

***Terms of Business for  
Professional Clients  
and Eligible  
Counterparties***

**3 January 2018**



**Rabobank**

## **Coöperatieve Rabobank U.A. (which trades in the UK as Rabobank London)**

### **Terms of Business for Professional Clients and Eligible Counterparties ("Terms")**

**These Terms constitute a legally binding contract. If we do not hear from you to the contrary, we shall assume that you have accepted, and you shall be deemed to have agreed to be bound by, these Terms by continuing to deal with us or otherwise requesting or accepting our services covered by these Terms.**

#### **1 Scope and Application of these Terms**

- 1.1 These Terms shall apply to all investment business, including transactions entered into with the client by Coöperatieve Rabobank U.A., which is incorporated in the Netherlands and has a branch in the UK. The term "Rabobank" in this document shall mean Coöperatieve Rabobank U.A. acting either from the Netherlands or its London branch (as the case may be). Rabobank is authorised by De Nederlandsche Bank, regulated by the Autoriteit Financiële Markten ("AFM") and subject to limited regulation by the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA") in respect of its UK activities. Further details about the extent of our regulation by the FCA and PRA are available from us on request.
- 1.2 Unless otherwise stated in the relevant contract or confirmation note or otherwise expressly notified to you, in executing transactions, Rabobank acts as principal, but not as agent for its clients.
- 1.3 If there are any other agreements between us, such as ISDA master agreements, which conflict with these Terms, those agreements will take precedence except to the extent that it is necessary for these Terms to prevail to comply with legal and regulatory requirements.
- 1.4 For the purposes of these Terms, "Regulatory Authority" shall mean (as the case may be) any of De Nederlandsche Bank, the AFM, the FCA or the PRA, or any other regulatory authority to which Rabobank or a member of its group is subject. Where this document refers to the "Rules", this shall mean any relevant rules or guidance of a Regulatory Authority that apply to Rabobank when providing services to you.
- 1.5 "MiFID II" means Directive 2014/65/EU and Regulation 600/2014/EU. References to specific MiFID II rules relate to Directive 2014/65/EU,

unless stated to refer to Regulation 600/2014/EU ("MiFIR").

#### **2 Client Categorisation**

- 2.1 Based on the information available to us, you have been categorised as either a professional client or an eligible counterparty. Rabobank will have notified you of this in a separate client categorisation notice.
- 2.2 Professional clients are not entitled to certain protections afforded by the Rules to retail clients, including, but not limited to, the protections provided for in MiFID II:
  - (a) imposing requirements as to the form, content and timing of certain information provided to retail clients (Articles 24 & 25 MiFID II); and
  - (b) requiring additional information to be obtained from retail clients to assess the appropriateness of certain services provided (Article 25(3) MiFID II).
- 2.3 Eligible counterparties are not entitled to certain other protections afforded by the Rules, including, but not be limited to, the following protections provided for in MiFID II:
  - (a) the requirement for us to act in accordance with your best interests (Article 24(1) MiFID II);
  - (b) the restriction on the payment or receipt by us of any inducements (Articles 24(8) and 27(2) MiFID II);
  - (c) the obligation on us to take all sufficient steps to obtain the best possible result for you when executing your orders ("Best Execution") (Article 27 MiFID II); and
  - (d) the requirement to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of your orders (Article 28(1) MiFID II).
- 2.4 Unless you inform us you consider that we have not categorised you correctly or notify us of any changes that could affect your categorisation, Rabobank will conduct business with you on the basis set out in your client categorisation notice. You will benefit from the regulatory protections afforded to either professional clients or eligible counterparties (as the case may be) under the

Rules. You have the right to request a different client categorisation, either generally or in respect of particular transactions. We will inform you if we are willing to accept such different client categorisation.

- 2.5 You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation.

### **3 Capacity**

3.1 If you are acting on behalf of any other person when transacting investment business with us, to the extent permitted by the Rules, Rabobank will continue to treat you alone (rather than any other such person) as its client for all purposes and in relation to all obligations, and you will be liable as such. This applies even if you act on behalf of a person whom you have identified to us.

3.2 If you act as agent, (and Rabobank has agreed to you acting in an agency capacity) we shall proceed on the basis that you have undertaken all necessary steps to verify the identity of your principal to comply with any local regulatory or legal requirements.

### **4 Authorisation**

4.1 On a continuing basis you represent and agree that:

(a) in any investment business carried on by Rabobank for or with you pursuant to these Terms you are acting either as principal or agent; and

(b) you have and will have full power and capacity, and in the case of a trustee you have and will have full power and capacity under the relevant trust deed(s), to enter into and perform your obligations and to confer on us such authorities as are necessary so that these Terms will be binding on you; and

(c) any of your investments which we or our agent hold on your behalf pursuant to these Terms are or will be beneficially owned by you free from all liens, charges, encumbrances other than those which may arise in our favour, or in the case of a trustee or investment manager you represent that you have obtained a representation of beneficial ownership from the beneficial owner and that the beneficial owner has authorised you to deal with such investments; and

(d) you will obtain and comply with the terms of all authorisations, consents and approvals of any government or other regulatory body necessary to enable you to perform under these Terms, and shall provide us with copies of such consents and approvals as we may reasonably require.

4.2 You undertake that if in relation to any transaction carried out pursuant to these Terms you are acting as agent for another then:

(a) you have and will have full power and capacity to enter into and perform your obligations; and

(b) in so doing, you are expressly authorised by your principal to instruct us in relation to any such transaction.

### **5 Authorised Instructions**

Rabobank does not have the operational capacity to monitor which particular traders are authorised to enter into transactions on your behalf, and shall be entitled to rely on, and treat as binding, any agreements, orders or instructions which it reasonably believes to be by or from you or your agent(s) (whether received by telephone, telex, facsimile, electronic mail or in writing or as otherwise agreed between the parties from time to time) and which it has accepted in good faith. Rabobank may refuse to follow your instructions if, in its opinion, compliance therewith would be contrary to any applicable law, Rules, regulation, market or code of practice or to do so would, in its bona fide opinion, be unreasonable in the circumstances. If Rabobank declines to follow your instructions, it shall, subject to applicable law, promptly notify you but shall have no liability for any expense, loss or damage you may incur by reason of any omission so to do.

