

Terms and Conditions

Valid from 23 October 2018

UBS AG is a public company incorporated with limited liability in Switzerland domiciled in the Canton of Basel-City and the Canton of Zurich respectively registered at the Commercial Registry offices in those Cantons with new Identification No: CHE-101.329.561 as from 18 December 2013 (and prior to 18 December 2013 with Identification No: CH-270.3.004.646-4) and having respective head offices at Aeschenvorstadt 1, 4051 Basel and Bahnhofstrasse 45, 8001 Zurich, Switzerland and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. Registered in the United Kingdom as a foreign company with No: FC021146 and having a UK Establishment registered at Companies House, Cardiff, with No: BR 004507. The principal office of UK Establishment: 5 Broadgate, London EC2M 2QS. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.



Introduction

This document ("**Terms and Conditions**") sets out the terms upon which we, UBS AG, London Branch ("**UBS**") will provide certain services to you. References to "**we**" or "**us**" and "**our(s)**" are references to UBS and references to "**you**" and "**your(s)**" are references to you, and where applicable your personal representatives. The Glossary at the end of these Terms and Conditions explains the meaning of certain capitalised words and phrases used.

This is an important document, please read it, together with the Account Opening Form and the Fee Schedule and Payment Terms applicable to your Account carefully. These documents set out the terms on which we will do business with you. If you do not understand anything please ask us or take independent advice.

Where we use the phrase "this Agreement", this refers to these Terms and Conditions, the Account Opening Form (as completed by you), any further terms and conditions (such as separate lending or security agreements) with us as may be agreed between us in writing, plus our Fee Schedule and Payment Terms, and any information about our services.

This Agreement takes effect when you sign the Account Opening Form or where these Terms and Conditions replace existing Terms and Conditions, on the date that we notify you that they are to take effect.

Please keep these Terms and Conditions in a safe place for future reference.

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Terms and Conditions

Please read these Terms and Conditions carefully. They set out your and our obligations in respect of the services we provide to you. If there is anything that you do not understand please ask for further information or take independent advice.

General Provisions

1. About us

- (a) We are authorised to conduct investment business in the United Kingdom (the "**UK**") by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority ("**FCA**") and limited regulation by the Prudential Regulation Authority ("**PRA**"). Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Our FCA reference number is 186958. Our details can be found on the FCA register by visiting the FCA's website at www.fca.org.uk or by contacting the FCA on 0800 111 6768 or at 12 Endeavour Square, London E20 1JN. The PRA can be contacted at 20 Moorgate, London EC2R 6DA.
- (b) UBS AG is registered in the UK as an overseas company with a UK establishment registered at Companies House, Cardiff, with establishment number BR004507. UBS AG is a public company incorporated with limited liability in Switzerland, domiciled in the Canton of Basel-City and the Canton of Zurich and registered at the Commercial Registry of those Cantons with identification number CHE-101.329.561 and having respective head offices at Aeschenvorstadt 1, CH-4051, Basel and Bahnhofstrasse 45, CH-8001 Zurich and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. Our registered address in the UK is: 5 Broadgate, London, EC2M 2QS. UBS AG is a member of the London Stock Exchange.
- (c) Our Wealth Management Division (UBS Wealth Management) conducts our investment business. Its address is 5 Broadgate, London EC2M 2AN and its contact number is (+44 020 7567 5757).

2. Our Authority

- (a) We will provide you with the services which you have indicated you would like us to provide in the Account Opening Form and/or as otherwise agreed in writing.
- (b) Where you have given us authority to carry out transactions or take other steps on your behalf, we may agree such terms as we reasonably think fit with any other person involved (which may be a different department of UBS, or an Associate) and for that purpose you understand that we may, acting reasonably:
 - (i) give certain confirmations ("**representations**") and make certain statements ("**warranties**") on your behalf;
 - (ii) enter into agreements, confirmations, terms of business, and enter into other contractual arrangements (for example agreements using templates produced by the International Swaps and Derivatives Association Inc. ("**ISDA**") which will be binding on you; and/or
 - (iii) take any steps in accordance with market practice or custom as we reasonably think necessary for the purpose of entering into or settling those transactions and these will be binding on you.
- (c) You give us authority to carry out your instructions (including transferring your funds) by any conventional means we reasonably consider suitable, including banking channels, electronic or manual funds transfer systems, mail, courier, or telecommunications services. You agree that we may, without prior notice to you, use the services of any institution, exchange, or correspondent bank in carrying out your instructions. You agree to be bound by the rules and regulations that govern the applicable exchanges, funds transfer systems, or institutions such as, but not limited to The Society for Worldwide Interbank Financial Telecommunication, SWIFT; the Clearing House Automated Payment System ("**CHAPS**"); and the Automated Clearing House ("**ACH**"), and to accept their normal charges. You understand that we will not be responsible or liable for anything these institutions do or do not do and they do not act as our agent.
- (d) Where you have provided us with your express consent (whether in the Account Opening Form or otherwise), we may contact you to advise you of other products or services which we think may be of interest to or suitable for you. Unless at

your specific request, we will not contact you for this purpose on a Sunday or on any other day before 9.00 a.m. or after 9.00 p.m. (UK time).

- (e) On occasion shares or units may be issued which entitle us to ongoing payments of commission such ongoing payments of commission we may or may not choose or be able to retain, ("**Retrocession Investments**") and issuers may from time to time make available equivalent classes of shares or units in respect of which no on-going commission is payable ("**Non Retrocession Investments**"). Where we hold Retrocession Investments for you, you authorise us on your behalf to exchange such investments for Non Retrocession Investments, if and when such investments are made available, subject to our compliance with our obligations under FCA Rules.
- (f) We may limit or restrict the service(s) indicated in the Account Opening Form and/or under separate documentation provided to you depending on where you are present, resident, domiciled and/or a citizen/national at any point in time and these cross border restrictions may be changed by us from time to time without any prior notice to you.
- (g) We may instruct a broker, exchange member, other third party or another part of UBS to effect transactions with or for you. Such person may be an Associate and may be located outside the UK.

Banking Services

3. Account Holders and Survivorship

- (a) If an Account holder dies, we will require a death certificate or appropriate notice of death. We reserve the right to request additional documents or require that additional steps are taken where and/or where reasonably considered appropriate by us, in light of the individual circumstances of the deceased (for example where the deceased died abroad or where the death certificate is issued by a country outside the UK). Once we have received acceptable documentation and are satisfied that all relevant liabilities have been settled (including any arising to the UK tax authorities), we will accept written instructions from the following persons:
 - (i) in the case of an individual Account holder or a last surviving joint Account holder, the deceased person's personal representative (or all the personal representatives jointly, if more than one) who is able to show to our reasonable satisfaction that he/she has (or they have) obtained a grant of probate or letters of administration issued by the High Court of Justice in England and Wales which entitles him/her (or them) to deal with the deceased's UK estate; or
 - (ii) in the case of a joint Account holder, the Account's surviving joint Account holder(s).
- (b) If an Account holder is not capable of managing his or her affairs, we will require appropriate notice of this and evidence to our reasonable satisfaction of the person(s) or body who has authority to deal with the Account holder's affairs during the time that they are not capable of managing them. Once we have received acceptable documentation we will accept written instructions from such person(s) or body. We have no obligation to make enquiries as to the Account holder's continuing inability to manage his or her affairs and will assume that such situation exists until we receive evidence otherwise.
- (c) If an Account holder becomes bankrupt or goes into liquidation, receivership, administration or the equivalent, this Agreement will remain in force and charges, costs, fees, interest (where payable), and other debts will continue to accrue until the Account is closed.
- (d) Under English law, both individual and joint accounts may be held as a bare trust for someone else simply by designating the account as such. More complex trust arrangements should be set up by formal agreement. The operation of this type of account and in particular the rules on survivorship will be subject to English law and you should be aware that this may not be the same as the laws of other countries.
- (e) If you have an Account identified by a number or code, the provisions of this Agreement will apply to you in the same way as they would if your name appeared as the Account holder, and the words "you" etc. will apply to you in the same way.

(f) Where we have made reasonable efforts to contact you but have been unable to do so for a period of not less than twenty four (24) months we will, subject to your further instructions, consider your Account no longer active. In these circumstances we will be entitled to operate the Account on an execution only basis, save that we may take whatever reasonable steps as we may deem necessary to operate the Account in your best interests which may include replacing volatile assets in your Account with less volatile assets.

4. Current and Deposit Accounts

- (a) For information regarding any interest that may be payable on deposits held with us please refer to the Fee Schedule and Payment Terms or please ask us. All internal and external funds transfers to and from your Accounts will be in the currency agreed with you.
- (b) You must:
- take all reasonable steps to keep your Account details, password and other security information and devices secure; and
 - notify us as soon as possible by telephone or in writing if you discover that any of your Account details, password or other security information or devices have been lost or stolen, or misappropriated or that someone else has used (or attempted to use) them without your authority.
- (c) You understand that unless you instruct us otherwise, funds transfers will normally be processed through the current Account held in the currency of the transaction, if you have one in such currency, or through such of your current Accounts as we, in our reasonable discretion, decide, in accordance with Clause 34 (Foreign Exchange). If you do not have a current Account in the currency of the transaction, we may create one in order to process the transaction.
- (d) You may make deposits to your current Account in person, by mail, or by transfer from any other bank, or branch of UBS. You understand that if you send deposits, in any form, in the mail, you do so at your own risk.
- (e) All wire transfers that are sent to your current Account should include your Account number. For payments outside the UK, please ask us for details of the correct payment instruction procedure.
- (f) Where funds are credited to your Account, the date used by us for the purpose of calculating interest due to you will be no later than:
- where funds are deposited by cheque, the Business Day on which the funds are credited to your Account; or
 - in the case of cash placed with us for credit to your Account:
 - in the same currency as that Account;
 - where the transaction only involves a currency conversion between the Euro and Great British pounds sterling ("**GBP**") or another Member State currency, between GBP and another Member State currency, or between two other Member State currencies; or
 - where the transaction involves only us, immediately after we receive the funds.
- (g) We reserve the right to refuse to accept cheques for your Account that are payable to others, even if your name has been written on the cheque to confirm that it should be paid to you, where we have reasonable doubts as to the validity of such cheques.
- (h) We will stop payment on a cheque provided that we receive your instructions before the cheque is received and paid. We may accept oral or written "stop payment" requests from you.
- (i) You agree to notify us as soon as possible, if you recover a "stopped" cheque or receive proof that it has been destroyed or if you want to cancel a stop payment order for any other reason.
- (j) The timescales for each stage of the cheque clearing process are set out in the Fee Schedule and Payment Terms.
- (k) In order to make a payment from an Account, you must give us instructions to make the payment (a "**payment order**") using one of the methods as selected by you in the Account Opening Form.
- (l) You may cancel a payment order by giving instructions to us in accordance with this Agreement as soon as possible. We will use our best efforts to cancel a payment order but may be unable to do so where we have already processed it. For payments you have instructed us to make in the future (e.g. payments by standing order) you may cancel these payments on or before the last Business Day before the date on which the payment was due to be made.

- (m) Subject to Clause 34 (Foreign Exchange), any amounts to be debited or credited to an Account of yours under this Agreement will be debited or credited in the currency of the transaction giving rise to the debit or credit unless you have told us otherwise.
- (n) The time of receipt of a payment order is the time at which the payment order is received by us, provided that:
- a payment order received on a day which is not a Business Day; or
 - a payment order received after our cut-off time, as set out in the Fee Schedule and Payment Terms or as confirmed by us, for the relevant currency, will be deemed received on the following Business Day.
- (o) We may refuse to execute a payment order if you are in breach of this Agreement, where we are permitted to do so by the Applicable Law, or if we believe the execution of such payment order would breach Applicable Law. We will notify you of: (i) the refusal; (ii) if possible, the reasons for such refusal; and (iii) the procedure for rectifying any factual errors that led to the refusal, where we are allowed by Applicable Law.
- (p) Payment Transactions will be carried out within the following timescales:
- in relation to any transaction in Euro, in GBP, or involving currency conversion between Euro and GBP, the payment will be sent by the end of the Business Day following the Business Day of receipt of your instruction; and
 - in relation to any other Payment Transaction in the currency of a country within, and executed wholly within, the European Economic Area, the payment will be sent on or before the end of the fourth Business Day following the Business Day of receipt of the instruction.
- Details of execution times for transactions in other currencies are available on request from us.

Fixed deposit Accounts

- (q) Fixed deposits are for fixed periods as agreed between us, and the interest rate remains unchanged until the end of the fixed period. We will usually pay interest on fixed deposits at the end of the term.
- (r) You should notify us no later than 11.00 a.m. London time, two (2) Business Days prior to the end of the term of a fixed deposit of your instructions in relation to the deposited funds. If we do not receive your instructions then we will place the deposited funds, plus any interest due, into your Account.
- (s) You cannot make withdrawals from fixed term deposits or terminate a fixed deposit Account before the agreed maturity date and you should not enter into a fixed term deposit if you think that you may need some or all of your money before the end of the deposit term. However in exceptional circumstances (for example death, critical illness or extreme financial hardship) early repayment or termination of the Account may be permitted at our sole discretion and subject to the conditions set out in the Fee Schedule and Payment Terms applicable to your Account. We may agree to a request to advance funds to you against a deposit as an alternative.
- (t) Interest will accrue on a 365 day year basis on all GBP interest earning Accounts. In any other currency, interest, if applicable, will accrue on the customary money market basis (usually on a 360 day year basis).

5. Compensation Arrangements

- (a) We are covered by the UK Financial Services Compensation Scheme ("**FSCS**"). The FSCS can pay compensation for claims by eligible claimants if a bank is unable to meet its financial obligations. Most depositors, including most individuals and small businesses, are covered by the FSCS. In respect of claims in relation to deposits, these are subject to a limit which, as at November 2017, is set at £85,000 per depositor per authorised firm. In addition, certain deposits, known as temporary high balances, may qualify for compensation in excess of £85,000.
- (b) For joint Accounts each Account holder is treated as having a claim in respect of their share so, for a joint Account held by two eligible depositors, the maximum amount that could be claimed would be £85,000, per person (making a total of £170,000). The limit relates to the total combined amount in all of the eligible depositor's Accounts with the bank, including their share of any joint Account, and not to each separate Account.
- (c) Claims under the FSCS in respect of investment business are also subject to maximum limits on compensation. The compensation limit as at November 2017 is currently set at

£50,000 per client per authorised firm, in accordance with the FCA Rules. For advising on or arranging insurance business, protection as at November 2017 is provided for 90 per cent. of the claim without any upper limit. For advising on or arranging home purchase finance, protection as at November 2017 is provided up to £50,000.

- (d) We will provide further information on the conditions governing compensation and the formalities which must be completed to obtain compensation upon request by you. For further information about the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk.

6. Insufficient Funds and Overdrafts

- (a) If at any time you do not have enough funds in one of your Accounts or fail to provide funds to cover cheques or payment orders presented to us, or amounts required to complete any investment or foreign exchange transaction, or to meet any debt or other monies owing to us including any costs or fees, we may, at our reasonable discretion:
- return the cheque or other instrument unpaid to your Account;
 - refuse to complete the transaction;
 - complete the transaction and recover any associated fees and charges by debiting any other Account(s) we hold for which you are the Account holder; or
 - complete the transaction and create an unauthorised overdraft on your Account. Interest will be charged on such unauthorised overdraft balances at the rate set out in the Fee Schedule and Payment Terms. Any unauthorised overdraft will be repayable by you within a reasonable time frame following our demand.
- (b) Where we agree an authorised overdraft, this will be documented under a separate overdraft agreement. You are not entitled to overdraw an Account in any other circumstances (other than as set out in Clause 6(a) above), or to exceed an authorised overdraft limit, without our prior consent.
- (c) We may require you to maintain a minimum balance in certain Accounts and/or for certain services provided by or through us. If the required minimum balance is not being maintained, then where we have given you notice in a commercially reasonable manner and time frame of our intention to do so and you have not met the minimum balance, we may transfer monies from any of your other Accounts or realise investments in order to restore the minimum balance.

