

Important information about our services

Effective 24 June 2014

The contents of this document apply to all clients of Citi International Personal Bank who hold an Account with Citibank N.A., Jersey Branch.

This document details the terms and conditions and important information relating to our services. Please read this document carefully.

If you have any questions please contact your Relationship Manager or call +44 1534 608020.

Contents

	PAGE		PAGE
SECTION ONE: GENERAL TERMS AND CONDITIONS			
Part 1: Introduction	5		
1. This Agreement	5	32. Your information	21
2. Definitions and interpretation	5	33. Set off	22
3. Regulation	6	34. Things beyond our reasonable control	22
4. JFSC Details	7	35. Your responsibilities	22
		36. Limits on our liability and consequences of your breach	22
Part 2: General and banking services	7	37. Terminating this Agreement and closing Accounts	23
5. Accounts	7	38. Termination of an on-going advice service	23
6. Types of payments made in and out of your Account	8	39. Complaints	23
7. Citi Cards and/or other Payment Instruments	9	40. Customer due diligence	23
8. Protecting your Account	11	41. Important information about compensation arrangements	23
9. Lost or stolen Citi Cards or Payment Instruments and problems with your Account	12	42. Amending this Agreement	24
10. Citi Online	12	43. Assignment	24
11. No tax advice	13	44. Third party rights	24
		45. General	24
Part 3: Investment services	13	46. Governing law and submission to jurisdiction	24
12. Information about products and our investment services	13	Part 6: SCHEDULES 1 & 2	25
13. Your obligation to provide information	13	SCHEDULE 1: Product Specific Terms and Conditions	25
14. Types of investment services and fees	13	SCHEDULE 2: Understanding our services and Risks	28
15. Advisory services	13		
16. Non-Advisory Services	14	SECTION TWO: CITI INTERNATIONAL PERSONAL BANK SUMMARY BEST EXECUTION POLICY	35
17. Execution Services	14		
18. Custody services	15	SECTION THREE: SUMMARY OF CONFLICTS OF INTEREST POLICY	37
19. Client money	16		
20. Our rights over your investments	17		
21. Investment services provided to you by Citibank N.A., London Branch	17		
Part 4: Product Specific Terms and Conditions	17		
22. Product Specific Terms and Conditions	17		
Part 5: Other terms and conditions	17		
23. Expenses and benefits	17		
24. Client Classification	18		
25. Conflicts of interest	18		
26. Statements	18		
27. Address	18		
28. Changes to your details	18		
29. Notices and communications	19		
30. Miscellaneous provisions relating to transactions	19		
31. Communications we may send you	21		

English language disclosure

All communications between you and us will be in the English language. We may, from time to time and only at your request, communicate with you in another language, but you acknowledge that we are not required to do this. Any communications from us to you in English will be binding on you even if we have communicated with you in another language previously and except where we agree to the contrary in relation to a specific communication, all communications from you to us in writing must be in English.

Russian

Весь обмен информацией между нами должен проходить на английском языке. Периодически по Вашей просьбе мы можем общаться с Вами на другом языке, но при этом Вы признаете, что это не является нашим обязательством. За исключением конкретных частных случаев, любая присылаемая нами информация на английском языке будет для Вас юридически обязывающей, даже если до этого мы общались с Вами на другом языке, при этом вся информация, которую Вы передаете нам в письменном виде, должна быть на английском языке.

Greek

Όλες οι επικοινωνίες ανάμεσα σε Εσάς και εμάς θα πραγματοποιούνται στην αγγλική γλώσσα. Ενδέχεται, κατά καιρούς και μόνον κατόπιν δικού Σας αιτήματος, να επικοινωνούμε μαζί Σας σε άλλη γλώσσα. Ωστόσο, Εσείς αναγνωρίζετε ότι δεν απαιτείται κάτι τέτοιο εκ μέρους μας. Κάθε επικοινωνία από εμάς προς Εσάς στα Αγγλικά θα είναι δεσμευτική για Εσάς, ακόμα και αν προηγουμένως έχουμε επικοινωνήσει μαζί Σας σε άλλη γλώσσα. Επιπλέον, εκτός από τις περιπτώσεις στις οποίες έχουμε συμφωνήσει το αντίθετο για μια συγκεκριμένη επικοινωνία, όλες οι επικοινωνίες από Εσάς προς εμάς που πραγματοποιούνται γραπτώς πρέπει να είναι στα Αγγλικά.

Hebrew

התקשרות זו היא בלבד באנגלית. תוכלו, לפי בקשתכם, לתקשר איתנו בשפה אחרת, אך עלינו להודיע לכם מראש על כך. כל תקשורת אחרת לא תהיה חייבת. עם זאת, כל תקשורת אחרת שתתקבל מאתנו תהיה חייבת. כל תקשורת אחרת שתתקבל מאתנו תהיה חייבת. כל תקשורת אחרת שתתקבל מאתנו תהיה חייבת.

Turkish

Sizinle bizim aramızdaki tüm iletişimler İngilizce dilinde yapılacaktır. Belirli zamanlarda ve sadece Sizin talebiniz üzerine Sizinle başka bir dilde iletişim kurmamız mümkündür, fakat böyle bir zorunluluğumuz olmadığını peşinen kabul edersiniz. Sizinle daha önce başka bir dilde iletişime geçmiş olsak dahi, tarafımızdan Size gönderilen İngilizce dilindeki tüm iletişimler Sizin için bağlayıcıdır ve belirli bir iletişim için aksini kabul ettiğimiz durumlar haricinde, Sizden bize gönderilen tüm yazılı iletişimler İngilizce dilinde olmalıdır.

Spanish

Todas las comunicaciones entre usted y nosotros se realizarán en inglés. Es posible que nos comuniquemos en otro idioma distinto, pero ruego anote que usted acepta que no es nuestra obligación hacerlo. Toda comunicación de nuestra parte recibida en inglés será vinculante para usted, aun cuando nos hayamos comunicado en otro idioma distinto anteriormente y, salvo que acordemos lo contrario respecto a una comunicación específica, todas las comunicaciones por escrito de usted hacia nosotros deberán formularse en inglés.

Arabic

هذه الوثيقة هي باللغة الإنجليزية فقط. قد نراسل بعضكم بعضاً بلغة أخرى، ولكننا نطلب منكم أن نراسلهم باللغة الإنجليزية. إذا راسلناهم بلغة أخرى، فإننا نطلب منهم أن يراسلونا باللغة الإنجليزية. إذا راسلناهم بلغة أخرى، فإننا نطلب منهم أن يراسلونا باللغة الإنجليزية.

Hungarian

Köztünk folyó összes kommunikáció angol nyelven történik. Időnként előfordulhat – kifejezetten az Ön kérésére –, hogy valamely más nyelven kommunikálunk Önnel, de Ön tudomásul veszi, hogy minket erre semmi sem kötelez. A tőlünk származó angol nyelvű kommunikáció Önre nézve kötelező érvényű, még abban az esetben is, ha korábban valamely más nyelven kommunikáltunk Önnel. Azokat az eseteket leszámítva, amikor egy-egy adott kommunikáció tekintetében kifejezetten beleegyezésünket adtuk más nyelvű kommunikációra, Ön köteles velünk angol nyelven kommunikálni.

Romanian

Toată comunicarea dintre Dvs. și noi se va derula în limba engleză. În anumite situații și numai la solicitarea Dvs. putem comunica cu Dvs. și în altă limbă, însă acceptați și confirmați faptul că nu avem obligația de a face acest lucru. Orice corespondență pe care v-o transmitem în limba engleză va fi obligatorie pentru Dvs., chiar dacă am comunicat anterior cu Dvs. într-o altă limbă. Toată corespondența pe care ne-o transmiteți în scris trebuie să fie în limba engleză, cu excepția situațiilor în care s-a prevăzut altfel.

Czech

Veškerá komunikace mezi Vámi a námi bude vedena v angličtině. V některých případech a pouze na Vaši žádost můžeme s Vámi komunikovat i v jiném jazyce, avšak je třeba upozornit, že to nelze od nás požadovat. Veškerá naše komunikace v angličtině s Vámi bude pro Vás závazná, a to i v případě, že jsme předtím s Vámi komunikovali v jiném jazyce. Veškerá Vaše písemná komunikace s námi musí být vedena v angličtině s výjimkou určitých případů, kdy se dohodneme jinak.

Polish

Cała komunikacja pomiędzy Tobą a nami odbywać się będzie w języku angielskim. Okresowo i tylko na Twoją prośbę możemy kontaktować się z Tobą w innym języku, ale przyjmujesz do wiadomości, że nie jesteśmy do tego zobowiązani. Wszelka komunikacja w języku angielskim skierowana od nas do Ciebie jest dla Ciebie obowiązująca, nawet jeśli uprzednio komunikowaliśmy się z Tobą w innym języku. Poza wyjątkowymi sytuacjami, na które wyraziliśmy zgodę w odniesieniu do konkretnych wiadomości, wszelka komunikacja na piśmie skierowana od Ciebie do nas musi być prowadzona w języku angielskim.

French

Toutes les communications entre nous devront être en anglais. Nous nous réservons le droit, de temps à autre et uniquement à votre demande, de communiquer avec vous dans une autre langue, mais vous reconnaissez que nous n'y sommes pas tenus. Toutes les communications faites entre nous en anglais auront un caractère contraignant à votre égard, même si nous avons communiqué avec vous dans une autre langue à une date antérieure. En outre, sauf accord contraire concernant une communication particulière, toutes les communications écrites entre nous doivent être rédigées en anglais.

This English language disclosure is provided for your convenience only. This page does not form part of the Agreement.

Prominent warnings

We are required under regulatory requirements to give you prominent warnings of certain matters. Your attention is therefore drawn to the following clauses of these General Terms and Conditions:

Your attention is drawn to our Best Execution Policy (a summary of which is provided at the end of this document). By entering into these General Terms and Conditions, you are providing consent to our Best Execution Policy. In addition, before we can execute any orders for you outside a regulated market or MTF, we will need your express consent (see clause 17.7.2). In addition, any specific instructions you give to us may prevent us from taking the steps that we have designed and implemented as part of our Best Execution Policy to take reasonable care to obtain the best possible result for the execution of those orders.

You are hereby notified that in the event that securities are registered or recorded in our name we will keep records to separately identify your securities from our own securities and we will make arrangements so as to safeguard your ownership rights to your securities. However, such securities may not be segregated from our own securities so that in the event of our insolvency, your securities may not be as well protected from claims made on behalf of our general creditors (in comparison to if such securities had been segregated from our own securities) (see clause 18.3).

Whilst we have an obligation under the Client Assets Order to make arrangements so as to safeguard your ownership rights to your securities, you understand and accept that where permitted by the provisions of the Client Assets Order we, and any sub-custodian, may pool your investments with those of other clients and a sub-custodian may also pool your investments with those of its own. Where we do (or a sub-custodian does) this, your individual client entitlements may not be separately identifiable by separate certificates, other physical documents of title or equivalent electronic record, and, therefore, in the event of an irreconcilable shortfall after our insolvency or the insolvency of a sub-custodian, clients whose investments have been pooled may share in that shortfall in proportion to their original share of the assets in the pool. Any entitlements or other benefits arising in respect of pooled assets will be allocated pro rata to each client whose assets are so pooled (see clause 18.7).

We shall be responsible for the acts or omissions of any nominee controlled by us or by a Citigroup Organisation to the same extent as we are liable for our own acts and omissions. Any limitations in relation to our liability under this Agreement (including, but not limited to, the limitations set out in clause 36) shall apply equally to any nominee controlled by us or by a Citigroup Organisation (see clause 18.4).

Your personal information may also become subject to the legal disclosure requirements of other countries (including, but not limited to, disclosure requirements of regulators, tax authorities or courts of other countries), but will continue to be handled by us in accordance with the terms and conditions set out in this Agreement (see clause 32.3.4).

We may require you to maintain a minimum balance in certain Accounts, and may specify a minimum amount in relation to any other service provided by or through us. Any such requirements will be set out in the Fee Schedule from time to time. Where you are required to maintain a minimum balance, failure to do so will constitute a breach by you of this Agreement and may attract additional fees as set out in the Fee Schedule (see clause 5.13.1).

You agree that each joint Account Holder will be individually as well as jointly responsible for any amount which may be due to us under this Agreement. This means that we can take action against one or more or all joint Account Holders, regardless of which joint Account Holder was responsible for the amount becoming due. We may set off or combine any joint Account Holder's Debt to us against or with any or all of your Accounts held in the same name(s), whether the Debt was incurred individually or jointly. More information about our right of set off is set out in clause 33 (see clause 5.5.5).

You authorise us, but we are not obliged, to put up margin security or collateral for borrowing or derivative transactions for you with a counterparty, exchange, clearing house or intermediate broker of our choosing where market practice requires us to do so. Any borrowing from us is governed by the separate Loan Terms and Conditions (see clause 18.9.8).

Please note that there are other risk warnings in these General Terms and Conditions (in particular in Schedule 2) that you should read carefully.

Nothing in these General Terms and Conditions will reduce or exclude your legal rights relating to any of the services or products we offer you.

SECTION ONE:

General Terms and Conditions

PART 1: Introduction

1. THIS AGREEMENT

- 1.1. These General Terms and Conditions form part of the contractual Agreement between you and us. Your Agreement with us is made up of:
 - 1.1.1. these General Terms and Conditions (including, where applicable, the Addendum);
 - 1.1.2. the Account Application;
 - 1.1.3. the Fee Schedule;
 - 1.1.4. the Transferring Funds leaflet;
 - 1.1.5. any Product Specific Terms and Conditions; and
 - 1.1.6. any other agreements or forms we and you enter into from time to time, of which we notify you.
- 1.2. In addition, when you purchase an investment, you may be subject to additional terms and conditions relating to that product, as described in Part 4 of these General Terms and Conditions.
- 1.3. Unless we notify you otherwise, these General Terms and Conditions will apply to any product or service offered by us which you apply for in the future. Where these General Terms and Conditions do not apply in relation to one of our products or services, we may ask you to enter into a separate agreement relating to that product or service.
- 1.4. This Agreement supersedes any previous written or oral agreements relating to the Accounts and services included in this Agreement, unless we agree otherwise with you.
- 1.5. This Agreement has no minimum duration and either you or we may terminate this Agreement by written notice in accordance with clause 37.

2. DEFINITIONS AND INTERPRETATION

- 2.1. Unless otherwise indicated in this Agreement, the words:
"Citi" and **"we"** and **"us"** and **"our"**
refers to Citi International Personal Bank operating through Citibank N.A., Jersey Branch and anyone who succeeds us or to whom we assign our rights (or, as applicable, and as notified to you as described in clause 21.1, Citibank N.A., London Branch a division of Citi International Personal Bank).
"Account"
means an Account you hold with us which, depending on the context, may mean your Cash Account (as described in clause 5.7) or your Investment Account (as described in clause 18.1).
"Account Application"
refers to any form of authority or request under which an Account with us is opened or maintained for you.
"Account Holder"
means a person identified as such in the Account Application, or their personal representatives.
"Account Number"
is an indicator which we will assign to your Account, portfolio or sub-account opened by us on your behalf.
"Addendum"
has the meaning given to it in clause 21.1.
"Advised Account Relationship"
means the relationship between you and us described in clause 14.2.1.
"Advisory Fee"
means the:
 - (i) advice fee (meaning the fee that we charge for the provision of advice or personal recommendations, in the event that you decide to invest in a recommended Retail Investment Product); and
 - (ii) transaction fee (meaning the fee that we charge for the execution of a transaction in a recommended Retail Investment Product, and any other services related to the personal recommendation), charged by us as part of the

provision of the Advisory Services in relation to Retail Investment Products.

"Advisory Services"

has the meaning given to it in clause 15.

"Agreement"

means the Agreement between you and us comprising the Account Application, these General Terms and Conditions (including, where applicable, the Addendum), the Transferring Funds leaflet, any Product Specific Terms and Conditions (where applicable), our Fee Schedules and any additional agreements or forms which we notify to you from time to time.

"Applicable Law"

means the JFSC Rules, and any laws, regulations or rules of Jersey or those otherwise applicable to the services provided under this Agreement or any agreement entered into with or between authorities.

"Asset"

means any investments or assets held in your Account with us or in a nominee name for your benefit (including anything held by our agents, depository or custodian or on a clearing system) and any rights or benefits relating to those investments or assets (including any income derived on those investments or assets). This includes, but is not limited to, Accounts, contract rights, all documents, instruments and certificates relating to investments and securities, and all related interest, redemptions and distributions and all income, proceeds and products of the above.

"ATM"

means Automated Teller Machine.

"Authority"

means any competent regulatory, prosecuting tax or governmental authority in any jurisdiction, domestic or foreign.

"Available Balance"

means the balance of your Account which is available for withdrawal by you, including cleared amounts and the unutilised amount of any overdraft facility agreed by us. It excludes authorised amounts due to retailers for goods and services.

"Bearer Instrument"

means an instrument that is owned by whoever holds it from time to time.

"Best Execution Policy"

means the policy which we follow in order to comply with the requirement of Applicable Law that we take all reasonable steps to obtain, when executing your orders, the best possible result for you.

"Business Day"

means any day on which banks are open for a full range of banking transactions in Jersey and banks are open for business in all the geographic locations required to complete the relevant transaction.

"Cash Account"

means any account held with us into which you may pay in or from which you may withdraw cash (including any current account or savings account in any currency), but not including any Time Deposit or any Investment Account.

"Citi Online"

means our internet banking service which enables you to access and manage your Account online.

"Citi Card"

means any Citi ATM card, Citi VISA Debit card, or any other card issued to you or any Account Holder in connection with your Account.

"Citi IPB Reference Exchange Rate"

means the exchange rate applied by Citi. Please contact your Relationship Manager if you would like to know full details of the actual rate that is applied.

"Citigroup Organisation"

refers to Citigroup, Inc., Citibank, N.A., Citibank International Plc, their branches, subsidiaries, and affiliates, and anyone who succeeds them or to whom they assign their rights.

"Client Assets Order"

means the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001.

"DCS"

has the meaning given to it in clause 41.2.

"Debt"

means any payment or delivery obligation that you have to us (whether existing or future, direct or indirect, actual or conditional upon an event occurring), including:

- any amount owing pursuant to loans, overdrafts, interest, fees, expenses, costs, damages or guarantees;
- any amount owing pursuant to contracts made by you in connection with foreign exchange, derivatives or securitised transactions (for these purposes such amounts may be based on our current valuation of unsettled contracts);
- any amount owing for payments or undertakings that we make or enter into on your behalf or instructions; and
- any amount owing for interest and fees on any Debt until all amounts have been discharged. If we make a demand, or obtain a court judgment against you, interest and fees will continue to accrue at the rates set out in this Agreement as they did beforehand.

"Denominated Currency"

means the currency in which your Account is denominated, as specified by you in the Account Application.

"EEA"

means European Economic Area.

"EUSD Retention Tax"

is a tax of 35% which we may be required to retain on interest which applies to your Accounts if you are a individual Account Holder who is a resident of a European Union member state and receive interest on your Accounts. Please see clause 30.7.2 for further details.

"Execution Services"

has the meaning given to it in clause 17.

"Expenses"

has the meaning given to it in clause 23.1.

"Fee Schedule"

means our schedules of fees, penalties, charges, interest rates and minimum balances, as modified from time to time.

"FCA"

means the UK Financial Conduct Authority, its agents or any successor body or successor bodies.

"FCA Rules"

means the rules, guidance, principles and codes in the Handbook of Rules and Guidance issued by the FCA.

"General Terms and Conditions"

means the terms and conditions contained in Section One of this document as modified from time to time in accordance with clause 42.

"Investment Account"

has the meaning given to it in clause 18.1.

"JFSC"

means the Jersey Financial Services Commission.

"JFSC Rules"

means the rules, guidance, principles and codes in the Codes of Practice for Investment Business and Deposit-taking Business issued by the JFSC.

"Lien"

means a right which entitles us to hold on to any of your Assets we have in our possession pending payment of a Debt owed by you.

"Loan Terms and Conditions"

means the separate set of terms and conditions which apply between you and us in the event that we provide loans or credit services to you.

"Market Value"

means the market value of any Asset as determined at our sole discretion, acting reasonably, and will normally be the value we reasonably believe could be obtained for the Asset in the open market at that time or over a relevant period that we may wish to sell at a future date, or the replacement cost of the Asset.

"Merchant"

has the meaning given to it in clause 7.1.8.

"MTF"

means multilateral trading facility (meaning in broad terms, a system that brings together multiple parties that are interested in buying and selling financial instruments and enables them to do so, and which is not a regulated market).

"Non-Advisory Services"

has the meaning given to it in clause 16.1.

"Payment Instrument"

means something that is unique to you and which you can use to make a transaction on your Account and give us instructions. This includes a physical device, a set of procedures (such as a PIN, password, security key or biometric data) or a combination of two or more of these.

"PIN"

means the Personal Identification Number issued for use with a Citi ATM card or Citi VISA Debit card.

"Product Specific Terms and Conditions"

means the terms and conditions relating to specific investment products which you may invest in further to the advisory services or non-advisory services offered by us under this Agreement. Some of the Product Specific Terms and Conditions are physically incorporated in this document in Schedule 1, while others may be contained in separate documents.

"Relationship Manager"

means the person(s) who is/are assigned by us as your main contact at Citibank N.A., Jersey Branch (or where applicable, and as notified to you as described in clause 21.1, the person(s) who is/are assigned by us as your main contact at Citibank N.A., London Branch).

"Retail Investment Product"

means a "retail investment product" which is defined in the glossary of the FCA Rules as including (i) a life policy; (ii) a unit in a collective investment scheme; (iii) an interest in an investment trust savings scheme; (iv) a security in an investment trust; (v) a structured capital-at-risk product; or (vi) any other designated investment which offers exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding in the financial asset.

"Signing Mandate"

means the mandate for signatures in relation to your Account as specified in the Account Application and in any signing mandate amending the same from time to time.

"SMS"

means the short messaging text service provided through mobile phones.

"Specified Services"

has the meaning given to it in clause 21.2.1.

"Time Deposit"

means a particular type of fixed term deposit product as described in more detail in Schedule 1.