### **6 Conduct of Business**

6.1 EXECUTION: Rabobank has an order execution policy (the "Order Execution Policy") which applies where it executes orders on your behalf or receives and transmits orders to other entities for execution for your account, where those orders relate to financial instruments within the scope of MiFID II. The Order Execution Policy is provided to you and is available on request. You consent to the Order Execution Policy. We will notify you of material changes to the Order Execution Policy. Rabobank will consider that the continued placement of orders by you to constitute your continuing consent to the Order Execution Policy, as in effect from time to time.

6.2 You consent to Rabobank (or its affiliates, as the case may be) effecting transactions on your behalf outside a regulated market, multilateral trading facility or organised trading facility.

6.3 Where you provide us with specific instructions, either relating to an order or a particular aspect of an order, we will execute the order in accordance with those instructions. You should be aware that providing specific instructions to us in relation to the execution of a particular order may prevent us from following procedures

under the Order Execution Policy to achieve Best Execution.

- 6.4 If we have agreed to categorise you as an eligible counterparty, we are not obliged to achieve Best Execution in relation to your orders.
- 6.5 You agree (to the extent permitted by the Rules) that **Rabobank shall not owe you a duty of best execution** where you give us an order to execute on your behalf in respect of an instrument which falls outside the scope of MiFID.

*CLIENT MONEY:* Rabobank is a credit institution. Any money held with Rabobank will be held as banker and not as trustee. As a consequence, any money received from you will not be segregated from Rabobank's money and may be used by Rabobank in the course of its normal business. You will therefore rank as a general creditor in the event of the insolvency of Rabobank.

- 6.6 *CUSTODY:*  
Rabobank may provide safe custody services for your investments, which will be the subject of a separate agreement and may be arranged through Rabobank.

6.7 *EXECUTION ONLY BUSINESS:*

(a) In respect of each transaction, we will deal with you solely on an execution only basis.

(b) If you ask us to enter into a transaction in respect of certain bonds, authorised asset trust units or certain other non-complex financial instruments, we are not required to assess the appropriateness of the instrument or service provided or offered, and you will not benefit from the protection of the Rules on assessing appropriateness. We will not advise on the merits of that transaction or its taxation or other consequences.

(c) If we effect a transaction with or for you, this shall not be taken to mean that we recommend, or concur on the merits of, the transaction or that the transaction is suitable for you. You will not benefit from the protection of the Rules on assessing suitability. You are required to make your own assessment of any transaction that you are considering and should not rely on any information, proposal or other communication from us being investment advice.

(d) Notwithstanding section 6.5(b), 6.5(c) and 6.7(a) above, in some circumstances we may separately agree to provide you with personal recommendations in respect of a transaction. If we make a personal recommendation to you such personal recommendation shall be expressly made either orally or in writing. We shall not be required to ensure that such

personal recommendation takes into account any investment research or other recommendations we may have published from time to time.

(e) If we do agree to provide you with personal recommendations:

(i) we will only advise you on the products, services and transactions provided by us or an affiliate;

(ii) we give no representation, warranty or guarantee as to the accuracy or completeness of such information or as to the tax consequences of any transaction;

(iii) you hereby acknowledge that the provision of personal recommendations is incidental to your dealing relationship with us and provided solely to enable you to make your own investment decisions;

(iv) you undertake to provide to us on request all information regarding your investment objectives, financial situation and knowledge and experience in investments that are relevant to the particular product or transaction, so as to enable us to provide a personal recommendation that is suitable for you. We will be entitled to rely on the information provided by you and will assume that such information is complete and accurate in all material respects unless you tell us otherwise;

(v) we shall not be under any obligation to provide on-going recommendations in relation to the management of your investments.

(vi) we are entitled to assume that:

(aa) you have the necessary experience and knowledge in order to understand the risks involved in relation to those services or relevant transactions; and

(bb) where you are a per se professional client or an eligible counterparty, that you are financially able to bear any related investment risks consistent with your investment objectives in relation to the proposed products, transactions and services.

(vii) If you do not, or are unable to, provide us with the information we request in a timely manner, or we consider that the relevant product, service or transaction is not suitable for you, then this may result in a delay in us dealing with or for you and/ or we may refuse to deal with or for you. It is your responsibility to notify us if your circumstances have changed.

6.8 *MATERIAL INTERESTS:*

Rabobank may have interests, relationships or arrangements that are material in relation to any transaction with or for you. Such interests,

relationships or arrangements will not necessarily be disclosed to you at the time. Rabobank has procedures to identify and to prevent or manage conflicts of interest. A summary of our conflicts management policy is available on our website at [www.rabobank.com](http://www.rabobank.com). Notwithstanding the foregoing, neither the relationship between Rabobank and any client nor any recommendation or advice tendered to any client nor any other matter will give rise to any fiduciary or equitable duties which would oblige Rabobank to accept responsibilities more extensive than those set out in these Terms or which would, subject to the Rules, prevent Rabobank from:

(a) acting as principal or as agent for any connected company in respect of the investments that you are buying or selling or providing services to other persons with interests in or proposing to acquire such investments;

(b) being the financial adviser or lending banker to the company whose securities you are buying or selling;

(c) sponsoring or underwriting the new issue involving the investment that you are buying or selling;

(d) dealing as agent on your behalf with a connected company or conducting an "agency cross" by matching your order with the order of another party (who may be a connected company);

(e) having a holding or dealing position (whether a long or short position) in the investment that you are buying or selling. Rabobank maintains arrangements which restrict access by its employees to information relating to areas of its business with which, and the affairs of clients with which, they are not directly concerned. Subject to the Rules, neither Rabobank nor its employees will be required to have regard to, nor have any duty to disclose to you, or utilise for your benefit any information which comes to Rabobank's notice in the course of carrying on business or as a result of or in connection with services provided to other persons, or which is not known to those employees who are handling your affairs.

6.9 **SETTLEMENT:** Rabobank's obligation to settle any transaction or to deliver any securities purchased by the client is conditional upon receipt by Rabobank on or before the due date for settlement (or satisfactory confirmation of such receipt by Rabobank's settlement agent) of all necessary documents and/or funds and/or securities due to be delivered by the client or on his behalf on such date.