7. Custody Services

- (a) You have appointed us to open a safe custody account (the "**Account**") for you and to accept for deposit in the Account stocks, shares, bonds, money market instruments and other investments and/or securities, including accompanying certificates and/or documents of legal title (each a "**Security**" and together "**Securities**").
- (b) We will only accept for deposit such Securities as are acceptable to us in our reasonable discretion and you are responsible for delivering such Securities to us at your own risk. We will return to you, in a commercially reasonable manner, any Securities which are not acceptable. You should be aware that precious metals are not held by us in physical form, we are therefore unable to take physical delivery of them and you may not withdraw precious metals in physical form from your Account.
- (c) Where you deliver Securities for deposit with us that are capable of being registered, you will also deliver any such completed transfer forms as we may reasonably require.
- (d) For Securities capable of registration, you authorise us, using our reasonable discretion, to register them in the relevant record of legal title:
- in your name or in the name of any nominee company permitted by the FCA Rules (which may include an Affiliate); or
 - (where the Securities are subject to the law or market practice of a country other than the UK and we have taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do so because of the nature of the Applicable Law or market practice) in:
 - the name of any third party (if we are prevented from registering or recording legal title in accordance with sub-clause (i)); or
 - our own name (if we are prevented from registering or recording legal title in accordance with sub-clauses (i) or (ii) (aa)). Please note that where legal title to Securities

is registered or recorded in our name such Securities may not be separately identifiable from our investments and in the event of our insolvency your assets may not be as well protected from claims made on behalf of our general creditors),

provided that legal title to Securities shall not be registered or recorded in any name used for registration of investments belonging to us unless your ownership is set out separately in our records from investments belonging to us and any other requirements of the FCA Rules are satisfied; and

- deposit bearer Securities (i.e. Securities where physical possession of the security is evidence of ownership) in our name or our sub-custodian's name in the sub-custodian's own vaults, or otherwise with any reputable sub-custodian (including any nominee) or settlement system (including any Associate and the settlement systems operated by Clearstream Banking SA or Euroclear Bank SA/NV).
- (e) We may appoint agents and hold your Securities through sub-custodians or settlement systems (whether in the UK or overseas) on our usual terms of business or on such other terms as we may reasonably consider appropriate or as may be required by the relevant settlement systems. In each case the services we provide to you shall be subject to any requirements of, or restrictions resulting from, the terms in place between us and agents, sub-custodians or settlement systems. Such terms may permit the sub-custodian or settlement system to delegate the holding of your Securities and you further agree such terms may, to the extent permitted by FCA Rules, include terms granting the sub-custodian or settlement system, or permitting the sub-custodian or settlement system to grant, a security interest, right of set off, lien, or similar encumbrance or right over your Securities. The FCA Rules permit in limited circumstances (for example if required by the applicable law in a third country in which any of your Securities are held) the granting of a security interest, right of set off or lien to a sub-custodian or settlement system that enables them to recover debts that do not relate to you or the business transacted by us with or on behalf of you. As a result, if your Securities are disposed of to recover debts unrelated to you, we may only have an unsecured claim against the sub-custodian or settlement system on your behalf, and you will be exposed to the risk that the securities, cash or any other property received by us from the sub-custodian or settlement system are insufficient to satisfy your claim. We may delegate to any agent, sub-custodian or settlement system (including any Associate) any and all of our functions, duties or discretions (including any power of sub-delegation) under this Agreement.
- (f) Where we arrange for your Securities to be held in accounts outside the UK that are subject to the law of a jurisdiction other than an EEA state, there may be different settlement, legal and regulatory requirements from those applying in the UK, together with different practices for identifying investments and your rights may differ accordingly. In particular, take note that in respect of Securities held outside the UK, in the majority of countries, legal title to your Securities is recorded in the name of our nominee or in the name of a nominee appointed by one of our carefully selected sub-custodians or settlement systems (or their respective delegates) around the world. The purpose of Securities being "registered in a nominee name" is that in the event either we or one of our sub-custodians or settlement systems, were to become insolvent (or subject to similar proceedings) then the Securities would be "segregated" from the assets of UBS, and the relevant sub-custodian or settlement system, and your position as ultimate owner should be recognised. However, there are certain countries where this may not be the case, and while every care is taken in selecting our sub-custodians and settlement systems you should be aware that in those countries your Securities may not be as well protected.
- (g) We will use the same care with respect to the safekeeping of Securities held in the Account as we use in respect of our own similar property.
- (h) Your Securities may be held with a sub – custodian or settlement system in an omnibus account where they are pooled with the Securities of other clients of the same issue or nature. This means that you will have no right to any specific Securities deposited, or to specific numbers or denominations, or in the case of coins and bars, to a specific year or mintage, but shall have a beneficial interest in Securities (or other assets) of that type held by us for you.**

Where entitlements or other benefits, such as voting rights or as dividends, arise in relation to Securities held in an omnibus account, such entitlements or other benefits will be allocated to you in proportion to the number of Securities held by us for you in that account. With Securities held in an omnibus account arrangement described above there is a risk that:

- (i) your Securities may be registered collectively in the same name as the Securities of our other clients or otherwise held together with those of other clients of UBS AG. This means that your Securities may not be separately identifiable from those of other clients, and in the event of a shortfall (that cannot be remedied) on Securities held in that name or otherwise held together, all clients will share in the shortfall in proportion to their entitlement to the Securities;**
- (ii) Securities held for one client are temporarily used to meet the settlement obligations of another client; and**
- (iii) The Account balance for the Securities does not reconcile with the balance that we or any sub-custodian is required to hold.**

In order to mitigate the risk of the unauthorised use of your Securities for the account of another client we will perform reconciliations to verify that the Securities we hold do not fall short of what we should be holding for our clients. Where a shortfall is identified by us we will resolve the shortfall, as further explained in Clause 30 (Client Money).

You acknowledge and agree to the risks of holding Securities in an omnibus account.

- (i) Unless you instruct us otherwise in writing, we will collect, as they become payable, principal, interest, dividends or other sums payable to you in respect of Securities and we will pay any such sums received into your current Account.
- (j) Unless you specifically instruct us otherwise, any dividends that you may be entitled to in respect of assets in your Account will be received in the form of either cash or shares as specified as the default option in the documentation produced by the issuer of the Securities.
- (k) We will provide you with a statement of account on at least a quarterly basis (or as often as we may be required by Applicable Law) showing the Securities held for you and income received and we will give you such other information as to the Securities as you may reasonably request. You may also request to receive statements of account on a more frequent basis and we will comply with such requests, in accordance with the FCA Rules. We may charge you for any such additional statements at a price specified by us from time to time.
- (l) Unless we receive your instructions to the contrary or unless we have discretionary authority to do so, we will not reinvest the income earned by your Securities on your behalf.
- (m) Unless you have told us otherwise, we will use reasonable endeavours to notify you of material notices or other communications received by us in respect of the Securities (for example, relating to changes to voting rights, calls on shares, bonus issues, takeovers, other offers or capital reorganisations).
- (n) We shall not be obliged to and shall not exercise any voting rights arising from Securities unless authorised to do so by you. We shall not be responsible for exercising any rights, privileges or options attaching to the Securities except as specified in this Clause 7 (Custody Services).
- (o) We may, in our reasonable discretion, pay any sums called for or due in connection with the Securities and charge them to your Account.
- (p) You accept that we, our agents and others will be obliged in certain circumstances to withhold tax or amounts in respect of tax arising in connection with the Securities and to pay it to the appropriate tax authorities. You agree that we may make on your behalf any declarations required by the UK tax authorities for the purpose of obtaining an exemption from UK tax on amounts payable under the Securities, and that you will complete any documents we need to do this.
- (q) You shall give us such information as to nationality, residence or domicile for tax or other legal purposes and such other information as to your tax or other status as we may reasonably request. You confirm that any such information is true and accurate and that it remains true and accurate until you tell us otherwise.
- (r) You agree to pay all calls, stamp duties, taxes, insurance fees, expenses or other sums which are required to be paid in respect of the Securities.
- (s) You agree that we are not required to make on your behalf any reports which you are required to make to any regulatory or tax authority (for example the FCA) and you agree to take all necessary steps to meet your own regulatory or tax reporting obligations under Applicable Law.
- (t) We and our nominee(s) shall be entitled in any case in our absolute discretion to refuse to accept any instructions with respect to the appointment of a proxy at any meeting.

Investment Services

8. Advisory Services

Client categorisation

- (a) In providing our services under this Agreement, we have categorised you as a retail client (as defined in the Glossary, "Private Client"). You may request that you are treated as a professional client. Where you do not satisfy the criteria for being classified as a professional client per se, we, in our absolute discretion, are permitted to treat you as a professional client in circumstances where:
 - (i) We have undertaken an assessment of your expertise, experience and knowledge in light of the nature of the transactions or services envisaged, and are reasonably satisfied that you are capable of making your own investment decisions and understanding the risks involved; and
 - (ii) At least two of the following criteria are satisfied:
 - (aa) You have carried out transactions of a significant size on the relevant markets at an average frequency of 10 per quarter over the previous four quarters;
 - (bb) The size of your financial investment portfolio including cash, deposits and financial instruments exceeds £500,000;
 - (cc) You work or have worked in the financial sector for at least one year in a professional position which requires knowledge of the transactions or services envisaged by this Agreement.
 - (iii) You will have to confirm in writing that you wish to be treated as a professional client in relation to any of the services contemplated by this Agreement and that you have read and considered the statement provided to you by us setting out the protections and investor compensation rights you will lose as a result and that you are aware of the consequences of losing these protections.

General provisions applying to all advisory services

- (a) We will discuss your financial situation, investment objectives, risk profile and knowledge and experience with you, and we will advise you in relation to investment opportunities taking these into account. You must tell us if your financial situation, investment objectives, risk profile or knowledge and experience changes and until such time as you do, we shall be entitled to rely on the most recent information which we hold where it is reasonable for us to do so.
- (b) In accordance with the FCA Rules and in order to be able to act in your best interests, where we provide you with the advisory service, we will assess the suitability of any investment advice which we give you. Where required by the FCA Rules, we will provide you with a suitability report that includes an outline of the advice given and how the personal recommendation provided is suitable, including how it meets your objectives and personal circumstances. Where you instruct us to arrange a transaction arising from our advice, this report will be provided to you prior to the transaction unless it is concluded by means of distance communication (for example, by phone), which prevents the prior delivery of the suitability report. In this case, you consent to us providing the suitability report to you without undue delay after the transaction. You have the option of delaying the transaction in order to receive the suitability report in advance. If you wish to do this, you should inform us before instructing us to execute the transaction. We will review your advisory portfolio(s) and assess whether the investment:
 - (i) meets your investment objectives and risk profile;
 - (ii) is such that you are able to financially bear any related investment risks consistent with your investment objectives and risk profile; and
 - (iii) is such that you have the necessary knowledge and experience to understand the risks involved with the transaction.
- (c) Upon receipt of our advice, you may decide whether to disregard it (in whole or in part) or to act upon it (in whole or in part)

by instructing us to effect a transaction on your behalf. If however you insist on proceeding with a transaction against our advice, we will clearly inform you that the course of action you wish to undertake is not suitable for you, and provide you with a clear explanation of the potential risks you would incur by doing so. In such circumstances, we may decline to act on your instruction as we think fit, and we may in our reasonable discretion transfer those assets to an Execution Only Portfolio, or require the transaction be executed across an Execution Only Portfolio as described in Clause 13. You acknowledge that unless we inform you otherwise, any investment recommendations provided by us shall be intended to be acted upon promptly.

- (d) For the avoidance of doubt, your specific instructions shall be required prior to the execution by us of any transaction.
- (e) The advice we provide is restricted advice which means that we will advise and make a recommendation to you that is based on and takes into account limited types of products, or products from one company or a limited number of companies. In relation to some asset classes, we may make our recommendations to you from among investment products issued or provided solely by companies with which we have close links, such as other UBS entities, or other legal or economic relationships, such as contractual relationships, rather than including those issued or provided by the market more broadly. Our advice will not be based on every single equivalent product within a given product category. We have no obligation to bring investment opportunities to your attention or to update information or advice provided.
- (f) The UBS investment universe which we advise on will be monitored on a regular basis. Where your advisory portfolio(s) contain assets outside the UBS investment universe or you request us to purchase assets outside the UBS investment universe, we may in our reasonable discretion transfer those assets to an Execution Only Portfolio as described in Clause 13 (Execution Only).
- (g) Unless you have notified us in writing that you do not wish to be notified of such events, we will use reasonable endeavours to advise you on material notices or other communications received by us in relation to assets held in your advisory portfolio(s) which require action by you. On occasions where we only receive these notices or other communications at very short notice, you accept that it may not be possible for us to form an opinion or provide advice in the time required.
- (h) Where you have indicated you wish to be provided with advice on alternative investments (including but not limited to Unregulated & Unrecognised Collective Investment Schemes, regulated and unregulated Hedge Funds, Private Equity, Indirect Property/Real Estate Funds, Commodities and Venture Capital Trusts), you acknowledge and agree that:
 - (i) we may require that you complete additional documentation; and
 - (ii) information about alternative investments regarding pricing and valuations is not always available on a timely basis. Accordingly, whilst we shall use reasonable endeavours to ensure that you are provided with up-to-date information, you acknowledge and agree that any information contained within any valuation statements provided may not represent the true value of your investments at that time.

UBS Advisory

- (i) Unless you have indicated otherwise, we shall be appointed as your non discretionary investment manager in respect of all assets held in your UBS Advisory Portfolio (the "**UBS Advisory Portfolio**"). In this case, in addition to subclauses 8(a) to 8(h) above, the following shall apply:
 - (i) communication will typically be at least annually and will address the continuing suitability of the assets held in your UBS Advisory Portfolio to your particular circumstances and the need to reassess your UBS Advisory Portfolio against your financial situation, investment objectives, risk profile and knowledge and experience where necessary;
 - (ii) any updated recommendation made as a result of the suitability assessment will be communicated to you in writing;
 - (iii) where we have previously agreed, we will provide you information about the performance of your portfolio against an agreed benchmark; and
 - (iv) the UBS Advisory service may be terminated at any time by you, and the assets held in your UBS Advisory Portfolio will then be held by us on an Execution Only basis as described in Clause 13 (Execution Only).

UBS Active Portfolio Advisory

- (j) Where you have indicated that you wish to be provided with a UBS Active Portfolio Advisory service, we shall be appointed your non discretionary investment manager in respect of the assets held in your UBS Active Advisory Portfolio (the "**UBS Active Advisory Portfolio**"). In this case, in addition to sub-clauses 8(a) to 8(h) above, the following shall apply:
 - (i) communication will typically be at least annually and will address the continuing suitability of the assets held in your UBS Active Advisory Portfolio to your particular circumstances and the need to reassess your UBS Active Advisory Portfolio against your financial situation, investment objectives, risk profile, and knowledge and experience where necessary;
 - (ii) any updated recommendation made as a result of the suitability assessment will be communicated to you in writing;
 - (iii) we shall provide you with direct access to UBS market and product specialists for the purposes of the UBS Active Portfolio Advisory service. We shall provide you with the names and contact details of those UBS employees who shall be providing the UBS Active Portfolio Advisory service to you; and
 - (iv) where you terminate the UBS Active Portfolio Advisory service (in accordance with Clause 25 (Termination)), you must specify whether you wish to receive the UBS Advisory service instead of the UBS Active Portfolio Advisory service or whether the assets held in your UBS Active Advisory Portfolio will be held by us on an execution only basis as described in Clause 13 (Execution Only). If you do not specify which service you wish to receive going forward, or if we terminate the UBS Active Portfolio Advisory service in accordance with sub-clause 25(b), then we will assume you wish to receive the UBS Advisory service.

Hedge Fund Advisory

- (k) Where you have indicated that you wish to be provided with a Hedge Fund Advisory service, we shall be appointed your non discretionary investment manager in respect of the assets held in your Hedge Fund Advisory Portfolio (the "**Hedge Fund Advisory Portfolio**"). In this case, in addition to sub-clauses 8(a) to 8(h) above, the following shall apply:
 - (i) communication will typically be at least annually and will address the continuing suitability of the assets held in your Hedge Fund Advisory Portfolio to your particular circumstances and the need to reassess your Hedge Fund Advisory Portfolio against your financial situation, investment objectives, risk profile, and knowledge and experience where necessary;
 - (ii) any updated recommendation made as a result of the suitability assessment will be communicated to you in writing;
 - (iii) for the avoidance of doubt, the selection and determination of hedge fund investments that suit different investment strategies will be at our sole discretion;
 - (iv) we shall provide you with the names of those UBS product specialists who shall be providing the Hedge Fund Advisory service to you; and
 - (v) where you terminate the Hedge Fund Advisory service in accordance with Clause 25 (Termination), you must specify whether you wish to receive the UBS Advisory service instead of the Hedge Fund Advisory service or whether the assets held in your Hedge Fund Advisory Portfolio will be held by us on an execution only basis as described in Clause 13 (Execution Only). If you do not specify which service you wish to receive going forward, or if we terminate the Hedge Fund Advisory Service in accordance with sub-clause 25(b), then we will assume you wish to receive the UBS Advisory service.

9. UBS Discretionary

- (a) Where you have indicated that you wish to be provided with a discretionary investment management service, you appoint us as your discretionary portfolio manager in respect of those investments and other assets notified to us in writing (whether in the discretionary service mandate or otherwise) and any other investments or assets which you may transfer to us as part of the discretionary service, together with:
 - (i) any capital sums arising from such investments or assets, being the proceeds of sale of such investments or assets and the investments or assets bought with such cash or proceeds of sale; and

- (ii) (unless you tell us otherwise in writing) any income arising from such investments or assets (all in this Agreement collectively referred to as the "**Discretionary Portfolio**").
- (b) You authorise us to enter into transactions and arrangements without prior reference to you on your behalf and for your Account, subject to your investment objectives and any restrictions that may have been agreed between you and us.
- (c) Where we provide you with an illustration of your Discretionary Portfolio detailing specific investments and/or assets prior to investment, we may be unable to invest in such investments and assets at the time of investment due to circumstances beyond our control. In such circumstances we reserve the right to invest in such other investments and assets as we reasonably see fit but, without prejudice to our overall discretion, subject to your investment guidelines set out in the discretionary service mandate or as subsequently notified to us.
- (d) Where we reasonably believe that we act in your best interests in doing so, we may aggregate your portfolio both with the portfolios of other clients and with our monies or investments in order to make a common investment decision for a number of portfolios managed by us.
- (e) We will not enter into transactions for which you may have to make further payments unless separately agreed with you. Short-term overdrafts may, however, be permitted in certain circumstances in the routine investment process as set out in Clause 6 (Insufficient Funds and Overdrafts) above.
- (f) You may at any time notify us that you wish to withdraw any assets from the Discretionary Portfolio. When we receive such a notice, we shall, as soon as practicable, and subject to your compliance with existing trading commitments, comply with your directions (subject to sub-clause 9(i) below). Your right to withdraw property is subject to Clause 21 (Right of Set-off), the provisions of any charge over accounts and Securities or other security documentation including any restrictions on withdrawal or substitution of assets and any restrictions specific to the asset.
- (g) Where we effect transactions in Derivatives or structured products on your behalf, Clause 11 (Derivatives and Structured Products) shall apply to our engagement in those transactions.
- (h) You acknowledge and agree that where we invest in funds on your behalf, we shall not be liable to you for any breach of any investment restriction imposed by you where such breach arises as a consequence of the particular specific investments of and by that fund.
- (i) We may from time to time invest in certain investments which may only be held in your Discretionary Portfolio and so cannot be transferred into a different type of account. Therefore, when a discretionary service is terminated you give us authority us to sell, redeem, exchange or otherwise dispose of such investments as we in our reasonable discretion see fit.

