

# **Santander UK plc and Abbey National Treasury Services plc General Terms of Business**

With effect from 1 June 2018

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## Section 1: About us

### 1. OUR REGULATORY STATUS

Santander UK plc (**SAN UK**) and Abbey National Treasury Services plc (**ANTS**) are incorporated in England and Wales under numbers 02294747 and 2338548 respectively and their registered office is at 2 Triton Square, Regents Place, London, NW1 3AN. SAN UK and ANTS are authorised by the Prudential Regulation Authority (**PRA**), (whose address is 20 Moorgate, London EC2R 6DA) and regulated by the Financial Conduct Authority (**FCA**) (whose address is 5 The North Colonnade, London E14 5HS) and the PRA (together, the **Regulator**)

These Terms sets out the terms and conditions for business of SAN UK and ANTS.

### 2. OUR ACTIVITIES

We may, at our sole discretion, and unless otherwise specified, accept deposits, make loans and provide finance, deal in securities, and provide a range of Services and activities including dealing as principal and as agent, arranging deals, executing orders, and offer related ancillary services, in accordance with these Terms and all relevant authorisations and permissions granted pursuant to any Applicable Rules.

## Section 2: About these terms

### 3. DEFINITIONS AND INTERPRETATION

3.1 In these Terms the following expressions shall have the meaning provided below:

**Affiliated Companies** means companies within the same company group;

**agent** means, with respect to an entity, any director, officer, employee or other representative of such entity; any person for whose acts such entity may be vicariously liable; and any other person that acts for or on behalf of, or provides services for or on behalf of, such entity, in each case, whilst acting in his capacity as such;

**Applicable Rules** means the rules of any regulatory authority, relevant exchange, Trading Venue, clearing house, depository or settlement provider, internal rules and policies, and all other applicable laws, rules, guidance and regulations in force from time to time, including MiFID II, the Data Protection Act 1998 (UK), the EU Data Protection Directive 95/46/EC and all applicable data protection law which replace that, including the General Data Protection Regulation (EU) 2016/679, which are applicable to us and you;

**Associated Person** means any of our Affiliated Companies, agents or subcontractors or any of our or their directors, officers or employees;

**Best Execution Client** means a client categorised within the Notice of Categorisation as a retail client or a professional client (including elective professionals) that meets the criteria specified in the order execution policy;

**business day** means a day on which the commercial banks in the City of London are open for business (excluding Saturday and Sunday);

**Disclosure Documents** means any relevant information relating or connected to a Product, Transaction or Service that from time to time is disclosed to you;

**EEA** means the European Economic Area, comprising of the member states of the European Union and Iceland, Liechtenstein and Norway and any other states forming part of the European Economic Area from time to time;

**EU** means the European Union;

**Event of Default** means any of the events of default as listed in paragraphs (a) to (e) of Clause 27.1;

**Financial Instruments** means transferable securities such as shares and bonds, money market instruments, options, futures, swaps, forwards and any other derivative contract, and any other financial instrument within the meaning of Section C of Annex I of MiFID II;

**Investment Advice** means the provision of Personal Recommendations, either upon your or your Underlying Client's request or at our initiative, in respect of one or more Transactions relating to Financial Instruments;

**Investment Firm** has the meaning set out in Article 4(1) (1) of the Markets in Financial Instruments Directive 2014/65/EU, as amended or supplemented from time to time;

**Liabilities** means any liability, damage, loss, cost, claim, fees or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise, (including, for the avoidance of doubt, any fines or penalties which may, among other things, be imposed upon you as a result of late settlement of any Transaction);

**MiFID II** means the EU Markets in Financial Instruments Directive 2014/65/EU (MiFID II Directive), the EU Markets in Financial Instruments Regulation 596/2014 (MiFIR), and each related delegated directive and regulation thereto, each as amended or restated from time to time;

**Notice of Categorisation** means the letter between you and us pursuant to which you are notified of your client classification in accordance with the conduct of business rules of the Regulator;

**Personal Data** means any data relating to an identified or identifiable natural person as those terms are defined in accordance with any applicable laws implementing the European Data Protection Directive 95/46/EC including the Data Protection Act 1998 (UK) or by any laws which replace, repeal or supersede those laws including, without limitation, the General Data Protection Regulation (EU) 2016/679 (GDPR) as amended from time to time;

**Personal Recommendation** means any advice on investments, which is presented as suitable for you, or is based on a consideration of your or your Underlying Clients particular circumstances;

**Product** means each type of Financial Instrument, financial investment or product made available to you under these Terms;

**Research** means any information, analysis, opinion, investment strategy or material concerning one or several Products or other assets, or the issuers or potential issuers of Products, or be closely related to a specific industry or market;

**Services** means our execution and dealing services in publicly or privately traded Products, the reception and transmission of orders in relation to one or more Products, the placement of Products without a firm commitment basis and the provision of any ancillary services, information, advice and Research (where applicable);

**Supplemental Terms** means any terms of business relating to certain activities or agreements entered into between us (including, without limitation, any ISDA Master Agreement, Global Master Repurchase Agreement or Global Master Securities Lending Agreement) or terms otherwise applicable to any Product, Transaction or Service, as may be updated in writing from time to time;

**Terms** means the terms of business under which we offer our Services to you and which are set out in this document, which may be amended or supplemented from time to time;

**Trading Venue** means either a regulated market, organised trading facility or a multilateral trading facility, as defined by MiFID II;

**Transaction** means any Product or trade executed by us following your instruction in accordance with these Terms;

**Underlying Client** means your underlying funds or customers, whether or not the identity of any such fund or customer is known to us;

**we, us or our** shall be construed as referring to SAN UK or to ANTS according to the context in which they are being construed; and

references to **you** and **yours** are to you alone and not to any Underlying Client, except as expressly provided otherwise in a specific context.

- 3.2 These Terms set out the terms and conditions applied by SAN UK and ANTS to business carried on with you. This is for administrative purposes and does not imply that you have a relationship with both companies, or create joint and several liabilities, or rights of set-off or similar where you do business with both companies. Accordingly the obligations, liabilities and rights of SAN UK and of ANTS are separate and not joint and apply in relation to the business which each company actually carries on with you.
- 3.3 Your obligations and liabilities to, and rights in relation to, SAN UK and ANTS are separate and apply in relation to the business which each company actually carries on with you. Neither SAN UK nor ANTS is an agent of the other for receipt of notices or for any other purpose and you must deal with each separately. Any termination of these Terms in relation to one entity shall not operate so as to terminate them in respect of the other entity.
- 3.4 These Terms and any Transactions contemplated or conducted or executed by you in connection with the Services provided by us shall constitute your legal, valid and binding obligations, enforceable against you in accordance with the provisions of these Terms, subject only to applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally.
- 3.5 While these Terms have a general application in your dealings with us, they may be modified or supplemented in the case of any particular Product, Service or Transaction by any Supplemental Terms.
- 3.6 This Agreement supersedes any prior agreement or arrangement in respect of its subject matter.
- 3.7 The entire agreement between us relating to the Services and Products provided to you (both on your own behalf and as agent for your Underlying Clients) and the Transactions executed by us consists of these Terms, any Supplemental Terms, the Notice of Categorisation, the Disclosure Documents and, subject to you being a Best Execution Client, the order execution policy (together referred to as the **Agreement**), which in totality supersedes all previous discussions, agreements and arrangements (whether written or oral).
- 3.8 You should communicate with us in English. All of our standard documents and other information relating to our Services, Products and Transactions may be obtained in English. Subject to Clause 17.1 below, all communications between us and you will be to the address, telephone number or email and to the

individual/department/account name specified in the Appendix or in any later notification of change in writing. Use by us of such medium and specific designation will be deemed to constitute delivery to you.

- 3.9 Information may be provided by us to you in paper format or by e-mail. We shall notify you of any material changes to the information we have provided to you using the same medium in which it was originally provided (unless agreed otherwise).

#### **4. COMMENCEMENT**

4. These Terms shall apply to all activities and Services within their scope which we provide to you and to all Transactions carried out by us with or for you unless and to the extent that contrary or conflicting terms are agreed in writing in respect of a particular aspect of our trading relationship or Transaction. Provisions supplemental to these Terms may apply to particular Services and Transactions and will be notified to you at the relevant time.

- 4.2 When you request or accept any Services provided by us under these Terms, unless otherwise agreed, you will be deemed to accept the latest version of the Terms notified to you.

#### **5. CHANGES**

- 5.1 Subject to Clause 3.5 we may change these Terms (in whole or in part, by addition, deletion, substitution, modification or otherwise) by sending you a written notice describing the relevant changes.
- 5.2 Any changes pursuant to Clause 5.1 will become effective on the date specified in the notice. From such date you will be deemed to accept the latest version of the Terms when you request or accept any Services provided by us.
- 5.3 Unless otherwise agreed by us in writing no changes will affect the terms of Transactions already entered into at the time of the change or any legal rights or obligations in respect of such Transactions..

