

## EQUITIES MODULE

This Module to the Terms of Business forms an integral part of, and must be read in conjunction with, the Terms of Business.

### 1. SCOPE

- 1.1 **Transactions:** The provisions in this Equities Module apply to Transactions in Equity Securities. For these purposes, "Transaction" means a transaction relating to any Equity Securities under which delivery of Equity Securities is contemplated upon its formation and falling within paragraphs (a) to (e) of the definition of "Transaction" in the Interpretation clause set out in the General Terms of Business.

### 2. DEFINITIONS

- 2.1 **Defined terms:** All defined terms have the meaning set out in the General Terms of Business. Additionally, for the purposes of this Module:

**"Corporate Action"** means any step taken by an issuer of Equity Securities with reference to holders of its Equity Securities, and includes: capital reorganisation; capitalisation; change in listing; consolidation; conversion; delisting; de-merger; alteration in ranking; redemption; rights issue; scheme of arrangement; takeover; or any equivalent or analogous step under the law of any relevant jurisdiction;

**"Equity Securities"** means securities which are shares in a company, or securities equivalent to shares in a company, a partnership or other entity, provided that they are negotiable on the capital market, and include depository receipts in respect of shares, but excluding any lending arrangement; and

**"Limit Order"** means an order to buy or sell Equity Securities at a specified price limit or better and for a specified size.

### 3. TRADING ARRANGEMENTS

- 3.1 **Cut-off times:** We may establish cut-off times for instructions which may be earlier than the times established by the Infrastructures involved in any Transaction, and you shall have no claims against us arising out of the fact that an order was not placed by you ahead of our cut-off time.
- 3.2 **Our duty in respect of Corporate Actions:** Where, in respect of any Equity Securities held by us for your account or deliverable to us for your account, any Corporate Action occurs, we shall not be obliged to undertake any action, even if you specifically instruct us, unless we expressly consent in writing.

### 4. OFF-MARKET AND GREY MARKET INVESTMENTS

- 4.1 **Off-market Transactions:** If we sell you any Equity Securities which are not quoted on a trading venue recognised or designated by Applicable Regulations, then you may find it difficult to sell such Equity Securities due to their nature and possible illiquidity.
- 4.2 **Suspended and grey market investments:** We may enter into Transactions for or with you in:

- (a) any Equity Securities whose listing on a trading venue is suspended, or the listing of or trading in which has been discontinued, or which are subject to a market announcement suspending or prohibiting trading; or
  - (b) a grey market investment, which is any Equity Securities for which application has been made for listing or admission to trading on a trading venue where the listing or admission of the Equity Securities has not yet taken place (otherwise than because the application has been rejected) and the Equity Securities are not already listed or admitted to trading on another trading venue.
- 4.3 **Transparency:** It is possible that there may be insufficient published information on which to base a decision to buy or sell such Equity Securities as referred to in sections 4.1 and 4.2 of this Module.
5. **LIMIT ORDERS**
- 5.1 **Sufficient funds:** If you instruct us in respect of a Limit Order for the purchase of any Equity Securities, you will ensure that there are sufficient funds in your account to meet that Limit Order.
- 5.2 **Our role as principal:** Any Limit Order in respect of Equity Securities in which we act as market-maker or otherwise as principal will be given by you on the understanding that:
- (a) the order will not be executed unless and until we bid for the Equity Securities at the same or a higher price than that specified in the order (in the case of a sell order) or offer them at the same or a lower price than that specified in the order (in the case of a buy order) with a view to purchasing or selling (as the case may be) the Equity Securities concerned in the amount of the order; and
  - (b) until execution, we may buy the Equity Securities (where the order you gave was to buy) at a price equal to or lower than stated in the order, or sell them (where the order was to sell) at a price equal to or higher than that stated in the order. Any such purchase or sale may be from or to any third party and for our own account or for that of any Affiliate.
- 5.3 **Cancellation:** If you wish to cancel a Limit Order before its execution or expiry, subject to Applicable Regulations the order remains valid until you receive a confirmation of cancellation of that order from us.
6. **SETTLEMENT AND OWNERSHIP**
- 6.1 **Title:** If in any Transaction we deliver Equity Securities or pay money on your behalf, but your obligations in respect of that Transaction are not performed simultaneously with or prior to our own delivery or payment, then we shall not be obliged to credit your account with any Equity Securities or money received by us from any third party until your own obligations to us are fully performed; and any such Equity Securities or money received by us shall be our property not yours. You shall provide account and settlement details to us for the purposes of settlement of Transactions under this Agreement. Unless otherwise instructed by you, we will settle directly with our nominated custodian.
- 6.2 **Finality:** We shall owe no payment or delivery obligation and shall not be deemed to hold any property belonging to you as a result of settlement of a Transaction until we have received, with finality, the cash or Equity Securities to which you are entitled.