10. Suitability

- (a) In accordance with the FCA Rules, and to enable us to act in your best interests, where we have agreed to provide you with a discretionary investment management service and/or an advisory service, we will assess the suitability of any discretionary management decision (in the case of a discretionary service) and/or any investment advice (in the case of an advisory service) which we make on your behalf or give to you, and in the case of investment advice, provide you with a suitability report each time we provide any investment advice.
 - (b) This means that we will assess whether the investment:
 - (i) meets your investment objectives and risk profile;
 - (ii) is such that you are able financially to bear any related investment risks consistent with your investment objectives and risk profile; and
 - (iii) is such that you have the necessary knowledge and experience to understand the risks involved with the transaction or with the management of your portfolio (as the case may be).
 - (c) Unless we agree otherwise with you in writing, we will assess suitability primarily by reference to the suitability of the composition of your portfolio as a whole. This means that your portfolio may contain a number of different investments with different risk profiles which may have a higher (or lower) risk profile than the overall risk profile of the portfolio.
 - (d) So that we can assess the suitability of transactions, we will ask you to provide us with information regarding your knowledge and experience of the investments in question, your investment objectives (including the level of risk you are prepared to take) and your financial situation, including your ability to bear losses. This information will be contained in risk profiling documents that you complete, client records that we hold on you as well as information that you provide to us.
- (e) It is important that the information you provide to us is accurate and up to date. You should inform us immediately of any changes to your circumstances which may be relevant or changes to the information you have provided us with. If you do not inform us otherwise we are entitled to rely on the information you have given to us.
 - (f) In order to enhance our service, we shall review the suitability of recommendations we have given you at least annually. We will also contact you from time to time to ask whether the information that you have provided remains accurate. Where we are unsure if the information you have provided to us is manifestly out of date, inaccurate or incomplete, you will be asked to provide further information and where this is not provided we may cease providing you with these services.
 - (g) If you are required by Applicable Law to have your own investment policy statement, it is your responsibility to ensure this Agreement, as amended from time to time, complies with and is not in conflict with your current investment policy statement.
 - (h) Where: (i) you are an undertaking and have a corporate, trust or other legal person Account; or (ii) you are two or more natural persons with a joint Account; or (iii) you have appointed a third person to represent you on your Account, we will inform you of our policy as to who will be the subject of the suitability assessment and how we will do this in practice, which will include explaining from whom information about knowledge and experience, financial situation and investment objectives shall be gathered.
 - (i) Where the agreement to buy or sell a financial instrument is concluded between us and you using a means of distance communication which prevents the prior delivery of the suitability report, we may provide you with the suitability report immediately after you are bound by any agreement provided that:
 - (i) you provide your express consent to receiving the suitability report without undue delay after the conclusion of the transactions; and
 - (ii) you confirm that you do not wish to delay the transaction in order to receive the suitability report in advance.

11. Derivatives and Structured Products

- (a) Where you have authorised us to do so (whether in the Account Opening Form or otherwise), our services may include advising on and/or carrying out on and off-exchange Derivatives transactions. This may include margined transactions and Contingent Liability Transactions. Margin is the amount of cash or assets which you are required to deposit with us when you enter into certain transactions. You will provide us with Margin (whether initial Margin or variation Margin) on our request in respect of a Contingent Liability Transaction. Contingent Liability Transactions are transactions which require you to make a series of payments against the purchase price, as opposed to paying the full value of the transaction immediately.
- (b) Initial Margin is the amount in cash or assets we may require you to deposit upfront in order to meet a liability when you enter into certain transactions. We reserve the right to determine the amount of initial Margin required and to vary it according to exchange or regulatory requirements and market conditions in order to manage our rights with respect to your position.
- (c) Variation Margin may be required where the market moves against you in order to maintain your positions in the investments and so may be called upon on short notice to provide this. This is called a "**margin call**".
- (d) If you fail to provide the Margin within forty eight (48) hours of our request, then we will be entitled to:
 - (i) close out the relevant Contingent Liability Transaction early; and
 - (ii) use funds and/or Securities held in Account(s) maintained with us as Margin.
- (e) You should be aware that calls for Margin or security will generally be made at short notice and if we are unable to contact you or, if for any other reason you fail to pay or provide Margin on the due date, we may treat such failure as an Event of Default under Clause 26 (Involuntary Termination) of this Agreement. Please note that in these circumstances sub-clause 26 (a)(i) shall not apply which means that you will not have an additional three (3) Business Days after we have given you notice to meet your obligations under this Clause 11 (Derivatives and Structured Products). We may transfer Margin or security to an exchange, clearing house, broker or counterparty. We

may pool Margin/security with other Margin/security provided by other clients.

- (f) Transactions involving Derivatives and/or structured products will be effected by us as principal or as agent and where effected by us as your agent the terms of sub-clause 2(b) will apply to those transactions.
- (g) Where we advise you on or make arrangements in relation to structured products, we will often show you indicative terms and prices for such products. You acknowledge that when you instruct us to buy a structured product on the basis of indicative terms provided to you, we will use our reasonable endeavours to match these indicative terms and we may effect final terms on your behalf which aim to achieve a similar economic effect but which may not be identical to the indicative terms.
- (h) Where we have provided you with a Key Information Document (KID) or Key Investor Information Document (KIID) in a durable medium, other than by paper or published on a website, then on your request we will provide you with a paper copy of the KID or KIID, free of charge.
- (i) You acknowledge that in the event of your death or if you are unable to manage and administer your property and affairs, the seller of the product may treat this as an Event of Default under the terms of the product and which may result in the termination of the product.
- (j) There may be occasions where, in order to carry out transactions for you, we have to enter into master documentation (such as that endorsed by the International Swaps and Derivatives Association Inc.) on your behalf. You authorise to do so and authorise us to give any necessary representations and warranties on your behalf. These typically relate (but may not be restricted) to the following:
 - (i) *Status*. Where applicable, you are duly organised and validly existing under the local laws of the jurisdiction of your organisation or incorporation and, if relevant under such laws, in good standing;
 - (ii) *Powers*. You have the power and capacity to execute the master agreement and all contracts and transactions and any other documentation relating to the master agreement, contracts or transactions to which you are a party, to deliver the master agreement and all contracts and transactions and any other documentation relating to the applicable master agreement, contracts or transactions that you are required to deliver and to perform your obligations under the applicable master agreement and all contracts and transactions and have taken all necessary action to authorise such execution, delivery and performance;
 - (iii) *No Violation or Conflict*. Such execution, delivery and performance do not violate or conflict with any law applicable to you, any provision of your constitutional documents (where applicable), any order or judgment of any court or other agency of government applicable to you or any of your assets or any contractual restriction binding on or affecting us or any of your assets;
 - (iv) *Observation of Rules*. You will at all times observe and comply with any relevant rule, regulation, established market practice, law or company constitution which may apply to you directly or indirectly arising from or connected with the Derivative/structured product transaction;
 - (v) *Directorships*. Where applicable, unless you inform us otherwise, you are not a director or employee (or connected to any such person) of the issuer of the underlying securities, nor do you expect to become such a director or become connected to such during the currency of the Derivative/structured product transaction;
 - (vi) *Inside Information*. You have no information in relation to the company which issued the underlying securities as an insider. For these purposes, you have information as an insider if it is, and you know it is, non-public, price sensitive information (in the sense that if such information were made public it would be likely to have a significant effect on the price of relevant securities) and you have it, and know that you have it, from an inside source. A person has information from an inside source if: (1) he has it through: (a) being a director, employee or shareholder of an issuer of securities; or (b) having access to the information by virtue of his employment, office or profession; or (2) the direct or indirect source of his information is a person within (1);
 - (vii) *Tax and Legal Advice*. You will have taken all necessary independent professional tax and legal advice on any relevant matters;

(viii) *Consents*. All governmental and other consents that are required to have been obtained by you with respect to the master agreement and all contracts and transactions have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(ix) *Obligations Binding*. Your obligations under the applicable master agreement and all contracts and transactions constitute your legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general law (regardless of whether enforcement is sought in a proceeding in equity or at law));

(x) *Absence of Certain Events*. No event of default or event which, with the giving of notice or the lapse of time or both, would constitute an event of default, with respect to you has occurred and is continuing and no such event or circumstance would occur as a result of your entering into or performing your obligations under the applicable master agreement or any contract or transaction; and

(xi) *Absence of Litigation*. There is no pending or, to your knowledge, threatened against you or any of your affiliates (where applicable) any, action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against you of the master agreement or any contract or transaction or your ability to perform your obligations under the master agreement or such contract or transaction.

- (k) You will notify us in writing immediately if:
 - (i) any of the matters set out in this clause 11 (Derivatives and Structured Products) above cease to be correct as applicable to you; or
 - (ii) you consolidate or amalgamate with, merge with or into or transfer all or substantially all your assets to another entity; or
 - (iii) it becomes unlawful or impossible for you to perform any of your objectives; or
 - (iv) any of the events described in Clause 26 (Involuntary Termination) occurs; or
 - (v) you default under any Derivative transaction or structured product or in relation to any indebtedness in respect of borrowed money.

12. Collective Investment Schemes and Unit Trusts

- (a) With respect to any of the services we provide to you, if we are authorised to acquire or dispose of units in Collective Investment Schemes (which expressly includes unit trusts), we may do so whether or not those schemes are Regulated Collective Investment Schemes and (whether regulated or not) these schemes may be operated or advised by us or one of our Associates.
- (b) In respect of any transactions we effect on your behalf in units in a Regulated Collective Investment Scheme, you should note that (without prejudice to Clause 25 (Termination)) you will not have the right to cancel any such transaction under the FCA Cancellation Rules.

13. Execution Only

- (a) We may open an Execution Only portfolio ("**Execution Only Portfolio**") for you on the terms set out in this Clause 13 (Execution Only) in the following circumstances:
 - (i) if you instruct us to do so in the Account Opening Form or where you later instruct us to do so;
 - (ii) as and when required (for instance when assets can no longer be held within your UBS Advisory Portfolio, UBS Active Advisory Portfolio and/or Hedge Fund Advisory Portfolio); or
 - (iii) on the first time you give us an instruction to effect a transaction on your behalf other than following advice provided by us to you (an "**Execution Only Transaction**"), and where we do so, you appoint us to execute transactions on your behalf on the basis of your specific instructions.
- (b) Where you instruct us to enter into Execution Only Transactions under this Agreement, you will keep full responsibility for making all investment decisions (subject to sub-clauses 13(d) and 13(e) below) and it is your sole responsibility to ensure that Execution Only Transactions:
 - (i) are suitable for you on the date you enter into them and remain suitable for you on a continuing basis;

- (ii) are in accordance with your investment objectives and risk profile; and
- (iii) comply with any Applicable Law.
- (c) In accordance with the FCA Rules, where we have agreed to carry out your instructions in relation to Execution Only Transactions, we are not required to ensure the suitability of any transaction for you and so you will not have the benefit of the protections of the FCA Rules on assessing suitability, but we may in certain circumstances be required to ensure the appropriateness of transactions.
- (d) If you instruct us in relation to a transaction in a product that is non-complex, for example shares that have been admitted to trading on a Regulated Market or an equivalent market in a country outside the EEA, money market instruments, bonds or other forms of securitised debt, units in a UCITS fund, we will not assess the appropriateness of the transaction for you and so you will not have the benefit of the protection of the FCA Rules on suitability and you will be responsible for determining whether transactions entered into are in line with your investment objectives and risk appetite.
- (e) Where you instruct us in relation to Execution Only Transactions, in relation to a "complex product", for example asset-backed securities; types of bonds such as convertible or subordinated; certificates; contracts for difference (CFDs); credit linked notes; structured products; and warrants. In the case of such products we will assess the appropriateness of the transaction by reference to your experience, knowledge and understanding of the risks involved. If we consider (on the basis of the information that we hold about you) that the transaction is not appropriate for you, we will warn you about this. If you ask us to proceed and we provide the service to you (or, as the case may be, we execute the transaction for you despite our telling you that we do not consider it appropriate), you shall be solely responsible for that decision and we shall have no liability to you in respect of it.
- (f) You agree to supply us with all information that we reasonably request to enable us to assess the appropriateness of Execution Only Transactions if required by sub-clause 13(e) above.

14. Securities Lending

Unless separately agreed in writing, we will not for your Account lend your property or deposit it by way of collateral to or with a third party, or borrow money on your behalf whether against the security of your property or otherwise.

Individual Savings Accounts

15. Individual Savings Accounts (ISAs)

- (a) Our ISA is a scheme of investment managed in line with the ISA Regulations by us as the ISA plan manager. There are restrictions on the type of cash and assets which can be held within an ISA.
- (b) We only provide "**Stocks and Shares ISAs**" and we do not provide Cash ISAs. You may only subscribe to one Stocks and Shares ISA during any Tax Year (which shall mean 6 April one year to 5 April the following year).
- (c) Subscriptions to your ISA may not exceed the maximum amount permitted by the ISA Regulations during any Tax Year. You acknowledge that for each Tax Year we shall only make a subscription to your ISA when instructed by you to do so.
- (d) In order to provide you with an ISA, you confirm that all assets held within the ISA will be free of any and all rights of a third party to withhold or retain it, or security rights over it (such as a mortgage or charge), or any pledge or other right of a third party to make claims against it and in all cases are beneficially owned by you.
- (e) Assets within the ISA are held as outlined in Clause 7 (Custody Services), except that assets shall not be registered or recorded in your name. Share certificates or other documents evidencing title to ISA investments will be held by us or as we may direct.
- (f) We will arrange, if you choose do so by telling us in writing, for you to:
 - (i) receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held directly in the ISA; and
 - (ii) be able (subject to any provisions made by or under any other enactment) to:
 - (aa) attend shareholders', securities holders' or unit holders' meetings;
 - (bb) vote; and

- (cc) receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders.

Please contact us for more details. A fee may be payable for this service and if so your Client Advisor will provide you with further information.

- (g) We may arrange for a competent third party to carry out some or all administrative functions and responsibilities associated with the operation of your ISA but where administrative functions and responsibilities are delegated, we will remain responsible for the operation of your ISA.
- (h) We will notify you as soon as reasonably possible if, by reason of any failure to satisfy the provisions of the ISA Regulations, an ISA has, or will, become invalid.
- (i) You may provide us with written instructions to:
 - (i) transfer your ISA with all rights and obligations to another ISA manager. We shall instruct the transfer of any cash or assets held within your ISA to your new ISA plan manager within thirty (30) calendar days following receipt of a letter from your new ISA Plan Manager confirming that they will accept the assets held within your ISA; or
 - (ii) transfer or pay all the investments held in the ISA and proceeds arising from those investments to you.

Miscellaneous Provisions

16. The Risk Factors and Warnings

The Risk Factors and Warnings in the Appendices to this Agreement explain the risks of certain investments and products. You should read these carefully and ask us if you have any questions or if there is anything you do not understand.

17. Exercise of Rights

- (a) Neither our nor your rights under these Terms and Conditions will be lost or restricted:
 - (i) by any previous exercise of them;
 - (ii) by any failure to exercise them;
 - (iii) by any delay in exercising them; or
 - (iv) by exercising them in part only;
 and if we or you exercise or partially exercise a right or remedy under this Agreement this shall not prevent any further exercise of the right or remedy or the exercise of another right or remedy.

18. Conflicts of Interest

As we deal with a large variety of clients and transactions, conflicts of interest arise that cannot always be avoided. We manage conflicts of interest in a number of ways and have a special policy on conflicts of interest. This policy comprises a list of criteria which help to identify potential conflicts of interest which exist for us and sets out our overall approach to the appropriate identification and management of those conflicts of interest. A summary of our policy on conflicts of interest will be provided to the extent required by Applicable Law. Further details about the policy are available on request. We actively manage conflicts of interest in order to minimise any material risk of damage to our clients. Management of these risks may be achieved by, amongst others, one or more of the following: use of information barriers, separate management structures and removal of direct remuneration links, internal processes and procedures, independence arrangements, promoting a culture of integrity, obtaining client consent and in some cases declining to act. Where such conflicts of interest cannot be managed sufficiently to ensure, with reasonable confidence, there are no risks of damage to your interests, we will clearly disclose the general nature and/or sources of the conflict of interest to you and the steps taken to mitigate those risks, before we undertake business with or for you. For example, such potential conflicting interests or duties may arise because:

- (a) either we or an Associate undertakes business for other clients, whose interests differ from your own;
- (b) any of our officers or employees, or those of an Associate, is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on your behalf;
- (c) the transaction is in securities issued by an Associate or the client of an Associate;
- (d) the transaction is in relation to an investment in respect of which we or an Associate may benefit from a commission, fee or mark-up payable otherwise than by you, and/or we or an Associate may to the extent permitted by FCA Rules, also be paid by the counterparty to any such transaction;

- (e) we deal on your behalf with ourselves and/or an Associate; we may act as your agent in relation to transactions in which
- (f) we are also acting as agent for the account of other clients and Associates;
- (g) we may deal in investments as principal with you and we may, acting as principal, sell to or purchase from you currency other than the currency in which you have requested your valuations to be expressed;
- (h) the transaction is in units or shares of in-house funds or any company of which we are or any Associate is the manager, operator, banker, adviser or trustee;
- (i) we may effect transactions involving placings and/or new issues with an Associate who may be acting as principal or receiving agent's commission. Associates may retain any agent's commission or discount or other benefit (including directors' fees) that accrues to them;
- (j) the transaction is in securities of an entity for which we or an Associate have underwritten, managed or arranged an issue or offer for sale within the period of twelve (12) months before the date of the transaction;
- (k) we or an Associate may receive payments or other benefits by reason of acting in corporate finance or similar transactions involving companies whose securities are held by you; and
- (l) the transaction is in securities in respect of which we or an Associate, or an officer or employee of ours, or an Associate, is contemporaneously trading or has traded on its own account or has either a long or short position.

19. Representations & Warranties

- (a) You acknowledge that we provide services to you in full reliance on the confirmations ("**representations**") and statements ("**warranties**") set out in these Terms and Conditions and you will notify us as soon as possible should any of these representations and warranties become incorrect.
- (b) We and you give and make the representations and wording in this Clause 19 (Representations & Warranties) on the day we enter into this Agreement and on an ongoing basis on each day following the beginning of this Agreement until they end.
- (c) You make the following general representations and warranties to us:
 - (i) you have the power to enter into and perform this Agreement and that this Agreement constitutes a legal, valid and binding obligation on you and that you are not, save as disclosed to us in the Account Opening Form, acting as agent or trustee for another person or persons;
 - (ii) that all assets and money supplied by you to us (or an Affiliated Company) for any purpose under this Agreement, are owned by you and are free from: (a) any and all rights of a third party to withhold or retain it; or (b) security rights over it (such as a mortgage or charge); or (c) any pledge or other right of a third party to make claims against it, unless as agreed between us with our prior written consent;
 - (iii) you have obtained all necessary consents and have made all disclosures needed to enter into and perform all of your obligations under this Agreement;
 - (iv) you are liable as principal in relation to this Agreement and all matters in connection with it notwithstanding that you may also be acting as agent for another person or persons;
 - (v) you are the valid legal owner of all investments and other assets held by us or to our order for your Account;
 - (vi) you will keep us informed of changes to your address, residency, nationality and domicile; and
 - (vii) you shall not use your Account or the services provided by us (or allow for them to be used) for any illegal or unlawful purpose.
- (d) We make the following general representations and warranties to you:
 - (i) we have the power to enter into and perform this Agreement and that this Agreement constitutes a legal, valid and binding obligation on us and that we are not, save as disclosed to you, acting as agent for another person or persons; and
 - (ii) we have obtained and will maintain all necessary consents, authorisations, approvals or licences and will take all necessary steps to comply with the terms of the same.

20. Complaints procedures

- (a) We take complaints very seriously and have established procedures in accordance with the FCA's requirements for the consideration and handling of complaints, to ensure that complaints are

dealt with fairly and promptly. You may submit complaints to us free of charge. Our written complaints policy is available at: <https://www.ubs.com/uk/en/wealth-management/about-us/complaints-process.html> This policy will also be provided to you separately and is available upon request.