#### 6.10 **RESEARCH:**

All research provided to you by Rabobank (in any form including via the Internet or World Wide Web) are prepared from and based upon sources which Rabobank believes to be reliable but the accuracy of which cannot be guaranteed. Any opinions given by Rabobank reflect Rabobank's judgment at the date given. In accordance with the Rules, Rabobank will exercise due skill, care and diligence when preparing its research. However, Rabobank accepts no other responsibility or liability whatsoever for any research provided to you in accordance with these Terms and you should conduct your own investigation and analysis of any such information. Research publications are issued by Rabobank for private circulation to its clients and may not be reproduced, distributed or published by you for any purpose except with Rabobank's written permission. Before Rabobank publishes a written recommendation or piece of investment research to one or more of its clients, Rabobank may, insofar as permitted by the Rules, have acted upon it or used it (or the conclusions which it expressed or the research and analysis on which it is based). Subject always to the Rules, Rabobank shall be under no obligation to you:

(a) to see that any advice given to you takes account of any research which is being carried out for Rabobank or otherwise with a view to assisting its or their trading activities; or

(b) to see that any advice or information Rabobank gives to you is given either before or at the same time as it is made available within Rabobank or to any other client of Rabobank.

#### 6.11 **DUTCH DEPOSIT GUARANTEE SCHEME and DUTCH INVESTOR COMPENSATION SCHEME:**

Rabobank falls within the scope of the Dutch Deposit Guarantee Scheme ("DGS") and the Dutch Investor Compensation Scheme ("ICS"). These two schemes are set up under the Financial Supervision Act 2007 and related decrees of the Netherlands. Under the DGS, if Rabobank is unable to meet its obligations to repay money held by a customer with Rabobank, the customer is guaranteed to be repaid 100% of the first €100,000 held with Rabobank. A customer will qualify for reimbursement if it meets the conditions specified in the DGS. The ICS protects customers that have entrusted money or financial instruments to Rabobank in the course of investment services. This means that in the unlikely event that your assets are not identifiable anymore and have become part of the bankruptcy estate the ICS may apply. The ICS guarantees an amount up to € 20,000 if the conditions set out in the ICS are met. More details and information about eligibility in respect of the DGS can be found at:

<http://www.dnb.nl/en/about-dnb/consumers-and-dnb/consumers-and-supervision/depositogarantiestelsel/index.jsp> and/ or <http://www.toezicht.dnb.nl/en/2/51-202208.jsp> and in respect of the ICS at: <http://www.toezicht.dnb.nl/en/2/51-202210.jsp>

#### 6.12 STATUS OF ACCOUNT:

If you wish to open an account at Rabobank in circumstances where all money standing to the credit of the account will be held by you as trustee or agent, you must give Rabobank prior written notice of the same and, upon receipt thereof, Rabobank shall not be entitled to combine any such account with any other account or to exercise any right of set-off or counterclaim against money in the account in respect of any sum owed to Rabobank on any other account of yours, and shall ensure that the title of the account sufficiently distinguishes it from any account containing money that belongs to you and is in the form requested by you. You shall also inform us if the status of any such account subsequently changes.

6.13 Rabobank may combine the client's orders with its own orders or with those it executes on behalf of an affiliate or with orders of another of its clients where it is likely that the aggregation will not work to the disadvantage of each of the clients concerned overall. This may on some occasions operate to the client's disadvantage in relation to a particular order. Where Rabobank accepts an order from the client, Rabobank may nevertheless execute a transaction for itself or for one or more of its affiliates in the investment concerned or any related investment while the client's order remains unexecuted, subject to dealing with all orders fairly, in due turn and in accordance with the Rules and any other applicable laws and regulations.

## 7 Costs and Charges

7.1 Rabobank may charge you fees and other charges calculated on such basis as may have been agreed between Rabobank and you or, in default of any such agreement on such basis as Rabobank considers reasonable, together with any applicable taxes. Rabobank may charge for dealing for longer dated settlement. Rabobank on your request will notify the amount of any such charge to you.

7.2 Any charges due to Rabobank (or agents used by Rabobank) plus any applicable value added tax (or overseas equivalent) shall be paid by you as stated in the relevant contract note or advice and may, subject to section 6.12 above, be set off by Rabobank against any payment due from Rabobank to you.

7.3 You agree and acknowledge that Rabobank may where permitted by applicable Rules receive from and pay to third parties (including affiliates) fees, commissions or other benefits and may share charges in respect of the services provided to you with third parties (including affiliates). The amount or basis of any fee, commission or other benefit received by Rabobank from such a third party or paid by us to such a third party in connection with a transaction with or for you, and the amount or basis of any charges shared with a third party (other than employees of Rabobank), may be required to be disclosed to you by the Rules.

7.4 If you default in paying any amount when it is due, Rabobank may require that you pay Rabobank interest at a rate equal to 2 (two) per cent. per annum plus the prevailing effective cost of funds to Rabobank from time to time in the relevant currency as determined by Rabobank and notified to you in writing.

7.5 You will be responsible for the payment of any tax and any brokerage fees, transfer fees, registration fees, stamp duty and all other liabilities, charges, costs and expenses payable or incurred by Rabobank in connection with its services to you hereunder.

7.6 Further information about Rabobank's services, investments, execution venues, costs and associated charges, and the nature and risks of investments are available on our website at [www.rabobank.com](http://www.rabobank.com). You confirm that you have regular access to the internet and consent to Rabobank providing you with information - including information about amendments to the Order Execution Policy and any changes to the costs and associated charges incurred by Rabobank - by posting such information on our website.

7.7 Where we provide you with an aggregated costs and charges disclosure you may request an itemised breakdown from us. We will provide such breakdown to you where we are required to by the Rules or otherwise at our discretion.