- 6.3 **CREST:** Where you instruct us to effect settlement by accepting the transfer of Equity Securities to our nominated CREST account you accept that payment obligations upon settlement will be dealt with through a settlement bank and that the creation of a settlement bank payment obligation will, to the extent of such obligation, discharge payment due from us.
- 6.4 **Non-DvP markets:** In some securities markets, delivery of Equity Securities and payment may not be made simultaneously. In such markets we may make payment or delivery of Equity Securities at such time and in such manner as is in accordance with relevant local law and practice or with the customs prevailing in the relevant market. You shall bear the risk that the counterparty to the Transaction may not pay or perform on time or at all.
- 6.5 **Failed trades:** We will notify you if settlement of a Transaction fails to take place on the contractual settlement date, whether because of a default by a counterparty to that Transaction or otherwise.
- 6.6 **Aggregation for Settlement:** Settlements in respect of executed Transactions may, in our discretion, be netted to the lowest number of movements for each type of Equity Securities reasonably possible, subject to Applicable Regulations.
- 6.7 **Multiple trading venues:** Where more than one trading venue is potentially relevant in respect of a Transaction or any Equity Securities, it shall be within our discretion to determine the settlement period or other matters relevant to the operation of this Module.

## 7. STABILISATION

- 7.1 **Stabilisation activity:** We may effect Transactions in Equity Securities that may be the subject of stabilisation, a price supporting process that may take place in the context of new issues. The effect of stabilisation can be to make the market price of the new issue temporarily higher than it would otherwise be. We shall owe you no duties in respect of legitimate stabilisation activities which we undertake.

## 8. TRANSPARENCY

- 8.1 **Regulatory reporting:** We may be obliged to make information about certain Transactions public. You agree and acknowledge that any and all proprietary rights in such Transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we are obliged to disclose.

## 9. REPLACEMENT TRADES

- 9.1 **Exposure through OTC derivative transactions:** In limited circumstances for certain jurisdictions we may not be able to facilitate your direct trades on certain Infrastructure and may instead provide you with the equivalent economic exposure to orders placed by entering into an OTC derivatives transaction with you.

## 10. MARKET RISK

- 10.1 **Emerging markets risk:** You are aware and have a full understanding of merits and risks of each particular Infrastructure in which you invest or trade, including without limitation, the particular risks associated with investing and trading in emerging markets (which include, without limitation, sovereign action by an emerging market country's government such as an order of a governmental authority blocking or limiting transfers or deliveries of the country's currency outside its borders, rendering the currency inconvertible into another relevant currency, devaluing the currency, prohibiting or imposing substantial restrictions

on foreign investments in such country's capital markets or the possibility of expropriation of assets or the imposition of punitive taxes).

11. **NETTING**

11.1 **Netting Transaction:** Any Transaction to which this Module applies shall be a "Netting Transaction" for the purposes of these Terms of Business and subject to termination and liquidation under clause 8 of the General Terms of Business.

12. **LIABILITY**

12.1 **Applicable Regulations:** Nothing in this Module will exclude or restrict any duty or liability we may have to you under Applicable Regulation, to any greater extent than it may validly be excluded or restricted.