- (b) If you would like to make a complaint you may contact us either by email on sh-wmuk-chu@ubs.com or by letter at:

The Complaints Handling Unit
UBS AG London Branch
Wealth Management
5 Broadgate
London
United Kingdom
EC2M 2QS
- (c) You may have the right to refer your complaint to the Financial Ombudsman Service, which is an independent dispute resolution service, if:
 - (i) your complaint is not in connection with a Payment Transaction and we do not provide you with a final response within eight weeks from the date we received your complaint, or if you are not happy with our response; or
 - (ii) your complaint is in connection with a Payment Transaction and we do not provide you with a final response within fifteen (15) Business Days, although this may be extended to thirty five (35) Business Days in exceptional circumstances where we are unable to provide you with a final response to your complaint for reasons beyond our control; You may also be able to take civil action.
- (d) The Financial Ombudsman Service can be contacted at: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR, or <http://www.financial-ombudsman.org.uk>.

21. Right of Set-off

- (a) Any charges or payment due to us from you may be set off against payments or sums due from us to you, this means that where we owe you money and you owe us money we may subtract one from the other.
- (b) You authorise us in your name and at your expense to perform such acts and sign such documents as may be reasonable to give effect to any set-off or transfer made under this Clause 21 (Right of Set-Off).
- (c) You will not create any security interest in favour of any third party or otherwise assign, transfer or deal with such assets without our prior consent.
- (d) Except where you are a trustee and you have several Accounts each holding funds for different underlying trusts, where we have more than one Account for you, we may at any time and on thirty (30) days' written notice transfer all or any part of any balance standing to the credit of any such Account to any other such Account which may be in debit, undertaking any related foreign exchange transactions as may be necessary, and we shall notify you that the transfer has been made.

22. Liability

- (a) Neither we, nor any employees, agents or delegates of ours shall be liable for any costs, loss, liability or expense incurred or suffered by you directly or indirectly under or in connection with this Agreement (including, any caused by the insolvency or other default of any market counterparty), except to the extent such loss is due to our or our employees' negligence, breach of contract, wilful default or fraud or is due to the negligence, breach of contract, wilful default or fraud of our nominee company or of an Affiliated Company.
- (b) Nothing in these Terms and Conditions will exclude or restrict any obligation which we have to you under Applicable Law.
- (c) We shall be responsible to you only for any loss of your assets in respect of which we provide custody services where the loss results directly from our negligence, fraud, breach of contract, wilful default or a failure by us to satisfy our regulatory obligation to act in your best interests or the negligence, fraud or wilful default of the nominee company. We shall not be responsible for any loss of investments where we do not provide custody services to you.
- (d) Neither we nor you will be liable for the acts or omissions of any agent, except that in respect of a custodian that is an Affiliated Company of ours or a nominee company controlled by us or by any Affiliated Companies of ours, we accept the same level of liability for their acts and omissions as for our own acts and omissions.

- (e) We will not be liable for any acts or omissions of our Associates or any third party except where specifically accepted in these Terms and Conditions.
 - (f) We will not be liable to you for any delay in performance, or for the non-performance of any of our obligations under this Agreement by reason of any cause beyond our reasonable control, for example, any breakdown or failure of transmission, communication or computer facilities, postal or other strikes or similar industrial action and the failure, or delay of any relevant exchange, clearing house and/or broker for any reason to perform its obligations, any act of God, fire, riot, war, terrorism, civil commotion, act of state or government, prevention from or hindrance in obtaining any materials, energy or other supplies, or labour dispute.
 - (g) Nothing in these Terms and Conditions shall exclude or restrict our liability for death or personal injury arising from our negligence, fraud or fraudulent misrepresentation, or any duty of liability otherwise owed by us under Applicable Law.
 - (h) We do not accept any liability for the performance of any portfolio over which we provide you with an advisory service and any losses incurred as a direct or indirect result of:
 - (i) the investment advice and the reviewing and monitoring service provided by us, save for any direct losses which are incurred as a consequence of the negligence, wilful default, breach of contract or fraud on our part or that of an Affiliated Company or agent;
 - (ii) investments entered into without or against our recommendations;
 - (iii) any failure by you to notify us of other assets owned by you;
 - (iv) you failing to act on our investment recommendations promptly or at all; and
 - (v) our being unable to contact you at all or in a sufficiently timely manner, unless this is due to an error on our part.
 - (i) You accept that we are entitled to act, or refrain from acting, where doing so is in accordance with Applicable Law and we shall not be liable to you for the consequences of so doing.
 - (j) We (and our affiliates, officers, agents, directors, employees, contractors and advisors) will not be liable for any liabilities, costs, claims, losses, expenses (including but not limited to legal fees) and damages arising out of or relating to:
 - (i) any breach of this Agreement by you;
 - (ii) any wrongful or unauthorised use of your Account or any other services provided by us to you; or
 - (iii) the following or giving effect to your instructions by us or our affiliates, save (in each case) to the extent such losses were caused by our fraud, gross negligence or wilful misconduct.
 - (k) We do not give tax or legal advice in or in connection with this Agreement. Accordingly, you agreed that you have taken such tax, legal and other professional advice as may be necessary in the circumstances and we shall not be liable for the tax, legal or other implications of any transaction.
 - (l) Sub-clauses 22(m) to 22(q) below set out our liability under the Payment Services Regulations 2017 in relation to Payment Transactions. They do not apply to any other services which we may provide you.
 - (m) You must notify us as soon as possible, and in any event no later than thirteen (13) months after the date on which the relevant Payment Transaction was completed, on becoming aware of any unauthorised or incorrectly executed Payment Transaction. If you fail to notify us within this time limit, you may not be entitled to have any errors corrected.
 - (n) Subject to sub-clause 22(o), if we execute a payment that has not been authorised by you in accordance with these Terms and Conditions, we will, as soon as practicable and no later than the end of the Business Day after the day on which you tell us that the Payment Transaction was not authorised by you and within a reasonable period in relation to a payment by cheque, refund the amount deducted and restore the Account to the balance or level it would have been in had the unauthorised Payment Transaction or payment by cheque not taken place. However, if we have reasonable grounds for thinking that you may have acted fraudulently, we may in our reasonable discretion promptly investigate the matter before determining whether you are due a refund. If we conclude that the Payment Transaction was unauthorised we will refund the amount of the unauthorised Payment Transaction and restore your Account to the balance or level it would have been in had the unauthorised Payment Transaction not taken place.
 - (o) You will be liable, subject to sub-clause 22(n):
 - (i) for any losses up to a maximum of GBP 35 resulting from unauthorised Payment Transactions or payment by cheque arising from:
 - (aa) the use of your lost or stolen Account details, password or other security information or devices; or
 - (bb) the misappropriation of any of your Account details, password or other security information or devices, unless the loss, theft or misappropriation was not detectable by you prior to the payment or the loss was caused by an act or omission of one of our employees, our agents, Associates or Affiliated Companies; and
 - (ii) for all losses of whatever amount where you have acted fraudulently, or have intentionally or with gross negligence not complied with your obligations regarding the security of your Account details, password or other security information or devices and you have not notified us in association with sub-clause 4(b)(ii) that your Account details, password, or other security information or devices have been lost or stolen, or that someone else has used (or attempted to use) them without your authority. Where we have issued a refund but later conclude following investigations that you have acted fraudulently, or have intentionally or with gross negligence not complied with your security and notification obligations under this Agreement, we may, upon thirty (30) days' written notice to you, reverse any such refund and take any other steps that we deem necessary to recover any refunded amount.
 - (p) Where you have not acted fraudulently, you will not be liable for any losses resulting from unauthorised Payment Transactions or payment by cheque:
 - (i) arising after we have been notified in accordance with sub-clause 22(m) of an unauthorised or incorrectly executed Payment transaction;
 - (ii) arising after we have been notified in association with sub-clause 4(b)(ii) of the loss, theft or misappropriation of your Account details, password or other security information or devices; or
 - (iii) where your Account details, password and other security details have been used in connection with a Distance Contract.
 - (q) Subject to, and to the extent required by, the FCA Rules, where we fail correctly to execute a Payment Transaction or a payment by cheque, we shall refund to you the amount of the non-executed or defective Payment Transaction or payment by cheque without undue delay and, where applicable, restore the debited payment Account to the state in which it would have been had the defective Payment Transaction or payment by cheque not taken place.
 - (r) Subject to sub-clause 22(o), you are entitled to a refund from us of the full amount of any authorised Payment Transaction in relation to your current Account initiated by or through the payee of the transaction if:
 - (i) the authorisation did not specify the exact amount of the Payment Transaction when the authorisation was given; and
 - (ii) the amount of the Payment Transaction exceeded the amount that you could reasonably have expected to have made taking into account your previous spending pattern, the conditions of this Agreement and the circumstances of the case.

You must request a refund under this sub-clause 22(r) from us within eight (8) weeks from the date on which the funds were debited. You also must provide such information as is reasonably necessary for us to check whether you are entitled to a refund.
 - (s) You will have no right to a refund where:
 - (i) you have given consent directly to us for the Payment Transaction to be executed; and
 - (ii) if applicable, information on the Payment Transaction was provided or made available to you by us, in accordance with Clause 27 (Instructions and Notices), for at least four (4) weeks before the due date.
- 23. Execution and order handling**
- (a) We will provide Best Execution where so required by the FCA Rules and in accordance with our Order Execution and Order Allocation policy, a copy of which will be provided to you separately. A further copy is available on request.

(b) Where we accept a limit order from you for shares admitted to trading on a regulated market or traded on a Trading Venue (as defined in Directive 2014/65/EU, "MIFID II") which is not immediately executed under prevailing market conditions, you expressly instruct us not to make that order public immediately unless you issue specific instructions to the contrary or we consider publication would be in your best interests, (c) There may be occasions when achieving the best possible result in the carrying out of your order requires executing such order outside a Trading Venue. You expressly consent to us acting under discretion in such circumstances and to dealings outside a Trading Venue in these circumstances. This only applies to financial instruments admitted to trading on a Trading Venue.

24. Cancellation Rights for Distance Contracts

Where this Agreement is a "Distance Contract" as defined in the FCA Rules and you are a private individual, you have an additional right to cancel this Agreement within fourteen (14) calendar days of the date on which this Agreement is entered into (the "**Cancellation Period**"). Should you wish to cancel this Agreement, you need to send us notification of this in writing to our registered address in the UK as set out in sub-clause 1(b). The right to cancel does not extend to transactions already carried out under this Agreement that occur during the Cancellation Period, where the price depends on fluctuations in the financial market place outside our control. You may be able to close out a transaction but that will be at the current market price.

25. Termination

- (a) You are entitled to terminate this Agreement, or any service we provide under it, (without penalty) at any time by giving written notice to us ("**Notice of Termination**"), unless this Agreement provides for a different notice period. Such notice may take effect immediately on receipt by us or at such later time as you set out in the notice. We may complete any transaction started prior to our receipt of a Notice of Termination given by you. Where you terminate, you must pay all fees and charges due to us and settle any outstanding liabilities,
- (b) We may terminate this Agreement, or any service we provide under it, by giving you thirty (30) days' written notice (unless an Event of Default occurs as set out in Clause 26 (Involuntary Termination)) in accordance with this Agreement, except where we terminate the terms relating to any current Account when we will give you at least two (2) months' notice. No penalty will become due from you when we terminate these Terms and Conditions.
- (c) On termination of this Agreement if we have received no instructions from you in respect of your money or assets within thirty (30) days (or, in the case of any current Accounts, two months) of the date of our notice to you, we may:
 - (i) take any of the steps set out in sub-clause 26(b);
 - (ii) deliver any investments or assets which are held by us or our order on your behalf to your last known address; or
 - (iii) request that you accept redelivery to you or a third party selected by you and approved by us, of any Securities delivered for deposit to any of your Accounts and you agree to complete and sign any documents necessary for us to do this and give us all necessary permissions to complete and sign any such document on your behalf where reasonably necessary.
- (d) If you have a right to cancel this Agreement under Clause 24 (Cancellation Rights for Distance Contracts) and you choose not to exercise it, this Agreement will remain in effect and binding on you until otherwise terminated in accordance with its terms.

26. Involuntary Termination

- (a) The following shall be considered to be an "**Event of Default**":
 - (i) you fail to make any payment due or fail to perform any material obligation under this Agreement, and such failure continues for three (3) Business Days after we have given you notice of non-performance;
 - (ii) you fail to perform any material obligation under this Agreement and such failure is reasonably liable to expose us to risk of a loss such that it is not possible for us, acting reasonably, to give you notice of non-performance;
 - (iii) you enter into liquidation or bankruptcy, whether compulsory or voluntarily, or a procedure is commenced against you seeking or proposing liquidation or bankruptcy;
 - (iv) you have failed to make or take delivery of any security or commodity specified in the contract or transaction on or by the due date;

- (v) you become subject to an administration order or having a receiver or similar appointed over all or at any of your assets or become subject to any similar order or proceeding commenced in any jurisdiction outside the UK in consequence of debt;
- (vi) you die, or become incapable of managing your affairs (whether by reason of mental incapacity or for any other reason);
- (vii) any representation or warranty made or given by you under this Agreement proves or becomes false or misleading in any material respect;
- (viii) you are dissolved, or if your existence is dependent upon a formal registration, such registration is removed or ends, or any procedure is commenced seeking or proposing your dissolution or the removal or ending of such a registration; or
- (ix) We have reasonable grounds to believe that continuing with this Agreement may put us in breach of any Applicable Laws.

(b) At any time following the occurrence of an Event of Default, we may, by notice to you, terminate this Agreement immediately, and take any of the following steps:

- (i) treat any transaction that is then outstanding as having been cancelled and terminated;
- (ii) sell or otherwise convert any of your assets under our control into monies in such manner as we reasonably consider necessary or appropriate in your best interests;
- (iii) close out, replace or reverse any transaction, enter into any other transaction or take, or refrain from taking, such other action at such times and in such manner as we acting in a commercially reasonable manner consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any contracts, positions or commitments;
 - (aa) perform any and all such open contracts or transactions and for that purpose:
 - (A) buy or sell in the primary (cash) market the security underlying any open contract or transaction and make or take delivery of that security as the case may require, on such terms and by such method(s) as we consider expedient; and/or
 - (B) borrow any currency or security; and/or
 - (C) apply any margin, collateral and/or charged investment; and/or
 - (D) buy or sell any currencies;
 and in each case all sums expended or liabilities incurred by us under the above in excess of any margin, collateral and charged investments held by us shall be paid by you to us on demand; and/or
 - (bb) terminate your deposits prior to their maturity;
- (iv) we shall not be obliged to deliver any asset or any money which we hold for you, including any sums held as Margin or collateral until we have received all money due from you;
- (v) in the absence of any instructions from you (or following the occurrence of an Event of Default specified in sub-clause 26(a)(vi), your personal representative) to the contrary, we may, at our discretion, credit any balance in your favour resulting from the operation of this Clause 26 (Involuntary Termination) to your current Account in accordance with sub-clause 4(a) above or, whether or not we shall have previously credited any such credit balance to your current Account, send through the post or deliver the amount of such credit balance to your last known address; and/or in the absence of any instructions from you to the contrary,
- (vi) we may at any time deliver any investments or assets which are held by us on your behalf to your last known address or in accordance with instructions provided by your personal representative.

27. Instructions and Notices

- (a) You may give instructions to us by telephone and/or post. You may also give us instructions from pre-agreed e-mail addresses and fax numbers. An instruction will not take effect until we receive it. If you wish to amend or cancel an instruction once received by us you should let us know as soon as possible but it may not be possible for us to do this.
- (b) We are entitled to rely and act on any instruction which we reasonably believe to be sent by you or anyone authorised to give instructions on your Account and you will be bound by any such instructions.