"Trading Account Relationship"

means the relationship between us and you as more fully described in clause 14.2.2.

"Transferring Funds leaflet"

means a leaflet setting out details relating to payments, including payment times and charges, and which is available on our website www.ipb.citi.com or from your Relationship Manager.

"UK"

means England and Wales, Scotland and Northern Ireland (but not the Channel Islands or the Isle of Man).

"Withholding Tax"

means an amount for or on account of, or which represents, withholding, income tax, value added tax, tax on the sale or disposition of any property, duties, or any other lawfully collected amount.

"you"

means the person who signed the Account Application, or if more than one person signed the Account Application, all of them, or (if applicable) their personal representatives and "your" shall be construed accordingly.

- Any reference in this Agreement to a law or statute will be broadly interpreted, to include any subsequent legislation or regulation amending or superseding it.

- REGULATION**

Citibank N.A., Jersey Branch is registered with and regulated by the JFSC under the Financial Services (Jersey) Law 1998 for the conduct of investment business and under the Banking Business (Jersey) Law 1991 for the conduct of deposit-taking business. Our registered office in Jersey is:
PO Box 104, 38 Esplanade, St Helier, Jersey JE4 8QB.

4. **JFSC DETAILS**
The JFSC can be contacted at PO Box 267, 14-18 Castle Street,
St Helier, Jersey JE8 8TP.

PART 2: General and banking services

5. ACCOUNTS

5.1. Types of Account

Your Account consists of:

- 5.1.1. a Cash Account (as described in clause 5.7); and
- 5.1.2. an Investment Account (as described in clause 18.1).

5.2. Eligibility

- 5.2.1. You may open an Account if you are at least 18 years of age, subject to status and the specific conditions of that Account.
- 5.2.2. We are not able to offer our services to residents of certain countries. Please contact your Relationship Manager if you wish to know more about where we provide our services. If you become resident in such a country, we may no longer be able to provide you with our services and this Agreement will terminate in accordance with clause 37.

5.3. Organisation Accounts

At our sole discretion, Accounts may be opened for organisations such as companies, charities, partnerships, trusts or unincorporated associations, but this will typically only be where such organisation does not operate for business purposes.

5.4. Accounts not to be used for business purposes

The services we provide under this Agreement are for your personal use only. Your Account (whether an individual Account or a joint Account) may not be used for business purposes.

5.5. Joint Accounts

- 5.5.1. Unless each joint Account Holder has instructed us in the Account Application to accept only instructions signed by all joint Account Holders, each joint Account Holder of a joint Account has sufficient authority individually to:
 - 5.5.1.1. give us instructions of any kind;
 - 5.5.1.2. make deposits or withdrawals;
 - 5.5.1.3. receive payments, notices, or demands;
 - 5.5.1.4. appoint third parties to operate the Account;
 - 5.5.1.5. sign any documents or agreements; and
 - 5.5.1.6. act on their own in any other way concerning the Account and this Agreement, and we may rely fully on such individual authority.
- 5.5.2. If you ask us to change the arrangements for the Account from those set out in the Account Application (for example, by changing the signing authorities), we may require this to be formally authorised in writing by all of the joint Account Holders.
- 5.5.3. If we suspect that there is a conflict or dispute between joint Account Holders, we may require instructions from one joint Account Holder to be confirmed by each other joint Account Holder. We may also freeze the Account, as described in clause 5.12.
- 5.5.4. You agree that we may send statements of account to any joint Account Holder and that you will regard this as delivery to you.
- 5.5.5. You agree that each joint Account Holder will be individually as well as jointly responsible for any amount which may be due to us under this Agreement. This means that we can take action against one or more or all joint Account Holders, regardless of which joint Account Holder was responsible for the amount becoming due. We may set off or combine any joint Account Holder's Debt to us against or with any or all of their Accounts held in the same name(s) whether held individually or jointly, and whether the Debt was incurred individually or jointly. More information about our right of set off is set out in clause 33.
- 5.5.6. If a joint Account Holder dies or is incapacitated, once we have received acceptable documentation, we may make provision for taxes and pass on his or her rights to the Account to the remaining joint Account Holder(s). If there is no remaining Account Holder, subject to receipt of grant of probate or

letters of administration in Jersey, we will hold any Assets in the Account to the order of the person appearing to us to be the personal representative of the last Account Holder, unless we are notified to our satisfaction that another person is entitled to the Assets.

5.6. Death or incapacity

- 5.6.1. If you die or are incapacitated, we will require a death certificate or appropriate notice of incapacity, estate or other tax forms, before accepting instructions from a surviving joint Account Holder, court or your personal representative. We may, but are not obliged to, request additional documents or further verification depending on the individual circumstances.
- 5.6.2. Regardless of whether the estate of a deceased Account Holder lies within or outside Jersey, we will generally require to see a grant of probate or letters of administration issued in Jersey in relation to Jersey Assets.

5.7. Cash Account

- 5.7.1. All of the internal and external funds transfers associated with your Account(s) and the services provided by us to you will normally be processed through your Cash Account.
- 5.7.2. Unless you instruct us otherwise, funds transfers will normally be processed through the Cash Account held in the currency of the transaction (if you have one) or through your Cash Account denominated in the reference currency specified by you.

5.8. Interest

- 5.8.1. If your Cash Account is interest bearing, we will tell you the interest rate that applies to your Cash Account when you open it. This information is also available on our website at www.ipb.citi.com and through your Relationship Manager. Interest rates are variable and we can change any interest rates applicable to your Cash Account in accordance with clause 42.
- 5.8.2. If you do not wish to receive interest on your Cash Account you may inform us at any time by contacting your Relationship Manager, in which case your Cash Account will be non-interest bearing.
- 5.8.3. Interest payable on the balance of your Cash Account is calculated daily (on a 365 day year basis in the case of all GBP, HKD, ILS and RUB interest bearing Accounts, and on the customary moneymarket basis (usually on a 360 day year basis) in the case of Cash Accounts in all other currencies) on the daily cleared balance, compounded on a daily basis and credited to your Cash Account on the last Business Day of each calendar month or at a frequency agreed between you and us.
- 5.8.4. We calculate interest on a sum deposited by electronic transfer from the day we receive it. In addition, on a sum deposited by cheque we calculate interest in accordance with clause 6.5.
- 5.8.5. Interest earned on one Cash Account will be paid into that Cash Account unless you elect to have interest on your Cash Account paid into another Account with us as specified by you from time to time.
- 5.8.6. Interest is paid net of Withholding Taxes which we are required to deduct under Applicable Law, Clause 30.7 contains further information about taxes (please therefore refer to Clause 30.7 in this regard).
- 5.8.7. If you ask us to divert interest payments from a particular Cash Account to another Cash Account either in your name or another person's name, then we will deduct the applicable rate of tax (if any) relevant to the Cash Account on which the interest arises before the interest is diverted.
- 5.8.8. THE LEVEL OF TAX YOU PAY WILL DEPEND ON YOUR INDIVIDUAL FINANCIAL CIRCUMSTANCES AND MAY CHANGE IN FUTURE.

5.9. Cheques and other payments and correspondents

- 5.9.1. We reserve the right, without giving you prior notice, to reverse entries in your Cash Account where promissory notes, bills of exchange, cheques or other negotiable instruments previously credited to your Cash Account are returned unpaid for any reason. The reversing of such entries does not affect our right to retain such unpaid notes, bills, cheques or instruments and to exercise in our favour any rights we have relating to such instruments.

- 5.9.2. We assume no responsibility or liability for the value given to funds by a bank to which we transfer funds in accordance with this Agreement or your instructions, provided that we debited the relevant Cash Account on the correct value date, paid funds away via our correspondent(s) on the correct value date and can show that the full amount was received by the beneficiary bank in good order.
- 5.9.3. We reserve the right, without giving you prior notice, to use any correspondent bank or sub-agent in our transactions and, except to the extent provided by Applicable Law or where we have failed to exercise reasonable skill, care and diligence in the selection, appointment and periodic review of any such correspondent bank or sub-agent, will not be held liable for any act or default or negligence by any such correspondent or sub-agent.
- 5.9.4. If we receive notification that funds credited to your Cash Account are uncleared or unavailable and you have withdrawn funds subsequent to us crediting the Cash Account with the uncleared or unavailable funds and such withdrawal has caused the Cash Account to become overdrawn (or the amount by which the Cash Account is overdrawn increased) or falls below any minimum balance specified by us, then you must, on demand, pay us an amount equal to the amount of the uncleared or unavailable funds. Any overdraft arising will be regarded as an unarranged overdraft in accordance with clause 5.11.
- 5.9.5. We reserve the right without prior notice to reverse any entry made to the Cash Account in error. We accept no responsibility for the consequences to you of such operating errors, except where such operating error has caused a detriment to you where you are not at fault. If you use any funds wrongly credited to your Cash Account as a result of an operating error, you are liable to us for the whole amount, including any applicable interest.
- 5.9.6. We reserve the right to refuse to accept cheques for your Cash Account that are payable to others, even if you have endorsed them.
- 5.10. **Deposit and transfer procedures**
- 5.10.1. You may make deposits by mail (other than cash) or by transfer from any other bank or branch of Citi.
- 5.10.2. We do not accept cash sent in the mail. If you send cash or any other Bearer Instruments in the mail, you do so at your own risk.
- 5.11. **Overdrafts**
- 5.11.1. You are not entitled to overdraw a Cash Account without our prior consent. Where we agree an overdraft, interest is chargeable at our current rate as set out in the Fee Schedule for authorised overdrafts from time to time or such other rate as we may agree with you.
- 5.11.2. Where we do not agree an overdraft but you are nevertheless overdrawn (for whatever reason), the overdraft will be regarded as an unarranged overdraft. Interest on unarranged overdrafts will be at our standard rate for unarranged overdrafts (which may change from time to time). Details of our standard rates for unarranged overdrafts can be found in our Fee Schedule. Interest is accrued on a daily basis and will be debited to your Cash Account at month end.
- 5.11.3. An overdraft is subject to status and the amount of any overdraft and accrued interest will be repayable by you on our demand.
- 5.11.4. If we are unable to obtain instructions from you to clear the Debt, we may, without notice to you, acting reasonably, transfer funds from any other one of your Cash Accounts, sell any investment held in any of your Investment Accounts, and convert currency from any of your Cash Accounts for this purpose. You will be liable for our reasonable costs of taking any such step under this clause 5.11.
- 5.12. **Freezing Accounts**
- 5.12.1. We may freeze your Account if we know or have reasonable grounds to believe that:
- 5.12.1.1. your Account is being used for business purposes;
- 5.12.1.2. there is a dispute over the ownership of the money in your Account;
- 5.12.1.3. any dispute between joint Account Holders has arisen;
- 5.12.1.4. you have died or are incapacitated;
- 5.12.1.5. an instruction was not given by you or on your behalf; or
- 5.12.1.6. we are required to do so in order to comply with Applicable Law.
- 5.12.2. This means that we will not allow any person to withdraw money from your Cash Account, deposit money into the Cash Account (unless we agree) or carry out any other transactions until the matter that caused us to freeze the Account has been resolved to our satisfaction (for example, by our being satisfied that the dispute is settled).
- 5.12.3. We will not be liable to you or any other person for any loss (including loss of profit) arising as a result of our freezing an Account in accordance with this clause.
- 5.13. **Minimum balances**
- 5.13.1. We may require you to maintain a minimum balance in certain Accounts, and may specify a minimum amount in relation to any other service provided by or through us. Any such requirements will be set out in the Fee Schedule from time to time. Where you are required to maintain a minimum balance, failure to do so will constitute a breach by you of this Agreement and may attract additional fees as set out in the Fee Schedule.
- 5.13.2. If you are not maintaining the required minimum balance, we may close your Account.
6. **TYPES OF PAYMENTS MADE IN AND OUT OF YOUR ACCOUNT**
- 6.1. The following payments may be made into or out of your Cash Account:
- 6.1.1. Citi Global Transfer (“CGT”) payments: payments made through Citi’s internal systems to another Citi account in selected countries in any currency, where you can determine whether the payments are made in the currency of your Cash Account or the currency of the destination account (if different);
- 6.1.2. CHAPS payments: payments in sterling within the UK, Channel Islands, Isle of Man or Gibraltar made to or from your Cash Account through the Clearing House Automated Payment System (CHAPS);
- 6.1.3. Single Euro Payment Area (SEPA) payments: payments made into your Account in Euro from EEA countries and Switzerland. (As Jersey is not a SEPA participating country it is not possible to make SEPA payments from your Account);
- 6.1.4. SWIFT payments: payments made to or from your Cash Account using the SWIFT international funds transfer network in a range of currencies (including standing orders);
- 6.1.5. Citi VISA Debit card payments: payments by Citi VISA Debit card for the purchase of goods or services (or both) either made in person or remotely by telephone, fax, internet or mail order (see clause 7 for more details);
- 6.1.6. Cash withdrawals: cash you withdraw from your Cash Account via ATM;
- 6.1.7. Cheques into your Cash Account (see clause 5.9 for more details);
- 6.1.8. Faster Payments: payments made from your Account in sterling to the UK, Channel Islands, Isle of Man or Gibraltar (including standing order); and
- 6.1.9. Direct Debit and Direct Credits will be cleared using Bankers’ Automated Clearing Services (BACS).
- 6.2. You may only make a payment out of your Cash Account if there is sufficient Available Balance in your Cash Account to cover the transaction.
- 6.3. Money paid into your Cash Account by electronic transfer will be credited to your Cash Account, and start earning interest (if applicable), on the day the funds are received by us, as long as we have all the information we require to identify you as the recipient of the payment.
- 6.4. If you ask us to make a payment in Sterling to a person with an account at a bank in the UK we will use:
- (a) Faster Payments if payment is for £100,000 or less; or
- (b) CHAPS if the payment is for more than £100,000.

- 6.5. Money paid into your Cash Account by cheque will be credited to your Cash Account on the date on which the cheque clears (details on cheque clearance times are set out below in clause 6.6). Any interest (where it applies) will be paid into your Cash Account on the day following the day on which the cheque clears (except that in relation to a sterling cheque, interest (where it applies) may be paid into your Cash Account on the same day on which the cheque clears as described below in clause 6.6).
- 6.6. If the cheque is in sterling, drawn on a UK clearing bank or UK branch of Citibank International Plc, and the cheque is received by us by 11.30 a.m. on a Business Day:
- 6.6.1. you will start to receive interest on the money on the same Business Day;
- 6.6.2. the funds will be available for you after four whole Business Days; and
- 6.6.3. the funds are cleared and cannot be reclaimed by us from the seventh Business Day after deposit, except where a cheque is returned unpaid for reasons related to fraud, in which case the amount of the cheque will be deducted from your Cash Account even if this causes you to go overdrawn.
- 6.7. For foreign currency cheques the clearance time will be longer than for sterling cheques. We will give you details of clearance times for foreign currency cheques on request.
- 6.8. Where you are making a payment out of your Cash Account, you will receive interest up to the time the payment is deducted from your Cash Account.
- 6.9. When you wish to make a payment (other than transfers between Cash Accounts held with us), you must provide us with the following information:

Payments type	Information required
CGT payments	<ul style="list-style-type: none"> • your Cash Account number and name; • the correct account number of the beneficiary and the country where the beneficiary account is situated.
Electronic fund transfers: CHAPS; SWIFT payments	<ul style="list-style-type: none"> • your Cash Account number, name and address; • the correct details of the beneficiary's bank, including the bank's SWIFT Bank Identifier Code (BIC) address, sort code or national bank code; • the correct details of the beneficiary's bank account, including the account number or International Bank Account Number (IBAN) if making a payment in the EEA; • the name and address of the recipient the funds are being paid to; • the recipient's reference (if applicable).
Faster Payments	<ul style="list-style-type: none"> • your Cash Account number and name; • the beneficiary's name, bank account number and sort code

- 6.10. For each of the methods of making a payment out of your Cash Account, there are different ways of initiating these and they may also have different payment limits and cut-off times. The cut-off time is the time on a Business Day before which an instruction from you to us to make a payment is treated as received by us on that day. If we receive a payment instruction after the cut-off time, we will treat it as received by us on the following Business Day.

- 6.11. The time it takes the payment to reach the beneficiary's bank is called the execution time. Each payment type may have a different execution time. The time at which this begins will depend on whether the payment instruction was received before or after the cut-off time.
- 6.12. For certain payments you may agree with us that the payment should take place on a specific day, on the last day of a certain period or on the day on which the funds for the payment are at your disposal. In such instances, the point in time of receipt for the purposes of executing the payment will be the day so agreed.
- 6.13. Where you have instructed us to make a payment immediately, we will begin processing your instruction when it is received and you cannot cancel your instruction after you have given it to us, unless this is expressly agreed with your Relationship Manager.
- 6.14. Where you make a payment through Citi Online, you give your consent to the execution of the payment transaction, after which time you are not able to withdraw your consent to that payment being made. Where you initiate a payment through your Relationship Manager over the telephone, you will confirm your consent to the execution of the payment transaction to your Relationship Manager, after which time you may only withdraw your consent at our discretion.
- 6.15. Where you initiate a payment by written instruction, the written instruction shall constitute your consent to the execution of the payment. If you then wish to withdraw your consent and cancel the payment after the written instruction has been received by your Relationship Manager, you must contact your Relationship Manager and cancellation of that payment will be at our discretion.
- 6.16. More detailed information about each payment type, including information on cut-off times, execution times and payment limits, for each method of making a payment out of your Account is set out in our Transferring Funds leaflet.
- 6.17. Please note that certain Cash Accounts may have specific functionalities attached which may, for example, allow you to specify a minimum balance and a maximum balance on that Cash Account so that, as long as these specifications are in place, when the minimum or maximum balance is reached on that Cash Account we will automatically transfer money to or from that Cash Account into another of your Cash Accounts. In these circumstances, where we automatically transfer money to or from one Cash Account into another of your Cash Accounts, you will not need to provide us with payment instructions each time before we make such an automatic transfer. Further details about the various functionalities applicable to different Cash Accounts can be obtained from your Relationship Manager.
- 6.18. **Standing orders/Direct Debits**
- 6.18.1. You must allow a minimum of 5 Business Days from the date that we receive your instructions to set up a new Direct Debit or standing order from your Cash Account.
- 6.18.2. If you wish to cancel a Direct Debit or standing order you must do so on or before the last Business Day before the date on which the payment was due to be made.
- 6.18.3. If this Agreement terminates or the Cash Account is closed, we will cancel any standing orders and Direct Debit instructions on your Account. It is your responsibility to inform the payees. We will not be liable to you or any third party for any losses from cancelling any standing order or Direct Debit in such circumstances.
- 6.18.4. In addition to any other rights you may have under this Agreement to claim a refund of a disputed payment which has been made from your Cash Account, in relation to Direct Debits you may be able to claim refunds under the Direct Debit Guarantee (which is set out on the Direct Debit form).

7. CITI CARDS AND/OR OTHER PAYMENT INSTRUMENTS

7.1. General

- 7.1.1. We may block, cancel or suspend your right to use a Citi Card or Payment Instrument at any time without liability on reasonable grounds related to:

- 7.1.1.1. the security of your Citi Card or Payment Instrument;
- 7.1.1.2. the suspicion of unauthorised or fraudulent use of your Citi Card, a Payment Instrument or your Account; or
- 7.1.1.3. a significantly increased risk that you may be unable to fulfil your liability to pay any amount under this Agreement.
- Unless the law prevents us from doing so, we will try to contact you to tell you we are blocking, cancelling or suspending your Citi Card or a Payment Instrument, and the reasons for doing so. Where possible, we will do so before taking such action but in the event that we are unable to do so, we will contact you immediately after we have taken such action. You can also contact us to find out why we have blocked, cancelled or suspended your Citi Card or a Payment Instrument.
- 7.1.2. We also reserve the right to block your Citi Card or the use of a Payment Instrument if you fail to comply with your obligations under this Agreement or if required by law to do so. In all circumstances you may request that use of your Citi Card or other Payment Instrument is reinstated by contacting us. We shall not be obliged to accede to that request until the reasons for blocking, cancelling or suspending your Citi Card cease to exist. We will confirm this to you in writing at your specified mailing address. We will not be liable to you for any loss or damage suffered by you resulting in any way from such blocking, cancellation or suspension.
- 7.1.3. We may refuse any particular transaction with a Citi Card or a Payment Instrument which does not satisfy all the relevant conditions as set out in this Agreement, including for the reasons set out in clause 29.7.6, or the execution of which would be unlawful or otherwise contravene any Applicable Law, and we shall not be liable to you for any such refusal. We will notify you by making available the fact of the refusal and, if possible, the reasons for the refusal and, where it is possible to provide reasons for the refusal and those reasons relate to factual matters, how you may resolve the position, unless giving such notification is prohibited by law.
- Citi Card**
- 7.1.4. Your Citi Card is issued by Citi International Personal Bank.
- 7.1.5. Your Citi Card may be used in connection with any Cash Account which offers Citi Card functionality, provided your Citi Card has been linked to that Cash Account. Your Citi Card may only be linked to one Cash Account at a time. You can contact your Relationship Manager for further information on which Cash Accounts may be linked to your Citi Card or to change the Cash Account to which your Citi Card is linked.
- 7.1.6. Citi Cards cannot be held jointly. For joint Accounts, a separate Citi Card will be issued to each Account Holder. A maximum of four cards can be issued for each Account. Citi Cards are only available for individual persons and are not available for organisations or their representatives.
- 7.1.7. You must keep your Citi Card safe. A Citi Card may only be used by the person to whom it has been issued and must be signed by that person immediately on receipt. A Citi Card is valid only for the period shown on it and you must not use it after the expiry date or after it has been cancelled.
- 7.1.8. Subject to clause 7.1.9, your Citi VISA Debit card may be used to authorise payments to an authorised merchant or other provider of goods or services ("**Merchant**") as long as you have sufficient Available Balance to cover the transaction.
- 7.1.9. To manage our own risk we have internal controls, including the right to impose limits when your Citi VISA Debit card is used to purchase goods and services. We may change these limits from time to time but for security reasons we do not disclose these. In addition Merchants may impose their own limits on when your Citi VISA Debit card is used to purchase goods and services.
- 7.1.10. In relation to Citi VISA Debit card transactions, refunds are only credited to your Cash Account by us once on each Business Day. We will credit the Cash Account that was used to make the debited payment. Citi VISA Debit card transactions will be shown separately on your Cash Account.
- 7.1.11. You can withdraw cash from any Citi, VISA or MasterCard ATM, by using your Citi Card and inputting the PIN.
- 7.1.12. Your Citi Card may be subject to ATM withdrawal limits as set out in the Fee Schedule.
- 7.1.13. An ATM may have a lower withdrawal limit than those set out in the Fee Schedule which we cannot override. As a result, you may need to make additional transactions at the same (or

other) ATMs if you wish to exceed the withdrawal limit of that particular ATM.