#### **6. TERMINATION**

- 6.1 Subject to Clause 25, you are entitled to terminate our relationship under these Terms by giving us immediate written notice.
- 6.2 We are entitled to terminate our relationship with you under these Terms by giving you immediate written notice. Furthermore, where you are acting as agent on behalf of another party, we may terminate these Terms in relation to any such other party in accordance with this Clause 6 without affecting the continuation of these Terms in relation to you and any other party on whose behalf you act.
- 6.3 No penalty will become due from either you or us in respect of any termination pursuant to Clauses 6.1 and 6.2. Termination shall not affect any outstanding orders or Transactions.
- 6.4 Termination shall not affect any outstanding Transaction

or order or any legal rights or obligations arising prior to or continuing during or after the date of termination or which arise in consequence of termination, or which relate to acts, events or omissions prior to termination. All such rights and obligations shall continue to be subject to these Terms. Transactions in progress at the date of termination will be completed by us in the normal way except where otherwise agreed.

- 6.5 On termination by either you or us, we shall be entitled to receive from you all Liabilities accrued or incurred under these Terms including any additional expenses or losses reasonably and properly incurred in terminating these arrangements and any charges for transferring any investments held for you.

#### **7. CONFLICTS**

In the event of any conflict between these Terms and the terms of other documentation including Supplemental Terms that has been signed between you and us the terms of the other documentation shall prevail.

## **Section 3: Defining our relationship**

#### **8. CLIENT CLASSIFICATION**

- 8.1 We have considered the information you have provided to us and other details that we have obtained about you. We have accordingly determined that you can be classified on the basis set out in the Notice of Categorisation in respect of the Services we provide.
- 8.2 You agree to your classification as set out in the Notice of Categorisation. The Notice of Categorisation also describes any rights you have to request a different client classification and contains other relevant information about the differences between certain types of client.
- 8.3 We will treat you, but not any person on whose behalf you may be acting, as our client. If you act on behalf of a principal we will not treat that principal as our client under the Applicable Rules.
- 8.4 You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your classification which is indicated in your Notice of Categorisation.

#### **9. OUR RELATIONSHIP WITH YOU**

- 9.1 We shall deal with you on a principal to principal basis.
- 9.2 Unless we expressly agree in writing to do so in respect of and in advance of any particular Transaction being effected, we will not provide you with the service of executing orders on your behalf when we enter into a Transaction with you as your counterparty (i.e. we will trade with you as principal), as further set out in our order execution policy.

- 9.3 No form of investment management is provided under these Terms and we are not responsible for monitoring or managing your investments on a continuous basis.
- 9.4 You agree that you will not treat any quote or offer made by us to you as implying that we agree to act on your behalf (as agent or otherwise) in relation to any resulting Transaction, unless we expressly otherwise agree in writing.
- 9.5 Our provision of Services, Products and execution of Transactions shall not constitute marketing (unless otherwise stated) of or a recommendation of such Services, Products and Transactions.
- 9.6 When you give us instructions we will act on the understanding that you are dealing on an execution-only basis unless we expressly agree otherwise.
- 9.7 We may employ agents or contractors on such terms as we think fit. Subject to Clause 19, we need not disclose any such appointments to you.
- 9.8 Any information (written or oral) we provide to you relating to Transactions is believed, to the best of our knowledge and belief at the time it is given, to be accurate and reliable, but no further representation is made or warranty given or liability accepted, as to its completeness or accuracy.
- 9.9 Neither our relationship, nor the Services to be provided by us to you under these terms, nor the length of time the Services have been provided to you by under these Terms, nor any other matter, shall give rise to any fiduciary, advisory, trust, agency, joint venture, partnership, duty of care or equitable duties and relationships whatsoever on our part or that of our Affiliated Companies which would oblige us to accept responsibilities more extensive than expressly stated in these Terms.
- e) investments or other property provided by you shall, subject to these Terms, at all times be free from any charge, lien, pledge or encumbrance;
- f) investments or other property provided by you shall, subject to these Terms be beneficially owned by you, unless you are a trustee in which case you warrant, represent and undertake that you are the sole legal owner and that you have full power to deal with the investments or other property as if you were the beneficial owner;
- g) you confirm that any information given to us by you or on your behalf is, to the best of your knowledge and belief at the time given, complete, accurate and not misleading;
- h) any third party appointed by you to give and receive instructions, notices and/or other communications on your behalf under these Terms has all the requisite power and authority and/or appropriate regulatory or governmental consents (if applicable), to give and receive such instructions, notices or other communications;
- i) subject to Clause 12.1, you are not relying on any communication or information (written or oral) from us as Investment Advice to enter into any Transaction or arrangement with us, nor are you relying on us for assurances as to the expected performance of a Product or Transaction; and
- j) subject to Applicable Rules, it will be your responsibility to ensure that any Product or Transaction meets your needs either by undertaking the assessment yourself or by commissioning Investment Advice from an independent financial advisor, accountant and legal advisor prior to considering an investment in any Product or Transaction.
11. Representations, warranties and undertakings as agent
- If you are acting on behalf of one or more Underlying Clients in relation to any Transaction then you represent, warrant (with such warranties and representations deemed to be repeated each time you provide instructions to us), and undertake to us that:

## **10. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS AS PRINCIPAL**

You warrant, represent (with such warranties, representations deemed to be repeated each time you provide instructions to us) and undertake that:

- a) you are duly organised and existing and in good standing under the laws of your jurisdiction;
- b) you have full power, authority and capacity to enter into and perform your obligations under these Terms and to confer on us such authorities as are necessary so that these Terms will be valid and binding obligations enforceable against you;
- c) you have obtained and are in compliance with the terms of all Applicable Rules, any other authorisations, consents and approvals of a government or other regulatory body necessary to enable you to contract to receive all Services, and conduct all Transactions, under these Terms;
- d) you shall provide us with copies of any authorisations, consents or approvals as we may reasonably require;
- a) you have, and will in the future maintain and renew, full power, capacity and authority to engage with us in all business you carry on with us on behalf of all such Underlying Clients, including all necessary authorities from your Underlying Client to instruct us in relation to each Transaction and to do all things required under and in accordance with these Terms;
- b) in the event you are acting as trustee, you have and will have, and will in the future maintain and renew, full power, authority and capacity when acting in the capacity of a trustee under the relevant trust deed(s) to enter into and perform your obligations under these Terms and to confer on us such authorities as are necessary so that these Terms will be binding upon you;
- c) each Underlying Client for whom you send an order to us has, and will in the future maintain and renew, full power, authority and capacity to enter into any resulting Transaction and these Terms and any Transactions will be valid and binding obligations enforceable against it;

- d) each Underlying Client will at all times be able to put you in a position to settle the Transaction;
  - e) you are regulated in respect of the provision of Services to your Underlying Clients and will comply at all times with the Applicable Rules;
  - f) you have carried out all due diligence required under Applicable Rules, including without limitation, all applicable prevention and detection of money laundering, client identification, sanctions (for the avoidance of doubt, including any prevention and detection of terrorism legislation), laws and regulations, to satisfy yourself of the good standing of your Underlying Clients and to ensure on a best efforts basis that your Underlying Clients are not involved in any money laundering or criminal activity;
  - g) by entering into these Terms and any Transactions hereunder on your own behalf and as agent for your Underlying Clients, you will not violate any Applicable Rules;
  - h) you shall provide us with (or, where such information is held by your Underlying Clients and not by yourself, shall undertake reasonable endeavours to procure from your applicable Underlying Client and provide to us) such information as it may reasonably require in relation to these Terms, including all information required to comply with all Applicable Rules;
  - (i) all information you have given to us insofar as you are aware, is true and complete and any changes to the information given to us of which you become aware will be promptly notified to us;
  - j) you will ensure that all relevant investments or any documents of title and/or transfer forms and/or any relevant payments are delivered, paid or transferred to us, or to whomever we may direct, in sufficient time on or before the contractual settlement date to enable us to settle the Transaction in accordance with market requirements; and
  - k) unless otherwise agreed in writing by you as agent for your applicable Underlying Clients:
    - (i) all cash, securities or other assets transferred to us or our Affiliated Companies pursuant to these Terms are the sole and beneficial property of your applicable Underlying Client and will be transferred to or held by us or our Affiliated Companies free and clear of any lien, charge or other encumbrance; and
    - (ii) your applicable Underlying Client will not charge, assign or otherwise dispose of or create any interest therein.
- 12.2 General views expressed to you from time to time (whether orally or in writing) on economic climate, markets, investment strategies, trade ideas or investments are not to be viewed as Investment Advice. Similarly, any information and explanations related to the terms and conditions of a Transaction, Product or Service will not be considered Investment Advice or a recommendation to enter into such Transaction, Product or avail of such Service. Any information which you may receive from us will be given in good faith, but we do not warrant that it is accurate or complete, or as to its tax consequences, and we do not accept any responsibility for any Liabilities which you might suffer or incur in relying on such information. You acknowledge (as agent of your Underlying Client(s)) that you (as agent of your Underlying Client(s)) enter into any Transaction solely on the basis of your own judgment and have not relied on any information provided by us.
- 12.3 We will not review your or your Underlying Clients' investments at regular intervals or otherwise and this therefore remains your responsibility. We will not act for you or your Underlying Clients on a discretionary basis.
- 12.4 We will not provide or be responsible for the provision of any tax or legal advice in respect of your or your Underlying Clients' investments. Any legal, accounting, tax or other adviser retained by us shall be the legal, accounting, tax or other adviser to us alone. You shall have sole responsibility for selecting and retaining any legal, accounting, tax or other adviser that may advise you and for all expenses and fees incurred in connection therewith.
- 12.5 Where we execute Transactions in non-complex Products (as defined by MiFID II), we are not required to obtain information from you regarding your knowledge and experience in relation to the investment field relevant to that instrument, your financial situation or your investment objectives (collectively, Your Circumstances) so as to enable us to make an assessment as to the appropriateness of that instrument or Service provided or offered. You will not therefore benefit, in these circumstances, from the protections afforded under any conduct of business rules that could require us to assess the appropriateness of such instrument or Service for you under Article 25 of the MiFID II Directive.
- 12.6 Where we execute Transactions in relation to complex Products (as defined by MiFID II) we will be required to obtain information from you, where relevant, regarding Your Circumstances, so as to enable us to make an assessment as to whether that instrument or Service is appropriate for you. If, on the basis of the information that you have supplied to us in relation to Your Circumstances, we consider that dealing in that particular complex instrument is not appropriate, we will warn you of this. If you still wish for us to proceed on your behalf, we may do so at our reasonable discretion. If this is the case, you should note that these instruments may be unsuitable for you and you may be exposing yourself to risks that do not meet Your Circumstances and/or which you may not have the knowledge or experience to properly assess and/or control.