## 8 Contract and Confirmation Notes and Statements

8.1 Unless we agree to categorise you as an eligible counterparty and subsequently enter into a separate agreement with you regarding the content and timing of confirmations, we shall send you confirmations at the end of the next trading day for any transactions that we have executed on your behalf on that trading day, by electronic mail to the email address on record for you. Confirmations may also be viewed via our website portal. It is your responsibility to inform us of any change to your email address, the non-receipt of a confirmation, or whether any

confirmations are incorrect before settlement. Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within one business day of making such confirmation available to you or we notify you of an error in the confirmation within the same period.

- 8.2 Rabobank will provide you with periodic reports concerning the content and value of your accounts with Rabobank where required by the Rules or otherwise as you and we may from time to time agree.

## 9 Limitation of Liability

- 9.1 Neither Rabobank nor any of Rabobank's directors, employees or agents shall be liable for any loss suffered by you, unless such loss is caused directly by the negligence, wilful default or fraud of the party sought to be made liable.
- 9.2 Rabobank shall not be liable for any loss or expense you incur by reason of any reasonable delay or change in market conditions before any particular transaction is effected.
- 9.3 However, the provisions in section 9 shall not exclude or restrict any duty or liability: for fraud; which we have in relation to you under the Rules; which we may incur under the Financial Services and Markets Act 2000 or the Dutch Financial Supervision Act ("*Wet op het financieel toezicht*", DFSA) as amended, supplemented or readopted from time to time, in respect of a breach of any such duty; or which may not be excluded under applicable law.

## 10 Indemnity

- 10.1 You hereby irrevocably and unconditionally agree to indemnify or reimburse Rabobank and its agents on demand, and keep Rabobank fully and effectively indemnified (whether before or after termination of these Terms) from and against any and all acts, proceedings, claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses, and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or assessed against Rabobank as a direct or indirect result of Rabobank acting under these Terms including (without limitation) Rabobank entering into any transaction with or for you, or acting upon any instructions received from you, in respect of which you or any counterparty or bank do not make good and timely delivery or payment save where Rabobank is negligent or in wilful default.
- 10.2 References in this section 10 to "Rabobank" include references to any director or employee of Rabobank.

## 11 Power to sell or close out

- 11.1 At any time after termination of Rabobank's arrangements with you in accordance with Section 16 below or after Rabobank has determined that you have not performed or that you are unlikely to perform any of your obligations to Rabobank, Rabobank may, without reference to you: -

(a) treat any or all outstanding transactions as having been immediately cancelled and terminated, and/or

(b) exercise the power of sale over investments held by Rabobank or Rabobank's nominee companies or another custodian to the order of Rabobank; and/or

(c) close out, replace or reverse any such transaction, enter into any other transaction or take, or refrain from taking, such other action at such time or times and in such manner as, in its absolute discretion, Rabobank considers necessary or appropriate to cover, reduce or eliminate Rabobank's loss or liability under or in respect of any transaction, position or commitments undertaken for you; and/or

(d) if any outstanding transactions are non-cash settled transactions, determine the market value of those transactions as Rabobank in its absolute discretion thinks fit and attribute to those transactions a cash settlement amount to be due and payable; and/or

(e) take any other steps (whether or not similar to the above) which Rabobank may consider to be necessary to meet any obligations which you have under these Terms or otherwise to protect Rabobank's position.

Any cost of (or losses incurred in) effecting section 11.1(a), (b), (c), (d) or (e) above in effecting any related transactions will be for your account.

- 11.2 The provisions in this section 11 are without prejudice to the provisions of section 12 below and, for the avoidance of doubt, apply even in the circumstances referred to in section 12.3 below.

## 12 Set-off and lien

- 12.1 Rabobank shall be entitled at any time to retain or make deductions from or set-off amounts or credit balances which Rabobank owes to you (for example, in payment for any investments bought by Rabobank from you or sold by Rabobank on your behalf) or is holding for you (either directly or through a custodian and on whatever account) in order to meet any liabilities which

you may have incurred to Rabobank or Rabobank may have incurred on your behalf under these Terms (including the indemnity referred to in section 10 above and any liabilities or costs incurred when exercising rights under section 11 above (Power to Sell or Close Out) or section 16 below (Termination).

12.2 For the avoidance of doubt, the provisions of section 12.1 above shall apply to the proceeds of any sale or closing of a position, or other sum arising, under section 11 above.

12.3 If Rabobank has reason to believe that you may be unable or unwilling to perform any outstanding obligations under these Terms and notifies you accordingly in writing or if (being an individual) you become or are declared bankrupt or insolvent or (being company or partnership or other unincorporated entity) you go into administration or liquidation or become insolvent or wind yourself up or resolve to do so, or a petition for your winding up is issued or an administration order is made in relation to you (or an analogous event occurs under the law of any jurisdiction) all of your obligations hereunder shall be automatically accelerated so as to require payment delivery or other performance by you hereunder at the time you receive such notice or such event occurs.

12.4 Any of your securities or other property held by Rabobank shall be subject to a general lien in Rabobank's favour in respect of any outstanding amounts due and payable from you to Rabobank.

12.5 In addition, Rabobank shall have the right at any time without notice to combine and/or consolidate all or any of your accounts maintained with Rabobank in such manner as Rabobank may determine.

### **13 Confidentiality**

13.1 You undertake to keep all information you receive in connection with these Terms confidential, and not to disclose any such information to any third party except as permitted under these Terms or as required or permitted by law or the Rules.

13.2 Rabobank undertakes to keep all information it receives in connection with business transacted pursuant to these Terms confidential and not to disclose any such information to any third party except as permitted under these Terms or as required by law or the Rules. You hereby agree that Rabobank may disclose information to:

- (a) any Regulatory Authority,
- (b) any securities, options or futures market or exchange on which Rabobank may deal or to

the related clearing house of any such market or exchange (or to investigators, inspectors or agents appointed by them) or

(c) any person empowered to require such information by or under any legal enactment, any information they may request or require relating to you or, if relevant, any of your or Rabobank's dealings with or for you or any client, or any information which Rabobank is required or reasonably believes it necessary to disclose for the purpose of compliance with applicable laws or in relation to the prevention of crime.

13.3 The obligations set out in sections 13.1 and 13.2 above shall not apply to any information which (i) at the time of disclosure is in the public domain; (ii) after disclosure comes into the public domain for any reason except as a result of a breach of the undertakings in this section 13 above; (iii) was lawfully in the receiving party's possession prior to disclosure; or (iv) is subsequently received from a third party without obligations of confidentiality.