- 7.1.14. You agree to use your Citi Card in accordance with this Agreement. We may from time to time issue new Citi Cards to replace existing ones. Unless otherwise notified, this Agreement will apply to any replacement cards.
- 7.1.15. We will accept a transaction as long as the requested sum is within the Available Balance in your Cash Account or the daily withdrawal limit, whichever is less. The amount withdrawn will be debited from your Cash Account at the date of the withdrawal.
- 7.1.16. If you request a balance statement of your Cash Account, the ATM will provide the most recently updated balance available to the ATM. The most recently updated balance available may not be the current balance available on your Account.
- 7.1.17. You shall be responsible for any fees, which another institution may charge you for the use of an ATM.
- 7.1.18. Your ability to withdraw funds using your Citi Card outside Jersey is subject to the laws and regulations of the country in which the withdrawal is requested.
- 7.1.19. Where you withdraw cash using your Citi Card from an ATM outside Jersey, the cash shall be in a currency supplied by the operator of the ATM at which the withdrawal is made. The equivalent in the Denominated Currency of your Cash Account shall be debited from your Cash Account.
- 7.1.20 Foreign currency payments and ATM withdrawals**
- 7.1.20.1 If you make payments in currencies other than the currency of the Account:
- (a) The amount of the transaction will be converted into GBP using Visa's exchange rate on the date it processes the transaction. This rate may not be the same as the rate that applied on the date the transaction was made, if the payment is processed by Visa after that date; and
- (b) if your Account is in a currency other than GBP, the GBP amount will then be converted by us into the currency of the Account using the 'Citi IPB Reference Exchange Rate' applicable at the time. You can contact your Relationship Manager for full details of the actual rates used to convert a foreign currency payment (your statements may not include a full breakdown of this information).
- 7.1.20.2 If you make ATM withdrawals other than through a Citi operated ATM in currencies other than the currency of the Account:
- (a) the amount of the transaction will be converted into US Dollars using Visa's exchange rate on the date it processes the transaction plus a commission of 2.00%. This rate may not be the same as the rate that applied on the date the transaction was made, if the payment is processed by Visa after that date; and
- (b) If your Account is in a currency other than US Dollars, the US Dollar amount will then be converted by us into the currency of the Account using the 'Citi IPB Reference Exchange Rate' applicable at the time. You can contact your Relationship Manager for full details of the actual rates used to convert a foreign currency payment (your statements may not include a full breakdown of this information).
- 7.1.21. You may be offered a choice of payment currencies at the point of sale or at the ATM when making purchases or withdrawals. If you do this, the payment will be charged to your Cash Account in the currency you select (and we will only receive details of the amount in that currency). The exchange rates in this case are set by Merchants and ATM operators and not by us. Please note that if the currency you select differs from the Denominated Currency of the Cash Account, any conversion of this amount will be carried out in accordance with clause 7.1.20.
- 7.1.22. If necessary, any reference needed in order to execute a payment transaction shall be the card number on the Citi Card.
- 7.1.23. You may not interfere with the Citi Card by manipulating the magnetic strip or the chip in the card (except as detailed in clauses 7.6.1, 7.6.2 and 9.9).
- 7.1.24. We shall not be liable if:
- 7.1.24.1. any ATM does not accept your Citi Card; or

- 7.1.24.2. any Merchant refuses to accept your Citi Card.
- 7.1.25. The obligations with respect to the Cash Accounts hereunder are payable solely at Citibank N.A., Jersey Branch and are subject to the laws of Jersey (including without limitation any governmental acts, orders, decrees and regulations, including fiscal and exchange control regulations). We shall not be liable for unavailability of the funds credited to the Cash Account due to restrictions on convertibility or transferability, requisitions, involuntary transfers, acts of war or civil strife or other similar causes beyond our control, in which circumstances no other branch, subsidiary or affiliate of us shall be responsible thereof.
- 7.2. Functionalities of Citi ATMs**
- 7.2.1. At a Citi ATM, you can:
- 7.2.1.1. check the balance of Cash Accounts;
- 7.2.1.2. print out a balance summary; and
- 7.2.1.3. withdraw cash.
- 7.2.2. Some operations may from time to time not be available for technical reasons. Functions other than those listed above may be added from time to time.
- 7.3. Fees**
- We do not charge any fee for the issuing of the Citi Card, nor any annual subscription fees, but we reserve the right to do so in the future. If we do so, we will advise you and provide you with a revised Fee Schedule in accordance with clause 42.
- 7.4. Collection and transfer of data**
- 7.4.1. You understand and accept that the Citi Card has been printed and had data encoded onto it by a specialised national or foreign manufacturer chosen by us. The Citi Card will bear a number which differs from the Account Number and will display your name.
- 7.4.2. In connection with your use of your Citi Card at ATMs located outside the UK we must make arrangements for transaction data to be collected, stored and communicated for processing. Such processing may include identification of Cash Account balance information and will, in whole or in part, be performed electronically. In addition, transaction processing may be performed on behalf of us by other entities either in the country where you used the ATM or elsewhere (including but not limited to the United States of America).
- 7.4.3. By using your Citi Card at an ATM outside the UK, you are consenting to:
- 7.4.3.1. the collection, storage, communication and processing of identifying and Cash Account balance information by any means necessary for us to maintain appropriate transaction and Account records;
- 7.4.3.2. the release and transmission to third parties of details of your Cash Account and transaction information and other data necessary to enable your Citi Card to be used at an ATM outside the UK;
- 7.4.3.3. the retention of such information and data by third parties; and
- 7.4.3.4. the compliance by such third parties with laws and regulations governing disclosure of information to which they are subject.
- 7.5. Proof of operations**
- 7.5.1. In order to use your Citi Card at an ATM, you have to enter your PIN. Operations done through an ATM are, once cleared on the ATM by the user, considered to be irrevocable.
- 7.5.2. You agree that we are entitled to regard the use of your Citi Card together with the entering of the PIN as conclusive evidence of consent to an instruction given by you to us to debit your Cash Account with the amount shown on the relevant transaction statement sent by us to you and on the electronic data records held by third parties/us, irrespective of the amount involved.
- 7.5.3. When using your Citi VISA Debit card at a Merchant, the Merchant may ask you to enter your PIN into the PIN pad as authorisation for the transaction. The Merchant may refuse to proceed with a transaction if you refuse to enter your PIN as requested or if you enter your PIN incorrectly. We will not be responsible for the failure of the transaction in such an event.
- 7.5.4. Your consent may be requested and given by other means including by insertion of your Citi VISA Debit card into or placement near to a device operated or maintained by the Merchant, by providing a signature, and by providing certain personal details and the three digit card security number on the back of your Citi VISA Debit card. You agree that your consent may be given by all such usual means, and may be given after the relevant transaction. Once you have given your consent to the transaction in the required way, you may not withdraw from the payment transaction unless such withdrawal is expressly agreed by us.
- 7.5.5. We will advise the Merchant if we are prepared to authorise the payment to be made from your Cash Account. We will normally deduct from your Cash Account the amount of a payment from your Citi VISA Debit card on the first Business Day after we receive the request from the Merchant's bank for the payment to be made. We will make the payment to the Merchant's bank on the same day.
- 7.5.6. We will not be responsible if a Merchant fails to disclose any surcharge for the use of your Citi VISA Debit card or, where a currency conversion service is offered at the point of sale or by the Merchant, all charges and the exchange rate to be used for that conversion.
- 7.6. Card termination**
- 7.6.1. Where this Agreement as a whole terminates, for whatever reason, we will disable your Citi Card and you will no longer be able to use it. Where it is us that gives notice to terminate this Agreement, we will disable the Citi Card at the same time as we dispatch the notice to you. Once this Agreement has been terminated, you must cut your Citi Card in half through the magnetic strip and return it to us immediately.
- 7.6.2. If you wish to terminate your ability to use the Citi Card but without terminating this Agreement as a whole, you may do so by sending us written notification. You must cut your Citi Card in half through the magnetic strip and return it to us at the same time as you send us the written notification.
- 7.6.3. In the case of a joint Account, each Account Holder may only ask for the cancellation of their own Citi Card. In case of termination of the status as joint Account Holder of the Cash Account, all Citi Cards related to such Cash Account will be disabled.
- 8. PROTECTING YOUR ACCOUNT**
- 8.1. You must take reasonable care to ensure that you and anyone else provided with access to your Account keep all Citi Cards and Payment Instruments secure and not allow anyone else to use them.
- 8.2. We will issue you with your PIN. Your PIN is personal and not transferable. You must make a reasonable attempt to memorise your PIN and must destroy the notification of your PIN as soon as you receive it.
- 8.3. You should not divulge your PIN to anyone or write down or record your PIN or other security information in a way that can be understood by anyone else. If you do write down your PIN, you must make a reasonable attempt to disguise it and you should not keep any record of it with your other Account information.
- 8.4. You must not allow anyone else to use your Citi Cards, PIN or other security information. You must inform us as soon as possible if you suspect or discover that someone else knows your PIN or other security information.
- 8.5. We will never ask you to disclose your PIN or other security information.
- 8.6. We may retain a Citi Card when an incorrect PIN has been entered three times consecutively, whether or not on the same occasion.
- 8.7. You must take care to prevent your Citi Card being lost, stolen, damaged or liable to misuse, and you must not disclose your Citi Card or any details relating to your Citi Card to any third party except in connection with a payment transaction or when reporting the actual loss, theft, misappropriation or misuse of your Citi Card.

9. LOST OR STOLEN CITI CARDS OR PAYMENT INSTRUMENTS AND PROBLEMS WITH YOUR ACCOUNT

- 9.1. If your Citi Card or other Payment Instrument is lost, stolen, misappropriated, or subject to unauthorised use, or you identify any unauthorised or incorrect transactions on your Account, you must notify your Relationship Manager or our call centre on +44 (0) 20 7500 1445 as soon as possible and without undue delay in order for the Citi Card, Payment Instrument or your Account to be blocked from further use. In such instances you must not continue to use the Citi Card or Payment Instrument.
- 9.2. We are not responsible for any claim for unauthorised or incorrectly executed transactions unless you have notified us in accordance with clause 9.1. You must notify us as soon as you are aware that a transaction may have been unauthorised or incorrectly executed and in any event no later than 13 months after the transaction date, unless we have failed to make available information on the transaction as required by law. **It is important that you regularly check your transaction history to ensure any unauthorised or incorrectly executed transactions are identified and notified to us at the earliest possible opportunity.**
- 9.3. Where there is a dispute between us and you regarding an unauthorised transaction, we will apply a temporary credit to your Cash Account until such time as the dispute is settled. Where we agree an unauthorised transaction has occurred, we will refund the amount of the unauthorised transaction to you (unless we have already done so) and restore your Cash Account to the state it would have been in had the unauthorised transaction not taken place. Nothing in this Agreement shall affect your statutory rights.
- 9.4. You will only be liable up to a maximum of £50 (or currency equivalent) for transactions you did not authorise yourself (for example if your Citi Card is lost or stolen or used by someone else) up to the point at which you notify us of the loss, theft, misappropriation or unauthorised use of your Citi Card or of your Cash Account, unless we can show that you have acted fraudulently or that you have deliberately or very carelessly failed to keep the personalised security features of your Citi Card, a Payment Instrument or your Cash Account safe.
- 9.5. Where you have acted fraudulently you will be liable for all losses incurred, including any losses we suffer.
- 9.6. Unless you have acted fraudulently, you will not be liable for any losses incurred after you have notified us of the loss, theft, misappropriation or unauthorised use of your Citi Card, a Payment Instrument or of your Account, or if we have failed at any time to provide the means for making that notification. Once you have notified us of the loss, theft, misappropriation or unauthorised use of your Citi Card or of your Account, your liability for any subsequent transactions on your Citi Card or your Account will cease and we will cancel the card or block your Account.
- 9.7. Examples of where you may have acted deliberately or very carelessly failed to keep the personalised security features of your Citi Card, a Payment Instrument or your Account safe include: (i) if you do not keep your PIN safe; (ii) if you keep your PIN with your Citi Card; or (iii) if you do not tell us quickly once you become aware of any unauthorised use of your Citi Card.
- 9.8. You are entitled to a refund of the full amount of any payment transaction authorised by you and initiated by or through a Merchant, provided the following conditions have been met:
- 9.8.1. the authorisation given to the Merchant did not specify the amount of the transaction at the time the authorisation was given;
- 9.8.2. the amount of the transaction exceeded the amount that you could reasonably have expected, taking into account your previous spending pattern, this Agreement and the circumstances of the case; and
- 9.8.3. you make the request for a refund from us within eight weeks from the transaction date.
- We reserve the right to request further information as is

reasonably necessary to ascertain whether these conditions have been satisfied and to waive any or all of these conditions. You will receive your refund or justification for refusing a refund within 10 Business Days of us receiving your refund request.

- 9.9. If you recover a Citi Card that you have reported as lost or stolen or subject to misuse, you must cut it in half through the magnetic strip and return it to us immediately.
- 9.10. If the Citi Card expires, or is reported as lost or stolen or subject to misuse, we may (at our discretion) provide you with a new Citi Card.
- ## 10. CITI ONLINE
- 10.1. Citi Online allows you to view details of your Accounts and give us electronic instructions by using your computer and chosen username, password and other security information.
- 10.2. The activities that can be performed through Citi Online may vary from time to time. Details of these and additional guidance on how to use the service are provided on our website at www.ipb.citi.com.
- 10.3. In order to use Citi Online, you must have:
- 10.3.1. a Citi Card and PIN;
- 10.3.2. a computer with access to the internet; and
- 10.3.3. a browser that supports 128 bit encryption.
- 10.4. In addition, you will need to provide us with a valid mobile phone number in order to access the full range of functions available on Citi Online. This is because certain services will be made accessible to you through SMS security codes sent to your mobile phone number.
- 10.5. You can use Citi Online 24 hours a day and we will endeavour to carry out your instructions promptly. However certain instructions will only be carried out during our business hours in accordance with clause 29.7.8.
- 10.6. You instruct us to comply with any instructions given to us through Citi Online and if we are given those instructions by means of your username and password we shall be entitled to assume that those instructions are given by you.
- 10.7. You will be responsible for any costs associated with using the internet to access Citi Online. We make no promises with respect to either the speed or the resolution, or access to Citi Online.
- 10.8. Citi Online can only be accessed through browsers with 128 bit encryption capabilities. The use of such levels of encryption may be considered illegal in some jurisdictions. It is your responsibility to ensure that your ability to use the Citi Online is permitted by the law applicable to where you are located when you use Citi Online. We shall not be responsible for any loss or damage suffered by you as a result of not being able to use Citi Online in these jurisdictions.
- 10.9. We have taken all reasonable steps to ensure that transmissions passing to and from Citi Online remain confidential and not interfered with. However by using Citi Online you acknowledge that we cannot completely guarantee the privacy or confidentiality of any information passing over the internet or that such information will not be interfered with.
- 10.10. Once you have logged on to Citi Online, you must not at any time leave your computer unattended or allow anyone else to use your computer until you have logged off. You will be responsible for ensuring that you have logged off at the end of each session.
- 10.11. You must not access Citi Online from any computer connected to a local area network or any public internet access device or access point without making sure that no one else will be able to observe or copy your username, password or other security information.
- 10.12. You must never record your password on any software which retains it automatically, for example any 'save password' feature on your internet browser.

- 10.13. We may suspend Citi Online or any part of it without notice where we consider it reasonably necessary to do so, for example where there is a suspected breach of security or to carry out maintenance. We will inform you through our website if Citi Online or any part of it becomes unavailable.
- 10.14. You acknowledge that your Citi Online password, username and other security information are Payment Instruments.
11. **NO TAX ADVICE**
- 11.1. Nothing in this Agreement or in any other communication between you and us or any other Citigroup Organisation constitutes tax advice or advice in relation to your compliance with any laws, regulations or rules.
- 11.2. You are solely responsible for acquiring appropriate independent tax advice and legal advice regarding your Account.

PART 3: Investment services

12. INFORMATION ABOUT PRODUCTS AND OUR INVESTMENT SERVICES

- 12.1. Investment services are available on request but we reserve the right to refuse such a request at our discretion.
- 12.2. We have set out in Schedule 2 of this document information regarding certain investments in relation to which we offer our investment services and risk warnings relating to such investments. The purpose of this information is to enable you to understand the nature and risks of the specific types of investments that are being offered. In addition, Schedule 1 contains certain Product Specific Terms and Conditions (as described more particularly in Part 4 of this document). You should read Schedule 2 and in particular the risk warnings it contains carefully.

13. YOUR OBLIGATION TO PROVIDE INFORMATION

- 13.1. In order for us to be able to provide investment services to you, we may require you to provide us with information relating to yourself, your personal circumstances and your knowledge and experience in order for us to comply with our obligations under Applicable Law (such as, for example, our obligations in certain circumstances to assess whether a product or service is appropriate or suitable for you).
- 13.2. If you fail to provide us with such information as we require from you, or if we believe that the information you have provided is out of date, inaccurate or incomplete, or if we are not entirely satisfied with the information you have provided to us, we will not be required to provide you with investment services under this Agreement.
- 13.3. In providing our services to you:
- 13.3.1. it will be your responsibility to update the information which you provide to us; and
- 13.3.2. we shall have no responsibility to you if any information we hold is or becomes inaccurate or incomplete, and this may have an adverse affect on the quality of the service provided by us.
- 13.4. Where you appoint a third party to act on your behalf in relation to your Account and/or your investments we will require such individual to provide us with information relating to their knowledge and experience in order for us to provide investment services in respect of your Account.
- 13.5. **Joint Accounts**
- 13.5.1. In order for us to be able to provide investment services, we may require each joint Account Holder to provide us with information relating to them. In order to provide investment services to both joint Account Holders, we require each joint Account Holder to provide us with information relating to his or her personal circumstances (including investment objectives and risk tolerance) in addition to their knowledge and experience.
- 13.5.2. As part of the Account Application, we will ask the joint

Account Holders to confirm between them which Account Holder's investment objectives and risk tolerance should be assigned to the joint Account. This Account Holder will be nominated as "Primary Investor" and our investment advice and recommendations will be made in accordance with the Primary Investor's investment objectives and risk tolerance. The Primary Investor's risk tolerance may be higher or lower than the other Account Holders' and this may impact the types of products and services that the joint Account may have access to. Joint Account Holders may change the Account Holder that is nominated as the Primary Investor by contacting their Relationship Manager.

- 13.5.3. To the extent the Primary Investor has only provided us with information relating to their knowledge and experience, the joint Account Holders may only be entitled to receive a more limited range of services and/or products than those that may otherwise be available.

14. TYPES OF INVESTMENT SERVICES AND FEES

- 14.1. The types of products and services you may receive with an Investment Account depends on the Investment Account relationship type. The Investment Account relationship type depends on the information you chose to provide us with in relation to your personal circumstances and investment product category knowledge and experience.

14.2. Account relationship types

- 14.2.1. In an Advised Account Relationship, we offer Advisory Services (see clause 15 for further details) and Non-Advisory Services (see clause 16 for further details).

- 14.2.2. In a Trading Account Relationship, we offer Non-Advisory Services only.

14.3. Fees for investment services

Information about fees payable in relation to Advisory Services and Non-Advisory Services is available in the Fee Schedule. We may also be remunerated in accordance with clause 23 for such services, in accordance with, and where permitted by, relevant regulatory rules.

15. ADVISORY SERVICES

- 15.1. As part of our Advisory Services we may provide you with one or more of the following services:

- 15.1.1. investment advice (see clause 15.2);
- 15.1.2. Execution Services for transactions in relation to which you have received investment advice; and
- 15.1.3. any other services related to those services described in clauses 15.1.1 or 15.1.2, ("Advisory Services").