- (c) We may at any time require you to confirm any oral requests, notices and instructions promptly in writing and may also require you to confirm fax or written instructions or instructions given via e-mail, by a telephone call with us and you agree to confirm all instructions upon which we act where requested, including completing and signing any documents necessary to do so.
- (d) You acknowledge and agree that:
- (i) where you receive an automatic response to instructions (for example an out of office reply) this is not evidence that it has been received by us and you will not rely on it as such;
 - (ii) we shall be under no obligation to confirm or acknowledge any instruction, or check the accuracy or completeness of any such instruction, which we reasonably believe to be genuine or to have been sent by you on your behalf before we act on it;
 - (iii) any and all telephone instructions left on voice-mail shall not be deemed to have been received/acted upon by us unless and until you receive an express acknowledgement of such receipt/action;
 - (iv) we are entitled to assume that any instructions received from an authorised e-mail address are sent by you or on your behalf with your express permission; and
 - (v) instructions via facsimile transmission or e-mail are at particular risk of being intercepted, altered or otherwise subject to fraud by third parties, action which even acting with reasonable care and skill we may not detect.
- (e) Where you request us to provide Account information to you by e-mail, you acknowledge that transmission in this manner may entail a considerable element of danger and risk (including third party monitoring (spyware), interception or fraud). Accordingly, you agree that we shall not be liable for any loss, delay, misunderstanding, expense or damage you may suffer as a direct or indirect consequence of our acting as requested, save where damage arises by reason of our negligence, breach of contract, wilful default or fraud. Appendix 9 (E-mail Use Risk Warning) to this Agreement gives certain further risk considerations relating to e-mail, which you should read.
- (f) If we receive conflicting or ambiguous instructions, we may in our reasonable discretion and without any liability to you, act or decline to act as we think fit, but will endeavour to contact you to clarify your instructions as soon as reasonably possible.
- (g) There may be occasions where, in order to comply with Applicable Law or due to market conditions or circumstances outside our reasonable control, we are unable to act upon an instruction and if this happens we will try to notify you promptly, unless we are unable to do so due to Applicable Law. We shall not be liable for any loss, expense or damage incurred due to an omission to act, unless we are in breach of this Agreement.
- (h) We may also refuse your instructions to make or receive payment orders if we have reasonable grounds to suspect unauthorised or fraudulent use of your Account details, password and other security information or devices. We shall inform you of our intention to stop an instruction and give you reasons for doing so before we take steps to stop the instruction or where we are unable to inform you in advance, immediately after we have taken steps to stop the instruction, unless to do so would compromise our reasonable security measures or where we are not allowed by Applicable Law. We shall not be liable for any loss, expense or damage incurred due to an omission to act, unless we have acted negligently, fraudulently, with wilful default or are in breach of this Agreement.
- (i) We may record (electronically or otherwise) telephone conversations and oral communications with you. Recordings may be used in evidence in the event of a dispute and for other purposes, including verifying your instructions.
- (j) As required by Applicable Law, all telephone conversations and electronic communications between you and us that result or may result in transactions will be recorded by or for us. Where we are required to record communications under FCA Rules, a copy of the records we have kept will be made available to you on request for a period of five (5) years from the date of the communication. If the FCA requests that we keep certain or specific records for longer than five (5) years, the records retained as a result of such request will be available to you for a period of up to seven (7) years.
- (k) Orders may be placed by you through other channels as agreed by us separately, however such communications must be made in a durable medium such as mails, faxes, emails or documentation of orders made at meetings. It is not our ordinary business practice to take client orders at meetings, however if we agree to do so, the content of relevant face-to-face conversations with you may be recorded by using written minutes or notes. Such orders shall be considered equivalent to orders received by telephone.
- (l) When you give us instructions:
- (i) we will act on those instructions on the same Business Day provided that we receive the instructions before the cut-off time for the relevant currency. Cut-off times vary by currency and although infrequent, may also change, so if time is of the essence then you should contact your Client Advisor to confirm the particular cut-off time that will apply. If a cut-off time is missed then we will use all reasonable endeavours to process your instructions on the same Business Day that we receive your instructions, however if this is not possible then, unless otherwise agreed between us, your instructions will be processed on the next Business Day; and
 - (ii) if a transaction would result in a part of a share, we may buy or sell fractional shares to bring the holding to a whole number of shares and we will debit or credit your Account accordingly.
- (m) If you use services provided by other branches or parts of UBS or Associates (referred to here as an **"intermediary"**), you may give instructions to us through such intermediary and authorise us to accept such instructions from such intermediary. If you use an intermediary to transmit instructions to us for you or vice versa, you understand that there may be an increased risk of delays and errors. Receipt of instructions by an intermediary does not constitute receipt or acceptance for the purpose of this Agreement.
- (n) We will not be responsible for any failure or delay in executing an instruction caused by circumstances beyond our reasonable control, including but not limited to: acts of God, fires, strikes, terrorism, power failures, intervention by exchanges or regulators, court freezing orders, or failure or error of any equipment, telecommunications, intermediary, exchange, counterparty or another bank.
- (o) You understand that, unless otherwise agreed between us, we will process your instructions and transactions only during banking hours on a Business Day.
- (p) You agree that any standing instructions which you give to us will remain in effect until we receive a written cancellation or replacement instruction.
- (q) Any written notice or other document to be given under this Agreement may be delivered personally or sent by first class post, air mail, courier, e-mail or facsimile transmission to you at the addresses set out in the Account Opening Form or as updated by you.
- (r) Any written notice or document shall be treated as received by you as follows:
- (i) if delivered personally or by courier, at the time of delivery; or
 - (ii) if posted by first class post, two (2) Business Days after posting; or
 - (iii) if provided electronically, such as by our uploading onto E-banking, three (3) clear calendar days after the electronic provision; or
 - (iv) if by air mail, five (5) clear calendar days after the envelope containing the same shall have been put into the post; or
 - (v) if sent by telex, e-mail or facsimile transmission, at the time of transmission (provided that if the date of transmission is not a Business Day it be deemed to have been received at the opening of business on the next Business Day). Where used above, a clear day means a day not including the day of uploading or posting or the day of delivery.
- (s) Any notice in writing may be given by you as follows:
- (i) by posting it to UBS AG, London Branch, Wealth Management, 5 Broadgate, London, United Kingdom EC2M 2QS by a mail service which provides for a signature on receipt, and it will be treated as received on the Business Day following the date of signed confirmation of delivery;
 - (ii) by hand delivering it and receiving a signature on delivery and it will be treated as received on the Business Day following the date of signed confirmation of delivery; or
 - (iii) by sending it by fax transmission or any other instantaneous electronic transmission to +44-20-7567 5656 and will be deemed delivered upon transmission. Proof that it was transmitted to the correct number or destination will be sufficient proof of delivery.

- (t) Where you have appointed a third party custodian, you authorise us and our Associates to deal with that custodian as necessary to facilitate the performance of our or their services to you and you will ensure that your custodian:
 - (i) settles transactions and otherwise fulfils our or their instructions given under the authority you have given to us or them;
 - (ii) notifies us promptly in the event that it is unable or unwilling to fulfil any such instruction or settle any such transaction;
 - (iii) notifies us promptly of all notices or other communications received by it in respect of your Securities that are held by it to which this Agreement relates; and
 - (iv) provides us with such other information in respect of your Securities that are held by it to which this Agreement relates as we may reasonably request, which may include a valuation of those Securities.
- (u) Where the services which we provide to you are investment advisory services, we may, where you have appointed your own custodian, request that you deposit cash or Securities with us before we agree to effect transactions on your behalf. If your custodian fails to settle any transactions which we have effected on your behalf, we may apply the cash or Securities deposited in settlement of such transactions or otherwise as contemplated by Clause 21 (Right of Set-Off).

28. Mail Correspondence

- (a) We are required by Applicable Law to send you certain legal and regulatory correspondence. In order for us to do this, you must either:
 - (i) provide us with a physical address; and/or
 - (ii) obtain access to E-banking, to ensure that you receive such UBS correspondence.
- (b) If you decide to use E-banking to receive UBS correspondence but then do not log in to the service at least once every six (6) months then your Account may be blocked and/or UBS correspondence may be sent to your physical address as shown on our client records.

29. Confidentiality and Data Protection

- (a) We and our Associates and Affiliated Companies, and our and their agents, contractors, service providers, brokers, dealers, custodians and sub-custodians, depositories, clearing houses, advisers, bankers, attorneys, managers, nominees and correspondents ("Agents"), collect, use, store, disclose, transfer or otherwise process ("Process") data as set out in this Clause 29 (Confidentiality and Data Protection).
- (b) Processed data includes: data (i) we obtain from you; (ii) obtained from your affiliates or your or their shareholders, officers, employees, contractors, agents, trustees, beneficial owners, authorised representatives and authorised signatories and any person giving instructions to us or our Agents or otherwise authorised by you (your "Connected Persons"); and (iii) which is otherwise made available to us, (collectively, "Data").
- (c) Subject to (i) the terms of this Agreement; (ii) the common law duty of confidentiality and (iii) the terms of any other agreement between us under which you consent to or require disclosure, all information concerning our relationship with you shall be kept confidential.
- (d) You consent, and you agree to obtain the consent of your Connected Persons, to the Processing of Data for the purposes set out below. We seek these consents from you for the purposes of confidentiality and other rules and laws, but not for the purposes of the EU's General Data Protection Regulation (2016/679) (or similar data protection laws in the EEA or former member states of the EU) for:
 - (i) the Processing of Data for UBS' administration and management of its business, as set out in these Terms and Conditions or any other agreement we have with you, providing services to us and/or you, client onboarding, anti-money laundering, credit checking, and complying with legal and regulatory obligations;
 - (ii) the disclosure of Data to our Associates, Affiliated Companies and Agents;
 - (iii) the use, disclosure, and transfer of Data in the manner set out in the privacy notice referred to in (e) below; and
 - (iv) the provision of payment services by us. For these purposes your consent is provided when you initiate a Payment Transaction and by doing so you also confirm that you have obtained the consent of your Connected Persons to the extent necessary.

- (e) For information on how we use and disclose personal data, the protections we apply, the purposes of our Processing activities, the legal basis under data protection and similar laws on which our Processing activities are based and your data protection rights, please see our privacy notice at <https://www.ubs.com/data-privacy-notice-uk> where you will also find contact details for our Data Protection Officer. You agree and warrant that you will ensure that your Connected Persons are aware of the information in the privacy notice.
- (f) Your attention is drawn to the risks of using e-mail as outlined in Clause 27 (Instructions and Notices) and Appendix 9 (E-mail Use Risk Warning). Your attention is drawn to the fact that laws relating to confidentiality or data protection may not have extra territorial effect and that all Data transmitted abroad may therefore cease to enjoy protection, if any, under English law.

30. Client Money

Money held as banker

- (a) Ordinarily where we hold money for you we will do so as banker and not as trustee under the FCA Client Money Rules ("FCA Client Money Rules") This means that if we were to fail (for example if we were insolvent) then the FCA Client Money Distribution and Transfer Rules will not apply to the sums that we hold this way for you and you will not be entitled to share in the distribution under these rules.
- (b) Unless we provide client money services under a separate written agreement with you, the only circumstance in which we may provide client money services is to cover a shortfall (as set out below).

Shortfalls

- (c) Where we identify a shortfall in relation to assets that we hold for you (i.e. we hold fewer assets for you than we should) and for which we are responsible, then we will, in accordance with the FCA Client Assets Rules, cover the shortfall by setting aside our own money or our own assets and hold it in accordance with the FCA Client Money Rules or the FCA Client Assets Rules until the shortfall is resolved. No interest shall be payable by us to you in connection with such client money or assets.
- (d) If we fail before the shortfall is resolved, the FCA Client Money Rules or the FCA Client Assets Rules will apply to the client money or assets (as applicable) we hold for you with respect to the shortfall.
- (e) Once the shortfall is resolved, you will no longer have any claim to the money or assets set aside to cover that shortfall and we will transfer it back to us.
- (f) Where client money is held with a third party bank (in accordance with the FCA's Client Money Rules) we will use reasonable skill and care in selecting, using and monitoring the third party bank with whom we deposit client money but we are not liable for their acts or omissions, insolvency or dissolution.
- (g) Where client money is held with a third party bank (in accordance with the FCA's Client Money Rules) then we cannot prevent the loss of client money if the third party bank was to enter administration, liquidation or a similar procedure. If the third party bank is unable to repay all of its creditors, client money would be pooled with that of our other clients with that entity and any shortfall would be borne by all the clients of that pool proportionately. The likelihood of any shortfall may be affected by creditors whose rights have priority upon insolvency and the operations of any local compensation scheme.
- (h) You authorise us to hold your client money outside the jurisdiction in which we provide services to you. In these circumstances the legal and regulatory regime applicable to any third party bank that we may use may be different from the regime in the jurisdiction in which we provide services to you. Furthermore if such a third party bank enters administration, liquidation or a similar procedure, and is thereby unable to repay all of its creditors, client money may be treated differently than if it were held by a bank in the jurisdiction in which we provide services to you.

31. Joint Accounts

- (a) If you open a joint Account with us, each individual named on the joint Account has individual authority to give instructions of any kind to make deposits or withdrawals, to receive payments, notices, Account statements or demands, to borrow money, to appoint third parties to operate the Accounts, sign any documents or agreements (except where we stipulate oth-

erwise) and act on their own in any way related to the Account or the services we provide.

- (b) You may tell us that only specific joint Account holders have been nominated to give instructions on behalf of all joint Account holders, in which case only that or those joint Account holders will have the individual authority set out in sub-clause 31(a) above. However in these circumstances the remaining Account holder(s) will still be able to act jointly with the other Joint Account holder(s).
- (c) Each joint Account holder is individually as well as jointly responsible for the entire amount of any obligations owing to us in connection with the joint Account.
- (d) You agree that if a joint Account owner dies or is incapacitated, once we have received acceptable documentation, we may make provision for taxes and pass on his or her rights to the Account to the remaining joint Account holder(s). If there is no remaining Account holder, we will hold any assets in the Account to the order of the personal representative of the last Account holder, unless we are notified to our satisfaction that another person is entitled to the assets. Further information on Account Holders and Survivorship is outlined in Clause 3 (Account Holders and Survivorship).

32. Account Statements

- (a) We will provide you with a written acknowledgement of any initial cash and/or a starting valuation statement for all assets transferred into your Account at the beginning of the Agreement, and where we provide a discretionary service (in accordance with Clause 9 (UBS Discretionary)), details of the benchmark against which the performance of your portfolio will be compared and reported to you.
- (b) Unless we agree otherwise in writing, or the transactions are in relation to your Discretionary Portfolio, we will provide you with a confirmation of every transaction as soon as possible after the transaction has been effected, by post unless you have access to E-banking in which case we will upload it there, provided always that where we execute a series of transactions to achieve one investment objective, we may issue a single confirmation with a uniform price for such transactions.
- (c) Please note that capital and income will be credited to your Account(s) with us unless you indicate otherwise.
- (d) Any contract note or confirmation will, in the absence of obvious error, be deemed correct, conclusive and binding on you, unless you tell us otherwise in writing within five (5) Business Days of receiving it.
- (e) Where we provide you with a discretionary service (in accordance with Clause 9 (UBS Discretionary)), we will provide you with a statement at least every three (3) months (or as otherwise agreed in the Account Opening Form) of your assets, cash balance and a valuation of, and information about the performance of, your portfolio (or as otherwise agreed in the Account Opening Form).
- (f) Additionally, we will send to you, Account statements at the periods indicated in the Account Opening Form or as agreed separately. If we do not provide such periodic Account statements, we will send you an Account statement, as a minimum at least once every twelve (12) months or as required by Applicable Law. It is your responsibility to review your Account statement, including where you have chosen to be provided with Account statements online, and notify us promptly of any discrepancies. We will be entitled to assume that each Account statement is correct and approved by you if you do not provide us with a written objection within thirty (30) days of receipt.
- (g) Where you have chosen to be provided online with the statements mentioned in sub-clauses 32(e) and (f), and have elected in the Account Opening Form for a third party to have "Authority to view" your assets and liabilities on E-banking or "Authority to act" on your Account on E-banking, you agree such third party has authority to receive these statements online on your behalf, and that we may provide such statements online to your appointed third party E-banking user.
- (h) The value of assets held in your Account and reported to you in your valuation statements will, unless we advise you otherwise, be calculated by using market value or fair value if market value is unavailable.
- (i) Where Options are held on your Account, the style of Option, either American-Style Put Option, American-Style Call Option, European-Style Put Option or European-Style Call Option, shall be identified in the confirmations of transactions.

- (j) We may from time to time provide you with reports for the purposes of assisting you with any UK capital gains tax reporting obligation. You understand that the accuracy of any such reports will depend on the financial information you and/or your professional advisers provide to us including any and all information relating to the cost and date of acquisition of all relevant assets and, where applicable, any corporate actions affecting them. "Relevant assets" shall mean those assets of which during the relevant Tax Year you were the beneficial owner whether in a sole or joint capacity and disposal of them affected your chargeable gains and allowable losses for capital gains tax purposes. Under no circumstances shall we be liable to you for any damage and/or loss you may suffer as a direct or indirect consequence of our providing to you and/or your professional advisers reports for the purposes of assisting you with your capital gains tax reporting obligations save where damage and/or loss arises by reason of our negligence, breach of contract, wilful default or fraud.
- (k) In relation to your current Account, we shall make available to you the following information on request, in accordance with Clause 27 (Instructions and Notices):
 - (i) details of the transactions into and out of your Account including a reference enabling you to identify each Payment Transaction and who the payment was made to or who it came from;
 - (ii) the amount of the Payment Transaction;
 - (iii) the amount of any charges for the Payment Transaction and, where applicable, a breakdown of the amounts of such charges, or the interest payable by you;
 - (iv) where applicable, the exchange rate we use in the Payment Transaction and: (A) where you are the payer, the amount of the Payment Transaction after that currency conversion; or (B) where you are the payee, the amount of the Payment Transaction before it was applied; and
 - (v) where you are the payer, the debit value date or the date of receipt of the instruction, or where you are the payee, the credit value date.
- (l) Where you request us to provide additional Account statements or valuations in addition to those we agree to provide, such documentation is provided for information purposes only and does not constitute a formal valuation. In these circumstances you acknowledge that performance figures and/or values are provided for information purposes only and they will not have been independently confirmed and should not be relied upon for any reason.

33. Fees and Payments

- (a) Our standard fees for providing services to you are set out in our Fee Schedule and Payment Terms, as amended from time to time in accordance with this Agreement.
- (b) We will separately provide you with appropriate information with regard to all fees and expenses (which shall include but is not limited to the Fee Schedule and Payment Terms and an annual report based on costs incurred) in accordance with our obligations under Applicable Law. Without prejudice to these obligations, where you have been categorised as a Professional Client in accordance with the FCA Rules, we may separately agree with you a limited application of the detailed information requirements on costs and associated charges to the extent permissible under the Applicable Law.
- (c) Any fee payable to us, together with any dealing loss, fees, expenses, costs or other charges incurred by us on your behalf (including, but not limited to, all and any applicable taxes and other duties) or other sums due to us under this Agreement will be debited from any funds held by us on your behalf in accordance with this Agreement.
- (d) You should note that it is possible that other taxes or costs may be payable that are not paid through us or imposed by us, including any third-party payments.
- (e) If you default in paying any amount when it is due, you will pay interest to us on such overdue amount at the rate applied from time to time to unauthorised over-drafts in accordance with the information included in the Fee Schedule and Payment Terms.
- (f) Interest, dividends, and other income and capital gains from your investments may be subject to taxes, including withholding taxes. You agree that we may withhold the amount of these taxes from payments to you or for your Accounts. If your available assets with us do not cover your tax liability, you agree to provide us on demand with any additional funds required.

- (g) You alone are responsible for paying taxes or withholding taxes related to your Accounts or arising from the purchase or sale of your investments or other assets. In addition, you are responsible for any stamp or excise taxes or estate taxes associated with your Accounts. If we pay any of these taxes for you, you agree that we may deduct the amount paid directly from the Accounts. In addition, you understand that we have no obligation to reclaim for you any excess taxes withheld (except where we have expressly agreed to do so in the context of safe custody services).
- (h) If any payment you are due to make is subject to any tax or if you are required to make any such deduction or withholding, you shall deduct or withhold an amount in respect of such tax and shall ensure that such deduction or withholding is only of the relevant minimum legal liability. In addition, you will separately pay to us a sum equal to the amount deducted or withheld within fourteen (14) days.
- (i) Any fees or other amounts due to us on termination or cancellation may be deducted by us from any cash held for you or taken from the sale proceeds of any investments or assets held by us or our order to your Account, otherwise they shall be payable upon thirty (30) days written notice to you.
- (j) We may, to the extent permitted by FCA Rules, pay or be paid (which may include a sharing arrangement) a fee commission ("monetary" benefits) or provide or be provided with non-monetary benefits by a third party (who may be an Associate). Such monetary and non-monetary benefits must be designed to enhance the quality of the service to you and must not impair our obligation to act in your best interests. We will separately disclose details of the nature and amount of any such monetary or non-monetary benefits only if and as required by Applicable Law. Minor nonmonetary benefits may include:
- (i) Information or documents relating to instruments which are generic in nature or personalised to reflect the circumstances of individual clients;
 - (ii) participation in conferences, seminars and other training events on the benefits and features of our products or services;
 - (iii) hospitality of a reasonable de minimis value;
 - (iv) research relating to the issue of shares, debentures, warrants or certificates by an issuer, which is produced prior to the issue being completed; and
 - (v) research that is received by us so that we may evaluate the research providers' research services.
- (k) In relation to your current Account, we shall not charge you any fee for providing or making available information provided or made available under sub-clause 32(j). We may charge you for providing you with information under sub-clause 32(j) more frequently than monthly, or for providing other information.
- (l) We operate programs which reward employees for introducing prospective clients to other UBS locations and business divisions, and as such employees, both in the UK and in other UBS locations, may receive a discretionary financial reward for doing so. In accordance with established principles and processes, such remuneration will always be disclosed to you where this is relevant.

