



UBS Limited

Professional Client Agreement

Client Margin Custody Terms

1 INTERPRETATION

1.1 **Definitions:** In this UBS Module capitalised terms are defined as follows:

Margin Holder: any exchange, sub-custodian, nominee, agent, securities depository, clearing system, or intermediate broker who holds Client Margin, including any of our Affiliates;

EEA: as defined in the FCA Rules.

2 NON-CASH CLIENT MARGIN CUSTODY PROVISIONS

2.1 **Client Assets Rules apply:** We must hold assets comprising non-cash Client Margin in accordance with the Client Assets Rules (except where we have exercised our right to use such margin pursuant to FOA Clause 12.1(b) (*Rights on Default*) and FOA Clause 8.13 (*Rehypothecation*)).

2.2 **Delegation:** We may delegate any of our obligations as to the safekeeping of the non-cash Client Margin to a Margin Holder located outside the EEA who will hold non-cash Client Margin at your risk and on the Margin Holder's terms and conditions.

2.3 **Non-EEA Margin Holders:** Where non-cash Client Margin is held by a Margin Holder who is subject to the laws of a non-EEA jurisdiction:

(a) your rights in relation to such non-cash Client Margin may differ from those applicable within the EEA; and

(b) upon the insolvency of a Margin Holder, treatment of non-cash Client Margin may differ from the treatment applicable within the EEA.

2.4 **Non UK Margin Holders:** Where non-cash Client Margin is held by a Margin Holder who is subject to the laws of an EEA jurisdiction other than the UK, the applicable legal and regulatory regime and your rights in relation to the non-cash Client Margin may differ from those applicable within the UK.

2.5 **Omnibus Accounts:** We may hold non-cash Client Margin with the assets of our other customers in an omnibus client account with a Margin Holder such that your individual interest in specific assets may not be separately identifiable in the Margin Holder's physical or electronic records. If, upon our insolvency, there is an irreconcilable shortfall of a specific asset forming non-cash Client Margin you will share in the shortfall on a pro rata basis with all other customers holding that non-cash Client Margin in that omnibus account.

2.6 **Distributions:** We will make distributions arising from corporate events relating to non-cash Client Margin on a pro rata basis to all clients for whom we hold such non-cash Client Margin. If your share of that distribution is not an integral number of units, we will round it down to the nearest integral number of units and pay you the balance in cash.

2.7 **Registrable Assets:** Registrable non-cash Client Margin may be registered in our name or the name of our sub-custodian where under local law or market practice such registration is in your best interests or it is not feasible to do otherwise. In such cases the non-cash Client Margin may not be segregated from our assets and upon our insolvency you may not be as well protected from claims made on behalf of any of our general creditors.

2.8 **Margin Holder Risk:** Margin Holders will hold non-cash Client Margin at your risk and on such terms and conditions as they may require. We may grant to Margin Holders a lien, right of retention or sale, right of set-off or security interest over non-cash Client Margin. We will not be liable for any Losses arising from the acts or omissions of any Margin Holder in the absence of our fraud, negligence or wilful default in the initial selection of that Margin Holder.

3 OTHER PROVISIONS APPLICABLE TO NON-CASH CLIENT MARGIN

- 3.1 **Return of non-cash Client Margin:** We may by oral or written notice, at any time, require you to accept the return of some or all of the non-cash Client Margin (including, without limitation, where a dividend or income payment date or a corporate action is due to occur in respect of such non-cash Client Margin).
- 3.2 **Corporate Actions on non-cash Client Margin:** We have no obligation to monitor, notify you of or take any action with respect to any matters affecting any non-cash Client Margin (including voting rights, calls for redemption, conversion rights, takeovers, subscription rights, mergers, offers, consolidations, reorganisations and capitalisations or any other corporate actions or administrative or supervisory matters).
- 3.3 **Taxation of non-cash Client Margin:** Where you transfer any equities to us as non-cash Client Margin, you must:
- (a) **Taxes:** promptly pay all transfer or similar duties or taxes chargeable in connection with such transfer and any subsequent transfer by us of Equivalent Margin to you; and
 - (b) **Reimbursement:** reimburse us for any liability we incur if you do not do so.
- 3.4 **Unclaimed non-cash Client Margin:** You agree that we may transfer your non-cash Client Margin to charity or liquidate your non-cash Client Margin and transfer the proceeds to charity if there have been no instructions in respect of your non-cash Client Margin for twelve years. We shall write to you at your last known address informing you of our intention of transferring or liquidating your non-cash Client Margin and transferring the proceeds to charity and giving you 28 days to make a claim.