15.2. Investment advice

- 15.2.1. Our investment advice service involves advising you about the merits of a particular transaction. We may provide investment advice at our discretion, when you request it, in relation to a number of investment products. You can obtain details of the investment products in relation to which we provide our advisory services from your Relationship Manager.
- 15.2.2. We will not advise you about the merits of a particular transaction if we reasonably believe that, at the time of your order, you are not expecting such advice and are dealing on a non-advisory basis.
- 15.2.3. In addition, unless otherwise agreed with you, we will not advise you about the merits of selling any of your investments.
- 15.2.4. In relation to a:
- 15.2.4.1. Retail Investment Product, 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;
- 15.2.4.2. non-Retail Investment Product, we will provide you with advice in relation to a range of products.
- 15.2.5. When we provide investment advice to you no fiduciary relationship will exist between you and us and as a result, we will not be under any obligation to provide on-going

- advice in relation to your investments, on-going periodic portfolio reviews or on-going research services. We will be under no obligation to bring investment opportunities to your attention or to update the information, research or advice provided unless we have agreed in writing to maintain your portfolio under continuous review and provide specific recommendations from time to time.
- 15.2.6. In the event that we do provide an on-going advice service as described in clauses 15.2.5 and 15.2.7 in relation to a Retail Investment Product, we may charge a fee payable by you as may be set out in our Fee Schedule from time to time.
- 15.2.7. In addition we may provide periodic portfolio reviews or research services on an ad hoc basis at your request. Any ad hoc periodic portfolio reviews and/or research services requested by you will not be provided to you unless: (a) it is required by local laws or regulations; or (b) we have specifically agreed with you in writing to provide such service.
- 15.2.8. Where we provide information, advice or recommendations on general market conditions (as opposed to investment advice or personal recommendations in relation to a particular investment), we give no representation, warranty or guarantee as to their accuracy or completeness or as to the tax consequences of any transaction. We will not be liable in relation to such information, advice or recommendations on general market conditions except where we have been negligent in providing them to you.
- 15.2.9. Unless we specifically agree otherwise in writing with you, you hereby acknowledge:
- 15.2.9.1. such advice is provided solely to enable you to make your own investment decisions. You will be solely responsible for any investment decisions you make based on information, or guidance provided by us; and
- 15.2.9.2. any guidance from us does not imply any endorsement or guarantee.
- 15.3. **Execution Services for advised transactions**
Our Execution Services for advised transactions are the same as those described in clause 17.
16. **NON-ADVISORY SERVICES**
- 16.1. Our non-advisory investment services involve Execution Services for non-advised transactions ("**Non-Advisory Services**").
- 16.2. When we provide Non-Advisory Services we will not provide you with any investment advice. Prior to giving us your instructions, you should read all relevant documentation (including but not limited to, for example, prospectuses and offer documents), make any independent enquiries and take any tax or legal advice which you consider necessary to make your decision to invest. The entry or exit of a transaction as part of the Non-Advisory Services is entirely your own decision, and is not based upon any advice, personal recommendation, or representation made by us or any other party.
17. **EXECUTION SERVICES**
- 17.1. Our execution services involve:
- 17.1.1. buying and/or selling investments for your Account by acting as your agent, on receipt of your instructions, using any market, exchange or facility we consider appropriate, unless you instruct us otherwise; and
- 17.1.2. in certain circumstances, buying and/or selling investments for your Account by acting as principal with you (meaning that we will enter into the purchase or sale of investments with you so that we will be the counterparty to the relevant transaction) (the "**Execution Services**").
- 17.1.3. Unless we inform you in writing otherwise, we will deal as your agent and not as principal with you.
- 17.2. We will not be responsible if any transaction is delayed or cannot be effected due to circumstances beyond our control.
- 17.3. We may refuse any order received from you or refuse to deliver investments to you or to account to you for the proceeds of sale of investments. The validity of any order is subject to the receipt of cleared funds from you or any counterparty (as applicable) to any transaction (although we may at our discretion settle your obligations under a transaction in circumstances where you have not provided us with the relevant funds or securities, in which case you must immediately pay us or deliver the investments to us).
- 17.4. Once your order is executed you will be bound by it (subject to any cancellation rights you may have under this Agreement).
- 17.5. Where we act on your instructions:
- 17.5.1. any cash that we receive in respect of a transaction shall be a debt that we owe to you until we pay it to you or it is otherwise discharged. We do not owe you any fiduciary duty in relation to such cash;
- 17.5.2. you authorise us to deal for your Account through brokers, dealers, agents, sub-custodians, depositories, exchanges, clearing systems and counterparties in accordance with our normal practice. Any of these persons may be a member of the Citigroup Organisation. We will exercise reasonable care in the selection of such persons, but we shall not be liable for their acts or omissions or for any loss or damage suffered by you except to the extent provided by Applicable Law or where we have failed to exercise reasonable skill, care and diligence in the selection, appointment and periodic review of any such person; and
- 17.5.3. we may aggregate your order with our own orders and the orders of other clients where it is unlikely that the aggregation will work to the disadvantage of each of the clients concerned, but you acknowledge that the effect of aggregation may work on some occasions to your disadvantage in relation to a particular order (for example, but not limited to, in terms of price or value).
- 17.6. Any "limit" order taken from you in respect of an investment in which we act as market-maker or otherwise as principal will be on the basis that:
- 17.6.1. your order will not be executed unless and until we bid for the investment concerned at the same or a higher price than that specified in your order (where the order given by you was to sell) or we offer it at the same or a lower price than that specified in your order (where the order given by you was to buy) with a view to us purchasing or selling (as the case may be) the investment concerned in the amount of your order; and
- 17.6.2. until execution against us, you may, against another counterparty, buy the investment (where the order given by you was to buy) at a price equal to or lower than stated in the order, or sell the investment (where the order given by you 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 the account of us or any other Citigroup Organisation.
- 17.7. **Best Execution Policy**
- 17.7.1. We have established a Best Execution Policy which sets out the policy which we follow in order to comply with Applicable Law that we take all reasonable steps to obtain, when executing your orders, the best possible result for you.
- 17.7.2. A summary of our Best Execution Policy is provided in this document. By entering into these General Terms and Conditions, you are providing consent to our Best Execution Policy. In addition, before we can execute any orders for you outside a regulated market or MTF, we will need your express consent.
- 17.7.3. If you have any questions about our Best Execution Policy, please speak to your Relationship Manager.
- 17.7.4. If our Best Execution Policy is amended in any material way for any reason, we will give you advance notice of the amendments before they come into effect.
- 17.8. **Withdrawal and delivery of securities**
- 17.8.1. You may withdraw all or part of the investments and other property held in your Account at any time, subject to the provisions of this Agreement.
- 17.8.2. Delivery will be made at your expense without undue delay to an agreed location, against your confirmation of receipt. Where necessary, we will transfer any securities into your name or as you may direct.
- 17.8.3. You understand that the liquidation of large portfolios, or liquidation by a number of holders at the same time, may adversely affect the price that can be achieved on sale of the securities or other property, particularly if the liquidity of the

- relevant market is limited.
- 17.8.4. You acknowledge that some types of property, by their nature, cannot be transferred except at certain times or are subject to restrictions (e.g. collective investment schemes that only allow liquidations on a periodic basis).
- 17.8.5. Where we execute your instructions through third parties, such third parties may impose restrictions on your ability to transfer investments, for example by imposing threshold amounts for the execution of certain investments. Where possible, we will tell you about any such restrictions when you give us your instructions. You agree that we shall have no liability to you where, as a result of such restrictions, we are unable to execute a transaction in accordance with your instructions. Please contact your Relationship Manager if you would like further information about any restrictions on transferring investments.
- 17.9. **Contractual settlement**
- 17.9.1. Where a transaction does not settle on the due date for settlement, we may, in our absolute discretion, provisionally credit and debit the Account on such due date for settlement as if the transaction had settled on that date. We may, however, at any time in our absolute discretion reverse any such provisional debits and credits to the Account.
- 17.10. **Net settlement**
- 17.10.1. Where you have two or more investments or other transactions with us, to the extent that they are capable of being offset or netted out against one another, we may perform any netting or offsetting that we consider appropriate, and settle with you for the net balance outstanding.
- 17.10.2. Any borrowings or other arrangements which give rise to a liability on your part towards us (whether in accordance with the Loan Terms and Conditions or otherwise) may be taken into account for this purpose.
- 17.11. **Portfolio valuations**
- 17.11.1. Periodically we will send you statements of the contents and valuation of your portfolio. These will be provided as part of the statement referred to in clause 26.
- 17.11.2. The valuations in your statements will be based on the Market Value of the securities in question.
- 17.11.3. Statements will include statements of income or other benefits received for your Account during the relevant period.
- 17.11.4. If an investment is shown at a particular value on your statement, this does not necessarily mean that the same amount can be realised if you decide to liquidate that investment. A statement may include investments valued at zero because we cannot obtain a Market Value or a Market Value is not available. This may be because of a suspension of the listing of the securities, default by the issuer or other reasons.
- 17.12. **Investment instructions**
- 17.12.1. Please see clause 29.7 in relation to the giving of instructions under this Agreement.
- 17.12.2. If you do not provide a price limit when you give us investment instructions we will take the order as "at best", meaning that it will be executed at the prevailing market price. If you do not specify an expiry date or time when you give us investment instructions we will treat the order as a day order, meaning that the order will expire at close of business on a Business Day that it is given to us, if it is not executed before that point.
- 17.12.3. In relation to investment instructions, you agree that:
- 17.12.3.1. each order you place is based on your own initiative and financial judgement;
- 17.12.3.2. save when we have performed our obligations under this Agreement negligently, we will not be liable for any risks and/or losses associated with the orders placed by you, even if you base those orders on information provided by us;
- 17.12.3.3. purchase or sale instructions for securities, foreign exchange or derivatives transactions are subject to all applicable market rules and regulations and Applicable Law; and
- 17.12.3.4. if a transaction would result in a fractional share, we may adjust the size of the transaction to bring the holding to the nearest whole number of shares.
- 17.12.4. You will not give orders to sell securities unless we hold a corresponding position in the securities for you. If the securities you wish to sell are not held by us for you or the investments have not been received by us or our agents, we may refuse to execute a sale.
- 17.12.5. You will not give orders to buy securities unless we hold, or you have arranged for us to hold, the necessary funds in your Account. If there are insufficient funds in your Account, clause 30.1 will apply.
- 17.12.6. If any security we sell for you is defective or is not delivered in time for reasons beyond our control, we may repurchase it at your expense.
- 17.12.7. It is possible in certain circumstances for you to place certain types of orders (subject to clause 17.12.7.4), such as, for example:
- 17.12.7.1. a "good until date" order. This means that if, for example, you want to buy or sell a particular investment at price specified by you, you may place your order so that it is open for execution until a particular date specified by you (a maximum period of 90 days), during which time the order may be executed at the specified price, or it may be cancelled by you. If the order is not executed or cancelled by the particular date specified by you, the order will expire and will not be executed;
- 17.12.7.2. a "stop loss" order. This means an order that you place to sell an investment which will be triggered for execution automatically when the price of that investment reaches a specified level. Once the "stop loss" order has been triggered at the specified level, the order will be executed but this may be at a higher level than the price specified in the "stop loss" order; or
- 17.12.7.3. a "limit" order. This means an order that you place to buy or sell an investment which will be triggered for execution automatically when the price of that investment reaches a specified level and the specified size of order is available. Once the "limit" order has been triggered at the specified level and size, the order will be executed at the same (or better) as the price specified in the "limit" order.
- Further details about the various types of orders that you may place can be obtained from your Relationship Manager.
- 17.12.7.4. It may not always be possible for us to accept a "good until date" order, a "stop loss" order or a "limit" order (as described in this clause 17.12) or any other order with specific restrictions attached. Such circumstances may include (but are not limited to), for example, if such an order is not possible on the relevant exchange or market, or any broker or system through whom the order is placed does not or cannot accept such orders. Except as otherwise provided for in this Agreement, we will not be liable to you if market liquidity in respect of a particular investment means that an order is not or cannot be acted on.
- 17.13. **Introductions**
- In providing investment services to you, we may give an introduction or make arrangements with a view to you dealing with an overseas person who is not regulated by the JFSC to carry on investment business in Jersey.
18. **CUSTODY SERVICES**
- 18.1. If we hold investments or Assets for you, you agree that we will record these investments or Assets in an investment Account(s) in your name (the "**Investment Account**"). The Investment Account will be distinct from an account through which you pass routine banking transactions. By merely holding investments or Assets for you, we are not assuming any duty to advise you to buy, sell, hedge or insure them without specific instructions from you which we have agreed to execute.
- 18.2. You authorise us to:
- 18.2.1. open and operate such Accounts as may be necessary for us to provide you with custody services;
- 18.2.2. safe-keep your investments either in our own or our sub-custodian's custody in the UK or in any other country, subject to the laws, regulations and customs of the place where they are kept and also, where relevant, any Applicable Law;
- 18.2.3. use any person selected by us as a sub-custodian, including other Citigroup Organisations and third parties, (provided such sub-custodian is an approved custodian as defined in

- the Client Assets Order); and
- 18.2.4. register or record your investments:
- 18.2.4.1. in the name of any nominee which may or may not be controlled by any Citigroup Organisation and may or may not be in Jersey (as permitted under Jersey law); or
- 18.2.4.2. in the name of a sub-custodian, where the investments are subject to the law or market practice of a jurisdiction outside Jersey, and we have taken reasonable steps to determine that it is in your best interests to do so, or that it is not feasible to do otherwise because of the nature of the Applicable Law or market practice; or
- 18.2.4.3. in our name where the investments are subject to the law or market practice of a jurisdiction outside Jersey, and we have taken reasonable steps to determine that it is in your best interests to do so, or that it is not feasible to do otherwise because of the nature of the Applicable Law or market practice.
- 18.3. You are hereby notified that in the event that securities are registered or recorded in our name we will keep records to separately identify your securities from our own securities and we will make arrangements so as to safeguard your ownership rights to your securities. However, such securities may not be segregated from our own securities so that in the event of our insolvency, your securities may not be as well protected from claims made on behalf of our general creditors (in comparison to if such securities had been segregated from our own securities).
- 18.4. Notwithstanding any other terms of this Agreement, we shall be responsible for the acts or omissions of any nominee controlled by us or by a Citigroup Organisation to the same extent as we are liable for our own acts and omissions. Any limitations in relation to our liability under this Agreement (including, but not limited to, the limitations set out in clause 36) shall apply equally to any nominee controlled by us or by a Citigroup Organisation.
- 18.5. We will not be held liable for any act or default or negligence by:
- 18.5.1. any sub-custodian; or
- 18.5.2. any nominee which is not controlled by us or by a Citigroup Organisation, unless we have failed to exercise due skill, care and diligence in the selection, appointment and periodic review of such persons, or unless we are otherwise in breach of our obligations imposed on us under any Applicable Law.
- 18.6. Where we have any rights under the above arrangements against the issuer of securities (or, where holding through a sub-custodian, the relevant sub-custodian) in respect of securities held in your Account, we will hold such rights for your benefit.
- 18.7. Whilst we have an obligation under the Client Assets Order to make arrangements so as to safeguard your ownership rights to your securities, you understand and accept that where permitted by the provisions of the Client Assets Order we, and any sub-custodian, may pool your investments with those of other clients and a sub-custodian may also pool your investments with those of its own. Where we do (or a sub-custodian does) this, your individual client entitlements may not be separately identifiable by separate certificates, other physical documents of title or equivalent electronic record, and, therefore, in the event of an irreconcilable shortfall after our insolvency or the insolvency of a sub-custodian, clients whose investments have been pooled may share in that shortfall in proportion to their original share of the assets in the pool. Any entitlements or other benefits arising in respect of pooled assets will be allocated pro rata to each client whose assets are so pooled.
- 18.8. Where your investments and Assets are held outside Jersey, different settlement, legal and regulatory requirements, and different practices relating to the segregation and separate identification of those investments, may apply.
- 18.9. You authorise us, but we are not obliged, to:
- 18.9.1. sign on your behalf and deliver any required endorsements or assignments and guarantee their signature to transfer securities, execute all declarations and affidavits and certify ownership of your securities;
- 18.9.2. exercise, purchase or sell subscription rights to securities and exchange and collect redeemed securities;
- 18.9.3. exercise (or leave unexercised), voting, conversion, subscription or other rights (including rights in respect of capital reorganisations, rights issues and takeovers and other offers) and other offers on any securities or other investments and make payment on your behalf for these rights without asking you. Generally, however, we shall have no obligation to, and will not, exercise voting rights on any of your securities or investments;
- 18.9.4. reinvest all of the income earned by your investments, unless you instruct us to do otherwise or we otherwise agree with you;
- 18.9.5. collect interest and dividends and other entitlements (or shares or other benefits in lieu of dividend) from securities held in your Account;
- 18.9.6. collect entitlements to shares and any other benefits arising from corporate events. Where your investments have been pooled, such entitlements shall be distributed pro rata, according to our records of client investments;
- 18.9.7. sell subscription rights and collect redeemed securities;
- 18.9.8. put up margin security or collateral for borrowing or derivative transactions for you with a counterparty, exchange, clearing house or intermediate broker of our choosing where market practice requires us to do so. Any borrowing from us is governed by the separate Loan Terms and Conditions;
- 18.9.9. lend your securities to or through a counterparty or intermediate broker of our choosing on terms which are usual in the relevant market (unless you instruct us otherwise); and/or
- 18.9.10. pass entries over your Account for amounts received or paid out from any of the above transactions, unless you instruct us otherwise, which we may do by ourselves, by our agents or by our or their nominees.
- 18.10. Unless otherwise agreed with you, or we are required by Applicable Law, we shall have no obligation to forward to you any information regarding corporate actions (whether relating to distributions, voting rights, rights arising under a reorganisation, rights issue or takeover, or other corporate events) or any other information received by us in relation to the Assets held by us or any nominee company by you.
- 18.11. In the event that any sub-custodian reverses a payment or allocation of interest or dividends or other entitlement, we shall be entitled to reverse such payment or allocation to the same extent.
- 19. CLIENT MONEY**
- 19.1. Where we hold money for you or on your behalf as a deposit with ourselves, the Client Assets Order will not apply to this money and we will hold it as banker not as trustee. Where we hold such money but do not hold it as a deposit with ourselves, the Client Assets Order will apply.
- 19.2. All your money received by us shall be paid into such account (wherever situate) as soon as possible and in any event no later than the next Business Day.
- 19.3. On instructions from you, we may pass your money to a third party (such as an exchange, intermediate broker, OTC counterparty or clearing house) to hold or control in order to effect a transaction through or with that person or to satisfy the obligation of yours to provide collateral or margin in respect of a transaction.
- 19.4. We are required to notify you that additional rights and protection granted by the Client Assets Order in respect of your client money held in an account where your client money is pooled with the client money of other clients will not apply in respect of your client money held in an account where your client money is not pooled with client money of other clients.
- 19.5. We shall not pay you interest, nor account to you for profits earned, on client money.
- 19.6. We may hold your money with approved banks in the

Citigroup Organisation as identified to you not less than 20 Business Days before we begin to hold client money for you with that bank.

19.7. Unless you notify us in writing to the contrary, we may:

- 19.7.1. pass client money on your behalf to an intermediate broker, settlement agent or OTC counterparty located in a jurisdiction outside Jersey; and/or
- 19.7.2. hold client money on your behalf with an approved bank in a client bank account located outside Jersey. The legal and regulatory regime applying to any such bank or person will be different from that of Jersey and in the event of a failure of that bank or person, your money may be treated differently from the treatment which would apply if the money were held with the equivalent of such a bank or person in Jersey. We will not be liable for the solvency, acts or omissions of any third party referred to in this clause.
- 19.7.3. If you have any obligations to us under this Agreement (whether present or future, actual or contingent) which are due and payable, we can, in accordance with the Client Assets Order, cease to treat as client money an amount of the money we hold on your behalf that is equivalent to the amount of those obligations. You agree that we may apply that money in or towards satisfaction of all or part of the obligations you have to us. For the purposes of the Client Assets Order, any such obligations other than fees and commissions become immediately due and payable, without notice or demand by us, when incurred by you or on your behalf.

20. OUR RIGHTS OVER YOUR INVESTMENTS

A Lien is a right which entitles us to hold on to any of your Assets we have in our possession pending payment of a debt owed by you. In addition to any Lien or other rights to which we may be entitled under any Applicable Law, we shall have a general Lien on all your investments or Assets held or controlled by us or our nominees until the satisfaction of all your Debts, liabilities and obligations (whether actual or contingent) owed to us from time to time.

21. INVESTMENT SERVICES PROVIDED TO YOU BY CITIBANK N.A., LONDON BRANCH

- 21.1. In certain circumstances, some of the services described in these General Terms and Conditions may be provided to you by Citibank N.A., London Branch (instead of by Citibank N.A., Jersey Branch) and accordingly your contractual relationship with respect to these services will be with Citibank N.A., London Branch. Where this is the case we will notify you in advance by providing you with an addendum to these General Terms and Conditions (the "**Addendum**").
- 21.2. The Addendum will:
 - 21.2.1. provide notice to you that Citibank N.A., London Branch (instead of by Citibank N.A., Jersey Branch) will provide you with certain services and will provide further detail about these (defined in the Addendum as "**Specified Services**"), and will notify you of where your Relationship Manager will be based;
 - 21.2.2. explain the Specified Services to be provided to you by Citibank N.A., London Branch;
 - 21.2.3. set out specific information that Citibank N.A., London Branch is required to provide to you under the FCA Rules, when Citibank N.A., London Branch provides you with the Specified Services;
 - 21.2.4. form part of these General Terms and Conditions; and
 - 21.2.5. prevail in the event that there is any conflict between the Addendum, the General Terms and Conditions and any other part of the Agreement.
- 21.3. These General Terms and Conditions will continue to apply to your relationship with Citibank N.A., Jersey Branch and, where applicable, (as read in accordance with the Addendum) your relationship with Citibank N.A., London Branch.

PART 4: Product Specific Terms and Conditions

This part of these General Terms and Conditions sets out provisions which apply in relation to specific products and services that we offer under the Agreement.

22. PRODUCT SPECIFIC TERMS AND CONDITIONS

- 22.1. When you purchase a product as a result of our providing services to you under this Agreement, you will also be subject to any Product Specific Terms and Conditions.
- 22.2. In addition to the main body of these General Terms and Conditions and the terms and conditions set out in Schedule 1 of this document, a product may also be subject to additional contract terms as contained in the contract which you will enter into when you purchase the product.
- 22.3. Where there is a conflict between the Product Specific Terms and Conditions (whether in Schedule 1 of this document or elsewhere) and the provisions set out in the main body of these General Terms and Conditions, the Product Specific Terms and Conditions will prevail.

PART 5: Other terms and conditions

This part of these General Terms and Conditions sets out provisions which apply to all the services that we offer under the Agreement.