34. Foreign Exchange

- (a) You authorise us to conduct any foreign exchange transactions we reasonably deem necessary or to carry out your instructions or protect our rights under this Agreement, and you agree to assume all risks associated with foreign exchange and currency conversion.
- (b) For the purpose of paying any amounts you owe to us in a specific currency we may convert any of your assets or monies held in another currency at our then prevailing spot, or (as appropriate) forward, selling rate of exchange. If you would like further details about any applicable rate please contact your Client Advisor.
- (c) If we receive money in a different currency from that in which the Account is held, we may convert it into the currency of the Account at the rate of exchange we normally apply to such transactions. If you would like further details about any applicable rate please contact your Client Advisor.
- (d) Foreign exchange transactions will be effected by us as principal or as agent and when effected by us as agent the terms of sub-clause 2(b) will apply to those transactions.

35. Settlement Procedures

- (a) Settlement and payment for investments received (including currency transactions) and for delivery of investments out of custody may be effected by us in accordance with customary or established practices and procedures in the jurisdiction or market concerned, including, delivering any investments before receiving payment, with the expectation of receiving later payment and other procedures not involving the simultaneous exchange of investments and payment.
- (b) If an item is returned to us unpaid or there is an operational error, we may reverse entries and correct errors without prior notice to you, but will notify as soon as possible after we have done so. We will not be responsible for any loss, cost or expense which you may suffer as a result, and any resulting overdraft will be your responsibility, unless the item was unpaid or the operations error was due to a failing on our part.
- (c) If you draw money out against funds which appear on your Account but are not yet cleared funds, you will repay us fully and be responsible for any debts, costs or losses that arise.

36. Aggregation of Orders

- (a) You understand and agree that:
- (i) we may aggregate (i.e. combine) any transaction for you with transactions for other clients (including Associates); and
 - (ii) combining transaction in this way may result in a more favorable or less favorable price or rate being achieved and may therefore work to your advantage or disadvantage.

37. Assignability

This Agreement is personal to us and to you and neither we nor you shall be entitled to assign or transfer any of our rights or obligations under this Agreement without the others prior written consent except that we may transfer our rights and obligations to a successor entity to our private banking business or substantially all of it.

38. Variations

- (a) We may from time to time change this Agreement for the following reasons:
- (i) to comply with or reflect a change of Applicable Law or a decision of an ombudsman or Court or decision or guidance of any regulator;
 - (ii) to make them more favorable to you or to correct a mistake or oversight;
 - (iii) to provide for the introduction of new systems, service procedures, processes, changes in technology and products; or
 - (iv) to remove an existing product or service.
- (b) We will notify you of any proposed changes to this Agreement, by post, e-mail (where we hold an e-mail address for you) or by uploading them to E-banking (if you have access to this service) at least thirty (30) days prior to the changes becoming effective, unless:
- (i) the change is in relation to the terms of your current Account where we will give you at least two (2) months' notice; or
 - (ii) if the changes are more favorable to you then they will become effective on the date that we tell you (which may be earlier than the date we notify you).

The most recent version of this Agreement is available on our website at: <https://www.ubs.com/termsandconditionslondon>, or from your Client Advisor.

- (c) If as a result of the proposed changes you wish to terminate the Agreement you may do so in accordance with Clause 25 (Termination). We will not impose any penalties for transferring any investments or money we hold for you if you terminate under this Clause 38 (Variations). If you do not terminate the Agreement within thirty (30) days of receiving notice of the changes from us, or sixty (60) days where the changes relate to your current Account terms, we will treat you as accepting the changes.
- (d) You agree that changes in the interest or exchange rates which apply to your current Account may, at our reasonable discretion, be applied immediately and without notice where:
- (i) the changes are based on the reference interest; or
 - (ii) exchange rates information which has been provided to you by us in your Fee Schedule and Payment Terms; or
 - (iii) the changes are more favourable to you.
- Information on interest or exchange rates shall be available on request.

- (e) In the case of changes to exchange or interest rates not covered by sub-clause 38(d) above, we will give you two months' prior notice.

39. Third Party Rights

A person who is not a party to these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, other than our agents, nominees and Affiliated Companies.

40. Governing Law and other matters

- (a) This Agreement and any obligations arising out of or in relation to it are governed by and construed in accordance with English law, and both we and you agree that all disputes under or in respect of this Agreement shall exclusively be dealt with by the courts of England and Wales.

- (b) We shall be entitled, at any time and from time to time and without notice to you, to take or not take any action to ensure compliance with Applicable Law. If there is any conflict between the provisions of these Terms and Conditions and the Applicable Law, the Applicable Law will apply.
- (c) Nothing in these Terms and Conditions shall affect any right or rule which allows us or you to serve documents in any other manner permitted by law.
- (d) All references to any specific laws, rules or regulations shall include any amendment, changes or extension of it and as in force from time to time.
- (e) This Agreement and all information, statements, notifications and other documents will be in English. We will communicate with you in English however we may, at your request, agree to communicate with you in a different language.

Appendices

Risk Factors and Warnings – General

1. The value of investments can fall as well as rise and there is no certainty that you will get back the amount of money originally invested. Similarly the income from certain investments can change and is not guaranteed.
2. Our service may include the provision to you of:
 - (a) investments which are not traded on an exchange and which may not be readily realisable, i.e. you may not be able to sell them when you want to. For these reasons information determining the proper market price of such investments and the risks to which they are exposed may not be readily available. It may be difficult to deal in such investments;
 - (b) investments which are available in emerging countries, such as bank certificates of deposit, and debt or equity securities issued by public or private sector institutions. Appendix 2 (Emerging Markets Risk Warning Notice) to this Agreement gives certain risk warnings in relation to such investments, which you should read, and note; and/or
 - (c) securities forming part of investment companies (including investment trusts) that may use gearing or leverage as an investment strategy. These terms "gearing" and "leverage" describe the level of a company's debt compared with its equity capital and is usually expressed as a percentage. The greater the gearing/volatility often the more risky the investment. For example, a company with gearing of 60 per cent. has levels of debt that are 60 per cent. of its equity capital. In considering our actions on your behalf, in relation to such securities, you should be mindful that:
 - (i) movements in the price of such securities may be more volatile than those in underlying investments;
 - (ii) such securities and the underlying investments may be subject to sudden and large falls in value; and
 - (iii) you may get back nothing at all if there is a sufficiently large fall in the value of such securities.
3. To help you further in understanding risk, we have outlined below some of the more common risks associated with investing in both UK and overseas markets:

Inflation Risk

Inflation may decrease real returns on assets over time. Inflation is the rate at which the general level of prices for goods and services is rising, and so the purchasing power of a sum of money is falling.

Market Risk

Market risk is the risk that the value of an investment will decrease due to moves in market factors. The price of investments can fluctuate with market conditions, regardless of the quality or type of the investment. Markets can be affected by many factors, including opinions and world events. An investment and its disinvestment risk may each be affected by factors relating to wider market conditions, both positive and negative, and such market conditions will affect each company differently depending on the nature and size of the company, amongst other factors; a share cannot therefore be assessed as an investment in isolation. Although a diverse portfolio can reduce this risk, globalisation of companies means there will invariably be a degree of overlap between different markets. The market risk of different investments can vary widely.

Interest Rate Risk

This applies to all fixed income securities. If interest rates in general rise, the price of a security with a fixed interest rate will fall.

Credit or Default Risk

The value of investments can be affected by the ability of the issuer of that investment to meet its obligations under the terms and conditions of the investment. In the event that the issuer cannot meet the terms and conditions they may default on their obligations, which may mean the value an investor receives is less than originally contracted or invested. Markets may adjust the value of the security to reflect an increasing risk of default, i.e. deteriorating credit worthiness of the issuer. In the event of the issuer's insolvency or related events such as bail in, your investments may not be as well protected, for example, from claims made on behalf of the general creditors of the issuer.

Country Risk

Investments entered into via an agent or issuer who is domiciled in a separate country may be subject to value fluctuations as a result of country risk. Country risk is the risk that some major event will occur in a particular country (e.g. a natural disaster) which is beyond the control of the investor or its counterparty, but which affects the financial markets relevant to the transaction, which they have entered into. This risk is present with respect to any country.

Information Risk

It is sometimes difficult to obtain reliable information with respect to counterparties, issuers and obligors.

Currency Risk

Any investment in a foreign currency is subject to adverse fluctuations in the value of that currency compared to your home, base or reference currency.

Exchange Control Risk

Some countries operate exchange control policies which restrict the flow of currency. Exchange controls can be easily introduced at short notice. If this occurs, it may prove difficult to remove or send elsewhere money from that country.

Legal Risk

There is always a risk that a change in the law or regulation may have an adverse impact on your investment. For example, a change in tax legislation may remove any tax advantages currently received, or assets may be frozen or seized.

Regulatory Risk

The level of accounting policies, investor protection and disclosure requirements in other countries is not the same worldwide and may be inferior to UK standards.

Liquidity Risk

There may be a risk of illiquidity i.e. that you may not be able to realise or sell your investment in a short timeframe without experiencing some kind of meaningful loss or penalty. Liquidity of Securities and collective investments can be affected by the underlying liquidity of their investments, which can vary over time.

Manager Risk

Collective investments rely on manager skill and judgement to generate investment returns. In some cases investors are reliant upon small teams or just one or two individuals. The incapacity or defection of such individuals may have a material effect on performance.

Additional Obligations Risk

It is possible that you may assume, as a result of transactions in your investments, financial commitments and other additional obligations, including contingent liabilities, in addition to the cost of acquiring the investments.

Specific Risk

In addition to the risks mentioned above, assets are subject to additional risks such as: the quality of the information available to make your investment decisions; fraudulent, negligent or incompetent behaviour on the part of management or key staff; or the fortunes of a company (and its share price) may be influenced by many other things including management, environmental conditions, industrial and general market sentiment.

4. Where an investment comprises a liability in one currency which is to be matched by an asset in a different currency, or where investments are in a currency other than GBP (or, if different, your reference currency), you should be aware that a movement of exchange rates may have a separate effect, unfavourable or favourable, on the gain or loss otherwise experienced on the investment.

5. Appendices 1, 2, 3, 4, 5, 6, 7 and 8 to this Agreement give certain risk warnings which we are required by the FCA Rules to give to Private Clients. These relate to warrants, Derivatives and structured products, emerging market risks, dealing in securities which may be subject to Stabilisation, penny shares and alternative investments.

6. We may introduce you to, or give advice or make arrangements with a view to another person (who may be an Associate) carrying on Investment Business with you from a non-UK location. In that case, all or most of the protections provided by the UK regulatory system do not apply and such business will generally be excluded from the scope of the UK Financial Services Compensation Scheme, so that compensation under that scheme will not be available. Where, however, we carry on Investment Business with you from a UK location, such business will be included in the scope of the UK Financial Services Compensation Scheme.

7. Stabilisation is a process whereby the market price of a security is pegged or fixed during the period in which a new issue of securities is sold to the public. Stabilisation may take place in the securities of the new issue or in other securities related to the new issue in such a way that the price of the other securities may affect the price of the new issue or vice versa.

Appendix 1 – Warrants, Derivatives and Structured Products Risk Warning Notice

Where you are a Private Client, this notice is provided to you in compliance with the rules of the FCA. Private Clients are afforded greater protections under these rules than other clients.

This notice cannot disclose all the risks and other significant aspects of warrants and/or derivative products such as Futures and Options. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. We may enter into Derivatives transactions with you or on your behalf, where you request us to do so which may result in your having a short position. Certain strategies may be riskier than simple "long" or "short" position. A "short sale" occurs when a person sells stocks they do not own, having borrowed them from someone else for delivery to the buyer. The borrowed shares must at some point be returned, by buying alternative shares in the market. This technique is used when an investor believes the stock price will drop and so they will make a profit on the difference between the price at which they sold the borrowed shares and the price at which they bought shares to return.

Although warrants and/or derivative instruments can be used for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

1. Credit Risk

Structured products are debt instruments, therefore subject to the creditworthiness of the issuer or guarantor. You are fully exposed to the risk of the issuer or guarantor of the structured product defaulting on their obligations. Should the credit rating of the issuer or guarantor deteriorate over the life of the investment, the value of the structured product may be affected, i.e. it may decrease. While a fall in value alone would not impact any redemption amount paid on the redemption date, it could affect the proceeds of an early redemption or sale in the secondary market, if you wish to sell early. You should only hold structured products as part of a properly diversified portfolio and avoid having too many investments with any one issuer or guarantor.

2. Warrants

A warrant is a form of derivative security that gives the holder the right to purchase securities (usually equity, debentures, loan stock or government securities) from the issuer at a specific price within a certain time frame. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be very volatile.

It is essential for anyone who is considering purchasing warrants to understand that the right to buy which a warrant gives is invariably limited in time with the consequence that if the investor fails to exercise this right within this time then the investment becomes worthless and the investor would not be entitled to receive any payments in respect of any warrants which are not exercised. It is the investor's responsibility to give timely notice of their intention to exercise in accordance with the terms of the warrant.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges, and can withstand such losses. Some other instruments are also called warrants but are actually Options (for example, a right to acquire securities which is exercisable against some-

one other than the original issuer of the securities, often called a "covered warrant").

3. Securitised Derivatives

These instruments, often structured products, may give you a time limited or absolute right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. In such cases, the investment or property may be referred to as the "underlying instrument". These instruments often involve a high degree of gearing or leverage (as explained above), so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile (i.e. subject to very rapid change). These instruments have a limited life, and may (unless there is some form of capital protection) expire without any return of your money if the underlying instrument does not perform as expected. You should only buy this product if you are prepared to sustain a partial or total loss of the money you have invested plus any commission or other transaction charges, and can withstand such losses. You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position, and if in any doubt please seek professional advice.

4. Futures

Transactions in Futures involve the obligation to make, or take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in Futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement in the price of the underlying can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 8 (Contingent liability investment transactions) below.

5. Options

There are many different types of Options with different characteristics subject to the following conditions:

(a) Buying Options.

Buying Options involves less risk than selling Options because, if the price of the underlying asset moves against you, you can simply allow the Option to expire worthless, although you will not get back the price you paid for the Option. The maximum loss on your Options is limited to the premium, plus any commission or other transaction charges.

(b) Writing Options.

If you write an Option, the risk involved is considerably greater than buying Options. You may be liable for Margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an Option, you accept a legal obligation to purchase or sell the underlying asset if the Option is exercised against you, however far the market price has moved away from the exercise price. If you do not own the underlying asset (uncovered Options) the risk can be unlimited. Only experienced persons should contemplate writing uncovered Options, and then only after securing full details of the applicable conditions and potential risk exposure.

6. Off-exchange and Over-The-Counter (OTC) transactions in Derivatives

While some off-exchange markets are highly liquid, transactions in off-exchange or "non-transferable" derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is. To the extent the terms and conditions provide for an election that requires notification, it is your responsibility to give timely notice of your intention to exercise.

7. Foreign markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. The potential for profit or loss

from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

8. Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in Futures, other Derivatives or sell Options, you may sustain a total loss of the Margin you deposit to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional Margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

9. Limited liability transactions

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss of the agreed limit is substantial.

10. Collateral

The way in which collateral will be treated will vary according to the type of transaction and where such collateral is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a recognised or Designated Investment Exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. UBS reserves the right to implement a higher margining requirement than the exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash.

11. Charges

Before you begin to trade, you should obtain details of all charges and fees for which you will be liable. If any charges and fees are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

12. Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

13. Clearing house protections

On many exchanges, the performance of a transaction is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the client, and may not protect you if we or another party defaults on its obligations to you. There is no clearing house for traditional Options, or normally for off-exchange or OTC instruments which are not traded under the rules of a recognised or Designated Investment Exchange.

14. Insolvency

Our insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets, which you lodged as collateral and you may have to accept any available payments in cash.

Appendix 2 – Emerging Markets Risk Warning Notice

Transactions in all forms of investment carry some degree of risk. Transactions on markets in "emerging market countries" or in "emerging market investments" may expose the investor to additional risks not typically associated with similar activities in more developed countries. In light of these risks, you should undertake such transactions only if you fully understand the nature of those risks and are able to bear the loss of all or substantially all of the value of your investments. In particular, you should be aware that we will not be responsible for appraising or reviewing on your behalf the financial

condition or creditworthiness of any emerging markets investments or the financial condition of the issuer or the performance by the issuer of any emerging market investment of its obligations under such investment. The classification of a country as an "emerging market country", while frequently based on relative economic, political and social development, often also depends on individual views. In general, "emerging market countries" are characterised by an underdeveloped or developing infrastructure, with significant potential for economic growth and increased capital market participation by foreign investors. Countries, which we consider to be "emerging markets countries", will generally possess some, but not necessarily all, of the following characteristics:

- (a) per capita Gross National Product ("GNP") less than the current World Bank definition of low and middle-income economies;
- (b) recent or relatively recent economic liberalisation (including a reduction in the state's role in the economy, privatisation of previously state-owned companies, and/or removal of foreign exchange controls and obstacles to foreign investment);
- (c) debt ratings below investment grade by major international ratings agencies and a recent history of defaulting on, or re-scheduling, sovereign debt;
- (d) recent liberalisation of the political system and a move towards greater public participation in the political process; and
- (e) non-membership in the Organisation of Economic Co-operation and Development (OECD).

The instruments of issuers and obligors resident, domiciled, based in or principally engaged in business in any such countries, together with any derivative products related to the performance of such instruments, are referred to in this statement as "emerging market investments".

This statement cannot disclose all the risks and other significant aspects of trading on markets in emerging market countries or of investing in emerging market investments. Rather, it is intended to highlight some of the risks of which you should be aware.