### **14 Agents**

Rabobank may employ agents in connection with any services provided in accordance with these Terms on such terms as it thinks fit.

### **15 Force majeure**

Rabobank shall not be in breach of its obligations under these Terms or have any liability to you if there is any total or partial failure of performance of Rabobank's duties and obligations occasioned by any act of God, fire, act of government or state, act of terrorism, war, civil commotion, insurrection, embargo, inability to communicate with third parties for whatever reason, failure of any computer dealing or settlement system, prevention from or hindrance in obtaining any energy or other supplies, labour disputes of whatever nature, late or mistaken delivery or payment by any bank or counterparty (including any delay, blocking or failure to process a transaction or payment by any agent or correspondent bank) or any other reason (whether or not similar in kind to any of the above) beyond Rabobank's control.

### **16 Termination**

16.1 Both Rabobank and you are entitled to terminate these Terms by giving the other party written notice at any time. Termination shall be effective either immediately on actual or deemed receipt (in accordance with section 23.2) or at any later time specified in the notice.

16.2 Any authority given to Rabobank to advise or deal with or for you shall be irrevocable until

these Terms are terminated pursuant to this section and shall continue in force despite any event which might otherwise terminate them (whether or not referred to in this section) until Rabobank has actual notice of such event.

16.3 Termination will not affect any outstanding transaction or order or any legal rights or obligations which may already have arisen or may arise from the settlement or fulfilment of any outstanding transaction or order (including any obligation to reimburse or indemnify Rabobank or to pay for any investments acquired by Rabobank on your behalf or sold by Rabobank to you). You are required to settle outstanding transactions by delivery and/or payment and to pay any fees or commissions accruing to Rabobank immediately on termination, failing which Rabobank may exercise the rights and remedies referred to in sections 10 and 11.

## 17 Electronic communications

Subject to applicable law and regulation, any communication between us using electronic signatures shall be binding as if it were in writing. Orders or instructions given via email or other electronic means will constitute evidence of the orders or instructions given. Your communications with us will be recorded. A copy of the record will be available on request for a period of five years and, where requested by a Regulatory Authority, for a period of up to seven years.

## 18 Telephone recording and monitoring communications

In order to assist Rabobank in monitoring compliance with Rules relating to conduct, to avoid misunderstandings and/or for other training or compliance purposes, Rabobank may monitor telephone conversations (including those to or from a Rabobank mobile phone), email and other communications, and may make and keep a sound recording of calls. We may record telephone conversations without use of a warning tone to ensure the material terms of a transaction, and any other material information relating to a transaction, is promptly and accurately recorded. Rabobank's recordings shall be and remain the sole property of Rabobank and will be accepted by you as conclusive evidence of the orders, instructions or conversations so recorded. A copy of such recordings will be available on request for a period of five years and, where requested by a Regulatory Authority, for a period of up to seven years. You agree that Rabobank may deliver copies or transcripts of such recordings to any court, arbitrator, Regulatory Authority or law enforcement authority.

## 19 Data protection

For the purpose of this section 19:

**data controller, data subject, fair processing information, personal data and processing** shall each have the meaning given in the Data Protection Laws

**Data Protection Laws** means:

(a) until 24 May 2018 (inclusive), the UK Data Protection Act 1998 or the Act on the Protection of Personal Data ("*Wet Bescherming Persoonsgegevens*") and the rules promulgated, as applicable; and from and including 25 May 2018, the GDPR; and

(b) all other laws concerning, or impacting on, the processing of data relating to living persons;

**GDPR** means Regulation (EU) 2016/679 (as may be amended or superseded from time to time) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

**Parties** means Rabobank and you;

**personal data breach** means a breach of security leading to the (i) accidental or unlawful destruction, loss, or alteration; or (ii) unauthorised disclosure of or access to, the Relevant Data transmitted, stored or otherwise processed;

**Regulator** means each person having regulatory or supervisory authority over any processing of Relevant Data by the Parties, including the UK Information Commissioner's Office and (ii) Dutch Data Protection Authority ("*Autoriteit Persoonsgegevens*"); and

**Relevant Data** means any personal data concerning your employees, directors and officers or any other natural or legal person connected with you and which is received by Rabobank pursuant to these Terms.

19.1 The Parties agree and acknowledge that the Relevant Data includes personal data, the handling or processing of which is subject to the requirements of Data Protection Laws and section 13 of these Terms. Each Party acknowledges that, for the purposes of Data Protection Laws, it is a data controller in relation to the Relevant Data and that it, in common with the other Party, determines the purposes for which and the manner in which any Relevant Data is, or is to be, processed.

19.2 In relation to the Relevant Data, you agree that such data has been obtained and processed, and

is disclosed to Rabobank, in compliance with applicable laws (including Data Protection Laws), and you shall not do or omit to do anything in effecting this disclosure or otherwise that would cause Rabobank to be in breach of any applicable law (including Data Protection Laws).

19.3 Each Party shall:

(a) comply with of its obligations under Data Protection Laws;

(b) to the extent permitted by Data Protection Laws, deal promptly and in good faith with all reasonable and relevant inquiries from the other Party relating to its processing of the Relevant Data; deal promptly and properly with all reasonable enquiries from data subjects relating to the processing of any Relevant Data; and upon becoming aware of a personal data breach in respect of any Relevant Data processed by or on behalf of it:

(i) notify the other Party as soon as reasonably practicable and provide the other Party with a reasonable description of the personal data breach (including the facts surrounding it and the type of data that was the subject of the breach) promptly upon such information becoming available;

(ii) work together with the other Party, acting reasonably and in good faith, to mitigate any adverse effects of any such personal data breach on the other Party's business and the affected data subjects; and

(iii) not release or publish any filing, communication, notice, press release, or report concerning the personal data breach without first consulting the other Party with regards to the content of that notice and giving due regard to the other Party's reasonable comments, save that it may disclose a breach to the extent required by applicable laws.