## **12. NO ADVICE**

- 12.1 We will not, except where we have specifically agreed in writing to do so and separately charged for it, provide you with Investment Advice in relation to the merits, consequences or suitability of a particular Transaction, Service or Product, and that you shall, at all times during the course of our dealings under these Terms, retain control over investment decision making in relation to the

12.7 Where we have classified you as a professional client, pursuant to the Notice of Categorisation, we will assume that you have the necessary knowledge and experience in order to understand the risks involved in relation to the Product.

### **13. RESEARCH**

13.1 Any Research we give you (whether for you or on behalf of your Underlying Clients) is provided solely for information purposes and to enable you to make your own investment decisions (whether for you or on behalf of your Underlying Clients) and is not otherwise to be relied upon by you or by your Underlying Clients. You should conduct your own investigation and analysis of any such information.

13.2 Neither our nor our Affiliated Companies' Research should be construed as a solicitation or an offer to buy or sell any Products in any jurisdiction and neither they do amount to Investment Advice.

13.3 The content of any Research published by us or our Affiliates is based on information that we believe to be reliable but we do not represent that it is accurate or complete. It should not be construed as a representation, recommendation or statement of fact (implied or otherwise).

13.4 No information (written or oral) received by you from us will constitute an assurance or a guarantee as to the expected outcome of any such Transaction. You should also be aware that market conditions and pricing may change between the time we provide you with information and the time you approach us with a view to entering into a Transaction.

13.5 Any Research provided to you (whether for you or on behalf of your Underlying Clients) by us (in any form including via the internet) are prepared from and based upon sources that we believe to be reliable but the accuracy of which cannot be guaranteed.

13.6 Whilst we will exercise due skill, care and diligence in the preparation of Research, we give no representation, warranty or guarantee, express or implied, as to the accuracy, completeness or reliability of such information or as to the legal, regulatory or tax consequences of any Transaction effected on the basis of its research reports recommendation and information. We are under no obligation to update or keep current the information contained in such document.

13.7 We accept no responsibility or liability whatsoever (to the fullest extent permitted by Applicable Rules) for any Research provided to you (whether for you or on behalf of your Underlying Clients) whether or not under these Terms, except insofar as, and then only to the extent, that we were negligent, wilfully misconducted ourselves or were fraudulent, or failed to comply with any FCA Rules or the provisions of the FSMA.

13.8 Any opinions given by us in Research reflect our judgement at the date given and are subject to change without notice. The opinion expressed in our Research may differ or be contrary to opinions expressed by other business areas of SAN UK, ANTS or by its Affiliated Companies as a result of using different assumptions and criteria.

13.9 We shall not be obliged to ensure that any Research provided to you (on behalf of your Underlying Clients), or any information on which it is based, will be given to you (on behalf of your Underlying Clients) before or at the same time as such is made available to any other person, including, without limitation, any Affiliated Companies or other clients.

13.10 We have established and implemented policies (which may be revised and updated from time to time) that prevent conflicts arising from own account Transactions in any investment, or related investment, which is the subject of any research publication issued by us or our Affiliated Companies until those clients for whom that research was principally intended have had a reasonable opportunity to act on it.

13.11 Research publications are issued by us for private circulation to eligible counterparties and professional clients and may not be reproduced, distributed or published by you or your Underlying Clients for any purpose, except with our prior written permission.

13.12 If you are required or otherwise wish to pay for Research we will enter into a separate written agreement which shall set out the terms on which Research is provided to you, including the charges payable by you for receiving such Research. The terms of such agreement shall be negotiated between the parties in good faith.



## Section 4: Before we trade

### 14. REQUIRED INFORMATION

- 14.1 In order to provide certain Services to you we are required beforehand to obtain information from you, which may include financial and other information concerning yourself (and/or, where you are acting as agent for any Underlying Client, information on that other party or parties) as we from time to time may reasonably request or as we may be required to procure in accordance with Applicable Rules. Failure to provide such information when requested may result in us withdrawing the provision of Services either in relation to a particular Product or entirely. We shall not be liable for any Liabilities suffered or incurred by you as a result of any such decision made.
- 14.2 We may also, from time to time, require further information or actions from you in as to, amongst other things, your status in order for us to comply with our obligations in accordance with Applicable Rules. You agree and acknowledge that you will promptly provide us with any such information or take any such action that we may reasonably request in order for us to comply with Applicable Rules in our dealings with you.
- 14.3 You agree and acknowledge that you are responsible for keeping us informed about any change to the information that you provide to us in accordance with Clause 14.1.
- 14.4 We are required to provide certain information to you in good time before the provision of certain Services. Such information may be derived from third party sources. We cannot ensure the accuracy or reliability of such information and will have no duty or obligation to verify, correct, complete or update such information. We accept no Liabilities arising from any errors, inaccuracies, delays or omissions or actions taken in reliance thereon. We expressly disclaim all warranties, expressed or implied, as to the accuracy of any such third party information or as to the fitness of the information for any purpose.
- 14.5 Subject to Clause 14.6 below, we shall notify you of our costs and charges related to the provision of our Services and Financial Instruments in good time prior to the provision of such Service. We may change these at any time and will notify you of any such changes. Any such changes will not apply to Transactions executed prior to the time of the change.
- 14.6 Without prejudice to the obligations set out in MiFID II, where we have categorised you as an eligible counterparty or professional client pursuant to the Notice of Categorisation, you agree to a limited application of the requirements on costs and charges in accordance with and where permitted by Article

50(1) (information on costs and associated charges) of the MiFID II Delegated Regulation 2017/565. In this circumstance and where relevant, we will not provide you with:

- a) an illustration showing the cumulative effect of costs on return when providing a Service on an ex-ante or ex-post basis;
- b) where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, an indication of the currency involved, the applicable currency conversion rates and the arrangements for payment or other performance; or
- c) costs and associated charges charged by other parties for their services where we have directed you to such other parties and all costs and charges associated with the manufacturing and managing of Financial Instruments, by such third party, where they are not a cost charged by us.

### 15. RISKS

- 15.1 We will assess whether a proposed Service is appropriate for you based on information supplied by you and other details that we have obtained about you where required by Applicable Rules. It is your responsibility to inform us in writing of any information which might reasonably indicate that this assessment should be changed.
- 15.2 When you make a decision to deal or undertake in any Product, Service or Transaction, you should consider the risks inherent in such Product, Service or Transaction, and in any strategies related thereto. Your assessment of risk should include a consideration of any of credit risk, market risk, liquidity risk, interest rate risk, foreign exchange risk, business, operational and insolvency risk, the risks of "over the counter" (as opposed to on-exchange) trading, in terms of issues such as the clearing house "guarantee", transparency of prices and ability to close out positions, contingent liability risk and regulatory and legal risk. You should also ensure that you have read any accompanying Product documentation, for example terms sheets, offering memoranda or prospectuses, for any further relevant risk disclosures.
- 15.3 The preceding paragraph does not constitute investment advice based on your personal circumstances, nor is it a recommendation to enter into any of the Services or transact in any Product. Where you are unclear as to the meaning of any of the above disclosures or warnings which we may present to you, (either verbally or in writing), you are strongly recommended to seek independent legal or financial advice.