23. EXPENSES AND BENEFITS

- 23.1. You agree to pay all of the fees, charges, stamp duties, value added taxes, Withholding Taxes and other taxes, legal and valuation fees, and other costs and expenses ("**Expenses**") associated with this Agreement and any Account and service we provide for you.
- 23.2. Clause 30.7 contains further information about taxes (please therefore refer to clause 30.7 in this regard).
- 23.3. In addition, the Fee Schedule contains information about our fees, charges, commissions and minimum balance requirements. However, there may be other Expenses which arise from time to time and are not specified in the Fee Schedule. We will charge these to you at the cost to us and to the extent reasonably possible, we will notify you of these Expenses in advance, subject always to compliance with clause 23.5.
- 23.4. You agree that we may receive remuneration from, or share charges with, other Citigroup Organisations or third parties in connection with transactions carried out on behalf of you, subject always to compliance with clause 23.5. Details of such remuneration or sharing arrangements will be disclosed to you where required by Applicable Law and made available to you on request.
- 23.5. **Fees, commissions and non-monetary benefits**
 - 23.5.1. We may from time to time, where permitted under the Applicable Law, give or receive fees, commission or non-monetary benefits to or from (or share commission with) other Citigroup Organisations or third parties in relation to the provision of any service provided or investments made under this Agreement, which will be notified to you at an appropriate time.
 - 23.5.2. We may, for example, give or receive fees, commission or non-monetary benefits to or from (or share commission with) other Citigroup Organisations or third parties in relation to the following services:
 - 23.5.2.1. Non-Advisory Services (which are not otherwise related to Advisory Services in respect of Retail Investment Products); or
 - 23.5.2.2. Advisory Services (or related services) in respect of non-Retail Investment Products (and which are not otherwise related to an Advisory Service in respect of Retail Investment Products),and such fees, commission or non-monetary benefits may be comprised of any or all of the following: off site hospitality, conferences, seminars and training, client appreciation events, non-investment related events, tickets to events, gifts and contributions to internal costs.
 - 23.5.3. For the avoidance of doubt, where you receive Advisory Services (or related services) in relation to Retail Investment Products from us neither we nor any other Citibank Organisation will solicit or accept any fees, commission or other non-monetary benefits from (or share commission with) other Citigroup Organisations or third parties, except

- in limited circumstances permitted by Applicable Law, if any. These include circumstances in which we receive trail commissions in relation to Retail Investment Products made prior to 31 December 2012 or otherwise as permitted under the Applicable Law.
- 23.5.4. Further information on the above arrangements is available from your Relationship Manager, including but not limited to information as to the amount or basis of calculation of any fee, commission or monetary or non-monetary benefits we may give to or receive from, or share with, other Citigroup Organisations or third parties when providing services to you.
- 23.6. All interest payable by you shall be payable in full without any deduction for taxes. If you are obliged by law to deduct or withhold any sum from payment to the Bank, you shall increase the amount of the payment so that the net amount received by the Bank shall equal the amount due to the Bank.
24. **CLIENT CLASSIFICATION**
- Where we provide you with investment advice, we will treat you as a "retail client" (as defined in the Investment Business Codes of Practice issued by the JFSC) unless we advise you otherwise in writing.
25. **CONFLICTS OF INTEREST**
- 25.1. In the course of our providing services to you under this Agreement, certain actual or potential conflicts of interest may arise. We have established a Conflicts of Interest Policy which sets out the policy which we follow in order to identify and manage such conflicts.
- 25.2. A summary of our Conflicts of Interest Policy has been provided to you at the time you completed the Account Application. A copy of this summary is included in this document and further details are available on request from your Relationship Manager or on written request to the address specified in clause 29.4.
- 25.3. The summary of our Conflicts of Interest Policy included in this document may be amended from time to time. We will notify you in advance of any material changes to the summary of our Conflicts of Interest Policy.
- 25.4. Notwithstanding our Conflicts of Interest Policy, there are certain actual or potential conflicts of interest which we are not able to manage in such a way as to prevent a risk of damage to your interests. The situations in which such conflicts may arise are where we or another Citigroup Organisation is:
- 25.4.1. dealing in a relevant investment, a related investment or an asset underlying an investment, whether as principal for its own account or for a third party;
- 25.4.2. dealing with or using the services of an intermediate broker or other agent who may be another Citigroup Organisation, while selling to or buying from you;
- 25.4.3. matching a transaction for you with a transaction for another client while acting on behalf of both you and the other client;
- 25.4.4. buying from you and immediately selling to another client, or vice-versa;
- 25.4.5. holding a position (including a short position) in the investment concerned, a related investment or the asset underlying the investment;
- 25.4.6. quoting prices to the market in the investment, a related investment or the asset underlying the investment;
- 25.4.7. buying or selling units in a collective investment scheme where we (or another Citigroup Organisation) are the trustee, operator or manager (or an adviser of the trustee, operator or manager) of the scheme;
- 25.4.8. advising on, buying, selling or recommending for your Account securities of companies which have directors or officers who are also directors or officers of Citigroup Organisations or have banking or other relationships with Citigroup Organisations;
- 25.4.9. involved as an underwriter or other capacity in a take-over, new issue or other transaction involving the relevant investment or a related investment; and/or
- 25.4.10. advising and providing other services to Citigroup Organisations or other clients who may have interests in investments or underlying assets which conflict with your interests. If you object to our acting on the basis set out in this clause, you should notify our Compliance Officer in writing at the address set out in clause 29.4. Unless so notified, we will assume that you do not object to our so acting.
- 25.5. With the exception of when we are required by Applicable Law, we shall not be obliged to disclose to you, or to take into consideration, any fact, matter or finding which might involve a breach of duty or confidence to any other person, or which comes to the notice of any of our directors, officers, employees or agents but does not come to the actual notice of the individual or individuals dealing with you.
- 25.6. We may also decline to act where we believe there is no other practicable way of ensuring that you and our other clients are treated fairly. In certain cases, we may establish organisational walls to restrict the movement of information within the Citigroup Organisations.
26. **STATEMENTS**
- 26.1. We will provide you with a monthly statement covering all of your Accounts, unless you opt to receive your statement at other frequencies (quarterly, semi annually or annually). You may specify how often you would like to receive a statement in the Account Application. We may provide your statements through Citi Online. You may request that statements be sent to you either more or less frequently than you specified in the Account Application (although statements will always be provided at least annually), but this may attract a reasonable fee at our discretion, and if you have more than one Account with us it will not be possible for you to specify different statement frequencies for each Account.
- 26.2. Statements will be provided in paper form, except where you have signed up to Citi Online and you have chosen to receive your statement in one of the following electronic forms (in which case you will only receive statements in that electronic form, and not in paper form):
- 26.2.1. by an email which will be sent to you to advise you that your statement is ready for you to view through Citi Online; or
- 26.2.2. by a password protected PDF copy of your statement which will be emailed to you.
- 26.3. It is your responsibility to review your statement and other advices and to notify us promptly of any discrepancies and:
- 26.3.1. if you find that any statement item relating to a payment into or out of your Account is incorrect, you should notify us as soon as possible and in any event within 13 months; and
- 26.3.2. in respect of any other statement items or advice you must send us a written objection within 60 days of us sending the statement or advice to you.
- 26.4. We will provide you with trade confirmations, where applicable, in accordance with clause 30.6.
27. **ADDRESS**
- 27.1. The address you give on your Account Application must be your main residence and will be the registered address of the Account.
- 27.2. For joint Accounts where the main residence for each Account Holder differs, we will hold all such addresses as registered addresses.
- 27.3. We will send all postal communications, to the registered address (or if more than one, the registered address selected by us) unless you have specified a separate mailing address in your Account Application.
28. **CHANGES TO YOUR DETAILS**
- 28.1. You must inform us promptly of any changes to your personal details, such as your address, telephone number(s) and email address.
- 28.2. You must give us such proof of change of address, telephone number and email address (whether your main residence or

specified mailing address) as we may request. We may refuse to implement any change of your address until we receive all the proof required by us.

29. NOTICES AND COMMUNICATIONS

29.1. We will send notices or other communications to the last registered address, email address or fax number we have for you, subject to Applicable Law. If you require notices and other communications to be sent to you in paper form by post, please let us know. Depending on the method used by us, we may consider notices or other communications as having been received by you: (i) five Business Days after posting (mail to within the European Union); (ii) ten Business Days after posting (mail to outside the European Union); or (iii) one Business Day after transmission (fax or electronic mail). Where appropriate, we may send notices under clause 42 (Amending this Agreement) to you by email.

29.2. Please note that certain Accounts may have specific functionalities attached which may, for example, enable you to choose whether to receive certain notices and other communications by SMS.

29.3. If you wish to appoint someone to receive notices on your behalf (a "**Process Agent**"), you must specify their details in your Account Application or in a written notice to us. We will then consider communications sent to the Process Agent as having been delivered to you.

29.4. You can send notices and communications to us at the following address:

Citibank N.A., Jersey Branch
PO Box 104
38 Esplanade
St Helier
Jersey
JE4 8QB

29.5. All communications between you and us will be in the English language. We may, from time to time and only at your request, communicate with you in another language, but you acknowledge that we are not required to do this. Any communications from us to you in English will be binding on you even if we have communicated with you in another language previously and except where we agree to the contrary in relation to a specific communication, all communications from you to us in writing must be in English.

29.6. You have the right at any time during this Agreement to receive upon request on paper a copy of this Agreement and any other contractual terms and conditions and information we are required by law to provide.

29.7. Instructions

29.7.1. In addition to the provisions of clauses 6 and 7 of these General Terms and Conditions relating to the giving of payment instructions, the provisions of this clause will apply to your Account. If you wish to send us instructions under this Agreement, you must do so using one of the methods set out in clause 29.7.2, including the relevant Account Number and correctly signed, addressed to the address set out in clause 29.4, or to any future address we may notify to you.

29.7.2. We can accept instructions on your Account in writing including by fax and email (although investment instructions cannot be accepted by email) and/or over the telephone and/or (in relation to certain types of transactions specified by us) via Citi Online without further authentication or confirmation. We cannot accept instructions via SMS.

29.7.3. If you wish to change or cancel an instruction, you must do so in sufficient time to enable us to receive and act upon such request and before we have made arrangements with third parties for processing the original instruction (for example, before funds or securities have been made available or advised to a third party).

29.7.4. You may give us standing instructions. Any standing instruction we receive from you will remain in effect until we receive a written cancellation or replacement instruction (clearly identified as such), signed by you or a person authorised to do so under this Agreement.

29.7.5. If you wish to provide confirmation of a previous instruction, you must clearly mark it "Confirmation of Previous Instruction". If you do not do so, we may regard the confirmation as a new instruction and effect a new transaction.

29.7.6. We reserve the right to reject any instructions, funds transfer orders, payment orders, or requests for changes or cancellations if, we believe they are contrary to, or not clearly permitted by, Applicable Law or other relevant requirements, or you ask us to make a payment to an account that does not accept payments using the payment systems we use for such transactions (for example we can refuse to make a payment to an account in the UK that does not accept payments through Faster Payments or through CHAPS), or they do not satisfy all the relevant conditions set out in this Agreement. We may reject any such instructions or orders that do not relate to payments, if in our judgement, it is reasonable to do so. We may, for example, refuse to act on an instruction which does not appear to us to comply with the Signing Mandate, or which is unclear or conflicting.

29.7.7. We shall not be liable to you for any such rejection. If we reject a payment instruction we will notify you by making available the fact of the rejection and, if possible, the reasons for the rejection and, where it is possible to provide reasons for the rejection and those reasons relate to factual matters, how you may resolve the position, unless giving such notification is prohibited by law.

29.7.8. We will process your investment instructions only between the hours of 9.00 a.m. and 4.30 p.m. (UK time) on a Business Day, subject to any earlier cut-off times applicable to specific investments (please speak to your Relationship Manager for further details of cut-off times applicable to specific investments). In relation to banking services, if a payment instruction is received after 4.30 p.m. or on a day that is not a Business Day, it will be treated as if it was received on the next Business Day (subject to any cut-off times provided in the Transferring Funds leaflet). In relation to administration instructions relating to your Account, we will process your instructions only between the hours of 9.00 a.m. and 4.30 p.m. (UK time) on a Business Day. In addition, we will effect instructions involving a foreign element only on days when banks or institutions in the applicable financial markets are open for business in each country concerned.

29.7.9. You agree that we may rely on the information provided in your instructions, and you accept full responsibility for any errors or ambiguities in that information which may lead to instructions being rejected or executed incorrectly.

29.7.10. We are not required to acknowledge receipt of your instructions and we may not issue separate notices of incoming funds transfers to your Account.

29.7.11. You understand that data transmitted via email, SMS and/or by way of electronic link is unprotected and that there are risks associated with its use, including the possible interception of the data by unauthorised third parties.

29.7.12. You may appoint any person to give instructions on your behalf. You must identify such a person in the Signing Mandate. We may accept instructions from any person representing themselves to be the persons identified in the Signing Mandate. Any such instructions will be at your risk and you agree that we are not responsible for any losses, including legal fees, which result from our acting on instructions received in this way.

30. MISCELLANEOUS PROVISIONS RELATING TO TRANSACTIONS

30.1. Insufficient funds

30.1.1. Where you have provided insufficient funds for us to complete any investment or foreign exchange transaction entered into by or for you or to meet any Debt owing by you on your behalf, we may, acting reasonably:

30.1.1.1. refuse to complete the transaction;

30.1.1.2. complete the transaction and recover any associated amounts, fees and charges by debiting any Account you or joint Account Holders have with us; or

30.1.1.3. complete the transaction and create an overdraft in your Account (such overdraft being regarded as an unarranged overdraft, as described in clause 5.11.2).

30.1.2. You agree that we may continue to follow the steps outlined above if you still have insufficient funds in your Account

when subsequent cheques, payment instructions, settlement changes, etc., arrive. You will be fully responsible for any consequences of not keeping adequate funds in your Account.

30.2. **Unpaid items**

If an item is returned to us unpaid or there is an operational error, we may reverse entries and correct errors made in any document without prior notice to you. If we do this, we will not be responsible for any direct losses or losses which are an unforeseeable consequence of such action, costs or Expenses which you may suffer as a result, and any resulting liability you have to third parties will be your responsibility.

30.3. **Uncleared or unavailable funds**

30.3.1. The statements we send you (see clause 26 in this document) show value dates on which we expect funds to be available to you. The clearing systems of some countries may cause a different value date or credit date to be used in practice. In addition, the securities settlement conventions in relevant markets which apply to the holding of assets, or settlement of transactions, for you may result in a delay before proceeds of sale are received for you, or title to a security passes to you.

30.3.2. If you draw money out against funds which appear on your Account but are not in fact cleared funds, you shall promptly reimburse us in full and shall be responsible for any debts, costs or losses that arise.

30.4. **Incorrect Information**

We will make payments based on the information you provide to us as set out in clause 6 and 29.7. If you provide us with incorrect information, we will not be responsible if the payment is not made, is delayed or is made incorrectly and if you ask us, we will make reasonable efforts to recover the funds involved in the payment, although we reserve the right to charge you for the cost of this.

30.5. **Execution of transactions through third parties**

30.5.1. We may execute your instructions and transfer funds (where permitted by this Agreement) by any conventional means we consider suitable, including banking channels, electronic or manual funds transfer systems, mail, courier, or telecommunications services, or other methods.

30.5.2. We may, without prior notice to you, use the services of any institution, exchange, or correspondent bank in carrying out your instructions. You agree that when this happens we may become bound by the rules and regulations that govern the applicable exchanges and systems for the clearing or wire transfer of payments and they may apply certain charges. You accept that where this happens we will need to comply with such rules and regulations and you therefore agree that you will comply with our reasonable requests to you as may be necessary to enable us to fulfil our obligations to such institution, exchange, or correspondent bank in order to carry out your instructions. Any charges payable in this regard may be payable by you in accordance with clause 23.

30.5.3. Unless otherwise specified in this Agreement, we shall not be responsible for the acts or omissions of any third party system, service or person, except to the extent provided by Applicable Law or where we have failed to exercise reasonable skill, care and diligence in the selection, appointment and periodic review of any such third party system, service or person.

30.6. **Confirmations**

30.6.1. In relation to each investment transaction we execute on your behalf, we will send you a written confirmation as soon as possible and no later than the first Business Day following that execution.

30.6.2. It is your responsibility to review the trade confirmations we send you. You must notify us as soon as possible of any discrepancies and in any event within 48 hours of our sending the relevant trade confirmation to you.

30.6.3. You are not required to acknowledge or confirm the contract note unless you disagree with the transaction described in the contract note.

30.7. **Taxes**

30.7.1. For the avoidance of doubt, all payments made under this Agreement to us or any Citigroup Organisation shall be free and clear of any applicable stamp duties, value added taxes,

Withholding Taxes and other taxes. You are solely responsible for paying all such taxes related to your Accounts or arising from the purchase or sale of your property or other investments (by way of example, interest, dividends, and other income and capital gains from your investments may be subject to taxes, including Withholding Taxes). You are also responsible for any stamp or excise taxes or estate taxes associated with your Accounts.

30.7.2. Please note that if you are an individual Account Holder who is a resident of an European Union ("EU") member state and receive interest on your Accounts:

30.7.2.1. such interest will be subject to deduction of EU Savings Directive ("EUSD") Retention Tax, unless you have:

30.7.2.1.1. satisfied us in writing that you are not liable to tax in the EU on such income;

30.7.2.1.2. provided us with authority to disclose information regarding interest paid on your Accounts to the Jersey tax authorities, who shall in turn pass this information to the competent tax authority in the EU member state in which you are resident for tax purposes; or

30.7.2.1.3. provided us with a tax certificate from the competent authority in your EU state of residence for tax purposes.

30.7.2.2. We will not generally collect EUSD Retention Tax and accordingly if you have not provided us with information to comply with one of sub-clauses 30.7.2.1.1 above to 30.7.2.1.3 (above) within 90 days of a requirement to apply EUSD Retention Tax becoming applicable to you, then EUSD Retention Tax will be deducted in respect of interest received on your Accounts in the current year and your Accounts will then be closed. The current rate of EUSD Retention Tax is 35%.

30.7.2.3. If we are notified, or if it otherwise comes to our attention, that EUSD Retention Tax has been undercharged, you agree that we may deduct the amount undercharged from your Accounts upon providing you with a reasonable period of notice in writing, being not less than 30 days.

30.7.2.4. We recommend that you seek tax advice with regard to whether tax is payable on any interest earned on your Accounts and on the applicability of the EUSD.

30.7.3. In the event that we agree to pay any of these taxes for you or are required to do so by Applicable Law, you agree that we (or any Citigroup Organisation or our third party service providers) may deduct the amount paid directly from your Accounts or amounts owed by us to you. We have no obligation to reclaim for you any excess taxes withheld. We will pay any Withholding Tax to the relevant Authority in a timely manner. We will tell you about any Withholding Tax as soon as reasonably practicable. We will not reimburse you for any amount withheld or deducted by a third party that forms part of the global payment system infrastructure. If your available Assets with us do not cover the liability, you agree to pay such additional amounts to us (or any Citigroup Organisation or our third party service providers, as applicable) at our request so as to ensure that we (or any Citigroup Organisation or our or their third party service providers, as applicable) receive and retain where necessary (after deduction or withholding) an amount equal to the payment which would have been due to us (or any Citigroup Organisation or our or their third party service providers, as applicable) if no such deduction or withholding had been required or made.

30.7.4. You shall reimburse us in accordance with clause 36.2 for any loss, liability or cost incurred by us under this clause 30.

30.8. **Foreign exchange**

30.8.1. You authorise us to conduct any foreign exchange transactions we deem necessary to carry out your instructions, and you agree to assume all risks associated with foreign exchange and currency conversion.

30.8.2. Other than in relation to transactions where you use your Citi Card (in relation to which see clause 7.1.20), where a payment is made into or out of your Account in a different currency from the Denominated Currency of your Account, we may convert it into the Denominated Currency at the Citi IPB Reference Exchange Rate we normally apply to such transactions.

30.8.3. Without prejudice to clause 30.8.2, if we are unable to transmit funds to you in the currency in which they are held, we may remit an equivalent amount in US Dollars at the Citi IPB Reference Exchange Rate on the date of payment.