19.4 If a Party (the **Receiving Party**) receives any complaint, notice or communication from a Regulator which relates directly or indirectly to the other Party's:

(a) processing of the Relevant Data; or

(b) a potential failure to comply with Data Protection Laws,

the Receiving Party shall, to the extent permitted by law, promptly forward the complaint, notice or communication to the other Party and provide the other Party with reasonable co-operation and assistance in relation to the same.

19.5 If either Party receives any written request from a data subject:

(i) requesting information concerning the processing of, or copies of, Relevant Data;

(ii) requiring the rectification of any inaccurate or incomplete Relevant Data;

(iii) requesting information about the records of processing activities of Relevant Data;

(iv) requiring the erasure of Relevant Data;

(v) restricting the processing of Relevant Data;

(vi) exercising his or her right of data portability in respect of Relevant Data;

(vii) objecting to the processing of Relevant Data; or

(viii) objecting to being subject to a decision based solely on automated processing, including profiling,

that Party shall forward the request to the other Party promptly and in any event within seven working days from the date on which it received the request and, upon the other Party's reasonable written request, provide the other Party with reasonable co-operation and assistance in relation to that request to enable the other to respond to such request and meet applicable deadlines under Data Protection Laws.

19.6 You agree that Rabobank may process the Relevant Data for purposes and in the manner set out in section 19.7 below.

19.7 You shall be responsible for providing fair processing information to all data subjects to whom the Relevant Data relates, on behalf of both Parties. You shall ensure that fair processing information refers to the fact that Rabobank may:

(i) process Relevant Data on Rabobank's computers (and on the computers of any other group company and in any other way), including by monitoring emails and/or recorded telephone conversations; this information will be used by Rabobank (and other group companies) for the prevention of money laundering, terrorism, fraud or other wrongdoing, complying with laws or regulatory requirements, providing services under these Terms, making payments, recovering monies, training, preparing statistics and protecting Rabobank's or group companies' interests and other legitimate business purposes from time to time;

(ii) transfer information to Rabobank group companies outside the EEA, particularly to the USA, where the level of data protection may not be equivalent to that in the EU;

(iii) disclose information to governmental, law enforcement or regulatory authorities for the purposes of complying with regulatory or law enforcement requests or requirements or with applicable laws relating to the prevention of money laundering and terrorism;

(iv) search a data subject's record with a fraud and financial crime prevention agency which may involve sharing the Relevant Data with that agency; if at any time the Data Subject gives Rabobank false information, or procures the giving of false information, and Rabobank suspects fraud, Rabobank may record this; law enforcement agencies may also access and use this information; and

(v) collect information about the data subjects either directly from you or from third parties such as fraud and financial crime prevention agencies, regulatory bodies and from public registers, including the electoral roll.

## **20 Use of Rabobank Internet Sites**

20.1 Subject to all applicable laws and regulations, information, advice, recommendations and research may be provided to you by Rabobank over the internet particularly via Rabobank's sites on the World Wide Web (together the "Rabobank Internet Sites").

20.2 You acknowledge that the internet is not a secure medium for communication of sensitive information. Also, Rabobank will not be responsible for any delay in receipt by you of any information on the Rabobank Internet Sites and any use of the Rabobank Internet Sites by you shall be at your risk.

20.3 For some of the Rabobank Internet Sites you are only permitted access to those sites if you, or members of your staff, have been issued with a password. You shall keep, and shall procure that your employees keep, any password issued to you or your employees by Rabobank secure. You shall not and shall procure that your employees shall not disclose the password to any third party or any other person in your organisation and the password shall not be stored anywhere on a computer in plain text. As soon as you are aware that the password has become known to any unauthorised user, you will inform Rabobank immediately.

20.4 You shall, when accessing the Rabobank Internet Sites, comply with any laws or regulations relating to the internet or the World Wide Web which are or may in the future be issued by any applicable governmental or Regulatory Authority.

## **21 Derivative instruments**

If you wish Rabobank to enter into transactions with you in derivative instruments you may be required to provide margin to Rabobank by way of security for the performance of your obligations under such transactions and to enter into additional agreements specific to those transactions. Transactions in derivative instruments may also be subject to the requirements of the European Markets and Infrastructure Regulation (EU No 648/2012) as supplemented by each delegated regulation and implementing standard thereunder ("EMIR") and will be subject to Rabobank's then current EMIR documentation. Please also refer to the Financial Instruments Risk Warning Notice in Schedule 1.

## **22 Transaction reporting and market transparency**

22.1 Rabobank may from time to time be required to report details of your transactions and details about you to (i) a Regulatory Authority pursuant to the Rules, (ii) the U.S. Commodity Futures Trading Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and/or (iii) any other regulatory authority under which laws a reporting requirement for a trade exists (a "Transaction Reporting Requirement").

22.2 Rabobank may from time to time be required:

(a) to provide information relating to your transactions and details about you - including e.g. a(n)(active) legal entity identifier - to an execution venue pursuant either to Rules or pursuant to the rules or procedures of, or any other contractual or other arrangement with, the applicable execution venue, to enable such execution venue to comply with its requirements to make public transaction details pursuant to the Rules;

(b) where Rabobank is acting as an execution venue, to make public transaction information relating to your transactions and details about you pursuant to the Rules; and

(c) where Rabobank acting as a Systematic Internaliser for financial instruments traded on a trading venue, to make public quotes in respect of such financial instruments (including, without limitation, in response to requests for quotes from you),

each, a "Market Transparency Requirement".

22.3 Where Rabobank is trading in commodity derivatives, emission allowances or derivatives thereof, Rabobank may from time to time be required:

(a) where such trades are conducted on a trading venue, to provide information relating to

the positions in such financial instruments of you (and of your own clients, and clients thereof, until the end client is reached) (together, "Members of the Client Chain") and details about each Member of the Client Chain), to an execution venue pursuant either to the Rules or pursuant to the rules or procedures of, or any other contractual or other arrangement with, the applicable execution venue to enable such execution venue to comply with its requirements to make public transaction details pursuant to the Rules; and

(b) where such trades are conducted outside (or by us acting as) a trading venue, to report information relating to Members of the Client Chain and their positions to an Applicable Regulator pursuant to the Rules,

together the "Position Reporting Requirements".