## Section 5: When we trade

### 16. TAPING AND RECORDING

We may record telephone conversations and other communications with you or any of your agents or Associated Persons with or without the use of an automatic tone warning device. Such records will be our sole property and held for the maximum amount of time permitted under Applicable Rules (which under MiFID II is five years, subject to any extension required by Applicable Rules). Subject to Applicable Rules, records may be made available to you on request, subject to any pre-disclosed administration charge set by us, and will be presented in the language used to provide the Service. Any requests should be made to [clientservice@santanderGCB.com](mailto:clientservice@santanderGCB.com). You acknowledge and agree that we may use such recordings and transcripts for any purpose which we deem reasonably desirable including use as evidence. Our voice records will be accepted by you as conclusive evidence of your orders, instructions or conversations had with us. We may, if required to do so, also provide such recordings and transcripts to a Regulator or other government authority in accordance with Applicable Rules.

### 17. YOUR INSTRUCTIONS

- 17.1 Unless otherwise agreed in accordance with the Supplemental Terms, we discourage you from using e-mail or other electronic messaging systems to communicate orders or trade requests. If we agree to the use of electronic messaging (e.g., e-mail, chats, instant messages, etc.) as the mode for you to communicate your orders or trade requests, any order or trade request sent to us by electronic messaging will not be considered to be received by us until our representative verifies the order or trade request details to you by phone or otherwise affirmatively acknowledges receipt of the order or trade request. We do not accept counterparty orders or trade requests sent via fax or voicemail systems. The need to employ manual operational processes to execute orders or trade requests transmitted by electronic messaging systems may result in an order or trade request so transmitted either not being filled or being filled at a much later time than when first received into our e-mail or other electronic messaging system. Subject to Applicable Rules, during the period between the electronic transmission of an order or trade request and the point at which it is verified and acknowledged, you will be exposed to the risk that your order or trade request may not be filled or executed (including where the market has moved in your favour) or may be filled or executed at a less favourable level because market conditions have changed in the interim.
- 17.2 You must ensure that any instructions given to us are clear and intelligible. If you do not provide such instructions promptly, clearly and in an intelligible form, we may, at our absolute discretion, ask you to confirm the instruction in writing, in such form as we may request, before we act

on it; or take such other steps at your cost as we consider necessary or desirable for our own or your protection; or take no action on your instructions. We are not obliged to accept instructions to enter into a Transaction unless we are required to do so by Applicable Rules. If we decline to enter into a Transaction, we are not obliged to give a reason.

- 17.3 We may treat as genuine, and rely and act on any oral or written communication which we reasonably believe to have been given by you or any person authorised by you. Instructions will be acknowledged orally or in writing as appropriate.
- 17.4 No liability shall attach to us if an instruction which we have accepted and acted upon in good faith is subsequently discovered to have been given forged, falsified or amended without your authority.
- 17.5 You shall promptly give any instructions to us that we may require of you in respect of any Transaction or proposed Transaction. If you do not provide such instructions promptly, we may, in our absolute discretion, take such steps at your cost as we consider necessary or desirable for our own or your protection.
- 17.6 Where these Terms are addressed to more than one person any instruction, notice, demand, acknowledgement or request to be given by or to you under these Terms may be given by or to any one of you. We do not need to enquire as to the authority of that person.
- 17.7 If you do not provide us with notice of your intention to exercise an option at the time stipulated by us, we may treat the option as abandoned by you and, if so, will notify you.
- 17.8 Once given, instructions are irrevocable and may only be withdrawn or amended with our consent. We can only cancel your instructions if we have not already acted upon them. If we believe that it is not reasonably practicable to act upon your instructions within what we believe to be a reasonable time, we may defer acting upon those instructions until it is, in our reasonable opinion, practicable to do so or we will notify you that we are refusing to act upon such instructions. We shall not be liable for any Liabilities suffered or incurred by you as a result of any such deferral or refusal.
- 17.9 We may refuse to follow your instructions if, in our opinion, acting on such instructions would be contrary to any Applicable Rules or when complying with your instructions would, in our opinion, be unreasonable in the circumstances. We will make all reasonable efforts to notify you promptly of such refusal, but shall not be obliged to provide reasons for such refusal, unless required in accordance with Applicable Rules, and we shall not be liable for any Liabilities suffered or incurred by you as a result of our refusal to act on your instruction or effect a Transaction.

17.10 We shall be under no obligation to transact any investment business that is subject to any limitations and shall be under no obligation to observe any such limitations relating to you or your Underlying Clients unless and until the limitations have been set out and agreed by us in writing.

17.11 When we accept a dealing instruction from you, we will seek to execute it as soon as reasonably practicable in the circumstances. We shall not be responsible for any Liabilities incurred or suffered by you as a result of any delay or any change in market conditions before the Transaction is effected.

17.12 We reserve the right to terminate any trading arrangements with you at any time and are not obliged to accept any particular order or to agree to enter into a Transaction with you or carry out an instruction received from you. We may (but shall not be obliged to) require written confirmation before acting on oral instructions.

## **18. HOW YOUR ORDERS ARE HANDLED**

18.1 Subject to Clause 18.4 below, all Transactions with or for you are subject to the terms and conditions of any intermediate, executing or clearing broker and any Applicable Rules.

18.2 Subject to Clause 18.6, when we execute or arrange Transactions on your behalf, Transactions and orders received by us may be executed by us or passed to any Affiliated Company or other intermediate executing or clearing broker for execution and/or clearing and settlement.

18.3 The Santander group includes companies which are engaged in investment business outside the United Kingdom. Unless you notify us to the contrary, it will be assumed that you (as agent of your Underlying Clients) are willing for us to introduce these Affiliated Companies to you to provide you (on behalf of your Underlying Clients) with dealing services in investments. Unless you have received separate terms from these Affiliated Companies then these Terms will also apply to the Services provided by the Affiliated Companies and any reference to Santander, we or us in these Terms shall be read to also include such Affiliated Companies. We are sending you these Terms on behalf of each of these Affiliated Companies (as well as on its own behalf) and we are authorised to act on their behalf for all purposes relating to these Terms.

18.4 When executing orders on your behalf we will be free to choose (in our absolute discretion) whether to carry out any Transaction as principal or as agent, or partly as principal and partly as agent (in which case separate contract notes will be issued).

18.5 If we agree in writing to act as your agent you authorise us to deal either in our own name or in your name with a third party and you authorise us to do anything as agent on your behalf in accordance with or, as is in our opinion necessary or desirable, to fulfil your instructions.

18.6 Depending on your categorisation as a Best Execution Client, execution of orders in Financial Instruments will be

conducted in accordance with our order execution policy (as amended from time to time). For further details of the manner in which orders are handled, a copy of the order execution policy is available on <http://www.santandergcb.co.uk/>. We will take all sufficient steps to obtain the best possible results for Best Execution Clients in accordance with and subject to Applicable Rules.

18.7 In cases where our order execution policy is applicable you acknowledge and agree that where you give us a specific instruction concerning any aspect of the execution of your order that this may prevent us from following the provisions of our order execution policy in respect of any matter covered by your instructions.

18.8 You instruct us not to make immediately public a client limit order in respect of shares admitted to trading on an EEA Trading Venue which is not immediately executed under prevailing market conditions, unless we decide in our absolute discretion that it is appropriate to do so.

18.9 You agree and consent that when we or our Associated Persons execute orders on your behalf, we may execute such orders outside of a Trading Venue (subject to Applicable Rules).

18.10 We may aggregate your order with orders of other clients or our own or of an Associated Person, and such aggregation may work on some occasions to your disadvantage.

18.11 You agree that where we enter into a number of Transactions over a period to fulfil a single order we shall be entitled to use a uniform price being the weighted average of the prices so obtained. You agree that we may complete the allocation of the investments under the order within five business days. For the avoidance of doubt, such allocation may be separate and distinct from any additional trade confirmation we are required to provide under Applicable Rules.

18.12 Subject to the pre-trade quotation obligations set out in MiFID II, if we act as a systematic internaliser in a particular Product, and we make available quotes to you in relation to such Product, we may limit the number of Transactions in that Product that we undertake with you (or, where applicable, your Underlying Client) and/or the total number of Transactions we may enter into in aggregate with you on the basis of such published quote where it exceeds our internal risk limits or where the number and/or volume of orders sought by you and other clients considerably exceeds the norm.

18.13 Further terms of dealing for specific Products are included within the Supplemental Terms.

## **19. CONFLICTS OF INTEREST**

19.1 In accordance with the FCA Rules, we have in place measures in order to avoid and prevent potential conflicts of interest as well as arrangements to identify and manage conflicts of interest which may arise between us and you, or between you and one or more of our other clients and therefore ensure that risks of damage to your interests will be prevented. We have established and implemented a

conflicts policy (which may be revised and updated from time to time) (the Conflicts Policy) pursuant to Applicable Rules, which sets out how we must seek to identify and manage all material conflicts of interest. A copy of the Conflicts Policy is available upon request.

- 19.2 We provide Services in a wide range of investment-related activities to clients and may have an interest, relationship or arrangement that is material in relation to any

Transaction effected, Service provided or activity carried out with you or that could lead to a conflict of interest. We will not deliberately favour any person over you but will not be responsible for any Liabilities you incur which may result from such competition. We have robust policies in place which govern the management of conflicts of interest, treating customers fairly requirements and competition law, all of which are in accordance with Applicable Rules. We shall not be held responsible for any Liabilities you may incur as a result of our compliance with Applicable Rules.