1. Country Risk

Investments or related derivative products entered into via an agent or issuer who is domiciled in a separate country may be subject to value fluctuations as a result of country risk. Country risk is the risk that some major event will occur in a particular country (e.g. a natural disaster) which is beyond the control of the investor or its counterparty, but which affects the financial markets relevant to the transaction, which they have entered into. Although this risk is present with respect to any country, it may be greater in an emerging market country as the economic, political and social systems are often less well developed.

2. Economic Risk

The economies of emerging market countries tend to be less stable than those of more developed countries. They often experience greater fluctuations in economic factors, which may contribute to financial instability, e.g. unpredictable changes in currency, interest rates and inflation rates. In addition, many emerging market countries are indebted to external organisations and to other countries and lack a well-developed infrastructure. Such factors can exacerbate such financial instability.

3. Political Risk

An unstable political environment can have a significant effect on a country's financial stability. Many emerging market countries experience rapid and significant changes in their political environment on a regular basis. Such changes may be due to social, ethnic or religious strife, often coupled with periods of social unrest. They often result in dramatic changes in governmental policy (including changes in exchange controls and market regulation). The result of such instability may make it difficult for investors or their counterparties to predict the effect of such changes on transactions which they enter into.

4. Market Risk

The financial markets in emerging market countries are commonly smaller, more volatile, less well regulated and less liquid than those in more developed countries. Often, there are no organised public markets for the securities of issuers in those countries. These factors may all result in greater price volatility of securities and other instruments issued or traded in emerging market countries. Inflation can be significantly higher in emerging market countries. An investment and its divestment risk may each be affected by factors relating to wider market conditions, both positive and negative, and such market conditions will affect each company differently depending on the nature and size of the company, amongst other factors.

5. Currency Risk

The value of emerging market investments may be affected by fluctuations in currency rates and by exchange control regulations. Whilst it may be possible to hedge or guard against these risks, they cannot be completely removed.

6. Exchange Control Risk

Exchange Control Risk can be significantly higher in emerging market countries.

7. Information Risk

It is often more difficult to obtain reliable information with respect to counterparties, issuers and obligors in emerging market countries than in more developed countries. In addition, the official data and statistics available to investors may be substantially less reliable than that available to investors in certain other countries. This can affect the investors' ability to assess the value of an instrument, the status of an issuer and the overall risk associated with the emerging market investment.

8. Settlement Risk

Settlement, custodial and clearing services in emerging market countries are typically not as highly developed as those in certain other countries. It is possible for investors in such countries to lose their registration as owners of an emerging market investment through fraud, negligence or oversight. The investor may also suffer loss as a result of delays and inefficiencies in the provision of such services.

9. Credit or Default Risk

Because emerging market countries are generally not as economically stable as more developed countries, there is a greater risk that issuers and obligors will experience difficulties in meeting their obligations to repay principal or to pay any income. Countries may be in default of their sovereign debt obligations.

10. Taxation Risk

The tax systems of emerging market countries tend to be subject to rapid and significant change. In addition, tax collection methods may not be as efficient as in more developed countries. This can result in foreign investors being expected to make up revenue short-falls. Investors in these jurisdictions should also note that the benefits of double taxation treaties may not be available.

11. Legal and Regulatory Risk

Although some emerging market countries have mature and reliable legal systems, many have systems of an elementary nature. There is, therefore, considerable uncertainty in many areas of the law in those jurisdictions. The rights and protections available to investors in more developed countries may not be available, may not be capable of enforcement or may be enforced in an unpredictable manner.

Appendix 3 – Securities Subject to Stabilisation Risk Warning Notice

We or our representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested in all in such securities and, if you do, whether you wish:

- (a) to be consulted before we carry out any such transactions on your behalf. If you do want this, you should notify us in writing; or
- (b) to authorise us to carry out any such transactions on your behalf without first having to consult you.

What is Stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

The FCA allows Stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a "stabilisation manager" (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, they are entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of Stabilisation. The FCA Rules regarding Stabilisation:

- (a) limit the period when a stabilising manager may stabilise a new issue;
- (b) fix the price at which the stabilising manager may stabilise (in the case of shares and warrants but not bonds); and
- (c) require the stabilising manager to disclose that they may be stabilising but not that they are actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, or of the price at which they are prepared to buy the securities.

Appendix 4 – Penny Shares Risk Warning Notice

There is an extra risk of losing money when shares are bought in some smaller companies including penny shares.

There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them.

The price may change quickly and it may go down as well as up.

Appendix 5 – Unregulated & Unrecognised Collective Investment Scheme Risk Warning Notice

Many funds in the alternative investment asset class are unregulated and/or unrecognised by the FCA in the UK. Where this is the case, such investments are not authorised, or otherwise approved, for general promotion in the UK. They do not carry with them the normal investor protection rights afforded to authorised investments and not all the protections afforded to "Private Clients" will apply. The Financial Services Compensation Scheme will not cover such funds unless they apply for, and receive, regulation which may often not be the case.

General risks with unregulated funds

1. Business Risk

There can be no assurance that the stated investment objectives of alternative investments will be achieved.

2. Fraud

Fraud is a more significant risk in the case of unregulated investments, particularly as they do not have the same disclosure requirements as regulated investments. The main protection against fraud is to ensure that there is a proper operating infrastructure in place in terms of auditing and valuing investments. However, it is often for good reason that information is withheld since operating in an environment where inefficiency of the markets is critical to maintain investment returns, alternative investment managers will seek to protect their competitive "edge" or particular insights by deliberately not disclosing full information about their activities, even to their own investor base.

3. Manager Risk

Alternative investments rely heavily on manager skill and judgement to generate investment returns. In many cases investors are reliant upon small teams or just one or two individuals. Where such individuals leave or are unable to perform their roles, this may have a material effect on performance.

4. Concentration of Investments

Alternative investment managers invest only where they have specific insight. As a result they usually hold fewer investments than regulated funds, which tend to follow a market benchmark. Although there will usually be risk controls that limit the maximum size of individual positions, portfolios will nevertheless be more concentrated than in the case of regulated investments. In the case of private equity, managers will only invest in a limited number of companies, regions or sectors. Most investment teams will have a hands-on role in their portfolio companies, and are therefore restricted in practice as to the number of investments that they can make. To the extent that portfolios are more concentrated, they become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting particular companies, regions or sectors.

Appendix 6 – Alternative Investments Risk Warning Notice (specific to Hedge Funds and Private Equity)

By the term "alternative investments" in this Appendix, we refer to hedge funds and private equity.

Hedge funds use techniques to extract returns from the markets other than through the straightforward purchase of listed securities, involving the use of derivatives, leverage and short sales of stock. Private equity generally involves investing in unlisted companies, for example in venture capital, buyouts and special situations. These specialist investments carry specific risks and in particular are not regulated by the

financial regulatory industry. The purpose of this Risk Warning Notice is to highlight the common risks associated with these types of investments in general.

Specific risks related to hedge funds

1. Use of Leverage

Leverage is an integral part of the investment strategy of certain types of hedge funds, and is used to optimise the level of risk and return. Higher leverage is typically associated with those investment styles that have relatively low exposure to market or duration risk, principally involving the use of arbitrage techniques. Leverage should not be viewed in isolation, but has to be considered in conjunction with all the risks inherent in a transaction. Overall, the higher the leverage of a fund the greater the speed with which changes in market, credit and liquidity risk can feed through to the value of a fund. The use of leverage is subject to agreements between hedge funds and their providers of credit and these providers may raise their Margin requirements or cease to extend lines of credit which may adversely affect hedge funds through forcing them to realise securities at an adverse price.

2. Use of Derivatives

Hedge funds may use both exchange-traded and over-the-counter Futures and Options. These instruments may be highly volatile and expose investors to a high risk of loss. The low initial Margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of funds actually placed as initial Margin and may result in further loss which may exceed any Margin deposited. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

3. Use of Short Selling

Short selling involves the sale of securities that the fund does not own, and therefore have to be borrowed for delivery to the purchaser, with a corresponding obligation to the lender to replace the securities at a later date. Short selling allows investors to profit from declines in market prices to the extent that transaction costs and borrowing costs are exceeded. Hedge funds often use short selling to reduce their "net exposure" to the market (this being the sum of their long and short positions) and to profit from the anticipated decline in the price of a security. An appreciation of price of an asset that has been "sold short" results in a loss. Purchasing securities to close out short positions can itself cause the price of the securities to rise further, thereby exacerbating the loss. As a short position requires subsequent funding to close out the position, short positions are potentially high risk. Critically, the running of a short position may give rise to unlimited liability because there is no maximum upside price for a security which has ultimately to be covered.

4. Lack of Track Record

Hedge funds often have a short or non-existent track record. Managers are often able to attract capital quickly and close offerings to new investors in a short space of time. Individual managers with a strong track record in the traditional investment management industry (i.e. involving the "long-only" purchase of securities) may find that their skill set does not successfully extend to the additional investment techniques associated with the hedge fund industry, in particular the maintenance of short positions.

5. Valuation Risk

Hedge funds are generally unregulated investments and there are no strict rules governing valuations. Most funds have annual audits carried out by independent auditors, usually conforming to stated accounting policies such as U.S. GAAP (Generally Accepted Accounting Principles) or IFRS (International Financial Reporting Standards). Investments are valued through a process called "mark-to-market". In the case of liquid instruments for which a ready market exists it is relatively easy to provide accurate valuations. Hedge managers may often invest in less liquid instruments, such as deeply discounted debt, where valuations become more subjective and dependent upon the volume being traded. Consequently portfolios containing less liquid instruments are more subject to valuation risk. During extremely volatile market conditions, securities may not trade as freely as usual, and therefore the valuation price may not reflect the price that would be received in the market if the fund were forced to sell.

6. Liquidity Risk

Many of the investment techniques used in the hedge fund industry involve investment either in illiquid financial instruments, or in investments, which are subject to legal or other restrictions on transfer. The market prices, if any, for such instruments may be volatile and a manager may not be able to sell them or realise fair value when desired. In particular, during a market crisis, instruments that are ordinarily liquid and tradable may cease to be liquid. In some cases the "hands-on" or board level involvement by a hedge fund manager in a company (e.g. a company undergoing financial reconstruction) may preclude disposal of such assets while such active involvement is continuing.

7. Funding Risk

A stable capital base and reliable credit lines are critical for a hedge fund manager to be able to continue trading during times of financial stress. During extremely volatile market periods, investors have a tendency to prefer liquid instruments or to hold cash, creating severe redemption pressure on hedge funds. If lines of credit are withdrawn, or if a hedge fund faces excessive redemption pressure, then a hedge fund may either be forced to sell securities at below their intrinsic value, or may take steps to limit investor redemptions.

8. Counterparty Credit Risk

A hedge fund manager must establish policies and procedures to track and manage exposure to concentrations of credit risk with particular counterparties, especially where concentrations exist in particular economic or geographic regions. Management of credit risk includes identifying counterparties as acceptable based on analysis of their creditworthiness and continuous monitoring of their creditworthiness. The main counterparty for a hedge fund is their prime broker (s). The assets of a hedge fund held by a prime broker may be pledged to a third party in exchange for financing. In the event that the prime broker should fail, these assets may be directly taken on to the balance sheet of the prime broker, and will be subject to bankruptcy or administration proceedings, which could result in total loss. Even where securities are held in custody and ring-fenced from a prime broker's balance sheet, in the event of the failure of the prime broker those assets may still be the subject of bankruptcy or administrative proceedings, and may not be returned until the completion of those proceedings, which may take a period of time. During that time, those assets may be subject to margin calls.

9. Investment Terms Risk

Hedge funds may also close or significantly alter the terms of investments made in the fund.

10. Redemption Risks

- (a) Lock-up periods/early redemption penalties/gates/side-pockets: Hedge funds often undertake relatively illiquid investments and invest for the longer-term view. It is essential that they have a stable investor base in order not to have to liquidate investments at inopportune times. It is usual for hedge funds to impose various mechanisms to ensure that investor capital remains sufficiently stable in order to protect the underlying investors from inopportune liquidation. These mechanisms can take any of, or a combination of the following: a "lock-up period" is an initial term for which investors are required to invest; it is not normally possible to redeem an investment during the initial lock-up period. An "early redemption penalty" is a penalty that applies to redemptions in the earlier stages of investment. Such penalties may be on a sliding scale, e.g. 4 per cent. in the first six months, 3 per cent., 2 per cent. and 1 per cent. respectively in each of the following six months, such that it would not be possible to redeem an investment in the hedge fund without penalty until two years had expired. It is customary for such penalties to be paid to the fund, which therefore benefits the remaining investors. A "gate" is where there is a limit as to the proportion of investor capital that may be redeemed at any redemption point. For example, if a hedge fund has a 20 per cent. gate and investors representing 30 per cent. of capital put in a redemption notice at the same time, then only 20 per cent. of the capital of the fund would be paid out at the next redemption point. There are different kinds of gates. Some operate on a pro rata basis so that investors who redeem after the gate threshold has been reached are treated prorata alongside earlier investors who placed redemption notices. Others are referred to as "stacked gates" where investors who place redemption notices after the gate threshold has been reached will not receive any redemption proceeds until

those investors that placed earlier redemption requests have had their redemption requests satisfied in full. In order to overcome the potential adverse effects of gates and stacked gates in particular, some hedge funds have now adopted what is commonly referred to as a "personal gate". This is where the gating mechanism applies to the individual investor and typically restricts the redemption proceeds to a percentage of that investor's capital that can be redeemed at any one redemption point. A "side-pocket" is where a hedge fund creates a dedicated share class (special shares), typically for less liquid investments. Special shares cannot generally be redeemed until the underlying investments mature. In the event that a hedge fund is unable to satisfy redemptions through its liquid positions, or where by satisfying such redemptions becomes excessively illiquid for those investors that remain, a side-pocket of illiquid special shares may be created, with those investors who redeem receiving part of their proceeds in cash, and part in specie through units in the side-pocket of shares. Remaining investors will equally own a pro rata share of the side-pocket. The side-pocket will usually be liquidated over a period of time as the underlying investments mature. Hedge funds may impose all kinds of variations and adaptations on the above and it is important that investors are fully familiar with the redemption terms and that they read the documentation for each hedge fund in full.

- (b) Net asset value cannot be determined until after investment decisions are taken:

The net asset value (NAV) of a fund is usually not known at the time when an investor commits to invest or redeem their investment. This is because an investment has to be committed to before the actual date of investment, and because notice is required prior to the redemption date. Therefore the NAV cannot be calculated until after the investment has been made or redeemed.

- (c) Partial retention of interests until receipt of audited statements, sometimes called a "hold back":

The complexity of the underlying investments results in a potential need to make adjustments to the NAV following receipt of audited statements. Consequently some hedge funds withhold a part of an investor's interest in a fund, especially if they elect to redeem 100 per cent. of their interests. For example, 90 per cent. of an investor's interest might be paid on the relevant redemption date, withholding the remaining 10 per cent. on deposit until a fixed period of time after receipt of audited statements following the fiscal year end for the fund. Therefore, if the fiscal year end of a fund were December, and a redemption notice for 100 per cent. of an investor's interest were posted for a redemption date in March, then only 90 per cent. of the redemption proceeds might be paid shortly following the March redemption date. The 10 per cent. balance of the redemption proceeds would be placed on deposit in March, and not returned to the investor until, say, the following April (i.e. 13 months later), allowing sufficient time for the receipt of audited statements after the December fiscal year end.

- (d) Suspension of redemptions:

A hedge fund may consider that it is in the best interests of all investors to suspend redemptions. In this case the hedge fund may rely on terms existing in its documentation, or if no such terms exist, it is likely that the hedge fund will propose a restructuring of its terms, which may or may not be subject to vote by the investors.

- (e) Timing of cash repayment:

There is a delay between the redemption date and the time when cash payment is remitted back to the investor. During this period, the net asset value has to be assessed, and the payment effected by the administrator to the underlying investors. In the case of fund of hedge funds, the delay is often longer as there are multiple underlying hedge funds where net asset values have to be determined.

11. Downside Risk

Many hedge funds use a variety of investment techniques often with an aim of generating a superior risk-adjusted return. However, because of the nature of some of these investment techniques, they can be subject to substantial negative returns on occasion. This may arise for any number of reasons, for example because of the asymmetrical risk profile associated with investments using derivatives, which is then magnified through the use of leverage. The economic conditions that give rise to such outliers can come about rapidly, e.g. through geopolitical events, and include widening credit spreads (increased risk premiums

demanding by investors in corporate and sub-investment grade bonds over and above government bonds), and spikes in volatility.

12. Currency Risk

The investment currency of a hedge fund may be different from an investor's home currency, in which case the investor bears a currency risk in addition to the underlying risk of the investment. This may be particularly significant if the investor regards hedge funds as a means to achieving investment returns with low volatility as the volatility associated with the currency risk alone may be greater than that of the underlying funds themselves.

13. Pooled Investments

Investments made by us are generally effected through a nominee. In the event that interests in a hedge fund have been acquired for other clients. As a result, the hedge fund may treat the aggregate of those investments as a single investment that is on an aggregate basis. This may affect certain of your rights and/or obligations in respect of your beneficial interest in the hedge fund, including but not limited to voting rights (if any). In particular, a shareholder vote may require a binary outcome in respect of a nominee holding (i.e. without the ability for some underlying clients to vote one way, and others another). In this situation, we will use our best judgement in how to treat investors fairly. In the event of the redemption (or exercise of any rights) by a single investor, the interests of the remaining investors may be negatively affected.

14. Legal, Tax and Regulatory Risks

Hedge funds may be affected by legal, tax and regulatory changes that may be introduced with little or no warning. By way of example, certain countries have in the past and may continue in the future to introduce restrictions on the short selling of certain securities. A change in regulations may affect the ability of a manager to continue trading, and could potentially prevent them from exiting existing investments, thus giving rise to losses. Investors in such hedge funds should consider their own tax treatment in terms of gains and losses resulting from their investment in such funds.

15. Corporate Actions

In certain cases, hedge funds may issue corporate action notifications requiring action by investors at very short notice. We will use best endeavours to form an opinion on appropriate corporate actions and to advise you in a timely manner. On occasions this may not be possible.

Private equity investments also typically carry the following risks, as well as those associated with hedge funds as detailed above:

1. No Assurance of Investor Return

Investors in private equity investments must be prepared to accept that they may not recoup their investment in full, and may stand to lose their investment in its entirety. Past investment performance is not an indicator of future investment performance, particularly as the nature of investment environment is constantly changing, resulting in private equity managers having to operate in new geographic areas and fields of expertise, at different stages of the economic cycle. In particular, there is often strong competition to acquire portfolio companies during a cyclical upturn, whilst it may be difficult to make divestitures during a cyclical downturn.