22.4 Rabobank may from time to time require you to provide such information (and updates to such information as may have already been provided) relating to you and your agents, employees, underlying principals or others and (in respect of Position Reporting Requirements) any other Members of the Client Chain as Rabobank may reasonably require in order to comply with any Market Transparency Requirements, Position Reporting Requirements, Transaction Reporting Requirements as Rabobank may reasonably believe may arise in respect of your transactions or the services provided or expected to be provided to you ("Counterparty Data").

22.5 You:

(a) agree to deliver to us such Counterparty Data as requested by us in time for us to comply with our Transaction Reporting Requirements, Position Reporting Requirements or Market Transparency Requirements, as applicable;

(b) represent to us that such Counterparty Data as you deliver is, at the time of delivery, true, accurate and complete in every material respect;

(c) acknowledge and agree that we may rely on the Counterparty Data without investigation, unless and until you inform us otherwise;

(d) you agree to waive any duty of confidentiality attaching to the information we disclose to comply with the Rules; and

(e) undertake to provide us, on reasonable notice, with any material changes or updates to the Counterparty Data.

22.6 Where you transmit an order relating to a Financial Instrument to us, we shall be under no obligation (unless expressly agreed otherwise or in accordance with the Rules) to report the transaction resulting from the order concerned

or transmit the order details to another investment firm in accordance with the Rules.

## 23 Compliance

23.1 Notwithstanding any other provisions of these Terms, all investment business provided by Rabobank including all transactions effected by Rabobank with or for you under these Terms shall be subject to all applicable laws and regulations, including the Rules, and to the dealing, settlement and other applicable rules or (if Rabobank considers it appropriate) the customs of the market or exchange (if any) on which the transaction is effected, unless otherwise agreed.

23.2 Rabobank may refuse to enter into, execute, transmit, deal in or otherwise arrange any transaction where you have not provided such information (and waived or procured the waiver of any confidentiality or data protection/privacy obligations in respect of such information) as we may reasonably require:

(a) in order for us to comply with any transaction reporting requirements or market transparency requirements in respect of such transaction; or

(b) where our non-receipt of such information (including, without limitation, an applicable legal entity identifier code) would mean that we are prohibited by the Rules to enter into, execute, transmit, deal in or otherwise arrange (as the case may be) such transaction.

23.3 We may refuse to enter into, execute, transmit, deal in or otherwise arrange your transaction or perform any obligation pursuant to these Terms where such action or performance:

(a) would cause us to breach any prohibition or restriction imposed or specified by ESMA pursuant to Article 40 of MiFIR, by the EBA pursuant to Article 41 of MiFIR or by a Regulatory Authority pursuant to Article 42 of MiFIR; and

(b) would be prohibited, or made impracticable to effect on reasonably commercial terms, by any suspension or removal from trading of a financial instrument imposed by a Regulatory Authority pursuant to the Rules.

## 24 Notices

24.1 Rabobank may rely on any instructions, notices or requests of any person who is or is believed by Rabobank in good faith to be a person designated or authorised by you to give them.

24.2 Any instructions, notices or requests to be given by you or Rabobank shall, subject to any express provision of these Terms, be given or notified in writing and shall be served by hand or by being sent by pre-paid post to the address set out at

the head of the letter accompanying these Terms and addressed to the Head of Compliance in the case of Rabobank and to the address to which these Terms have been sent in the case of the client or as otherwise notified by one party to the other from time to time. Any such communication is deemed to be received on the fifth day (not including Sundays or public holidays) after the date of posting.

## **25 Amendment**

Rabobank may amend these Terms by sending to you a written notice describing the relevant variation, modification or alteration of any of these Terms. Such variation, modification or alteration of any of these Terms will become effective on the date specified in the notice which will be at least ten business days after the date upon which the notice is sent to you (unless it is impracticable in the circumstances for us to give you that much notice). No variation, modification or alteration or notice of termination (in accordance with section 16) will affect any outstanding order or transaction or any legal rights or obligations which may already have arisen between Rabobank and you.

## **26 Complaints**

In the event that you are dissatisfied with the service which you receive under these Terms you should contact your representative in the first instance or, if you do not wish to do this, our Compliance Department. Your complaint will be dealt with in accordance with Rabobank's complaints procedure for handling complaints fairly and promptly. You may submit a complaint to us, for example by letter, telephone, email or in person. We will send you a written acknowledgement of your complaint promptly following receipt, enclosing details of our complaints procedure, including (if relevant) when and how you may be able to refer your complaint to the Financial Ombudsman Service. Please let us know if you would like further details regarding our complaints procedure.

## **27 Third Parties**

Other than another member of the Rabobank group, a person who is not a party to these Terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of these Terms.

## **28 Benchmark Regulation**

Note that Rabobank has, in accordance with article 28.2 of the European Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016) has a written plan in case of cessation or material change to a Benchmark.

This plan can be found on: <https://www.rabobank.com>.

## **29 Bribery, Corruption and Money Laundering Prevention**

Any dealings between you and Rabobank will be subject to any applicable legal requirements relating to bribery, corruption, terrorist financing, fraud, tax evasion and/or money laundering prevention ("financial crime"), and relating to economic or trade sanctions, and Rabobank will deal with you on the understanding that you are complying with all such legal requirements. Rabobank may refuse to act on any instruction and/or accept or make any payment if Rabobank believes that by carrying out the instruction it (or another group company) may breach any law, regulation, or other legal duty which applies to it, or where Rabobank believes that doing so might expose it (or another group company) to action or censure from any government, Regulatory Authority or law enforcement agency.

Rabobank may take any action it considers appropriate to comply with any applicable obligations relating to the prevention of financial crime, or relating to the provision of financial or other services to persons who, or countries which are, subject to economic or trade sanctions. This may include, but is not limited to, requesting additional information about transactions, instructions or counterparties, conducting other enquiries, or reporting to law enforcement agencies. Carrying out such activities may delay or prevent the processing of instructions. Where possible and where it is lawful for to do so, Rabobank will advise you of the reasons for any such delay and the likely length of delay. Following such actions, if Rabobank is not satisfied that an instruction is lawful, Rabobank may decline to process it.