- 19.3 Such conflicting interests or duties may arise because:

- a) we may be dealing as principal in the investments that are the subject of a Transaction thereby making a profit (or loss) for our own account; or we may be providing Services to other persons with interests in or proposing to acquire such investments;
- b) we may be a financial adviser or lending banker to the issuer of such investments;
- c) we may be dealing as agent on your behalf with an Associated Person or other entity and receiving commission or other charges from both parties;
- d) a Transaction may be in investments where the issuer is an Associated Person or in investments in which we have undertaken or underwritten an issue within a period of twelve months before the date of the Transaction;
- e) a Transaction may be in investments in respect of which we are trading with another client;
- f) a Transaction may be in investments in respect of which we may benefit from a commission, fee, mark-up or mark-down payable by a third person or the counterparty;
- g) subject to Applicable Rules, we may have acted upon or used published third party investment research recommendations (or the research or analysis on which they are based) before the recommendations have been published to our customers;
- h) we may deal on your behalf with or through an Associated Person;
- i) we may effect Transactions on your behalf involving placings and/or new issues with an Associated Person who may be acting as principal or receiving commission; or

- j) we may receive remuneration or other benefits by reason of acting in corporate finance or similar Transactions involving companies whose investments you hold.

You agree that we may provide the relevant service despite any such interest and that (subject to Applicable Rules) neither we are required to account to you for any income, gain, profit or other advantage arising from such interest.

- 19.4 We provide a variety of Services to our clients and may from time to time come into possession of confidential material and non-public information. You acknowledge and agree that such information, if disclosed, might affect your decision to buy, sell or hold an investment but that we shall not have any obligation to communicate such information to you or use it for your benefit.

- 19.5 We seek to take all appropriate steps to identify and to prevent or manage conflicts of interest from adversely affecting your interests, including as a last resort measure the disclosure of the general nature and/or sources of such conflict of interest. Where disclosure is permitted this shall be made to you in accordance with Applicable Rules. When we are not able to deal with a conflict of interest effectively we may in some circumstances be unable to provide you with the Service you require and we shall not be obliged to disclose the reason why or any further information relating thereto. Alternatively, in situations where we provide the relevant Service despite any such interest and we will not be required to account to you or your Underlying Client for any income, gain, profit or other advantage arising from such interest unless required to do so under Applicable Rules.

- 19.6 As your Underlying Clients are not (by virtue of these Terms and Transactions or Services hereunder) clients of ours, and as you may not have disclosed to us such Underlying Clients' identities, we have no obligation to identify or manage any conflicts of interest in respect of such Underlying Clients.

## **20. MARGIN PAYMENTS**

- 20.1 We may, by agreeing with you in writing, enter into Transactions with you which will, or may, result in you having to provide margin payments. That is to say, we may require you to provide a deposit of cash, securities and/or other asset as collateral for unrealised losses which have occurred or may occur in relation to a Transaction.

- 20.2 As well as initial margin payments being required to enter into a Transaction, margin payments may also be required on a periodic basis throughout the life of a Transaction if the value of that Transaction moves against you. A change in the market price of your investment will therefore affect the amount of the margin payments you will be required to make.

- 20.3 The terms and conditions governing such margin payments shall be set out in the Supplemental Terms.

## Section 6: After we trade

### 21. REPORTING

- 21.1 In accordance with MiFID II, either party may be obliged to make information about certain Transactions concluded outside of a trading venue public. Where you are an Investment Firm and we transact in Financial Instruments outside the rules of a Trading Venue, the responsibility, where applicable, for trade reporting the Transaction shall fall on the relevant party designated under MiFID II. Where you are an Investment Firm we will not trade report such Transactions on your behalf unless we have agreed in writing to do so. Where you are not an Investment Firm we will trade report the Transaction in such Financial Instrument when required under Applicable Rules. In either case, the relevant Transaction information will be made public in accordance with MiFID II and both parties waive any duty of confidentiality attaching to the information required to be disclosed. If we are required to report the Transaction we may rely upon third parties to undertake this task.
- 21.2 We will also comply with our obligations to transaction report details of a Transaction entered into with you or on your behalf to the relevant Regulator in accordance with Applicable Rules. In accordance with Clause 14 we may require certain information to assist such reporting. Unless otherwise advised, you agree that where you do not confirm that an order is a short sale or otherwise in relation to a transaction whether or not you are selling short or through an exemption, we will report to the relevant Regulator that you have not disclosed this information to us.
- 21.3 We will send you reports and/or confirmations periodically (as required by Applicable Rules or more frequently as agreed) on the Service we provide to you and will include in those reports and/or confirmations, the Financial Instruments transacted with you and the costs associated with the Transactions and Services we undertake for you, including other information we are required to report to you pursuant to Applicable Rules. With respect to reports and/or confirmations relating to costs, these will be provided on an aggregated basis where permitted under Applicable Rules. However, you are entitled to request an itemised breakdown.
- 21.4 We will not transaction report, as defined in MiFID II, for you in respect of any Transactions.

### 22. CONFIRMATIONS

- 22.1 Upon or after the execution of a Transaction with you, we shall confirm the details of such Transaction to you in accordance with Applicable Rules including any terms we have agreed with you regarding the extent

and nature of such confirmation. The confirmation we provide may be in written hard copy or electronic format. Any confirmation we provide to you in electronic format shall have the same effect as if served on you in written hard copy.

- 22.2 The content of our confirmations will, in the absence of manifest error, be deemed conclusive and binding unless you object to such confirmations by the earlier of: a) five business days of despatch, or b) any applicable mandatory compliance period for execution of confirmations that may be required by Applicable Rules.

### 23. SETTLEMENT MECHANICS

- 23.1 We shall be under no obligation to settle Transactions or account to you or your Underlying Client unless and until we (or our agents) have received all necessary documents and/or cleared funds from you. Delivery and/or payment of such documents and/or cleared funds is entirely at your risk.
- 23.2 Whether or not you are acting on behalf of another person in relation to orders which you send to us, you shall be bound by your acts under these Terms.
- 23.3 You shall be liable as principal for the due performance of every Transaction and for all Liabilities arising as a result of any Transaction and you agree to honour your settlement obligation whether or not:
- a) you are acting as principal or as agent;
  - b) any person honours its obligations to you to deliver in a timely manner securities and/or funds, or to remit in a timely manner interest, dividend payments or other distributions to you or to our order;
  - c) the Transaction was authorised by your Underlying Client;
  - d) it was within your or your Underlying Client's power to enter into the Transaction; or
  - e) you or your Underlying Client wish to raise any challenge or raise defences of any nature.
- 23.4 Unless otherwise agreed, settlement of Transactions with or for you must be made in accordance with the usual terms for settlement taking into account Applicable Rules and/or market convention.
- 23.5 You agree to pay all amounts due in respect of any Transactions or otherwise which are payable by you under these Terms in full as they become due without regard to any right of equity, set-off or counterclaim

and without any withholding or deduction of any kind, unless expressly required by Applicable Rules, in which case you will pay such additional amounts as will result in the net amount receivable by us being equal to the amount which would have been received if such withholding or deduction had not occurred.

- 23.6 We agree to pay all amounts due in respect of any Transactions or otherwise which are payable by us under these Terms without any withholding or deduction of any kind, unless expressly required by Applicable Rules, in which case we will make such a withholding or deduction in the minimum amount required by such Applicable Rules. We may estimate and deduct any applicable taxes from payments due to you.
- 23.7 If, for any Transaction, we deliver Products or pay money to you, whether on behalf of your Underlying Clients or not, or to your order when you, or as agent on behalf of your Underlying Clients, you are obliged to pay money or deliver Products to us or to our order at that time or subsequently and, for whatever reason, your obligations are not performed simultaneously with, or prior to our obligations, you shall hold on trust for us any such Products or money received from us until your own obligations to us are fully performed.
- 23.8 If you (as agent of your Underlying Client) have not delivered the appropriate funds or Products to us on the due date for settlement, we reserve the right, as appropriate, to exercise a sell-out of the relevant Products (as described in Clause 25) or acquire alternative Products by whatever means we (on behalf of your applicable Underlying Client) determines in its absolute discretion. Where we do so, our obligation to deliver the securities to you or pay the purchase price due will cease. You (on behalf of your applicable Underlying Client) shall be responsible for any losses we incur arising out of your (as agent of your Underlying Clients') non-performance or any actions we take as a result thereof.
- 23.9 You will indemnify us and our employees and agents against any and all Liabilities, arising from your failure to meet your delivery obligations in relation to any Products or payment of funds to us when they are due.
- 23.10 We shall be entitled, without prior notice to you or your applicable Underlying Client, to make the currency conversions necessary or desirable for the purposes of fulfilling your trading obligations. Any such conversion shall normally be made by us, as principal, at a rate which reflects the size, liquidity and timing of the Transaction. We shall disclose to you the relevant rate on the contract note or confirmation but will be entitled to retain any profit we or any Affiliated Companies may derive from the Transaction. Any foreign exchange risk arising from any Transaction shall be borne by you or your applicable Underlying Client.
- 23.11 In order to effect transactions for you (on behalf of your Underlying Clients), you (as agent of your Underlying Clients) confirm that we may (subject to an obligation to account to you (on behalf of your Underlying Clients) for property of the same nature and description but not necessarily identical to the property originally delivered to us and subject to its other rights under these Terms) without prior notice to you or your applicable Underlying Client deposit, charge or pledge any collateral you may deliver to us to any exchange, clearing house, broker or other third party on Terms that such third party may enforce such deposit, charge or pledge in satisfaction of any obligations that we may incur to such third party or of any such obligations incurred by you, your Underlying Clients or by any other client.
- 23.12 You shall bear and be responsible for the payment of all taxes, stamp duties, levies, fees, custodial expenses and other similar expenses in respect of any Transactions executed by us on your behalf.
- 23.12 Any charges, payments and other money due to us (or to our agents) for which you are responsible plus any applicable VAT shall be paid by you as stated in the relevant contract note or settlement advice or may be deducted from any money held by us on your behalf or in an account with us. Estimated costs and charges for these amounts will be provided to you in accordance with Clauses 14.4 and 14.5.
- 23.13 All amounts (including without limitation all fees and charges) payable by you (on your own account or on behalf of your Underlying Clients, as applicable) to us shall be due on demand without set off, counterclaim or deduction.
- 23.14 If you default in paying any amount when it is due (on behalf of your Underlying Clients), we may require that you (on behalf of your applicable Underlying Client) pay us interest at a rate equal to the prevailing effective cost of funds to us from time to time in the relevant currency as determined by us as notified to you in writing.

