

UBS AG, Zurich
Terms and Conditions
Indirect Clearing Arrangements

In accordance with the provisions of the Regulatory Technical Standards on Indirect Clearing Arrangements under MiFIR¹ and EMIR² ("**RTS**"), we are required to disclose the general terms and conditions pursuant to which we provide our clients indirect clearing services with respect to exchange-traded derivatives transactions ("**ETD Transactions**") that are cleared by a central counterparty authorized in the European Union ("**EU CCP**"). Such terms and conditions are set out in detail in the set of agreements, including all addendums thereto, that we enter into with you (the "**Agreement**").

The term "**indirect clearing services**" refers to the circumstances where we either access an EU CCP through a clearing member of that EU CCP ("**Unrestricted Markets**") or via a direct client of such a clearing member of that EU CCP ("**Restricted Markets**").

Within the Unrestricted Market we act in the capacity of a direct client. When providing indirect clearing services to your clients via Unrestricted Markets you must comply with the requirements for the provision of indirect clearing services by indirect clients according to the RTS. Please see the additional points at the end of this document.

Within the Restricted Markets we act in the capacity of an indirect client and access the EU CCP via a clearing member and a direct client. You may only use our Restricted Markets accesses for your house transactions and may not provide indirect clearing services to your clients as this would be a prohibited clearing chain as per the RTS. Furthermore your assets and positions may only be held by the clearing member in a net omnibus segregated account (also referred to as a basic omnibus account).

We will provide you with sufficient information to allow you to identify the EU CCP and the clearing member used to clear your positions.

Please note that by trading ETD Transactions through us, you will be deemed to have read and understood all risk disclosure statements with respect to your trading activities regarding ETD Transactions that we have provided to you.

A general description of the principal terms and conditions governing our relationship with our clients is set out below. The actual provisions of the Agreement are more detailed. Moreover, please note that the specific terms and conditions of the Agreement that we enter into with any client may differ depending on our analysis of the risks that such client's trading activities may present. This document is provided to you for information purposes only and does not form part of your Agreement.

When providing indirect clearing services to you, we may generally require that you:

- provide us with such information that we may request in order to verify your identity as required by law.
- confirm to our satisfaction that you meet our minimum financial requirements appropriate for your business, experience and the nature of the trading in which you intend to engage. You must agree to provide us with such financial information, including a current financial

¹ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

² Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives central counterparties and trade repositories.

statement, as we may request from time to time and to notify us promptly of any material change in your financial condition.

- confirm to our satisfaction that you have full power and authority to enter into the Agreement and to enter into the transactions contemplated thereby for your account or on your behalf.
- confirm to our satisfaction that you have obtained all registrations or licenses, if any, that you may require to conduct business and that you remain in good standing with all relevant regulatory and self-regulatory authorities.
- confirm that you are fully acquainted with the functional aspects of ETD Transactions, the exchanges and clearing organizations on which these are traded, that orders are placed on your own initiative and based upon your assessment and that you are fully aware of the risks accompanying ETD Transactions.
- acknowledge that all ETD Transactions effected for your account or on your behalf are subject to applicable law.
- agree that we may, in our sole discretion, limit the size of your positions, refuse to accept any order or transaction, or require you to transfer your account to another firm.
- agree to provide initial margin and meet all margin calls for additional margin in such form and amounts and within such time as we may determine, consistent with the applicable law to the Agreement as well as agree to the consequences should you fail to respond to margin calls.
- transfer collateral in the form accepted by us from your account/deposit as full title (transfer of ownership) to our account/deposit to margin, guarantee or secure all ETD Transactions that we clear for your account or on your behalf and, where applicable, authorize and agree to use (i) cash-balances held on ETD accounts to make investments and (ii) transferred collateral on a fiduciary basis in our name, but for your account and at your risk with a financial intermediary.
- grant us a right of pledge by way of security for all additional claims which we may have against you resulting from our business relationship with you regarding ETD Transactions.
- grant us a right to set-off any amount owed by you to us against any amount owed by us to you in the course of the ETD business relationship, irrespective of maturity or currency.
- acknowledge that, upon an event of default, as that term is defined in the Agreement, we will have certain rights as set out in the Agreement, including the right, in addition to any remedy otherwise available in law, to liquidate any or all exchange-traded derivatives contracts held in your name or on your behalf by any lawful means and to realize any collateral that we may hold to meet any amounts you owe us.
- acknowledge that we will not be liable for any losses, damages, costs or expenses incurred by you under the Agreement and in case of damages due to non-execution or late execution of orders we are liable only for loss of interest. ETD Transactions are carried out exclusively at your own risk.
- acknowledge that where we effect orders through intermediary brokers or agents (incl. an affiliate of us), we may not be held responsible for acts, omissions, costs, losses or expenses incurred.

- acknowledge that your assets can be subject to investigations and measures, in foreign countries where we are subject to supervision and jurisdiction by foreign authorities in connections with our business activities in foreign countries.
- explicitly release us from the compliance with Swiss banking secrecy to the extent required to fulfill our obligation to disclose your identity and further information to Third Parties (as defined below) and explicitly agree and consent to such disclosure.
- agree to the disclosure of information, including but not limited to your identity and details of the transaction vis-à-vis exchanges, competent supervisory authority, self-regulatory organization or other third parties ("**Third Parties**") if necessary offhand and in the event you do not comply with the disclosure requirement of a Third Party you agree to the disclosure of your information by us to such a Third Party or acknowledge further consequences, such as closing out positions, denying the execution or rescinding the business relationship.
- agree that the Agreement will be interpreted in accordance with Swiss law and submit to the jurisdiction of the courts of Zurich, Switzerland.

When providing indirect clearing services to your clients within the Unrestricted Market you must comply with the requirements for the provision of indirect clearing services by indirect clients according to the RTS. In such case the following additional terms apply:

- in an event of your default, the termination of the Agreement will produce one liquidation amount for your house transactions and another liquidation amount for your client transactions that are in each case cleared through an EU CCP.
- we may set-off a positive liquidation amount of your house transactions against a negative liquidation amount of your client transactions but not the other way around.
- you must publicly disclose your general terms and conditions under which you provide indirect clearing services.
- you must comply with EU indirect clearing rules that apply to you as an intermediary and if these rules do not directly apply to you, you must contractually undertake to comply with them.