- 30.8.4. We may conduct foreign exchange transactions for the purposes of this Agreement with or through us or any Citigroup Organisation and we or any relevant Citigroup Organisation may receive or make a fee, commission, profit or turn in connection with the transaction.
31. **COMMUNICATIONS WE MAY SEND YOU**
You agree that we may provide you with information regarding services or products which we already provide to you, or similar services or products which we consider may be of interest to you, some or all of which we may not previously have discussed with you and about some or all of which you may not previously have been aware. We may also provide you with information regarding other products and services if you elect to receive such information. We may do this using means such as telephone, interactive use of electronic media, email or mail or in a meeting with you, subject to Applicable Law. If you would prefer us not to provide you with this information, please contact your Relationship Manager or "The Data Controller" at the address given in clause 29.4.
32. **YOUR INFORMATION**
We value personal privacy and have a policy to hold in confidence personal information about you, your Accounts with us and associated individuals. In addition Citibank N.A., Jersey Branch is registered under the relevant Jersey data protection legislation, to hold data in relation to Account Holders. Citibank N.A., Jersey Branch will comply with its obligations under the relevant Jersey data protection law in respect of the personal data it holds. If you have a query about the personal information we hold about you, you should write to the "The Data Controller" at the address given in clause 29.4.
- 32.1. **Your obligation to provide information**
- 32.1.1. We may require you to provide us with information relating to yourself and your personal circumstances in order for us to comply with our obligations under Applicable law.
- 32.1.2. In providing our services to you:
- 32.1.2.1. It will be your responsibility to update (within 30 days of any material change) the information which you provide to us; and
- 32.1.2.2. we shall have no responsibility to you if any information we hold is or becomes inaccurate or incomplete, and this may have an adverse effect on the quality of service provided by us.
- 32.2. **Using your personal information**
- 32.2.1. We may use your personal information for:
- 32.2.1.1. providing you with our services and notifying you about important changes or developments to those services;
- 32.2.1.2. verifying your identity;
- 32.2.1.3. updating and maintaining our records;
- 32.2.1.4. the operation of control systems and management information systems;
- 32.2.1.5. compliance with Applicable Law, including crime detection, prevention and prosecution;
- 32.2.1.6. allowing Citigroup Organisation staff who share responsibility for managing your relationship from other offices to view information about you;
- 32.2.1.7. providing you with information relating to our products and services (subject at all times to clause 31); and
- 32.2.1.8. in the other ways described in this document.
- 32.2.2. We may, from time to time, notify you of further ways in which your personal information may be used.
- 32.3. **Disclosing your personal information to third parties**
- 32.3.1. We may disclose your personal information to third parties in the following circumstances:
- 32.3.1.1. if permitted by these General Terms and Conditions or your Account Application;
- 32.3.1.2. if required to do so by any court order or similar process;
- 32.3.1.3. if required or permitted to do so by Applicable Law or by the rules of any regulatory body of which we are a member or whose rules or provisions apply to us including disclosures to Authorities and persons making payments to you or receiving payments from you;
- 32.3.1.4. if we decide in our sole discretion that we should do so in connection with suspected money laundering or other serious crime;
- 32.3.1.5. if you are or become subject to the jurisdiction of any United States of America authority, or if you use cheques that are cleared through Citibank New York, in response to any query from the Government of the United States of America, or any of its agencies, including its tax authorities, or in response to any queries from Citibank New York. You understand that this information may then become subject to the laws of other countries;
- 32.3.1.6. to provide references on you regarding your relationship with us where so requested by any third party with your consent;
- 32.3.1.7. for Account management and other business purposes;
- 32.3.1.8. if we are under a public duty to disclose;
- 32.3.1.9. at your request or with your consent; or
- 32.3.1.10. to credit reference and fraud prevention agencies or registers. We may make searches of your details with credit reference and fraud prevention agencies when we consider your application. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We will also give details of how you manage your Accounts to credit reference agencies. The information that we give to fraud prevention and credit reference agencies will be recorded by them and shared with other organisations. Organisations access and use the information recorded with fraud prevention agencies to prevent fraud and money laundering, for example when checking details on applications for credit and credit related accounts or facilities, recovering debt, checking applications on proposals and claims for all types of insurance and checking details of job applicants and employees. The fraud prevention agencies' records can also be accessed and used by organisations in other countries.
- 32.3.2. We may also disclose such details to Citigroup Organisations or other third parties (including our agents, suppliers and service providers) where it is reasonably necessary to do so for processing your dealings with us or with such Citigroup Organisations or with third parties or to enable them to provide services to you (relating to services we already provide to you, or similar services to those we already provide to you).
- 32.3.3. Where we disclose your personal information to a third party (including any other Citigroup Organisation), we will where practicable require any such third party to apply the same levels of protection in relation to your information that we are required to apply under Applicable Law.
- 32.3.4. Your personal information may also become subject to the legal disclosure requirements of other countries (including, but not limited to, disclosure requirements of regulators, tax authorities or courts of other countries), but will continue to be handled by us in accordance with the terms and conditions set out in this Agreement.
- 32.4. **Transferring your personal information abroad**
- 32.4.1. Your personal information may be transferred to, and stored and processed in, other countries, including countries which do not offer the same level of protection for your personal information as is required in Jersey (or in relation to the Specified Services, the EEA). Where this happens, we will where practicable ensure that the person who is processing your personal information agrees to give your personal information the same levels of protection as we are required to provide in accordance with Applicable Law.
- 32.4.2. You agree that if your personal information is required by another country's laws or regulatory rules to be disclosed to that country's regulators, authorities or law enforcement agencies it can be so disclosed.
- 32.5. **Obtaining copies of the information we hold about you**
- 32.5.1. Under Applicable Law relating to data protection, you can ask in writing for a copy of certain personal records we hold about you. We may make a charge for this service.
- 32.6. **Monitoring and recording**
- 32.6.1. To ensure that your instructions are carried out accurately, to help continually improve the service and in the interests of security, we may monitor and/or record telephone and video

- conference calls with you. In the interest of security we may use CCTV recording equipment in and around our premises. All recordings are our sole property.
- 32.6.2. We shall have the authority to deliver copies of transcripts of such recordings to any court or regulatory authority of competent jurisdiction as we see fit and you hereby waive any objection to the use of any such recordings as evidence of any such telephone conversation, or in the case of a CCTV recording, as evidence of presence on our premises.
- 32.6.3. Monitoring is carried out only for lawful business purposes including: to establish the existence of facts relevant to the business; to ascertain compliance with regulatory and self regulatory practices and procedures that are relevant to the business; to ascertain or demonstrate standards that employees achieve or ought to achieve when using the company's telecommunications systems; to prevent or detect crime; to investigate or detect unauthorised use of business premises and/or the telecommunications systems; and to ensure the effective operation of the communications.
- 32.7. **Third party information**
- 32.7.1 The information referred to in clauses 32.2 to 32.6 may relate to you, as our individual customer, or to other individuals whose personal information you (or someone on your behalf) may provide to us in connection with your Accounts or our relationship. References to "you" or "your" in clauses 32.2 to 32.6 should be read as including references to those other individuals. Before providing us with information about such other individuals you must give them the information set out in clauses 32.3 to 32.6 and obtain their consent to the use and other processing of their personal information as described in those clauses.
33. **SET OFF**
- 33.1. If you have failed to pay us any amount you owe us under this Agreement, we may apply any credit balance on any Account you maintain with us in the same name to reduce or repay any money you owe to us. This is called our right of "set off".
- 33.2. If you owe a Debt to us, we may set off, combine or consolidate your Accounts and apply any proceeds to satisfy or reduce your Debt. This is the case whether the Debt is incurred individually or jointly and whether your Account is an individual Account or joint Account. We will only ever do this if the money you owe is immediately repayable or if we need to pay tax on your behalf. We are not obliged to exercise this right but we are entitled to do so without any prior notification to you.
- 33.3. We may also set off, combine or consolidate any funds, deposits, balances, Debt, cheques or other Assets that we hold for you (in any currency), including amounts owed to you, or in transit to you. We may do this in relation to a Time Deposit or other investment which has not matured. You agree that we may convert any currencies necessary for us to set off in this way. We will use the Citi IPB Reference Exchange Rate to make any such conversion.
- 33.4. Our set off right is in addition to any other legal rights we may have under this Agreement or generally, but remains subject to any Applicable Law.
34. **THINGS BEYOND OUR REASONABLE CONTROL**
- 34.1. Except to the extent provided by Applicable Law, we will not be liable for any act or omission, or failure or delay in executing an instruction, or for any unavailability of funds in your Account, caused by circumstances beyond our reasonable control, including but not limited to: acts of God, fires, strikes, terrorism, war or civil strife, power failures, intervention by exchanges or regulators, court orders, restrictions of convertibility or transferability of funds, involuntary transfers, or any failure or error of any equipment, computer system, telecommunications, payment or securities system or network, intermediary, exchange, counterparty, other bank, or any other person.
- 34.2. In addition, we will not be liable for any breach of a requirement imposed on us as a payment service provider because of abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary or because of our obligations under Applicable Law.
35. **YOUR RESPONSIBILITIES**
- 35.1. Without limitation to any of your responsibilities set out elsewhere in this Agreement:
- 35.1.1. you accept full responsibility for the periodic monitoring and review of the performance of your Account(s) and/or portfolio(s) including, but not limited to, the performance of any investments you may hold; and
- 35.1.2. you are solely responsible for, and neither we nor any other Citigroup Organisation has any responsibility for, your compliance with any Applicable Law to your use of the services provided by us or any other Citigroup Organisation under this Agreement including, but not limited to, any laws, regulations or rules, in your or any other jurisdiction, relating to tax, foreign exchange and capital control, and for reporting or filing requirements that may apply as a result of your country of citizenship, domicile, residence or tax-paying status.
- 35.2. **Internet gambling**
- Your Accounts must not be used for internet gambling transactions at any internet site.
36. **LIMITS ON OUR LIABILITY AND CONSEQUENCES OF YOUR BREACH**
- 36.1. **Limitations on our liability to you**
- 36.1.1. Subject to clause 36.1.2, except to the extent that the same results from our or their negligence, wilful default, fraud or breach of this Agreement, neither we nor our directors, officers, employees and/or agents or any other Citigroup Organisation shall be liable for:
- 36.1.1.1. any decline in the value of any investments; or
- 36.1.1.2. any loss (including any loss of profit or opportunity, damage to your reputation, taxation or increase in taxation incurred by you or for any failure to insure) arising in connection with this Agreement and the services we provide to you under this Agreement which is not directly caused by or associated with the event which led to your claim; or
- 36.1.1.3. any errors of fact or judgment; or
- 36.1.1.4. save as provided in clauses 17.5.2, 18.4 and 18.5, and 36.1.2 the solvency, acts or omissions of any broker, nominee, custodian, settlement agent, securities depository or other third party by whom or in whose control any of your investments (or documents of, or certificates evidencing, title thereto) may be held or through whom any transactions may be effected; or any bank with whom we maintain any bank account, or any other third party with whom we deal or transacts business or who is appointed by us in good faith on your behalf, except to the extent provided by Applicable Law or where we have failed to exercise reasonable skill, care and diligence in the selection, appointment and periodic review of any such person, and we will make available to you, when and to the extent reasonably so requested, any rights that we may have against such person.
- 36.1.2. Nothing in this Agreement will exclude or restrict any duty or liability we may have to you under Jersey law.
- 36.1.3. Securities and other investments or financial instruments purchased for or held in your Accounts are not guaranteed by, nor are they obligations of, any Citigroup Organisation, unless specifically stated in product documentation. Where any securities and other investments of financial instruments purchased or held in your Account are guaranteed by any Citigroup Organisation, any such guarantee will not be protected under the DCS or by the United States Federal Deposit Insurance Corporation.
- 36.1.4. In any event, certain deposits made under this Agreement may be protected under the DCS. Please see clause 41 for further details.
- 36.2. **Financial consequences of your breach**
- 36.2.1. You will reimburse us for any costs, losses, claims, actions, damages, expenses, taxes or duties, incurred by us arising from or in connection with any breach of this Agreement by you which are directly caused by or associated with your breach.
- 36.2.2. You will not have to pay us for losses which arise as a direct consequence of our fraud, negligence, wilful default or

breach of this Agreement. For the purpose of this clause, "us" includes our directors, officers, employees and agents.

37. **TERMINATING THIS AGREEMENT AND CLOSING ACCOUNTS**

- 37.1. You can terminate this Agreement or close an Account at any time by giving us written notice. If you wish to give notice to terminate to us, you must send this notice to the address specified in clause 29.4.
- 37.2. Subject to clause 37.4, we can terminate this Agreement or close an Account by giving not less than 30 days' written notice to you.
- 37.3. This Agreement will terminate automatically in the event that you become resident in a country in which we are not able to provide our services. Please contact your Relationship Manager if you wish to know more about where we provide our services.
- 37.4. We may terminate this Agreement in its entirety, or this Agreement in respect of a service or product in any jurisdiction at any time without notice to you if we reasonably believe that to continue might:
- 37.4.1. cause us (or any Citigroup Organisation) to breach any Applicable Law, regulation, code or other duty which applies to us in any jurisdiction; or
- 37.4.2. result in action or censure from any government, regulator or law enforcement agency for us or any Citigroup Organisation in any jurisdiction.
- 37.5. You will be responsible for paying all fees, charges, early withdrawal fees and other obligations that remain unpaid at the time the Agreement is terminated.
- 37.6. Termination of this Agreement shall not affect the completion of any transaction already initiated before termination, or the repayment of any Debt already incurred by you to us.
- 37.7. If we have processed a forward contract or any other transaction that is likely to extend beyond the date of termination, we may at our discretion, acting reasonably, close out or complete such transaction and we shall be entitled to retain sufficient funds or Assets for this purpose.
- 37.8. Your Account will not be considered closed until all transactions have been completed and all sums due from you to us have been paid. In addition, you must pay us any sum which becomes due after the Account is closed.
- 37.9. When this Agreement terminates or an Account is closed, we will:
- 37.9.1. ask you whether you want us to transfer the securities in your Investment Account to you or to sell them and remit the proceeds of sale to you. If you do not notify us of your preference within 10 Business Days of termination, we may at our discretion, acting reasonably, sell any such securities and remit the proceeds to you. Any transfers of securities may be at your cost; and
- 37.9.2. either transfer the free balance on your Cash Account to an account specified by you or send a cheque to you for the amount of the free balance.

Where this Agreement terminates, any loans made to you under the Loan Terms and Conditions will become repayable in accordance with those Loan Terms and Conditions.

38. **TERMINATION OF AN ON-GOING ADVICE SERVICE**

You may cancel any on-going advice service (described in clause 15) at any time by giving us notice in writing, and/or selecting an alternative investment service, and/or terminating this Agreement in accordance with clause 37. We will notify you if any other fees will continue to be payable for other services provided to you by us.

39. **COMPLAINTS**

- 39.1. If you are dissatisfied with any aspect of the services we provide under this Agreement, you may make a complaint to your Relationship Manager or our Complaints Officer via the address specified below.

Complaints Officer
Service Quality Department
Citibank N.A., Jersey Branch
PO Box 104
38 Esplanade
St Helier
Jersey JE4 8QB
Tel: +44 (0) 15 3460 8236
Fax: +44 (0) 15 3460 8390

- 39.2. Upon receiving the complaint, we will notify you of the action that has been or will be taken and the date upon which we expect this action to have been implemented
- 39.3. Within five days discounting Saturdays, Sundays and bank holidays) of its receipt by us, we will send you a written acknowledgement of your complaint, notifying you of the name or job title of the individual handling the complaint for us together with details of our internal complaint handling procedures.
- 39.4. Within four weeks of receiving the complaint, we will send you a final response or a holding response, explaining why we cannot yet resolve the complaint and indicating when we will make further contact (which will be within eight weeks of receipt of the complaint).
- 39.5. If we are unable to make a final response by the end of eight weeks after our receipt of the complaint, we will explain the reasons for this and indicate when we expect to be able to provide a final response.
- 39.6. Where we do not uphold your complaint we will clearly state the reasons for rejecting it.
- 39.7. You may complain directly to the JFSC if dissatisfied with the outcome of our investigation of the complaint, or if you feel that we have not conducted the business throughout in conformity with this Agreement. The address you should write to is:
- Jersey Financial Services Commission
PO Box 267
14-18 Castle Street
St Helier
Jersey
JE4 8TP
Channel Islands
Tel: (44) 1534 822000
Fax: (44) 1534 822001
Website: www.jerseyfsc.org.
- 39.8. Where we have reasonable grounds to believe that another firm (for example one whose products we advise on) is solely or jointly responsible for the fault alleged in your complaint, we will refer the complaint to that other firm and will inform you of the referral and of the other firm's contact details. In the case of joint responsibility, we will continue to investigate the part of the complaint that is our responsibility in accordance with the procedure above.

40. **CUSTOMER DUE DILIGENCE**

We are required to obtain and maintain sufficient client information to satisfy ourselves as to the identity, nationality, residency, source of funds and source of wealth of all new, existing and re-activated clients. We may therefore require at any time that you complete specific compliance related information and/or formalities prior to the Account being provided. We reserve the right to freeze or close your Account if we are unable to or are prevented from completing satisfactory client due diligence procedures within a reasonable period. We reserve the right to charge additional fees on a time spent basis if we are required to freeze and monitor your Account in default of any of the above requirements.

41. **IMPORTANT INFORMATION ABOUT COMPENSATION ARRANGEMENTS**

- 41.1. All obligations hereunder are payable solely at Citibank N.A., Jersey Branch, subject to the laws of Jersey (including any governmental actions, orders, decrees and regulations).

- 41.2. Citibank N.A., Jersey Branch is a participant in the Jersey Banking Depositor Compensation Scheme ("DCS"), which offers protection for eligible deposits of up to £50,000 but only applies in respect of "eligible depositors", which includes individual natural persons, but does not, for example, include corporate clients or trustees. The DCS only applies in respect of "eligible deposits" which means cash deposits held with a bank in Jersey, such as Citibank N.A., Jersey Branch, but will not, for example, include any deposits held in banks outside Jersey or any investments held in Jersey or elsewhere. The maximum total amount of compensation is capped at £100,000,000 in any 5 year period. Full details of the DCS are available on the States of Jersey website (www.gov.je/dcs) or on request.
- 41.3. For the avoidance of doubt you will not be entitled to compensation from the compensation scheme administered by the Federal Deposit Insurance Corporation (FDIC) or the UK Financial Services Compensation Scheme if we cannot meet our obligations to you.
- 41.4. In addition, in the liquidation or other resolution of a U.S. insured depository institution (of which Citibank, N.A. is one), deposits in U.S. offices and certain claims for administrative expenses and employee compensation are afforded a priority over other general unsecured claims, including deposits in offices outside the U.S.
42. **AMENDING THIS AGREEMENT**
- 42.1. If we want to change, vary, amend or supplement this Agreement (including any changes to the Fee Schedule) in a material way, we will give you at least 30 days' prior written notice of the changes.
- 42.2. If you do not object to the changes before the proposed date of their entry into force, you will be deemed to have accepted them. If you do not agree to any change you may terminate this Agreement in accordance with clause 37 (subject to you settling all outstanding liabilities under this Agreement) and if you object to the changes, your objection shall be treated as notice to terminate your Agreement.
- 42.3. We may make changes to this Agreement (including changes to the fees and expenses) to take account of factors such as:
- 42.3.1. changes in the cost of providing these services to you;
- 42.3.2. changes or anticipated changes in legal or other requirements affecting us;
- 42.3.3. changes regarding our systems;
- 42.3.4. product developments; or
- 42.3.5. the introduction of new products or services, or for any other valid reason.
- 42.4. You agree that changes to any foreign exchange rate that we use that is based on a reference rate (including the Citi IPB Reference Exchange Rate) may be made immediately and without notice to you.
- 42.5. You agree that changes to any interest rate that we use that is based on a reference rate (meaning a rate which is not set by us and is publicly available so that you can find out what it is) may be made immediately and without notice to you.
- 42.6. We may change interest rates at any time for the following reasons (which may relate to circumstances existing at the time or those that are expected to exist in the near future):
- 42.6.1. to respond proportionately to changes in the Bank of England base rate or interest rates generally (including the interest rates paid on similar accounts by other providers of financial services);
- 42.6.2. to respond proportionately to changes in the law or the decision of a court or ombudsman;
- 42.6.3. to meet relevant regulatory requirements;
- 42.6.4. to respond proportionately to new (or changes to) statements or codes of practice or industry guidance; or
- 42.6.5. to respond proportionately to changes to the costs we reasonably incur, including administration costs and costs of providing services or facilities.
- 42.7. You agree that changes to any interest rate applicable to your Cash Account which are advantageous to you may be made immediately and without notice to you.
- 42.8. Where we believe a change to any interest rate applicable to your Cash Account is disadvantageous to you, we will give you notice of the change in accordance with clause 42.1. In these circumstances, you have the right at any time up to the date on which the change comes into effect to close or switch your Cash Account without charge or penalty. You may close or switch your Cash Account by writing to us using the details in clause 29.4 or by contacting your Relationship Manager. If you do not switch or close your Cash Account before the date on which the change comes into effect, you will be deemed to have accepted it. If the interest rate follows a reference rate and we have informed you of this fact, we do not have to give you advance notice of a change.
- 42.9. Information about our current interest rates is always available on our website at www.ipb.citi.com or this information can be obtained by contacting your Relationship Manager.
43. **ASSIGNMENT**
- 43.1. We may at any time, assign or transfer our rights under this Agreement and any property that we are holding as security but your rights under this Agreement will not be affected if we do so. If we do so, we will notify you, and the assignment will take effect 14 days after such notification unless you object in writing within those 14 days.
- 43.2. You may not assign, encumber or transfer your Accounts, deposits, or other Assets related to this Agreement to or in favour of a third party without our specific written consent.
44. **THIRD PARTY RIGHTS**
- 44.1. Except as specifically provided in this Agreement:
- 44.1.1. none of the provisions of this Agreement are intended to, or will, confer a benefit on or be enforceable by any third parties either arising out of, in connection with or relating to the Contracts (Rights of Third Parties) Act 1999 or otherwise; and
- 44.1.2. notwithstanding any other provision of this Agreement, if any provision in this Agreement does confer a benefit upon, or is enforceable by, a third party the relevant provision of this Agreement and the benefit which is conferred upon, or is enforceable by, the right of each such third party may be varied in accordance with the terms of this Agreement without any requirement to serve notice on, or obtain the consent of, any such third party.
45. **GENERAL**
- 45.1. Any concession which we may grant to you shall not operate as an amendment of this Agreement and shall not affect your obligations or our rights (or enforcement of those rights) under this Agreement. You also agree that no delay in enforcing our rights under this Agreement will be construed as a waiver of our rights.
- 45.2. If any part of this Agreement is found to be unenforceable by a court, the rest of the Agreement will stand and be read as if that part were not included.
- 45.3. To the extent permitted by Applicable Law, you agree that no statutory terms (which shall include warranties, conditions or other contractual provisions) or rights, duties or liabilities imposed under the Supply of Goods and Services (Jersey) Law 2009 shall apply to you in relation to this Agreement.
46. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**
- This Agreement and any related services and any dispute or claim arising out of or in connection with it, its subject matter or how it is formed (including non-contractual disputes or claims) shall be governed by and construed according to the laws of Jersey. This Agreement is supplied in the English language and this is the language in which we will communicate with you during the course of the Agreement. You and Citi irrevocably agree that the courts of Jersey shall have non-exclusive jurisdiction to settle any disputes or claim that arises out of or in connection with this Agreement, its subject matter or how it is formed (including non-contractual disputes or claims).

PART 6: Schedules 1 & 2

SCHEDULE 1: PRODUCT SPECIFIC TERMS AND CONDITIONS

Where there is a conflict between the Product Specific Terms and Conditions (whether in this Schedule 1 or elsewhere) and the provisions set out in the main body of these General Terms and Conditions, the Product Specific Terms and Conditions will prevail.

1. TIME DEPOSITS

- 1.1. Time Deposits are deposits with us which mature at the end of an agreed period (which may be from one week to one year or more after the initial placement date) and where the interest rate remains unchanged until the deposit matures. Our normal practice is to pay interest on Time Deposits at maturity. Interest rates for new time deposits are published on our website www.ipb.citi.com.
- 1.2. When you open an Account for a Time Deposit you will be asked if you wish the Time Deposit to renew automatically.
- 1.3. If you do not choose for your Time Deposit to renew automatically, it will mature after the stated term.
- 1.4. If you do choose for your Time Deposit to renew automatically, the deposit and any interest earned will automatically be renewed for a similar period at the interest rate applicable for new Time Deposits at the date of renewal. We will continue to do this until we receive timely instructions from you to the contrary or until such time as the Time Deposit is no longer available for renewal. If you wish subsequently to revoke your renewal instructions you must give us such instructions no later than 11.30 a.m. UK time, four Business Days prior to the maturity date.
- 1.5. Time Deposit withdrawals may normally be made only on the maturity date of the deposit. If you wish to cancel a Time Deposit before it matures, you may be required to pay:
 - 1.5.1. the costs and/or charges stipulated in the Fee Schedule from time to time; and
 - 1.5.2. additional costs and/or charges that may apply in the event there is a foreign exchange forward linked to the Time Deposit.
- 1.6. Interest will accrue on a 365 day year basis on all GBP, HKD, ILS and RUB interest bearing Accounts. In any other currency, interest will accrue on the customary money market basis (usually on a 360 day year basis).
- 1.7. Interest is paid net of Withholding Taxes which we are required to deduct under Applicable Law, Clause 30.7 contains further information about taxes (please therefore refer to clause 30.7 in this regard).