## **24. OUR AUTHORITY TO DEBIT ACCOUNTS**

You hereby authorise and instruct us to debit your account(s) that you hold with us in order to settle any Transaction that you have entered into with us and in respect of any amount due to us from you.

## Section 7: If you do not meet your liabilities

### 25. SET-OFF AND LIEN

25.1 If at any time during the course of or following the termination of these Terms (as set out in Clause 6) any amount or other obligation (whether absolute or contingent and whether matured or unmatured) is owed by you (or, where applicable, your Underlying Client) to us under these Terms, we may set-off any such amount or obligation against, or retain or make deductions from, any amount or other obligation which we owe to you (or, where applicable, your Underlying Client) or are holding including in any of the following ways under these Terms:

- a) in accordance with Applicable Rules;
- b) by debiting any of your (or where applicable, your Underlying Clients') account(s) held by us and/or an Affiliated Company;
- c) in any other manner which we deem appropriate and in accordance with Applicable Rules ;
- d) having the right at any time without notice to combine and/or consolidate all or any of your (or where applicable, your Underlying Clients') accounts held by any Affiliated Company, any nominee or trustee for an Affiliated Company, and/or us; and
- e) where debits and credits are expressed in different currencies, and we would have had a right of retention or set-off if the sums concerned had been in the same currency, we shall be entitled at your expense to convert any sums owing into the currency of your debt to us for the purpose of affecting the said retention or set-off.

25.2 Where you (or, where applicable, your Underlying Clients) or we or an Affiliated Company are under an obligation to deliver securities, for the purposes of us exercising any termination, close out, netting or set-off rights under these Terms, any such obligations shall constitute an amount equal to the purchase price of the relevant securities in the market (as determined by us in our sole discretion).

25.3 We will not be obliged to exercise any power of sale under these Terms in place of exercising any right of set-off.

25.4 Where we exercise any right of set-off against a principal on whose behalf you are acting as agent, we shall only exercise such right of set-off against the property of the relevant principal.

25.5 In respect of an Underlying Client that is a trustee, corporation or other person or group of persons formed as a collective investment scheme having an 'umbrella' structure, we will only have recourse against

those assets attributable to the relevant sub-fund of the umbrella in respect of which you have effected a Transaction under these Terms.

- 25.6 Without prejudice and in addition to any general lien, right of set-off or other similar right which we or our Affiliated Companies may be entitled to exercise whether by law or otherwise over any of your (or your Underlying Clients') investments, securities or other property, your (or your Underlying Clients') investments, securities or other property held by us or any Affiliated Company of ours shall be subject to a general lien in our favour in respect of any outstanding amounts due and payable from you to us or our Affiliated Companies. In addition, we shall have the right at any time without notice to combine and/or consolidate all or any of your or your Underlying Clients' accounts or the accounts of any Affiliated Company you maintain with us or any Affiliated Company of us in such manner as we may determine, subject to Applicable Rules.

### 26. OUR ABILITY TO CLOSE-OUT YOUR INVESTMENTS

26.1 You agree that your rights in relation to investments which we hold or are entitled to receive on your behalf (**Deposited Investments**) are solely those rights that are created under these Terms.

26.2 If any sum may at any time be or become due from you to us which is unpaid, including any interest and any reasonable costs and charges paid or incurred in perfecting or

enforcing our rights under this Clause 26 or otherwise, or you fail to meet your Liabilities to us under these Terms as and when they fall due (the **Secured Obligations**), then:

- a) neither you nor your Underlying Client shall have a right to instruct us to deliver Deposited Investments (or any part of them) to you or any other person;
- b) we shall be entitled to withhold delivery of Deposited Investments (or any part of them);
- c) we may, without prior notice:-
  - (i) sell, appropriate or otherwise realise the value of Deposited Investments (or any part of them) at such price and in such manner as we may in our absolute discretion decide without being responsible for any loss or diminution in price and apply any proceeds of such sale in or towards:
    - (x) discharge of the costs of such sale; and

- (y) discharge of any or all of your obligations to us,
- (ii) close out, replace, terminate or reverse any outstanding Transaction, enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as we in our absolute discretion consider necessary or appropriate to cover, reduce or eliminate our Liabilities under or in respect of any Transaction, position or commitments undertaken for you (as agent for any Underlying Clients); and/or
- (iii) if any outstanding Transactions are non-cash settled Transactions, determine the market value of those Transactions as we in our absolute discretion think fit and attribute to those Transactions a cash settlement amount to be due and payable; and/or
- (iv) take any other steps (whether or not similar to the above) we may consider to be necessary to meet any obligations which you (as agent for your Underlying Clients) have to comply with under these Terms or otherwise to protect our position.

We may in our absolute discretion decide to omit to act in accordance with this Clause 26.2 without affecting our and your rights and obligations in relation to Deposited Investments.

- 26.3 Any restrictions on our power to sell or otherwise deal with assets of your Underlying Clients charged to us or held by us, contained in the Law of Property Act 1925 or any other applicable law are, to the extent permitted by law, excluded.
- 26.4 We may invoice you (on behalf of your applicable Underlying Clients) for, or deduct from your account, as and where applicable, any cost of (or losses incurred in) effecting the actions contemplated in Clause 26.2 or in effecting any related Transactions.
- 26.5 The rights and powers in relation to Deposited Investments which are set out in Clause 26.2 are reserved by us and (to the extent the rights and powers in relation to Deposited Investments or any part of them which are set out in Clause 26.2 are not effectively reserved by us) grant to us such rights and powers.
- 26.6 In addition, and without prejudice to our reservation of rights and powers pursuant to Clause 26.3, you hereby grant to us a first fixed charge with full title guarantee as a continuing security for the payment of the Secured Obligations your rights, title and interest in and in relation to Deposited Investments. We shall have, to the greatest extent permitted by law, all of the rights of a secured party with respect to any money or other assets charged to us and you will, at our request take such action as we may require to perfect or enforce any security interest and irrevocably appoint us as your Underlying Clients' attorney to take any such action on your Underlying Clients' behalf.
- 26.7 We are under no obligation to comply with your request to close out a Transaction which has been entered into between us. Where we agree to do this, we will calculate the close out value of the Transaction based on prevailing market conditions and may include associated costs (including funding costs) arising from the close out in this figure. The close out value may be due from you to us or from us to you depending on the trade and may be substantial.
- 26.8 In the event of any dispute regarding any Transaction, we may in our absolute discretion cancel, terminate, reverse or close out the whole or part of any position resulting from and/or relating to such Transaction.
- 26.9 The provisions in this Clause 26 are without prejudice to the provisions of Clause 25 and, for the avoidance of doubt, apply notwithstanding the provisions of Clause 25.
- 26.10 The provisions of this Clause 26 shall survive the termination of these Terms or any agreement you (or your Underlying Clients) have with us for any reason.

