

Dual Currency Placement terms

Effective 28TH October 2013

If you have any questions please contact your
Relationship Manager or call +44 (0) 20 7986 5588.

Citi International Personal Bank Dual Currency Placement Terms

The terms set out in the paragraph below are our standard subscription terms for Dual Currency Placement (“DCP”) investments (the “DCP Terms”). For your own benefit and protection you should read these DCP Terms, the General Terms and Conditions, the Fee Schedule and the DCP Brochure carefully before investing in a DCP.

These DCP Terms set out the terms and conditions that will govern every DCP you enter into with us. The specific details of each DCP, including the Initial Investment, Term, Base Currency, Option Premium, Alternate Currency and Strike Rate, will be set out by us in a written confirmation and sent to you no later than the second Business Day of the Term. See below for more details.

Please contact your Relationship Manager and/or seek financial and tax advice if you require more information or if there is anything you do not understand.

1. These DCP Terms

- 1.1 These DCP Terms set out the terms under which you, as a Citi client, may carry out DCPs from time to time. Each individual DCP will be subject to these DCP Terms and certain terms, such as the Term, Strike Rate, Base Currency and Alternate Currency, shall be determined separately for each DCP you invest in.
- 1.2 For the avoidance of doubt, the General Terms and Conditions to which you are subject to as a client of Citi shall continue in full force and effect in relation to the services which are the subject of the General Terms and Conditions. In the event of any conflict between the General Terms and Conditions and these DCP Terms, these DCP Terms will prevail.
- 1.3 When you invest in a DCP, we will act as principal in the transaction.

2. Definitions and interpretation

- 2.1 In these DCP Terms the following words will have the following meanings (otherwise, any capitalised terms will have the meaning given to them in the General Terms and Conditions):
 - “**Alternate Currency**” means the currency in which we buy the Base Currency from you, in the event we choose to exercise the Currency Option.
 - “**Base Currency**” means the currency in which you agree to sell us the Currency Option and the currency in which the Initial Investment is made.
 - “**Currency Option**” means the right (but not the obligation) for Citi to convert your Initial Investment and Option Premium into the Alternate Currency at the Strike Rate.
 - “**DCP Brochure**” means the marketing document produced and issued by us (as may be amended, updated or republished and provided to you) containing information relating to a DCP.
 - “**Expiry Date**” means the date on which your DCP matures and the date on which we pay you the Initial Investment and Option Premium.
 - “**Initial Investment**” means the initial principal sum invested by you and which we may buy back from you in the Alternate Currency (this must be at least US\$20,000 or currency equivalent).
 - “**Option Premium**” means the premium payable by us to you as consideration for you granting us the Currency Option.
 - “**Strike Rate**” means the pre-agreed exchange rate of one unit of the Base Currency into the Alternate Currency.
 - “**Term**” means the period of time from when the DCP begins until the Expiry Date. The Term must be less than nine (9) months and will normally be one (1) or two (2) weeks or one (1) month.

3. How to enter into a DCP

- 3.1 To enter into a DCP you must have a Cash Account with us in the Base Currency and a Cash Account with us in the Alternate Currency. We will open a Cash Account in your name in the Alternate Currency if you do not already have one.
- 3.2 You can enter into a DCP with us via phone. We are not under any obligation to agree to enter into a DCP with you. The particular terms of any DCP (including the Initial Investment, Term, Strike Rate, Base Currency and Alternate Currency) must be agreed by us prior to a DCP being entered into.
- 3.3 You understand that we may impose requirements from time to time in respect of a DCP, such as a minimum or maximum Initial Investment or Term.

- 3.4 The Option Premium for each DCP you enter into shall be set by us in our absolute discretion and we will inform you of this prior to the DCP being entered into.

Confirmation of your DCP

- 3.5 We will send you confirmation in writing of the terms of the DCP, including the Initial Investment, Term, Base Currency, Option Premium, Alternate Currency and Strike Rate no later than the second Business Day of the Term. In the absence of obvious error, this confirmation will be conclusive evidence of the terms that apply to your DCP.
- 3.6 The confirmation is not a document of title, and may not be negotiated or pledged as security.