2. COLLECTIVE INVESTMENT SCHEMES

The terms and conditions which relate specifically to collective investment schemes (other than mutual funds or unit trusts as described below) are contained in a separate document.

1. These Fund Terms

- 1.1. These Fund Terms set out the terms under which you may carry out transactions in mutual funds or unit trusts as offered by us from time to time.
- 1.2. These Fund Terms should be read together with the General Terms and Conditions which, together with the Fee Schedule, form the basis of our agreement with you.
- 1.3. Each individual order to invest in a mutual fund or unit trust (an "Order") will be subject to the terms set out in these Fund Terms and certain terms, such as the investment amount or certain fees which are payable, shall be determined separately for each Order that you enter into (but at all times in accordance with the General Terms and Conditions and the Fee Schedule).
- 1.4. Upon agreement with us, it may be possible for you to make regular subscription investments in mutual funds or unit trusts on a recurrent basis. Where this is the case, we will provide you with a separate document (in addition to these

Fund Terms, the General Terms and Conditions and the Fee Schedule), which will contain specific terms relating to such regular subscription investments and in which case any Order you make under such arrangement will be subject to the terms of such separate document as well as these Fund Terms, the General Terms and Conditions and the Fee Schedule.

2. Your representations

- 2.1. Representations are personal statements, assurances or undertakings given by you to us on which we rely when we deal with you and process Orders on your behalf.
- 2.2. You make the following representations at the time you enter into these Fund Terms and every time you place an Order with us:
 - (a) you understand that you are not under any obligation to buy any investments through us or any Citigroup Organisation. You can take away a copy of your asset allocation and/or list of funds made available by us without having to place an Order and you are free to pursue advice and execute your investments with a broker or adviser of your own choosing;
 - (b) we will be acting as your agent, in our sole name and without prejudice to any security rights relating to any investment;
 - (c) you have made all enquiries and received all the advice (including financial or tax advice) you think necessary to place an Order in relation to the mutual fund or unit trusts to which the Order relates and which may include investment advice except where you place an Order on our advice. Where we provide you with investment advice, the advice will be as described in clause 15.2.4.1 of the General Terms and Conditions;
 - (d) you acknowledge that once you have spoken to your Relationship Manager and confirmed (a) the details of an Order and (b) that you have read all the documentation you have received in connection with your Order (including these Fund Terms) you will not be able to cancel your Order;
 - (e) you understand that we may refuse your Order and that the validity of any Order is subject to the receipt of cleared funds by the fund, unit trust or counterparty relating to your Order;
 - (f) you understand and accept that any dividends received by us in respect of your Order may not be passed on to you, but used to purchase additional shares or units in the fund or unit trust relating to your Order;
 - (g) you confirm that you are not a United States (U.S.) citizen or resident or otherwise a U.S. person for the purposes of the United States Securities Act 1933, as amended from time to time, and you accept that investments in the fund(s) or unit trust relating to your Order may not be held or transferred to a U.S. person and you agree to inform us if, at any time, you become a U.S. person;
 - (h) where your Order relates to funds registered in Ireland, you confirm that you are not an Irish tax resident and you agree to inform us if, at any time, you become an Irish tax resident;
 - (i) you confirm that there are no regulatory impediments in relation to your country of residence or citizenship prohibiting you from placing an Order and you agree to inform us if, at any time, your circumstances in this regard change;
 - (j) where your Order relates to funds or unit trusts registered in Luxembourg, you acknowledge that the shares or units of the fund or unit trust will be registered in our name or that of our agent, acting as your nominee. However, you confirm that you understand that you may directly invest in the fund or unit trust without using the nominee service offered by us and, furthermore, you may claim a direct entitlement to your shares or units registered in our name, where it is acting as your nominee;
 - (k) you understand that any interest, dividends, and other income and capital gains from units or shares in fund or unit trusts may be subject to taxes, including Withholding Taxes. You agree that we and our appointed nominees or agents may withhold the amount of these taxes from

	payments to you. If your available assets with us do not cover the tax liability, you agree to provide us on demand with any additional funds required;	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.
	(l) you acknowledge that we, and/or any nominee or agent we appoint in relation to your Order, are not obliged to inform you of any shareholder communications which we/they may receive as a shareholder or unit holder in a fund or unit trusts nor take any action in relation to such communications, where this is applicable to your Order. In particular, we and our appointed nominees or agents will not be obliged to consult you in relation to exercising the voting rights attached to the units or shares in the fund or unit trusts in which you invest and shall have complete discretion as to whether to exercise such voting rights at all; and	1.3	When you invest in a DCP, we will act as principal in the transaction.
	(m) you accept that we do not warrant the performance or profitability of your Order or the relevant fund(s) or unit trust(s). You accept that you are solely responsible for paying taxes or Withholding Taxes arising from the purchase or sale of the units or shares in fund or unit trusts. In addition, you understand that we have no obligation to reclaim for you any excess taxes withheld.	2.	Definitions and interpretation
2.3	If you have any questions about the statements you have been asked to confirm above or about how they will apply to your Order, please contact your Relationship Manager.	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	General investment risks	3.	How to enter into a DCP
3.1	There are risks associated with every investment. In agreeing to these Fund Terms, you confirm that you have read the risks set out in Schedule 2, and understand that they may have an impact on your Orders and the performance of the mutual funds or unit trusts.	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	Investments in mutual funds or unit trusts (such as your Orders) are not insured by any government agency and are not a deposit or other obligation of, or guaranteed by, any Citigroup Organisation, unless specifically stated in product documentation.	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 should not enter into an Order without first carefully reading the Fund Terms, the General Terms and Conditions and the Fee Schedule. We intend to rely on all such documents so you should not enter into an Order if you do not understand anything or if you have any questions. If you do have any questions, please contact your Relationship Manager before proceeding.	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.	STRUCTURED NOTES Additional terms and conditions apply, which relate specifically to structured notes. These can be obtained on request from your Relationship Manager, but in any event will be provided to you in advance of you entering into any structured note.	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. <i>Confirmation of your DCP</i>
4.	DUAL CURRENCY PLACEMENTS The terms set out in this paragraph 4 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.	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.
1.	These DCP Terms	3.6	The confirmation is not a document of title, and may not be negotiated or pledged as security.
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.		

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 Client Assets Order.
- 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 and in particular clause 15.2. 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.

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., Jersey Branch, Citi International Personal Bank, PO Box 104, 38 Esplanade, St. Helier, Jersey JE4 5WQ, Channel Islands. If we do not resolve the complaint to your satisfaction you may subsequently complain directly to the JFSC.

- 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 DCS.
- 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 this Agreement or any time you give us any instruction.

5. FOREIGN EXCHANGE

5.1. Foreign exchange transactions

- 5.1.1 If you buy or sell currency with us, we will execute these transactions at spot (that is, the price available in the market at that time) or same day value unless you request that they be executed as forward transactions, in which case we may agree to execute such transactions as forward transactions.
- 5.1.2. Spot transactions will normally be for settlement on the second Business Day after dealing.

5.2. Foreign exchange forwards

Additional terms and conditions apply, which relate specifically to foreign exchange forwards. These can be obtained on request from your Relationship Manager, but in any event will be provided to you in advance of you entering into any foreign exchange forward.

SCHEDULE 2:

UNDERSTANDING OUR SERVICES AND RISKS

This notice is provided to you, as a retail client, in compliance with the JFSC Rules.

This notice cannot disclose all the risks and other significant aspects of the products described below. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the investment is suitable for you in the light of your own particular experience, objectives and financial circumstances.

There may be a credit risk involved with any persons involved in the distribution of interests in a product described below, or any counterparty to a product described below, arising from the potential insolvency and credit failing of those persons or counterparties which may result in part of, or the full amount of your investment not being repaid to you.

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

1. SHARES

- 1.1. When you buy or subscribe for shares issued by a company, you are buying a part of that company and you become a shareholder in it, which usually means you have the right to vote on certain issues. You can either buy new shares when the company sells them to raise money (through an initial public offering) or buy existing shares which are traded on the stock market.
- 1.2. The aim is for the value of your shares to grow over time as the value of the company increases in line with its profitability and growth. In addition, you may also receive a dividend, which is income paid out of the company's profits. Longer-established companies usually pay dividends whilst growing companies tend to pay lower, or no, dividends (with these a shareholder would typically be hoping for better capital growth).
- 1.3. Under normal circumstances, a shareholder in a company has no right to require that company to return capital to it. Unless the company chooses to return capital to the shareholder (for example by effecting a share buyback) or the shares carry redemption rights exercisable by the shareholder (which is normally not the case), the shareholder's only way to realise its investment will be to sell the shares to another investor. Consequently, a shareholder's return from investing in the equity will depend to a large extent on the market price of the equities at the time of the sale. The market price of an equity is affected by the supply of, and demand for, that equity within the market. In turn, supply and demand (and therefore the volatility of the share price) are affected by a number of factors including:
- domestic versus international factors - the vulnerability of the company to international events or market factors. These would include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets;
 - sector specific factors - these would include demand for the product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology; and
 - company specific factors - these would include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or is developing a new product.
- 1.4. The level of a stock market goes up or down as the prices of the shares that are the constituents of that market go up or down. The main factor determining the price of a share is the perception of its current value to its owner.
- 1.5. One factor that could affect the price of a share is a change in opinion as to how well the company itself is performing or

could perform in the future. This opinion is frequently based on predictions about the economic conditions in which a company is operating, which is why it might seem that stock markets go up or down depending on economic conditions.

- 1.6. Shares are generally a fairly volatile asset class – their value tends to go up and down more than other classes such as bonds and regulated collective investment schemes. If you are investing in shares, you should expect the value of your investment to go down as well as up, and you should be comfortable with this. Holding shares is high risk – if you have put all your money into one company and that company becomes insolvent then you will probably lose most, if not all, of your money.
- 1.7. In the short term, shares may go up and down in value and this can occasionally be very significant. However, if you have a wide range of shares, it reduces the likelihood of losing all or most of your money.
- 1.8. The liquidity of the shares may be affected by whether the shares are listed or unlisted. Where shares are unlisted it may be more difficult to deal in them or to obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale).
- 1.9. On occasion you may invest in listed share investments where the issuer proposes to use borrowing or other forms of gearing to enhance the return for or value of investments it has made without increasing the amount invested. The value of such investments may be more volatile than the underlying investments made by the issuer and may be subject to sudden and large falls in value and, if the fall in value is sufficiently large, the value of the investment may fall to zero.
- 1.10. If a company goes into liquidation, its shareholders rank behind the company's creditors (including its subordinated creditors) in relation to the realisation and distribution of the company's assets – with the result that a shareholder will normally only receive any money from the liquidator if there are any remaining proceeds of the liquidation once all of the creditors of the company have been paid in full.
- 1.11. Remember, as a shareholder in the company, you could lose some or all of the money that you have invested in the shares.

2. DEPOSITORY RECEIPTS

- 2.1. Depositary receipts include American or European Depositary Receipts (ADRs or EDRs), Global Depositary Receipts or Shares (GDRs or GDSs) or other similar global instruments that are receipts representing ownership of shares of a foreign-based issuer held in trust by a bank or similar financial institution. These securities are designed for U.S. and European securities markets as alternatives to purchasing underlying securities in their corresponding national markets and currencies. Depositary receipts can be sponsored or unsponsored. Sponsored depositary receipts are certificates in which a bank or financial institution participates with a custodian.
- 2.2. The risks of investing in depositary receipts generally reflect the risks of the securities held in the trust. The acquisition and disposal of some depositary receipts is limited to round-lots or round-lot multiples. Depositary receipts may trade in the secondary market at prices lower than the aggregate value of the corresponding underlying securities. In such cases, some depositary receipts enable the holders to realise the underlying value of the securities by cancelling the receipt and receiving a corresponding amount of underlying securities, which requires the payment of fees and expenses.

3. BONDS

- 3.1. A bond is a loan to a company, government or a local authority. Generally, interest is paid to you as the lender and the amount of the loan repaid at the end of the term.
- 3.2. When you buy or subscribe for bonds, you become a creditor of the issuer of the bonds. The issuer might be a government or a corporate business or it may be an entity

that has been formed specifically for the purposes of issuing the bonds (this is normally the case where the bonds pass through to investors the cashflows generated by specific assets, such as corporate loans, residential mortgages or credit card receivables).

- 3.3. Bonds have a nominal value. This is the sum that will be returned to investors when the bond matures at the end of its term.
- 3.4. However, because bonds are traded on the bond market, the price you pay for a bond may be more or less than the nominal value. There are several reasons why the price might vary from the nominal value, for example:
 - If a bond is issued with a fixed interest rate of, say, 8% and general interest rates then fall well below 8%, then 8% will look like a good yield and the market price of the bond will tend to rise above the nominal value.
 - The reverse is also true. If interest rates rise, the fixed rate of a particular bond might become less attractive and its price could fall below the nominal value.
 - Ratings agencies might take the view that a particular company's bond no longer qualifies for a high rating – perhaps the company is not doing as well as it was when the bond was issued. If this happens then the market price of the bond might fall. On the other hand, the company's rating may be improved leading to a price rise.
 - The inflation rate might start to creep up and the interest rate on some bonds might start to look less attractive compared with other investments.
- 3.5. The risks associated with investing in bonds include:
 - Interest rate risk - the risk that bond prices will fall as interest rates rise. By buying a bond, the bondholder may have committed to receiving a fixed rate of return for a fixed period. Should the market interest rate rise from the date of the bond's purchase, the bond's price will fall accordingly. The bond will then be trading at a discount to reflect the lower return that an investor will make on the bond. Market interest rates are a function of several factors such as the demand for, and supply of, money in the economy, the inflation rate, the stage that the business cycle is in as well as the government's monetary and fiscal policies.
 - Call risk - the risk that a bond will be called by its issuer. Callable bonds have call provisions, which allow the bond issuer to purchase the bond back from the bondholders and retire the issue. This is usually done when interest rates have fallen substantially since the issue date. Call provisions allow the issuer to retire the old, high-rate bonds and sell low-rate bonds in a bid to lower debt costs.
 - Default risk - the risk that the bond's issuer will be unable to pay the contractual interest or principal on the bond in a timely manner, or at all. Credit ratings services such as Moody's, Standard & Poor's and Fitch give credit ratings to bond issues, which helps to give investors an idea of how likely it is that a payment default will occur.
 - Inflation risk - the risk that the rate of price increases in the economy deteriorates the returns associated with the bond. This has the greatest effect on fixed-rate bonds, which have a set interest rate from inception. For example, if an investor purchases a 5% fixed bond and then inflation rises to 10% a year, the bondholder will lose money on the investment because the purchasing power of the proceeds has been greatly diminished. The interest rates of floating-rate bonds are adjusted periodically, thereby limiting investors' exposure to inflation risk.
- 3.6. Bonds can be bought and sold in the market (like shares) and their price can vary from day to day. A rise or fall in the market price of a bond does not affect what you would get back if you hold the bond until it matures. You will only get back the nominal value of the bond (plus any coupon payment to which you have been entitled during your ownership of the bond), irrespective of what you paid for it.
- 3.7. For some bonds there may be a restricted market and it may be more difficult to deal in them or obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale).

- 3.8. Some bonds generate a return that is linked to the performance of a real or notional pool of underlying assets. In such circumstances, the return you receive will depend upon the performance of the underlying pool. Many structured products take the form of bonds (see the “Structured Products” section below for further details of the risks associated with structured products).
- 3.9. As a bondholder you could lose some or (in extreme cases) all of the money that you have invested in the bonds that you hold.
- 3.10. **Convertible bonds**
- 3.11. Some bonds are convertible or exchangeable into a specific number of another form of security (usually the issuer's ordinary shares) at a specified price or ratio. A company may issue a convertible security that is subject to redemption after a specified date, and usually under certain circumstances. A holder of a convertible bond that is called for redemption would be required to tender it for redemption to the issuer, convert it to the underlying equities or sell it to a third party.
- 3.12. Convertible bonds typically pay a lower interest rate than nonconvertible bonds of the same quality and maturity, because of the convertible feature. This structure allows the holder of the convertible bond to participate in share price movements in the company's shares. The actual return on a convertible bond may exceed its stated yield if the company's shares appreciate in value and the option to convert to shares becomes more valuable.
- 3.13. Convertible bonds typically trade at prices above their conversion value, which is the current market value of the shares received upon conversion, because of their higher yield potential than the underlying shares. The difference between the conversion value and the price of a convertible bond will vary depending on the value of the underlying shares and interest rates. When the underlying value of the shares decline, the price of the issuer's convertible bonds will tend not to fall as much because the convertible bond's income potential will act as a price support. While the value of a convertible bond also tends to rise when the price of the underlying shares rises, it may not rise as much because their conversion value is more narrow. The value of convertible bonds also is affected by changes in interest rates. For example, when interest rates fall, the value of convertible bonds may rise because of their fixed income component.
4. **COLLECTIVE INVESTMENT SCHEMES**
- 4.1. A collective investment scheme (“**CIS**”) is a scheme which allows an investor to invest money on a pooled basis (along with a number of other investors). A CIS may take the form of a company, partnership or trust.
- 4.2. As an investor, you buy shares/partnership interests/units in the CIS in the hope that the value rises over time as the prices of the underlying investments increase. The price of the shares/partnership interests/units depends on how the underlying investments perform.
- 4.3. Some CISs are called “open ended” because the number of shares/partnership interests/units in issue increases as more people invest and decreases as people take their money out. “Closed-ended” CISs are CISs where investors are either unable to withdraw their investments or can only do so in very restrictive circumstances.
- 4.4. Normally, there is no established secondary market in CISs which means that your investment in them cannot usually be sold to third parties. However, (except for certain types of “closed-ended” fund) the constitutional documents of the CIS will normally provide for you to be able to redeem your investment in the CIS at its net asset value. The frequency with which you can redeem your investment will depend upon the precise terms of those constitutional documents.
- 4.5. As an investor in a CIS, the value of any investment can go down as well as up and you could lose some or all of the money that you have invested. The level of risk of an investment in a CIS will depend on the underlying investments in which it is invested and how well diversified the CIS is. For example, a CIS which invests only in one industrial sector, such as technology, will invariably be more risky than a CIS that invests across the whole range of companies in a market. You should maintain an appropriate level of emergency funds to meet unexpected expenses.
- 4.6. Past performance of a CIS is not an indication of future performance.
- 4.7. **Regulated CIS**
- Some CISs are regulated which means that there are rules about (and limits on) the types of underlying investments in which the CIS can invest and the frequency and price at which investments in the CIS can be redeemed. In particular, the rules applicable to regulated CISs limit the extent to which they can invest in derivatives or leverage their portfolios. Regulated CISs include FCA authorised unit trusts and OEICs (open ended investment companies, which are the same as ICVCs – Investment Companies with Variable Capital); UCITS; Luxembourg CSSF authorised SICAVs (Sociétés d'investissement à capital variable); and FCPs (Fonds communs de placement).
- 4.8. **Unregulated CIS**
- 4.8.1. Other CISs are unregulated which means that there are very few or no rules about the types of investments in which they can invest or the frequency at which they can be redeemed. Hedge funds, private equity funds, real estate funds and fund of funds are examples of types of unregulated CIS.
- 4.9. **Exchange-traded funds**
- 4.9.1. Exchange-traded funds (or ETFs) are CISs which have an exchange listing and for which there is a secondary market on the exchange on which the shares are listed. Therefore, unlike other types of fund, profits or losses from a position in shares in the ETF can be realised not just by redeeming the shares but also by selling them on the relevant exchange. Typically, ETFs try to replicate a stock market index such as the FTSE 100 or the Hang Seng Index, a market sector such as energy or technology, or a commodity such as gold or petroleum.
- 4.9.2. The legal structure can vary, however the major common features include:
- ETFs have an exchange listing;
 - ETFs are normally index-linked rather than actively managed;
 - there is often an ability to handle contributions and redemptions on an in-kind basis (typically in large blocks of shares only);
 - the ‘value’ of the ETF (but not necessarily the price at which its shares trade – they can trade at a ‘premium’ or ‘discount’ to the ‘underlying’ assets’ value) derives from the value of the ‘underlying’ assets comprising the ETF;
 - the ‘underlying assets’ can be physical assets or a synthetic asset for example a derivative giving economic exposure only to the ‘underlying assets’; and
 - European ETFs are generally regulated CISs.
- 4.9.3. The price of the ETF shares depends on two main factors:
- the value of the underlying investments; and
 - the popularity (or unpopularity) of the ETF shares in the market.
- 4.9.4. The result is that ETF shares do not simply reflect the value of the underlying investments, they also reflect their popularity in the market. At any time the share price may be at a discount or premium to the asset value.
- 4.9.5. Some ETFs borrow money to invest (to increase the level exposure to the underlying index). This is called gearing. Gearing improves an ETFs performance when its investments are doing well. On the other hand, if its investments do not do as well as expected, gearing lowers performance. An ETF that is geared is a higher risk investment than one which is not geared (assuming the same underlying investments).
5. **INVESTMENT TRUSTS**
- 5.1.1. An investment trust is a company that is listed on the London Stock Exchange and that has been formed for the purposes of investing in shares (and which therefore gives its investors the opportunity to invest in shares on a pooled basis). In that respect, they are similar to open-ended collective investment

- schemes (see the “Collective Investment Schemes” section above) but, unlike an open-ended collective investment scheme, an investment trust is closed-ended. This means there are a set number of shares available, and (in the absence of a formal increase in capital) this will remain the same no matter how many investors there are.
- 5.1.2. The price of the investment trust shares depends on two main factors:
- the value of the underlying investments (in this respect it works in the same way as open-ended collective investment schemes); and
 - the popularity (or unpopularity) of the investment trust shares in the market.
- 5.1.3. The second factor is relevant because an investment trust is closed-ended – it has (in the absence of new issues) a fixed number of shares. The laws of economics say that if there is a high demand for something, but limited supply, then the price goes up. So, if you own some investment trust shares and there are lots of people who want to buy them, then you can sell them for more money. On the other hand, if nobody seems to want them then you will have to drop the price until someone is prepared to buy.
- 5.1.4. The result is that investment trust shares do not simply reflect the value of the underlying investments, they also reflect their popularity in the market. This feature may make them more volatile than other pooled investments (such as open ended collective investment schemes) assuming the same underlying investments.
- 5.1.5. Investment trusts can borrow money to invest. This is called gearing. Gearing improves a trust’s performance when its investments are doing well. On the other hand, if its investments do not do as well as expected, gearing lowers performance. An investment trust that is geared is a higher risk investment than one which is not geared (assuming the same underlying investments).
- 6. WARRANTS**
- 6.1. 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. The issuer of the warrants might be either the original issuer of the underlying security of a third party issuer that has set aside a pool of the underlying securities to cover its obligations under the warrants (these are called covered warrants).
- 6.2. Generally, the success of investing in warrants depends primarily on how the underlying asset performs during the life of the warrant. The price of the warrants will, therefore, be affected by the risk factors that can affect the price of the underlying securities to which the warrant relates. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can, therefore, be volatile.
- 6.3. The right to subscribe for underlying securities conferred by a warrant is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless. The price of a warrant may reflect the value attributed to the life of the warrant.
- 6.4. 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.
- 6.5. 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.
- 6.6. Each warrant is a contract between the warrant issuer and the holder. You are, therefore, exposed to the risk that the issuer will not perform its obligations under the warrant.