## **27. DEFAULT REMEDIES**

- 27.1 Each of the following constitutes an Event of Default by you under these Terms:
- a) you fail to make any payment due to us or any Affiliated Companies or to deliver any securities due to us or any Affiliated Companies (or to our agents); or
  - b) you fail to perform any other obligation owed to us or any Affiliated Companies under these Terms; or
  - c) any representation or warranty you make to us or any Affiliated Companies proves false or misleading either under this Agreement or under any other agreement between you and us or any Affiliated Companies; or
  - d) you become unable to pay your debts as they fall due or become insolvent or bankrupt or become the subject of any insolvency, bankruptcy or administration proceedings; or
  - e) a winding-up resolution is passed or a winding-up or administration order is made in respect of you or a receiver, liquidator, administrator or a similar official is appointed in respect of you or any of your property.
- 27.2 If an Event of Default occurs, we shall be entitled, without prior notice to you, to take any or all of the following actions:
- a) to treat any or all outstanding Transactions between you and us or any Affiliated Companies as having been immediately cancelled and terminated; and/or
  - b) to automatically accelerate all of your obligations under this Agreement so as to require payment, delivery or other performance by you at the time notified to you by us; and/or



- c) to exercise the powers granted to us under Clauses 25, 26 and 27.
- 27.3 Where you believe it is reasonably likely that within 3 months:
- (a) any specific Underlying Client will default on any of its obligations owed to you (howsoever arising) such that, as a consequence, you will not be able to perform any other obligation on behalf of any specific Underlying Client owed to us or any of our Affiliated Companies under these Terms without incurring a loss that you would not be able promptly to recover from such Underlying Client; or
- (b) any representation or warranty you make whether on your own behalf or on behalf of an Underlying Client to us or any of our Affiliated Companies about such specific Underlying Client will prove false or misleading under these Terms; or
- (c) any such specific Underlying Client will be unable to pay its debts as they fall due or will become insolvent or bankrupt or become the subject of any insolvency, bankruptcy, administration or similar proceedings; or
- (d) a winding-up resolution is passed or a winding-up or administration order will be made in respect of any such specific Underlying Client or a receiver, liquidator, administrator or similar official is appointed in respect of any such specific Underlying Client or any of its property,
- then prior to any such event occurring (or following the occurrence of such an event, whether you foresaw it or not, but only at our absolute discretion), you may notify us of such envisaged (or actual, as the case may be) event, together with a report (in writing or in such other form as we may accept) containing sufficient information to enable us to identify to our reasonable satisfaction:
- (i) such specific Underlying Client (the **Defaulting Client**); and
- (ii) such outstanding Transactions, positions, obligations, liabilities outstanding, rights and account balances pursuant to these Terms and the Services as are attributable to the **Defaulting Client (the Defaulting Client Rights and Obligations)**,
- (a Defaulting Client Report).
- 27.4 We shall be entitled, following receipt of a Defaulting Client Report without prior notice to you, to take any or all of the following actions:
- (a) to treat any or all outstanding Transactions between you (on behalf of the Defaulting Client) and us or any Affiliated Companies as having been immediately cancelled and terminated; and/or
- (b) to automatically accelerate all of your obligations incurred (on behalf of the Defaulting Client) under these Terms so as to require payment, delivery or other performance by you (on behalf of the Defaulting Client) at the time notified to you by us; and/or
- (c) to exercise the powers granted to us under Clauses 24 and 25 in respect of the Defaulting Client Rights and Obligations.
- 27.5 Where we have taken action pursuant to Clause 27.4, we may not subsequently take any action pursuant to section 27.1(a) where its right to take such action would not have arisen but for one of the events described at Clause 27.1(a), (b), (c) and (d) occurring in respect of the Defaulting Client alone.
- 27.6 Subject to all other subsections of this Clause 27, in the event of a default (howsoever defined) on the part of any Underlying Client in respect of any indebtedness or obligation of such Underlying Client in relation to or attributable to a Transaction made hereunder, you undertake promptly to notify us of such event of default, disclose the identity and address of such Underlying Client and to take all reasonable steps to assist in rectifying such failure and to provide us with such information (of which you are aware or which you may reasonably be able to obtain) as it may request in relation to such Underlying Clients, subject at all times to any regulatory, legal or other constraints.
- 27.7 It shall be your responsibility to ensure that any losses incurred directly or indirectly by any of your Underlying Clients pursuant to Clauses 25, 26 or 27 are attributed correctly to the applicable Underlying Clients. We shall not be responsible for ensuring that any liability attributed to a specific Underlying Client is set off against or deducted from a right attributed to the same Underlying Client, although we may choose, at its absolute discretion, to endeavour to do so provided that you provide (whether or not pursuant to Clause 27.6) such timely information as may reasonably enable us to make such attributions. We may choose to rely on any such information and shall not be liable to you or any Underlying Client for any such person's loss arising from our reliance, or failure to rely on such information or on a Defaulting Client Report.

## Section 8: Your money and your investments

### 28. HOW WE TREAT YOUR MONEY

- 28.1 Money held for you in an account with us will be held by us in our capacity as a bank and not as a trustee. As a result, the money will not be held in accordance with the client money rules of the Regulator. This means that in the event of our failure, the client money distribution rules will not apply to these sums and you will not be entitled to share in any distribution under the client money distribution rules.
- 28.2 The money held for you will not be segregated from our money. We will, in all circumstances, hold your money as a banker and consequently we will never hold your money as trustee in accordance with the client money rules.
- 28.3 You agree (as agent of your Underlying Clients) that in the circumstances set out above, we will not, unless otherwise specifically agreed in writing, pay you interest on any monies held by us on your or your Underlying Clients behalf.
- 28.4 We may pass your money (or money ultimately attributable to your Underlying Clients) to an intermediate broker, settlement agent or OTC counterparty located outside the United Kingdom, in which case we hereby notify you that the legal and regulatory regime applying to the intermediate broker, settlement agent or OTC counterparty with which your money (or money ultimately attributable to your Underlying Clients) is held may be different from that of the United Kingdom. In the event of default of the intermediate broker, settlement agent or OTC counterparty, your money (or money ultimately attributable to your Underlying Clients) may be treated differently from the position which would apply if money were held in the United Kingdom.
- 28.5 You consent to us releasing any money held for you (on behalf of your Underlying Clients) or on your behalf (or money ultimately attributable to your Underlying Clients) from our accounts where there has been no movement on the applicable balance for a period of at least six years, notwithstanding any payments or receipts of charges, interest or similar items. Before doing this we will write to you at your last known address to return the balance to you (on your own behalf or on behalf of your applicable Underlying Clients as the case may be) and we undertake to make good any valid claims against any monies released.

### 29. YOUR INVESTMENTS WILL BE HELD IN YOUR NAME

- 29.1 We shall not ordinarily be responsible to you for the safe custody of your investments or arrange for custody of such investment for you. Notwithstanding this, where required by Applicable Rules or otherwise agreed between us all registrable investments purchased on your behalf will be registered in your name.
- 29.2 If at any time, we agree to provide you with custody services (that include administration of assets), such arrangements will be set out in a separate document between you and us and shall be subject to any Applicable Rules. Where a custody relationship is established in line with this Clause 29, this will (subject to the agreement between us and you) carry out custodial services relating to corporate actions, such as claiming dividends, interest payments, the exercise any conversion or subscription rights etc. Your safe custody investments will be held and recorded in accordance with the terms of such agreement, and, in all cases, as permitted by the FCA CASS Rules.

## Section 9: Rights, duties and liabilities

### 30. NON ASSIGNMENT OF YOUR RIGHTS

- 30.1 You may not assign any of your rights or delegate or purport to transfer any of your obligations under these Terms.
- 30.2 We may delegate the performance of any of our obligations to any person on such terms as we think appropriate, such delegation shall not affect our obligations under these Terms. We shall be entitled to assign all or part of our benefits or rights under these Terms.

### 31. CONFIDENTIALITY

- 31.1 Neither party to these Terms shall, without the prior written consent of the other, use or disclose any information relating to the business, investments, finances or other matters of a confidential nature of the other party except to the extent that such use or disclosure is to an Associated Person or is required by Applicable Rules or to enable the disclosing party to properly perform its obligations under these Terms or is to a professional adviser.
- 31.2 The provisions of Clause 31.1 shall continue to bind the parties after termination.

### 32. DATA PROTECTION

- 32.1 In the course of providing our Services or entering into a Transaction, we may receive information from you that contains Personal Data. We will process such Personal Data in accordance with our Data Protection Statement and Using my Personal Data Booklet as amended from time to time and made available at:
- <https://www.santandergcb.co.uk/dataprivacy.html>
- 32.2 You and we agree that with respect to the Personal Data processed in the course of providing the Services, we and you are each a data controller as defined in the Applicable Rules.
- 32.3 You agree and warrant that all Personal Data you have provided and will provide to use for the purpose of the Services has been collected, processed and transferred in accordance with the Applicable Rules. This includes, but is not limited to, ensuring an appropriate legal basis for disclosing the Personal Data to us, only providing us with Personal Data that is necessary for the Services, obtaining all necessary and valid consents and demonstrating this if requested, and ensuring all Personal Data is accurate and up to date prior to disclosing the Personal Data to us.
- 32.4 You shall also ensure that prior to disclosing any Personal Data to us, the relevant individuals have been made aware that their Personal Data will be sent to us and

have been provided with a copy of our Data Protection Statement.