4. The terms of each DCP transaction are as follows:

Making the Initial Investment

- 4.1 On the first day of the Term, you must make an Initial Investment with us in the Base Currency. This Initial Investment must be, at a minimum, US\$20,000 or the equivalent in a different currency.
- 4.2 Any cash held by us in relation to your DCP(s) during the Term will not be held in accordance with the Financial Conduct Authority Rules on client money.
- 4.3 You grant us the Currency Option, meaning the right (but not the obligation) for Citi to convert your Initial Investment and Option Premium into the Alternate Currency at the Strike Rate.
- 4.4 In consideration of you granting us the Currency Option we agree to pay you the Option Premium. The Option Premium will be paid on the Expiry Date.
- 4.5 The Initial Investment and Option Premium earned will be paid to you on the Expiry Date. If our Currency Option is not exercised, the Initial Investment and Option Premium will be credited to your Cash Account in the Base Currency.
- 4.6 The Initial Investment is not a deposit and you will not be entitled to any repayment, redemption or withdrawal of the Initial Investment. Any monies to which you are entitled will be calculated on the Expiry Date (as set out in this clause 4). You will not be entitled to any monies from us before the Expiry Date.

Exercise of the Currency Option

- 4.7 We may exercise the Currency Option on the Expiry Date.
- 4.8 If the Currency Option is exercised, then:
 - 4.8.1 On the Expiry Date we will credit your Cash Account in the Alternate Currency with:
 - 4.8.1.1 the Initial Investment in the Alternate Currency, calculated at the Strike Rate; and
 - 4.8.1.2 the Option Premium earned on the Initial Investment, converted into the Alternate Currency, calculated at the Strike Rate.
 - 4.9 You authorise and instruct us to use the Initial Investment in satisfying your obligation to sell the Base Currency to us.
 - 4.10 You will not be entitled to receive back the Initial Investment before the Expiry Date.
 - 4.11 Any payments made by us to you will be net of any tax which we are obliged to deduct.
 - 4.12 The fees that we charge to you in relation to DCPs will depend on whether the transaction type is an Advised Transaction (see clause 6.1) or a Non-Advised Transaction (see clause 6.2). Further information on these fees is contained in our Fee Schedule.
 - 4.13 In addition to the fees described in clause 4.12:
 - 4.13.1 subject always to clause 4.13.2 below, we may (where permitted under Applicable Law) receive payment from any affiliated company in the Citi group of companies or third parties relating to your DCP;
 - 4.13.2 where we make any personal recommendation to you (or provide any related services) in relation to a DCP, neither we nor any affiliated company in the Citi group of companies will solicit or accept any fees, commissions or other non-monetary benefits from (or share commission with) any affiliated company in the Citi group of companies or third parties, except in limited circumstances permitted under Applicable Law.
 - 4.14 You should be aware that if we exercise our Currency Option on the Expiry Date and you receive your Initial Investment and Option Premium in the Alternate Currency and if you then choose to convert your Initial Investment and Option Premium back to the Base Currency at a rate lower than the Strike Rate, you may lose a part of your Initial Investment.

5. Cancellation rights, withdrawals and early redemptions

Once we have received your instructions confirming that you wish to proceed with your DCP, you have no right to cancel the DCP and you are not entitled to any monies paid in respect of your Initial Investment or the Option Premium before the Expiry Date. Please note that no secondary market exists for a DCP.

6. Transaction type

6.1 **Advised transaction / transaction against advice** Where we provide you with advice on your investment product selection, this advisory relationship will be governed by the General Terms and Conditions. We will provide you with restricted (as opposed to independent) 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. Our advice will not be based on every equivalent product within a given product category. Whether you decide to enter into a DCP on the basis of, or against, our advice, you should fully understand the economic risks and merits as well as the legal, tax and accounting characteristics and consequences of the DCP, consider whether the DCP is consistent with your objectives and that you are able to assume the risk. If you have any questions on any of these issues, please contact your Relationship Manager before entering into a DCP.

You agree and acknowledge that any advice provided by us to you in relation to your entry into this Agreement and in respect of a DCP is restricted to general advice in relation to your suitability to enter into a DCP but does not extend to advice on the nature and suitability of the specific details of a DCP to you (such as the Strike Rate and the Term) as these are decided by you as if you have negotiated and determined to enter into a specific DCP on a non-advised basis.