Where you act on behalf of any other person, you warrant that you have obtained and recorded evidence of the identity of such person and (if relevant) any underlying beneficial owner of such person and you acknowledge that where applicable Rabobank is relying on you for this purpose in accordance with applicable money laundering regulations. On request, you agree to provide Rabobank with written assurance that you have done so and to provide such other information and written confirmations in relation to such persons as Rabobank reasonably requires for the purpose of compliance with applicable laws relating to money laundering, terrorist finance, or economic or trade sanctions.

## **30 Governing Law and Jurisdiction**

30.1 These Terms, and any non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in

accordance with English law. Rabobank and the client irrevocably and unconditionally submit to the non-exclusive jurisdiction of the English courts for determining any dispute which may arise out of or in connection with these Terms.

30.2 If you are an overseas person dealing with Rabobank London, you should advise us in writing of a person that you appoint irrevocably as your agent for service of process in England.

## SCHEDULE 1

### FINANCIAL INSTRUMENTS RISK WARNING NOTICE

In accordance with the requirement expressed in Article 24(4) of MiFID II this notice summarises the nature of, and principal risks associated with, financial instruments in which Rabobank may provide services under these Terms. This notice cannot disclose all the risks and other significant aspects of financial instruments. You should not deal in financial instruments unless you understand their nature and risks and the extent of your exposure to risk. You should also be satisfied that the financial instrument is suitable for you in the light of your circumstances and financial position.

#### 1. SECURITIES

(a) Fixed Income Securities.

Fixed income securities are not required to satisfy any minimum rating standard and may include instruments that are in poor standing and that have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Fixed income securities are subject to the risk that the issuer may default on the payment of principal and/or interest. The prices of fixed income securities are affected by changes in interest rates and thus are subject to the risk of market price fluctuations. Additional risks may be associated with certain types of bond, such as floating rate notes, convertible and reverse convertible bonds, exchangeable bonds and subordinated bonds, including differing credit, market, liquidity and currency risks. You should make specific enquiry into the terms of and additional risks associated with such bonds on a case-by-case basis. In addition, changes in the credit ratings of a fixed income security also may affect the security's market value.

(b) Structured Securities including Asset Backed Securities.

Structured securities typically, but not always, are debt securities whose value at maturity or coupon rate is determined by reference to other securities, securities indices, fund units, currencies, commodities, mortgage pools, credit card pools, loan pools or other assets or financial indicators. The performance of structured securities depends to a great extent on the performance of the security, currency, other instrument (s) or financial indicators by

reference to which their value is determined, and may also be influenced by interest rate changes. At the same time, structured securities are subject to the credit risks associated with the issuer of the security, and their values may decline if the issuer's creditworthiness deteriorates. There may be much less secondary liquidity for structured and asset backed products than for other fixed income instruments issued by the highest rated entities. Additional risks are associated with structured securities. You should make specific enquiry into the additional risks associated with such securities on a case by case basis.

#### 2. WARRANTS

A warrant is a time-limited right to subscribe

for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security may result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. Purchasers of warrants must be prepared to sustain a total loss of the money invested plus any commission or other transaction charges. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined timescale then the investment becomes worthless.

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. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant'). Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid 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 is a fair price.

### **3. FUTURES AND FORWARDS**

Transactions in futures (sometimes called forwards) involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They may carry a higher degree of risk than executing the equivalent trade on a spot basis. The 'gearing' or 'leverage' often obtainable in futures trading means that a small movement 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.

### **4. 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 lapse. The maximum loss 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 that is multiples 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 already own the underlying asset which you have contracted to sell (when the option will be known as 'covered call options') the risk is reduced. If you do not own the underlying asset ('uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing all details of the applicable conditions and potential risk exposure. Options 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.

### **5. CONTRACTS FOR DIFFERENCES**

Futures, swaps and options contracts can be also referred to as contracts for differences. Rabobank does not offer any services in exchange traded derivatives, it only transacts over-the-counter derivatives with clients subject to an executed ISDA agreement and normally with a Credit Support Annex. These transactions are typically swaps (currency, index, credit default and interest rate), forwards or options, and can only be settled in cash. Investment in a contract for differences carries similar risks as investing in a future or an option and you should be aware of these as set out in paragraphs 3 and 4 respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 8.

### **6. OFF-EXCHANGE 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 is a fair price. Off-exchange derivative transactions also bear counterparty risk and ultimately this might mean that the bank or broker who is principal to a transaction might fail to perform in accordance with the terms of the over-the-counter contract due to an act of default.

### **7. NON EEA MARKETS**

Non EEA markets may involve different risks from EEA 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 as well as inflation, adverse repatriation laws and fiscal measures and macroeconomic and political events.

## **8. MARGINED TRANSACTIONS**

Margined transactions, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in contracts for differences 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. COLLATERAL**

If you deposit collateral as security, the way in which it will be treated will vary according to the type of transaction and where it is traded. Deposited collateral may be transferred to us (in which case you will bear credit risk on us for its return) or subject to a security interest (with or without a right of rehypothecation), and lose its identity as your property once dealings on your behalf are undertaken. You may not get back the same asset which you deposited, and may have to accept payment in cash.

## **10. COMMISSION**

Before you begin to trade, you should consider the impact of all commissions and other charges for which you will be liable. If any charges 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.

## **11. SUSPENSIONS OF TRADING**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at a time 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.

## **12. SETTLEMENT RISK**

We expect all transactions to settle on the contracted value date. When monies due are received late it is the normal policy of Rabobank to claim for interest compensation at a default rate of interest. This penalty amount may vary according to Rabobank's funding cost. Equally in delivery against payment clearing of securities transactions if you fail to deliver securities it is the normal policy of Rabobank to claim for interest compensation again at a default rate of interest. If you fail to receive or deliver after a specified period of time, which is set by the local market practice of the relevant security, Rabobank may be forced to sell-out or buy-in equivalent securities and claim for any losses due to market price movements in the underlying security as well as making an interest compensation claim.

## **13. INSOLVENCY**

Our insolvency or default, or that of any other entities involved with transactions on your behalf, 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.