2. Liquidity at the Fund Level

Private equity investment funds in the form of limited partnerships or companies typically have a term of seven to fifteen years. There is no recognised secondary market in such private equity investments and it may be difficult or impossible for an investor either to sell, transfer or realise the investment or get a lending value for it. Venture Capital Trusts, which are specific to the UK, operate in a different way to limited partnerships as 100 per cent. of the commitment is called at the outset, and the vehicles are listed on The London Stock Exchange. Despite being listed, there is less liquidity in these investments than ordinary stocks because the tax concessions only apply in full if they are held for a number of years; accordingly the bid/offer spread can be very wide.

3. Liquidity of the Underlying Portfolio of Investments

The investments of private equity funds are generally in unlisted companies and it may be difficult to obtain reliable information about their value. The implementation of this valuation procedure may vary from one fund to another one. Private equity investments are generally realised either through a trade sale to an industrial buyer, or through a

listing in the public markets. Divestitures can often be delayed for legal or regulatory reasons, and many stock exchanges impose a lockup period for strategic investors following a flotation. This may result in the proceeds from a company that has been floated being significantly less than the flotation price should the value of the stock fall in the open market.

4. Default Risk

Once the commitment has been made to invest in a private equity fund, the penalty for an investor's failure to honour the commitment (which will usually require payments over a number of years) or other payments such as but not limited to management fees can be extreme including complete forfeiture to any rights to monies already invested in a private equity fund. Investors should be mindful of the notice period required for draw downs (which may be as short as seven (7) days), and should make sure that sufficient liquid funds are set aside to meet these. In addition, failure of the private equity fund to meet payments to their underlying fund program may result in significant adverse consequences for the limited partnership and/or company which may among other things cause the forfeiture of the private equity fund's interest in the underlying fund program. In this case even non-defaulting investors in the private equity fund need to be prepared to bear any capital losses which may include the total loss of capital invested in the private equity fund.

5. Use of Leverage

A significant proportion of the underlying exposure in private equity funds is expected to be to portfolio companies whose capital structures may have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio company or its industry.

6. Currency Risk

The currency of a private equity investment might be different from a client's home currency, in which case the investor bears a currency risk in addition to the underlying risk of the investment. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment.

7. Additional Costs

It is possible that other costs, including taxes, related to transactions in connection with the private equity investment or the investment service may arise for the investor that are not paid via the private equity investment fund or imposed by it.

8. Legal, Tax and Regulatory Risks

Private equity investments may be affected by legal, tax and regulatory changes that may be introduced with little or no warning. This may not only potentially limit the scope of their operations, but may also affect their ability to divest portfolio companies and could thus give rise to losses. Investors in private equity investments should consider their own tax treatment in terms of gains and losses resulting from their investment in such funds and obtain their own independent legal, financial and tax advice before investing.

Appendix 7 – Alternative Investments Risk Warning Notice (Specific to Indirect Property/Real Estate Funds)

By the term "alternative investments" in this Appendix we refer to property related products. Property related products generally invest in direct or indirect property as well as other property related structures, such as but not exclusively, property funds, property certificates, index certificates, property derivatives, development rights, mortgages etc. and cash or cash equivalents. Property related products carry specific risks as may be set out in the associated prospectus or offering memorandum for any specific investment, however the purpose of this Risk Warning Notice is to highlight the common risks associated with these types of investments in general.

General risks

1. Passive Investment

Investors typically will only have limited rights to approve major decisions about how the real estate related products are operated and investors will not be able to take part in the management. Real estate

related products typically have corporate governance rules, which enable investors to remove the manager (and others) under certain limited situations.

2. Subscription and Redemption Risks

(a) Lock-up periods/early redemption penalties.

Some real estate related products may be subject either to "lock-up periods", subscription or redemption penalties.

(b) Net asset value cannot be determined until after investment decisions are taken.

The net asset value ("NAV") of a real estate related product is usually not known at the time when an investor commits to invest or redeem their investment. This is because a notice period is normally required prior to investment and redemption. Therefore the NAV cannot be calculated until after the investment has been made or redeemed.

(c) Suspension.

In times of market dislocation, the manager of real estate related products may determine that it is in the interests of investors to suspend redemptions and/or subscriptions altogether. This may be for an undefined period of time. In the event that a secondary market ordinarily exists for such real estate related products (which varies from product to product), such suspension would usually also impact any such secondary market and therefore render the investment illiquid.

3. Claw Back Risks

A real estate related product may include provisions in the trust deed whereby it may be able to approach current and previous unit-holders for a payment if for some reason the administrator had underestimated payments to a third party in a relevant earlier period, for example whereby a tax payment is estimated and paid and the tax authorities subsequently seeks a legitimate payment of a larger amount. This risk may also include other unforeseen expenses or expenses payable after closure of the real estate related product. The provisions for each product should be considered in detail by an investor.

4. Funding Risk

A failure by a real estate related structure, or any joint venture in which the structure is a participator, to perform its obligations under the terms of any loan or other financing documents would permit the lender to demand early repayment of the finance and realise any security they have over the structure's assets. This means that real estate investments in the structure could be the subject to a forced sale at less than market value prices.

5. Legal, Tax and Regulatory Risks

Real estate related products may be affected by legal, tax and regulatory changes that may be introduced with little or no warning. A change in regulations may affect the ability of a manager to continue trading, and could potentially prevent them from exiting existing investments, thus giving rise to losses. Investors in real estate related products should consider their own tax treatment in terms of gains and losses resulting from their investment in such products.

6. Future Performance

Investors in property related products must be prepared to accept that they may not recoup their investment in full, and may stand to lose their investment in its entirety. Past investment performance is not an indicator of future investment performance or an indicator that future trends will follow the same or a similar pattern, particularly as the nature of the investment environment is constantly changing, resulting in managers of property related products having to operate in new geographic areas and fields of expertise, at different stages of the economic cycle. Forecasts made in any documentation may not be achieved. In particular, there is often strong competition to acquire direct or indirect property or other property related structures during a cyclical upturn, whilst it may be difficult to make divestitures during a cyclical downturn.

Specific risks related to Property Related Products and other Alternative Investments

1. Valuation Risk

Property related products are generally valued on a net asset value basis, and in accordance with the principles laid down by local valuation standards as set by the appropriate body that, to ensure best practice is followed in relation to formal property valuations. It must be appreciated that property valuations are based on a valuer's opinion of

market value and the amount derived on realisation of any particular property may be less than the valuation given by the valuer. This could have an adverse effect on the value of an investment.

2. Use of Leverage

Leverage is often used in property related products. This additional gearing is used to try and maximise returns, portfolio reach and possibly to allow redemptions without being forced to sell assets. Investors should understand that such leverage may mean that a small negative movement in the market can result in a large reduction in value of the product. It is also important for the investor to be clear as to the level of recourse a lender may have to the investors in the scheme.

3. Property Ownership Responsibilities

Property related products typically assume property ownership risks including, without limitation, environmental and third party liability risk. However, recourse will be limited to the property related product itself, the investment manager and insurance policies it holds to cover such eventualities. Should these be inadequate to meet any claims, properties may have to be sold to meet liabilities and the product value will be adversely affected.

4. Liquidity at the Product Level

Property related products in the form of limited partnerships or limited liability companies typically have a term of five to nine years. There is no recognised secondary market in such property related products. As a result, once the commitment has been made to invest in such a property related product, the penalty for an investor's failure to honour the commitment (which will usually require payments over a number of years) can be extreme, up to and including complete forfeiture of any rights to monies already invested in such a product. Investors should be mindful of the notice period required for draw downs (which may be as short as five (5) days), and should make sure that sufficient liquid funds are set aside to meet these. Whilst many property related products do offer the possibility of liquidity on a regular basis, the investor must be aware of the managers' discretion to extend this period from time to time or place a limit on the size of redemptions, or defer any redemption requests where they are permitted to do so in the product offering documentation.

5. Liquidity of the Underlying Portfolio of Property Related Investments

As an asset class, property is generally considered as illiquid. Forced sales will often result in the proceeds from an investment being less than market value. Property investments are realised either through outright sale, auction or a listing in the public markets. Divestitures can often be delayed for legal or regulatory reasons or impacted by adverse market effects. This can result in the proceeds from an investment being less than the valuation given by the valuer.

6. Tenant Default Risk

The financial standing of tenants underlying a property related product is a particularly important consideration, as it will impact asset values. An investor should consider how financially strong the product's tenants are, as this will be a key determinant to the underlying property values. The default of a tenant will have knock on repercussions on the value of the investment.

7. Costs Relating to Property Development and Vacant Buildings

In addition to the situation outlined above regarding tenant default, property managers underlying the product might acquire vacant buildings and incur void costs and the risk of finding tenants and costs of letting. Alternatively, they may be involved in property development (with the risks therein) without a tenant lined up i.e. speculative development, which may have an adverse effect on the income underlying the product.

8. Exclusion of Liabilities

A manager of a property related product may delegate specialist property management functions to third parties, such as property management, maintenance functions etc. A manager of a property related product often would not be liable for any wilful default, fraud or gross negligence of third parties they delegate to unless the delegation to such third parties is fraudulent or negligent in itself. This may mean, for example, that a unit holder may not be able to rely on breach of contract to rectify any loss but could have to prove that a duty of care to the unit holder existed instead.

9. Currency Risk

Where an investor buys a holding in a property related product overseas or the product is hedged into a currency other than the investor's reference currency, the investor bears a risk from movements in the values between currencies in addition to the underlying risk of the investment. This may be particularly significant if the investor regards alternative investments as a means to achieving investment returns with low volatility as the volatility associated with the currency risk alone may be greater than that of the underlying investments themselves.

10. Risk in the Event that a Fund is Wound up

A risk may exist whereby a unit holder could be left jointly or individually owning the underlying property assets in the event that a property related product is wound up and the property assets cannot be realised.

11. Individual Property Related Products Warnings

Each property related product will have its own nuances and underlying management style and accordingly the actual risks relating to any one product will vary from an outwardly similar peer product. Accordingly, it is important that investors read and understands the risk warnings relating to that specific investment. If you have any concerns relating to these warnings you should discuss them with us or your independent financial adviser(s).

Appendix 8 – Alternative Investments Risk Warning Notice (Specific to Commodities)

1. Unregulated Commodity Funds

Certain commodity instruments are unregulated collective investment schemes in the UK and not all the protections afforded to "Private Clients" will apply. See Appendix 5 (Unregulated & Unrecognised Collective Investment Scheme Risk Warning Notice) for details.

2. Asset Class Volatility

Clients are warned that commodities have historically been a highly volatile asset class and that different market conditions/events affect their value and/or the value of different types of commodities to a greater or lesser degree. For example:

- (a) political, military or natural influences may impair the production of/or trade in commodities contained in the index;
- (b) terrorist or criminal activities may affect the availability of a particular commodity and thus adversely influence the weighting of the commodity in the index itself. They should seek advice on the extent of their exposure to the underlying asset class and the fund; and/or
- (c) commodity related investments may also carry emerging market risk. Please see Appendix 2 (Emerging Markets Risk Warning Notice).

3. Benchmark

Certain funds and structured notes are benchmarked against commodity indices. These indices come in various forms: excess, total return or constant maturity. These may differ from spot commodity prices due to the impact of rolling forward contracts. This impact may be positive or negative depending on the relationship between forward and spot prices. Clients should discuss with us if they have any doubts as to the sources of return of a given return index.

4. Foreign Exchange Risk

Clients may experience foreign exchange risk depending on their underlying reference currency, and capital may rise and fall as a result of exchange rate fluctuations.

5. Past Performance

Past performance should not be seen as indicative of future performance in respect of the underlying index or the fund.

6. Conflicts of interest

Different units within the UBS Group carry out various operations, and UBS is the counter party to the underlying swap agreement. The various companies or operational units of the UBS Group carrying out these operations act as independent units, so as to avoid a conflict of interest. All transactions concluded with or through units of the UBS Group are carried out in accordance with the standards of the market and in the best interests of the shareholders of the company.

7. Risks connected with the use of Derivatives

Certain commodity funds may use a swap agreement. The swap agreement is a structured derivative. Whilst the careful use of such a Derivative can be beneficial, certain risks are associated with Derivatives that may be greater than is the case with conventional investments. Structured derivatives are complex and may entail a high potential for losses. The intention is to achieve the investment objective of the relevant sub fund, with the assistance of the aforementioned swap agreement. Using Derivatives in this way does not constitute a speculative procedure. Exchange traded derivative can often be settled by physical delivery of the underlying commodity referenced in the contract, exposing you to the risk of such physical delivery. Facilitating this could involve significant additional costs and logistical problems.

Appendix 9 – E-Mail Use Risk Warning

E-mails are sent via unsecure servers and/or facilities which are easily accessible by third parties and are typically routed via (multiple) foreign jurisdictions. Therefore, there are numerous risks involved when using e-mail including:

- (a) lack of confidentiality (e-mails and their attachments can be read and/or monitored without detection);
- (b) manipulation or falsification of the sender's address or of the e-mail's (or attachment's) content (e.g. changing the sender's address(es) or details);
- (c) system outages and other transmission errors, which can cause e-mails and their attachments to be delayed, mutilated, mis-routed and deleted;
- (d) viruses, worms etc. may be spread undetected by third parties and may cause considerable damage;
- (e) damages caused by third parties intercepting e-mails.

UBS uses, maintains and protects computer and IT infrastructures of a type and in a manner customary within the industry. Any client wishing to make use of e-mail in relation their Account at UBS should consider taking the following measures:

- (1) consider the risks and take due care regarding e-mails received (or purportedly received) from UBS (if in any doubt, the client should contact the sender by telephone);
- (2) re-enter UBS' address when replying to e-mails (and not use reply buttons or links);
- (3) take appropriate steps in the event that the client detects or suspects any irregularities (e.g. the tampering with or falsifying of e-mails or the e-mail address(es) or if there is any doubt as to the origin of the e-mail), for example by immediately contacting UBS and to delete the e-mails from their computer system; and
- (4) update the client's own computer system and security software on a continuous basis (e.g. by installing recommended security patches, by observing customary technical security measures, in particular the installation of continually updated firewalls and continually updated antivirus programs).

Glossary

Act means the Financial Services and Markets Act 2000 and shall include all statutory instruments made thereunder.

Affiliated Company, in relation to a firm, means any undertaking in the same group as that firm.

American-Style Call Option means a call Option which gives the buyer the right but not the obligation to buy a specified quantity of a particular asset at any time (when the market in the underlying asset is open) during the life of the Option, in exchange for paying the exercise price (also known as the strike price) of the Option.

American-Style Put Option means a put Option which gives the buyer the right but not the obligation to sell a specified quantity of a particular asset at any time (when the market in the underlying asset is open) during the life of the Option, in exchange for receiving the exercise price (also known as the strike price) of the Option.

Applicable Law means any applicable: (i) laws, rules and/or regulations of any country; (ii) requirement of a relevant market; and (iii) rules, regulations, orders, directives, announcements, decisions, procedures, terms, other requirements and/or customs made, given or issued by, or published under the authority of any regulatory body, all as amended, supplemented or replaced from time to time.

Associate means in relation to a person:

- (a) an undertaking in the same group as that person;
- (b) an appointed representative of the first person or of any undertaking in the same group; and
- (c) any other person whose business or domestic relationship with the first person or its Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.

Best Execution means in relation to the effecting of a transaction, the effecting of that transaction in compliance with FCA Rules. In summary, this rule requires the FCA firm to take all sufficient steps to obtain the best possible result when either executing transactions on your behalf or using other affiliates or brokers to execute transactions on your behalf, taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature of the transaction or any other consideration relevant to the execution of the order. Nevertheless, the obligation to provide best execution will be satisfied where you provide us with a specific instruction in relation to an order and we follow that instruction so far as is reasonably possible when executing the trade.

Business Day is a day on which banks in London are open for business.

Collective Investment Schemes has the meaning given in Section 235 of the Act.

Contingent Liability Transaction means a derivatives transaction under the terms of which the client will or may be liable to make further payments (other than charges, and whether or not secured by Margin) when the transaction falls to be completed or upon the earlier closing out of his position.

Derivatives means Options, Futures, swaps and other investments linked to an underlying.

Designated Investment Exchange means any investment exchange which is listed as such in the FCA Rules.

Distance Contract means any contract concerning financial services, the making or performance of which constitutes or is part of a regulated activity (as defined in the FCA Rules) concluded under an

organised distance sales or service provision scheme run by the contractual provider of the service who, for the purposes of that contract, is making exclusive use (directly or through an intermediary) of one or more means of distance communication up to and including the time at which the contract is concluded. For these purposes, a means of distance communication is any means used for the distance marketing of a service between parties which does not involve the simultaneous physical presence of those parties.

E-banking means the electronic banking service provided by UBS through the internet in connection with your Account.

European-Style Call Option means an Option, which gives the buyer the right but not the obligation to buy a specified quantity of a particular asset on the expiry date of the Option, in exchange for paying the exercise price (also known as the strike price) of the Option.

European-Style Put Option means an Option which gives the buyer the right but not the obligation to sell a specified quantity of a particular asset on the expiry date of the Option, in exchange for receiving the exercise price (also known as the strike price) of the Option.

FCA means the Financial Conduct Authority and FCA Rules means the rules of the FCA as from time to time varied, amended or substituted by the FCA.

Future means an investment specified within article 84 of the Regulated Activities Order 2001. In summary, rights under a contract for the sale of property of any description for delivery at a future date at a price agreed upon when the contract is made.

ISA Regulations means the Individual Savings Account Regulations 1998 (Statutory Instrument 1998 Number 1870) (as amended).

Margin means the amount of cash or assets as may be requested by us from you for the purpose of a Contingent Liability Transaction.

Member State means a member country of the European Union.

Option means an investment specified in article 83 of the Regulated Activities Order 2001. In summary, Options to acquire or dispose of investments, currencies or certain precious metals, including Options on Options.

Payment Transaction means an act of placing, transferring or withdrawing funds.

Private Client means a client classified as a retail client in accordance with the FCA Rules and who is not a Professional Client or an eligible counterparty.

Professional Client means a client classified as a professional client in accordance with the FCA Rules.

Regulated Collective Investment Schemes means a Collective Investment Scheme authorised for the purposes of the Act or a recognised scheme recognised under the Act.

Regulated Market means a trading system, on which many people can interact, operated by a market operator in the EEA, such as the London Stock Exchange, that brings together multiple third party buying and selling interests in financial instruments where the instruments traded are admitted to that market according to its rules and systems.

Stabilisation is a process whereby the market price of a security is pegged or fixed during the period in which a new issue of securities is sold to the public.

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