### 33. DELAY OR FAILURE TO EXERCISE OUR RIGHTS

- 33.1 No delay or omission on our part in exercising any right, power or remedy provided by Applicable Rules or under these Terms, or partial or defective exercise, shall operate as a waiver of such right, power or remedy.
- 33.2 No waiver of any breach of any term of these Terms shall (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same term or as authorising a continuation of the particular breach.

### 34. OUR INTELLECTUAL PROPERTY RIGHTS ARE PROTECTED

You acknowledge that all intellectual property rights belong to us or our licensors and are protected under Applicable Rules. All rights not expressly granted are reserved.

### 35. INDEMNITY

You shall on demand, in your own capacity as well agent of each Underlying Client, as applicable, indemnify us and our Associated Persons and keep us and them, indemnified against any and all acts, proceedings, claims, demands obligations actions, judgments, suits and Liabilities incurred or suffered by us or them arising directly or indirectly as a result of or in connection with:

- a) any claim from any person on whose behalf you act;
- b) the provision of our Services to you or the exercise of our rights under these Terms;
- c) any breach by you of these Terms;
- d) anything done or omitted to be done by any person on whose behalf you act in relation to any Transaction;
- e) any error in any instruction given by you or on your behalf; or
- f) acting on any instruction which is, or which reasonably appears to us to be, from you, except to the extent that the same may result from our or the relevant Associated Person's

negligence, wilful default or fraud or breach of our or its obligations under Applicable Rules. This indemnity shall not be affected by termination of our relationship.

### **36. LIMITATION OF LIABILITY**

- 36.1 Subject to clause 36.3 below, neither us nor any of our Affiliated Companies, nor any of its respective directors, employees or agents shall be subject to any Liabilities suffered by you or an Underlying Client.
- 36.2 Any Liabilities which we have arising out of or in connection with our Services and activities under these Terms, whether such Liabilities arise under any express or implied term of these Terms, shall be limited as follows:
- a) we shall not be subject to any Liabilities suffered or incurred by you or your Underlying Clients save to the extent that such Liabilities result from our negligence, wilful default or fraud;
  - b) we shall not be subject to any Liabilities suffered or incurred by you or your Underlying Clients for any indirect, special or consequential loss of any kind (even if we know of the possibility of such losses or damages);
  - c) we shall not be subject to any Liabilities suffered or incurred by you or your Underlying Clients for any loss of profits, goodwill, business or anticipated savings (whether direct or indirect), which may be incurred, even if we know of the possibility of such losses or damages;
  - d) we shall not be subject to any Liabilities suffered or incurred by you or your Underlying Clients as a result of any reasonable delay or change in market conditions before or during the time that our Service is provided to you
  - e) we shall not be subject to any Liabilities suffered or incurred by you or your Underlying Clients as a result of instructions being given, or any other communications being made, electronically. You will be solely responsible for all orders, and for the accuracy of all information, sent electronically using your name or personal identification number; and
  - f) as a result of any third party failing to perform its obligations to us.
- 36.3 Nothing in these Terms shall be construed as seeking to exclude or restrict:
- a) any duty or liability owed by us to you under Applicable Rules unless and except to the extent that any such exclusion or restriction is permitted by Applicable Rules;
  - b) any liability as a matter of law for fraud or fraudulent misrepresentation;
  - c) liability for death or personal injury resulting from negligence; or
  - d) any liability which cannot lawfully be excluded or restricted.
- 36.4 You acknowledge that market rules usually contain wide powers in an emergency or otherwise undesirable situation, and you agree that if any exchange or clearing house or similar body takes any action which affects

a Transaction then we may take any action which we, in our discretion, consider desirable in the interests of you and/or us. We shall not be liable for any Liabilities suffered by you as a result of the acts or omissions of any such exchange, clearing house or similar body or any action reasonably taken by us as a result of or in connection with such acts or omissions.

- 36.5 We shall not be liable for any partial or non-performance or delay in performance of any of our obligations under these Terms by reason of any cause beyond our reasonable control, which could include, without limitation, any act of God, fire, act of government or state, war, civil commotion, insurrection, act of terrorism, embargo, inability to communicate with market makers for whatever reason, failure of any computer dealing or settlement system, prevention from or hindrance in obtaining any energy or other supplies, labour disputes of whatever nature, late or mistaken delivery or payment by any bank or counterparty.
- 36.6 We shall not be in breach of its obligations under these Terms for any delay or failure to perform any obligation hereunder (except a failure to pay) if the same is wholly or partly caused directly by circumstances beyond our reasonable control.

### **37. ILLEGALITY**

If any provision or term of these Terms or any part thereof shall become or be declared illegal, invalid or unenforceable for any reason whatsoever, such term or provision shall be divisible from these Terms and shall be deemed to be deleted from these Terms provided always that, if any such deletion substantially affects or alters the commercial basis of these Terms. We reserve the right to amend and modify these Terms in such fashion as may be necessary or desirable in the circumstances..

### **38. RIGHTS OF THIRD PARTIES**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms and accordingly no part of these Terms shall be directly or indirectly enforceable by any third party, nor are they intended to confer a benefit on any third party, save that any clause which confers a benefit on an Associated Person shall be enforceable by him/it accordingly, although we and you shall remain free to vary or terminate these Terms without the consent of any such person.

## Section 10: In the event of a dispute

### 39. HOW TO REGISTER A COMPLAINT

- 38.1 If you have a complaint about us, please contact [complaints@santanderpcb.com](mailto:complaints@santanderpcb.com) or the Head of Client Services at the address of the relevant firm given in the Appendix. Our complaints handling procedures will follow the complaint handling rules set out by the FCA and guidance provided by the Financial Ombudsman Service. All complaint submissions are free of charge. Further information can be obtained upon request.
- 39.2 If we are unable to meet our liabilities to you and become insolvent, you may apply to the Financial Services Compensation Scheme (FSCS) for compensation. Claims arising in respect of investment business may be eligible for compensation depending on the type of business and circumstances of the claim. Eligible claims in relation to eligible deposits are covered up to a maximum of £85,000 and in relation to investment up to a maximum of £50,000. Further information about compensation arrangements is available from the FSCS online at [www.fscs.org.uk](http://www.fscs.org.uk).
- 39.3 Alternatively, to the extent applicable, if you originally purchased your product with us online, you could submit your complaint through the European Commission's Online Dispute Resolution website. The European Commission may ultimately forward your complaint to the Financial Ombudsman Service. You can find out more information at <http://ec.europa.eu/odr>.

### 40. WHEN SERVING NOTICES

- 40.1 Notices from you will only be effective if given to us at the address set out at the beginning of these Terms and marked for the attention of the Compliance Officer.
- 40.2 Any notice given by us by post will be deemed given two business days after posting to you, at an address in the UK, and five business days after posting to an address abroad.
- 40.3 Any notice given by delivery or by telecommunications will be deemed given upon delivery or transmission, and an e-mail will be deemed to have been received by us, when it has been opened.
- 40.4 In proving service or delivery of the relevant communication, it shall be sufficient for us to prove that it was correctly addressed to the last address notified in writing by you to us, and where sent by facsimile, telex or other means of telecommunication, that it was transmitted to the correct number as last notified in writing by you to us.

### 41. SERVICE OF PROCESS

If you do not have a permanent place of business in England or Wales, you hereby agree to accept service of process in any location in which you transact business or through delivery to any affiliate of yours at its place of business in England and Wales and you hereby waive any defences or challenges to such service of process. This does not affect our right to serve process in any other manner permitted by law.

### 42. GOVERNING LAW

- 42.1 These Terms and any non-contractual obligations arising out of them or in connection to them shall be governed by and construed in accordance with English law.
- 42.2 For our benefit, you irrevocably submit to the exclusive jurisdiction of the English courts, which shall have jurisdiction to settle any disputes which may arise out of or in connection with the validity, effect, interpretation or performance of this
- Agreement or any non-contractual obligations arising out of or in connection with this Agreement, and waive any objection to proceedings in any such court on the grounds of inconvenient forum.
- 42.3 The submission made in Clause 42.2 shall not prevent us, in our absolute discretion, from taking proceedings in the courts of any other country which may have jurisdiction.

### 43. JUDGMENT CURRENCY

If, under any applicable law and whether pursuant to a judgement or to your or your Underlying Clients' insolvency, liquidation, bankruptcy or otherwise, any payment obligation owing by you (on behalf of your Underlying Clients under these Terms falls to be satisfied in a currency (**Other Currency**) other than the currency (**Original Currency**) in which such payment obligation is due, then, to the extent that any amount in the Other Currency actually received by us (when converted into the Original Currency at the relevant rate of exchange on the relevant date) falls short of the amount due under these Terms, you (on your own behalf or as agent of your applicable Underlying Clients), as a separate and independent obligation, indemnify us and hold us harmless against the amount of such shortfall. For the purposes of this Clause 43, the **Relevant Rate of Exchange** is the rate at which we are able, on the relevant date, to purchase the original currency in London with the Other Currency and the **Relevant Date** is the date of payment or, if in the case of insolvency, liquidation or bankruptcy or for any other reason conversion on the date of payment is not permitted by applicable law, the nearest date of payment which is permitted.

