules to register your securities with.
FCA Rules	The rules of the UK Financial Conduct Authority as amended, supplemented or replaced from time to time.

JFSC Rules	The Financial Services (Jersey) Law 1998, the Codes of Practice for Investment Business issued by the JFSC, the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001, the Policy Statement and Guidance Notes on Outsourcing issued by the JFSC and any other applicable Jersey laws and regulations.
Joint and Several Liability	If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms and the Custody Agreement in respect of the account either (1) jointly with the other person(s); and (2) individually.
Lien	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
Margin or Collateral	This is where your money or securities are passed to a Relevant Party in order to provide security against the performance of obligations.
Mortgage	A mortgage transfers the ownership of an asset to a third party on the condition that it will be re-transferred on the discharge of the obligations owed to that third party.
Netting	Netting is the process under which PCI and/or the counterparty, CCP, CSD or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.
Nominee company	A nominee company is one which is used solely for holding securities separately and which does not carry on any other business.
Relevant Party	This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.
Security Interest	A "security interest" as defined in the Security Interests (Jersey) Law 2012
Set-Off	This may arise where both you and PCI owe sums to each other. In such circumstances PCI may deduct any sums owed to it by you from any sums that are owed by PCI to you so as to either eliminate or reduce PCI's liability to you.
Time shall be of the Essence	The use of this term in relation to any payment, delivery or other obligation you have to PCI means that PCI shall be entitled to terminate the Custody Agreement and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

ANNEX 2

CCP and CSD Transactions

1. SETTLEMENT OF CCP AND CSD TRANSACTIONS

1.1 In order to settle transactions on your behalf, PCI will need to deal with the other party to the transaction (the "**counterparty**") and sometimes transactions will be settled through a central counterparty ("**CCP**") or a central securities depository or other securities settlement system ("**CSD**") or other depository transfer agent or similar body. When PCI deals with these parties, it does so as your agent, in good faith and on the basis that:

1.1.1 PCI is not responsible for any default or failure of the **CCP, CSD** or other counterparty or of any depository or agent of those entities; and

1.1.2 the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of PCI.

1.2 In some cases, transactions will be subject to **netting**. You agree, in respect of any transaction which is subject to **netting**, to discharging the settlement obligations

on a net basis in accordance with the rules of the relevant **CCP** or **CSD**. You acknowledge that if net settlement takes place then PCI will only be obliged to account to you for any securities or cash in connection with the transaction on a net basis.

1.3 We and you acknowledge and agree that:

1.3.1 PCI does not owe any duty to us, you or any other person to verify the appropriateness, adequacy or effectiveness of the rules, requirements and procedures of any market or **CCP**; or in relation to any exercise or non-exercise by the market or the **CCP** of its rights or powers under such rules, requirements and procedures; and

1.3.2 PCI shall have no liability for any loss or damage suffered or incurred by us or you by reason of PCI taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a **CCP** or is otherwise deemed necessary by PCI under the rules, requirements and procedures of the market or the **CCP**.

2. LIMITS ON PCI'S LIABILITY TO YOU AND INDEMNITIES YOU GIVE TO PCI

If any net settlement takes place then PCI's only obligation to account to you will be to account for the net securities and/or cash received by it from any relevant **CCP**, **CSD**, or their respective agents, corresponding to the transactions relevant to the net settlement entered into on your behalf. In addition, you agree that PCI shall have no liability to you in connection with the exercise by any **CCP**, **CSD**, or their respective agents of their powers under any Power of Attorney or equivalent right or power in respect of any settlement account operated by or on behalf of PCI in connection with the settlement of any transaction.

ANNEX 3

Overseas Securities

1. SETTLEMENT OF TRANSACTIONS

If a transaction is undertaken on your behalf on non-UK markets and settled by PCI, it will be subject to the rules of the relevant overseas exchange, clearing system and/or depository and to any terms of any foreign agent or custodian employed by PCI. These rules and terms may include, but are not limited to, such persons having the right to reverse a transaction (including reversing the delivery or re-delivery of any investment and any payment) even after it has been settled. In view of the number of markets and counterparties which may be used it is not possible to outline all of the potential rules and obligations that may apply in such cases.

2. CLIENT MONEY

If your money is held by a credit institution or bank outside Jersey, the UK or EEA or your money or securities are passed to a third party, then it is important you understand that the legal and regulatory regime applying to that credit institution, bank or other third party will be different from that of Jersey, the United Kingdom or the EEA. This means, amongst other things, that the rights and protections you have under the JFSC Rules will not be available in respect of those banks or credit institutions or third parties. Other rules and regulations may apply to them under local law but your rights and obligations are likely to differ, particularly if such party is in default.

3. CUSTODY AND ADMINISTRATION OF YOUR SECURITIES

- 3.1 Whether or not they are registered or recorded in the name of PCI, or an **Eligible Custodian**, securities belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in Jersey, the UK or the EEA. Your rights may therefore also differ. In particular, such securities, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of securities. Subject to PCI, satisfying itself that the arrangements for the holding of your investment in such market by the **Eligible Custodian** it appointed are adequate (based on the due diligence referred to in clause 3.2 of this Annex 3), PCI will deposit such investment with such **Eligible Custodian** notwithstanding the risks outlined in this Annex 3.
- 3.2 PCI will exercise due skill, care and diligence in the selection, appointment and periodic review of any **Eligible Custodian** it appoints (including the regulatory rules applicable to such **Eligible Custodian**) and the arrangements for the holding and safekeeping of your securities. It is important that you understand PCI is not responsible for anything done or not done, or any default of an **Eligible Custodian** unless that default is caused by the negligence, fraud or wilful default on the part of PCI or any of its nominee companies. Although PCI will seek to make sure that adequate arrangements are made to look after your ownership rights in any securities (especially in the event of its own insolvency) you should understand that your securities may be at risk if an **Eligible Custodian** becomes insolvent.
- 3.3 Overseas securities may be registered or recorded in the name of PCI or in the name of an **Eligible Custodian**. Your acceptance of these terms, which form part of the Custody Agreement indicates your consent to the possibility of registration in such manner. However, any such registration in one of these ways will only be done after PCI has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your securities may not be kept separate from other securities belonging to PCI or the relevant **Eligible Custodian**. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly, it may be subject to other third party claims including claims by the general creditors of the defaulting person.