6.2 **Non-advised transaction** Where you do not receive advice from Citi on your investment product selection, you agree that we have arranged your DCP without providing you with any advice or recommendation as to the suitability of the product for you. You understand that this means we have not assessed whether or not the DCP will meet your investment objectives or whether or not you will be able financially to bear the risks of any loss that the DCP may cause and you will not benefit from the protection of the Financial Conduct Authority on assessing suitability.

6.3 **Tax advice** We do not provide tax advice and therefore responsibility for any tax implications of investing in the DCP rests entirely with you. We recommend that you take your own tax advice prior to investing.

7. General DCP information

7.1 If you wish to complain to us, you should in the first instance write to the Service Quality Department, Citibank N.A., London Branch, Citi International Personal Bank Level 19, Citigroup Centre, 25 Canada Square, London E14 5LB, UK. If we do not resolve the complaint to your satisfaction you may subsequently complain directly to the Financial Ombudsman Service.

7.2 You agree that nothing in the arrangements between us and you shall be treated as constituting an implied agreement restricting or negating any lien, charge, pledge, right of set off or other security rights or other right which we may currently have expressed or which may be implied by law.

7.3 We may from time to time change the terms of these DCP Terms in accordance with clause 42 of the General Terms and Conditions, although any amendments will not affect the terms of existing DCPs.

7.4 You may terminate the DCP Terms in accordance with clause 37 of the General Terms and Conditions. Termination will not affect the terms of any existing DCPs you may have (i.e. even if you terminate these DCP Terms you will still have no right to cancel your DCP transaction(s) and you will not be entitled to any monies due to you in relation to your DCP before the Expiry Date).

8. Important information

8.1 Once you have confirmed you wish to proceed with your DCP you cannot cancel the transaction. Withdrawals from your DCP and/or early redemption are not permitted.

8.2 A DCP is not suitable for everyone and it is designed for clients who are knowledgeable and experienced in the financial services market and in currency investment products of this nature. You should not subscribe to a DCP unless you understand its nature and the extent of your exposure to risk. You should also be satisfied that the DCP and the services provided to you by us are suitable for you in light of your circumstances and financial position.

8.3 Entering into a DCP involves you making an Initial Investment in the Base Currency and then granting us a Currency Option. By agreeing to the Currency Option, you accept a legal obligation to receive your payment in the Alternate Currency if the Currency Option is exercised against you, no matter how far the market price for conversion of the Base Currency into the Alternate Currency has moved away from the Strike Rate. You should determine whether the selected Base Currency and Alternate Currency are suitable for you in light of your objectives, your financial means and your risk profile.

8.4 Please note that, unlike customers who make deposits, DCPs are not protected by the UK Financial Services Compensation Scheme.

8.5 We intend to rely on the terms set out in these DCP Terms. For your own benefit and protection, you should read these DCP Terms, the risk notices in Schedule 2, the General Terms and Conditions, the Fee Schedule and the DCP Brochure carefully before agreeing to invest in a DCP below. If you do not understand any point, please ask for further information or seek independent legal or financial advice.

8.6 You represent and warrant* to Citi and its affiliates and acknowledge Citi's reliance thereon, that:

8.6.1 you are not a United States (U.S.) resident or otherwise a U.S. person for the purposes of the United States Securities Act of 1933, and acknowledge that a DCP may not be held for or transferred to a U.S. person and you undertake to inform us if at any time you become a U.S. person; and

8.6.2 to your knowledge, there are no regulatory impediments in relation to your country of residency or citizenship prohibiting you from placing this order and undertake to inform us if at any time your circumstances change in this regard.

*Representations and warranties are personal statements, assurances or undertakings given by you to us on which we rely when we deal with you. You make the representations and warranties set out above at the time you enter into the DCP Terms or any time you give us any instruction.

Citibank N.A., London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. 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. Our firm reference number with our UK regulators is 124704. Citibank International plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 122342. Citibank N.A., London Branch and Citibank International plc are licensed by the Office of Fair Trading with licence numbers 0001486 and 0482552 respectively to extend credit under the Consumer Credit Act 2006. Citibank N.A., London Branch is registered as a branch in the UK at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. Registered number BR001018. Citibank International plc has its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. Registered number 01088249. Citibank N.A. is incorporated with limited liability in the USA. Head office: 399 Park Avenue, New York, NY 10043, USA. © Citibank N.A. 2013. CITI, CITI and Arc Design are registered service marks of Citigroup Inc. Calls may be monitored or recorded for training and service quality purposes.