- 6.7. Issuers of warrants sometimes reserve the right to nominate an extraordinary event which may result in the early expiry of a warrant series. The types of events which may be nominated as an extraordinary event are set out in the terms of issue of a warrant series. Examples of extraordinary events include suspension in trading of the underlying security, the de-listing of the underlying company and a takeover of the underlying company. As a consequence of an extraordinary event the warrant’s expiry date may be brought forward, or the warrant may lapse with any intrinsic payment provided to the holder.

7. DERIVATIVES

7.1. Options

- 7.1.1. An option gives the buyer of the option the right (but not the obligation) to acquire an underlying security or other asset at a future date and at a price that has already been agreed or that is determinable in accordance with a pre-agreed mechanism.
- 7.1.2. 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. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described in the “Futures” section below.
- 7.1.3. If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options 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.
- 7.1.4. The performance of an option that you have written depends primarily on how the underlying asset performs during the life of the option. The value of the option can, therefore, be affected by any risk factors that can affect the price of the underlying asset to which the option relates. A relatively small movement in the price of the underlying asset can result in a disproportionately large movement, unfavourable or favourable, in the value of the option. The prices of options can, therefore, be volatile.
- 7.1.5. If you write options, you may sustain a total loss of any margin you deposit with the counterparty 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.
- 7.1.6. Even if a written option transaction is not margined, you may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.
- 7.1.7. Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a ‘traditional option’. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage its exposure to risk.
- 7.1.8. Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of its premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.
- 7.1.9. The insolvency or default of the counterparty or any of the brokers involved with your option transaction may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

- 7.1.10. On many exchanges, the performance of a transaction by the relevant broker is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, as the customer, and may not protect you if the broker or another party defaults on its obligations to you. In some circumstances it is possible (and in some cases, it may be mandatory) to use a clearing house for certain types of "over-the-counter" ("OTC") instruments, although depending on the particular instrument this may not be possible or it may not be commonplace.
- 7.1.11. Options may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC 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 OTC 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.
- 7.2. **Futures**
- 7.2.1. Transactions in futures 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 carry a high degree of risk. The performance of a futures contract depends primarily on how the underlying asset performs during the life of the contract. The value of the future can therefore be affected by any of the risk factors that can affect the price of the underlying asset to which the futures contract relates.
- 7.2.2. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement 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 which means that you may be liable for margin to maintain its position and a loss may be sustained well in excess of the premium received. By entering into a futures contract, you accept a legal obligation to purchase or sell the underlying asset, however far the market price has moved away from the agreed price.
- 7.2.3. You may sustain a total loss of any margin you deposit with the counterparty 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.
- 7.2.4. The insolvency or default of the counterparty or any of the brokers involved with your futures transaction may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.
- 7.2.5. On many exchanges, the performance of a transaction by the relevant broker is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, as the customer, and may not protect you if the broker or another party defaults on its obligations to you. In some circumstances it is possible (and in some cases, it may be mandatory) to use a clearing house for certain types of OTC instruments, although depending on the particular instrument this may not be possible or it may not be commonplace.
- 7.2.6. Futures may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC 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 OTC 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.

8. **CONTRACT FOR DIFFERENCES**

- 8.1. A "contract for differences" or "**CFD**" includes any contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in: (i) the value or price of property of any description; or (ii) an index or other factor designated for that purpose in the contract. CFDs include options and futures on the FTSE 100 Index and other stock indices, as well as currency, interest rate, equity swaps, some credit derivatives, spread bets and rolling spot foreign exchange contracts.
- 8.2. The 'gearing' or 'leverage' often obtainable in CFD trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement 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. CFD transactions have a contingent liability which means that you may be liable for margin to maintain its position and a loss may be sustained well in excess of the premium received.
- 8.3. You may sustain a total loss of any margin you deposit with the counterparty 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.
- 8.4. The insolvency or default of the counterparty or any of the brokers involved with your CFD transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.
- 8.5. On many exchanges, the performance of a transaction by the relevant broker is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, as the customer, and may not protect you if the broker or another party defaults on its obligations to you. In some circumstances it is possible (and in some cases, it may be mandatory) to use a clearing house for certain types of OTC instruments, although depending on the particular instrument this may not be possible or it may not be commonplace.
- 8.6. CFD transactions may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC 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 OTC 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.

9. **STRUCTURED PRODUCTS**

- 9.1. Structured Products are products structured to fulfil a particular trading or market objective. A structured product may combine the features of two or more financial instruments (for example a bond and a derivative). Derivatives often constitute an integral part of a structured product. The product may involve an element of leverage and so a relatively small movement in the value of the relevant underlying asset or index may have a significant effect on the value of the structured product.
- 9.2. Structured products are generally not traded on regulated markets and you take the risk on the counterparty issuing the structure. There is typically no recognised market for these investments and it may, therefore, be difficult for you to deal in the investment or to obtain reliable information about its value or the extent of the risks to which it is exposed.
- 9.3. Some (but not all) structured products include an element of capital protection - however, you should bear in mind that this is not a guarantee that the amount invested will be returned

- in all circumstances. The capital protection offered is typically subject to the investment being held until maturity and to the creditworthiness of the issuer.
- 9.4. Other structured products do not include any capital protection, which means that you could lose some or all of the amount invested even if you hold the product until maturity and even if the issuer remains creditworthy.
- 9.5. Structured products are often high risk investments and you could lose some or all of the money that you have invested in them. In addition, some Structured Products may also involve more than one currency, which exposes you to the risk of adverse changes in exchange rates (see "Foreign Exchange" section below in relation to foreign exchange risks).
10. **DUAL CURRENCY PLACEMENT**
- 10.1. A Dual Currency Placement ("DCP") is a currency investment product. It is therefore a complex product and can carry higher risks than traditional short-term investments.
- 10.2. A DCP often involves the initial investment being made in a 'base currency' and there being a currency option to convert any return on the product from the initial currency into an 'alternate currency'. There is therefore a potential for any return on a DCP to be repaid in the 'base currency', or if the option is exercised the return, any return may be converted into the 'alternate currency'. This carries a currency risk and means that there is a possibility that you will lose part of your initial investment (see "Foreign Exchange" section below in relation to foreign exchange risks).
- 10.3. A decline in the value of the 'alternate currency' relative to the 'base currency' may result in the exercise of the option, resulting in the counterparty paying you the fixed amount in the 'alternate currency'. This means that the amount of the 'alternate currency' you receive will buy you less of the 'base currency', which could be less than your initial investment.
- 10.4. You should be prepared to accept a high degree of volatility of return and a possible loss by entering into a DCP. If your initial investment is converted into the 'alternate currency', you may suffer a loss well in excess of the return you receive. You should therefore carefully study the currency market and consider whether a DCP is suitable for you in light of your own financial position and objectives. You should not enter into a DCP unless you have sufficient knowledge and experience of the currency market.
- 10.5. Foreign currency investments are subject to fluctuations, which may provide both opportunities and risks. You may experience a loss when you convert foreign currency back to your home currency.
11. **FOREIGN EXCHANGE**
- 11.1. Engaging in foreign exchange ("FX") trading (buying one currency in exchange for another) exposes you to the risk of adverse changes in exchange rates.
- 11.2. Exchange rates can be volatile and are driven by a variety of factors affecting the economies of the jurisdictions whose currencies you are trading.
- 11.3. The 'gearing' or 'leverage' often obtainable in FX trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement 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. Some FX transactions involve a contingent liability which means that you may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received.
- 11.4. You may sustain a total loss of any margin you deposit with us 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 your 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.
- 11.5. The insolvency or default of the counterparty or any of the dealers involved with your FX transaction may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.
- 11.6. If you buy or sell currency with us, we will execute these transactions at spot (that is, the price available in the market at that time) or same day value unless you request that they be executed as forward transactions, in which case we may agree to execute such transactions as forward transactions.
- 11.7. Spot transactions will normally be ready for settlement on the second Business Day after dealing.
12. **NON-READILY REALISABLE INVESTMENTS**
- 12.1. We may advise upon or enter into transactions in non-readily realisable investments.
- 12.2. There is a restricted market for such investments and it may therefore be difficult to deal in such investments or to obtain reliable information about their value. It can be difficult to assess what would be a proper market price for them.
- 12.3. You may have difficulty selling such investments at a reasonable price and, in some circumstances, it may be difficult to sell them at any price.
- 12.4. You must not invest in them unless you have carefully thought about whether you can afford them and whether they are right for you.
13. **STABILISATION**
- 13.1. We or our representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.
- 13.2. You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:
- 13.2.1. to be consulted before we carry out any such transaction on your behalf; or
- 13.2.2. to authorise us to carry out any such transaction on your behalf without first having to consult you.
- 13.3. **What is stabilisation?**
- 13.3.1. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. In certain circumstances stabilisation is permitted in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.
- 13.3.2. Where stabilisation is permitted, stabilisation is being carried out by a "stabilisation manager" (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, they are entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.
- 13.4. **The stabilisation rules:**
- 13.4.1. limit the period when a stabilising manager may stabilise a new issue;
- 13.4.2. fix the price at which they may stabilise (in the case of shares and warrants but not bonds); and
- 13.4.3. require them to disclose that they may be stabilising but not that they are actually doing so.
- 13.5. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

14. **EMERGING MARKETS/COUNTRY RISK**

- 14.1. The term “emerging markets” refers to financial markets of countries whose political, social and economic infrastructure is in the process of change and development.
- 14.2. Political, monetary, fiscal and economic conditions may be subject to rapid and unpredictable change, which may give rise to much greater volatility of exchange rates, interest rates and securities values than is typical of developed economies.
- 14.3. Sovereign (country) risk conditions may arise where, through lack of foreign currency held by the central bank or because of political, economic or other events, exchange controls could be imposed which may prevent the conversion of emerging market currencies into freely convertible currencies. Market quotations may not be readily available and in some circumstances could be unobtainable.
- 14.4. The relatively high interest rates typical of emerging markets' currencies may appear to present attractive investment opportunities. However, high interest rates may be indicative of an inflationary economy, a weakening exchange rate and political and economic uncertainty.

SECTION TWO:

Citi International Personal Bank Summary Best Execution Policy

Effective from 31 December 2012

During the course of providing our services to you we may undertake transactions in investments on your behalf. We have developed internal procedures to ensure that we obtain the best possible result when executing your orders (which we refer to as best execution in this Policy) and this Policy summarises the steps we will take to do this (the “**Policy**”).

PART 1: Scope and purpose

What is the purpose of the Policy?

We recognise the importance of achieving the best possible result when executing orders for you. This is important for maintaining and developing our relationship with you. We strive at all times to act fairly and reasonably in dealing with you. In certain cases where we are providing order execution services to our clients, we are required by law to establish and comply with a Policy on best execution or order execution. The purpose of the Policy is to set out this obligation to you in a clear and concise manner.

When does the Policy apply?

The Policy applies where we act on your behalf in the execution of orders.

The Policy will not apply when we are not executing an order on your behalf, for example where:

- we transact with you as principal on the basis of a published quote;
- we transact with you as a counterparty for our own account; and
- we are following your specific instructions to execute your order in a particular manner or at a particular price, then the Policy will not apply to the extent that we accept and follow your instructions when executing the order or a specific part of the order.

This Policy will apply to all transactions we arrange on your behalf, whether arranged or executed through our affiliates or otherwise.

PART 2: Achieving best execution

What factors do we take into account to achieve best execution?

In achieving best execution, we take into account a number of factors. These include:

- price;
- costs;
- speed;
- likelihood of execution and settlement (liquidity);
- size;
- nature;
- type and characteristics of financial instrument;
- characteristics of the possible execution venues; and
- any other consideration relevant to the execution of the order.

Generally when we execute an order on your behalf the best possible result will be determined by the total consideration paid by you, i.e. the price of the investment and all the costs related to the execution.

However, we recognise that there may from time to time be circumstances for some clients, particular instruments or markets where other factors should have a higher priority. In such cases the relative importance of each of the factors listed above will differ depending on:

- any special objectives you may have in relation to the execution of the order;
- the characteristics of your order;
- the characteristics of the financial instruments to which your order relates; and
- the characteristics of the venue (if there is more than one where we are able to execute your order).

What is our responsibility when a third party executes your order for us?

We will generally pass an order on to another Citi entity or a third party (which may be a broker) to execute.

Where we pass your order on to another Citi entity we have standard procedures in place for passing orders for execution. In cases where our affiliate is outside the EEA and we do not have an entity that can execute the order from within the EEA our non-EEA affiliate may not be subject to the best execution requirements.

We may nevertheless execute your order through our affiliate unless either (i) the circumstances require otherwise or (ii) you explicitly instruct us otherwise and we are able to follow your instructions to use an alternative venue. If we are not able to follow your instructions, we may not be able to accept your order.

We may pass an order to a non-affiliated third party broker or dealer to execute your order. In respect of such cases, we will have internal processes and procedures in place to review periodically our choice of third party brokers and dealers to determine that, taking into account all the factors specified above, the third party broker or dealer is providing the best results for your orders on a consistent basis. In making this determination we will have regard to:

- prices offered for the particular type of instrument over time;
- average costs per trade charged for the type of trade over time; and
- the best execution policy of, and any other guidance issued by, the relevant broker or dealer from time to time.

PART 3: Compliance with client instructions

What happens if you give us specific instructions as to how to execute your order?

Where we have accepted your instructions with respect to the execution of your order, we will follow them.

We will satisfy our best execution obligations to you where we accept and follow your specific instructions when executing an order or a specific part of an order, although the Policy may apply to other aspects of the order to the extent that they are not covered by your instructions. For example we will satisfy our best execution obligations in the following instances:

- where you instruct us to execute an order for you at a particular price;
- where you instruct us to execute your order on a particular venue, we will not be responsible for selecting the venue;
- where you instruct us to execute your order at a particular time or over a particular period, regardless of the price available, we will execute your order at that time or over that period in the best possible manner, but will not be responsible for the timing or any of the consequences for price or other factors that results from the timing of execution.

PART 4: Choosing an execution venue

What factors are taken into account when determining the execution venue?

Factors that we consider in selecting the entities with which your orders are placed or to which we transmit your orders for execution in respect of a particular financial instrument include:

- general prices available;
- depth of liquidity;
- relative volatility in the market;
- speed of execution;
- cost of execution;
- creditworthiness of the counterparties on the venue or the central counterparty; and
- quality and cost of clearing and settlement.

How might factors vary between choices of venue?

In some markets price volatility may mean that timeliness of execution is a priority. In other markets that have low liquidity, the fact of execution may itself constitute best execution.

In other cases, our choice of venue may be limited because of the nature of your order or your requirements. For example, when investment products are more illiquid, there may be little (or no) choice of venue.

How often do we review our venues?

Generally, we will review annually the venues we use to execute your orders.

Where we have a choice of venues in respect of a particular order, how do we choose?

We take into account factors such as cost and benefits of accessing multiple venues and accessibility in deciding which venues we use.

In some circumstances we may have access to more than one venue for executing an order in a particular financial instrument. In such cases, we will endeavour to choose the best venue for the order taking into account the factors applicable to choosing venues.

What venues do we use for particular investments?

We have set out below the venues we place significant reliance on in meeting our obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of your orders.

Collective Investment Schemes

When we deal in collective investment schemes we will deal directly with the fund manager.

Equities, Gilts and Bonds

We will use a selection of venues that will be reviewed periodically. At a minimum this list will include Citigroup Global Markets Limited and U.B.S A.G Investment bank and such other Citi and third party venues as we believe best enable us to meet our obligations under this Policy.

Structured Products

When we deal in structured products we will deal directly with the relevant product issuer.

PART 5: Reviewing the Policy

How often will we update the Policy?

We will review the Policy annually and whenever a material change occurs that affects our ability to obtain the best possible results for our clients.

PART 6: Consenting to the Policy

We are required to obtain your prior consent to the Policy and you will be deemed to consent to it when you place an order with us.

PART 7: Contact details

How do you contact us in connection with this Policy?

If you have queries about the Policy or our compliance with the Policy, please contact your Relationship Manager.

SECTION THREE:

Summary of Conflicts of Interest Policy

Effective from 31 December 2012

PART 1: Background

Citi provides and is engaged in a wide range of financial services, including investment management, private banking, financing, securities trading, corporate and investment banking and research. In compliance with our statutory obligations this document describes the Conflicts of Interest Policy (the "**Policy**") maintained by Citi in respect of regulated activities carried out within the EEA, excluding the activities of the Citi consumer business in Germany.

Citi is committed to maintaining the highest professional standards and principles in providing services to its clients. The interests of clients must always come first, and Citi's policies and procedures, which address and manage conflicts of interest as may arise, are intended to ensure that those interests are well served.

To this end, Citi has policies and procedures in place to identify, consider and manage potential conflicts of interest and protect the integrity of its relationships with retail, institutional and eligible counterparty clients. All Citi employees must comply with Citi's policies and procedures and they may not do indirectly anything that they are prohibited from doing directly under these policies and procedures. Detailed internal policy documents and operating procedures may not be fully represented in the description that appears below.

For the purposes of ascertaining whether there is a conflict of interest, references to Citi employees include references to tied agents or other persons linked to us and our clients, and appointed representatives of Citi.

PART 2: Identification of conflicts

Citi seeks to ensure it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing information barriers (Chinese walls) or acting with an appropriate level of independence and/or by providing appropriate disclosure of the conflict to affected clients.

In determining whether there is or may be a conflict of interest to which the Policy applies, Citi considers whether there is a material risk of damage to the client, taking into account whether Citi or a Citi employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client; or
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the standard commission or fee for that service.

Citi has identified that potential conflicts of interest between Citi and clients arise in the following general categories:

- Conflicts relating to treating clients fairly; for example, when selling products, Citi may receive inducements from product providers where such inducements are permitted under Applicable Law, including:
 - (a) turnover-related sales follow-up commissions, paid to us by fund companies from the management fees they receive;
 - (b) sales commissions paid by security issuers in the form of placement commissions;
 - (c) corresponding markdowns on the issue price (discount/rebate) and sales follow-up commissions;
 - (d) up-front fees paid to Citi, insofar as we levy these when selling investment units or other securities; and
 - (e) non-monetary inducements.

Citi may also provide success-related commissions and fixed remunerations to contractually independent tied agents who lead us to clients or transactions with or without reference to a specific transaction where permitted under Applicable Law.

- Conflicts relating to competing with clients; for example, Citi may seek to make investments for its own account in securities in which our clients are also seeking to invest.
- Multiple involvement; for example, Citi may act as trustee to investors on a debt security and also act as a lender to the security issuer such that it may create a conflict of interest between Citi's obligations as trustee and Citi's proprietary interests.
- Conflicts relating to use of material non-public information or use of private information; for example, Citi may sell securities to clients at a time when it has access to private information regarding the debtor in connection with its lending or advisory business.
- Conflicts relating to manufacturing of products; for example, Citi may develop a product that enables Citi to sell its own exposure in an entity to its clients.
- Conflicts between clients or groups of clients; for example, Citi may provide advisory services to a client on a transaction and at the same time provide financing to another client on the same transaction where the two clients have separate and/or competing interests.
- Conflicts between Citi employees and the interests of Citi or the interests of clients; for example, a Citi employee may have a personal investment in an issuer of securities and also provide investment recommendations to clients on that same issuer of securities.

PART 3: Management of conflicts

Although not an exhaustive list, the primary methods that may be used by Citi to manage actual or potential conflicts of interest include:

- Citi, under the direct responsibility of the management board, operates an independent Compliance Department, with a remit to monitor the identification, avoidance and the management of conflicts of interest;
- procedures and systems to identify specific situations where there are competing or adverse interests;
- trade surveillance and restriction systems including insider, and restricted (or freeze) lists to monitor the flow of inside information within the firm and prohibit employees from misusing such information for the firm's or their own account and to the detriment of clients;
- oversight and approval by product committees, independent from the directly involved Citi representatives, covering (among other matters) transaction and product pricing, placing, and structure;
- structural separation. Such separation may be physical or otherwise, including but not limited to information barriers, compensation arrangements and or management and supervisory structures;
- oversight of contacts between and within businesses whose clients have adverse or competing interests with the clients of other business units;
- policies and procedures ensuring fair and/or equal treatment of clients or classes of clients;
- regulation of personal investment and business activities of Citi employees by Compliance to prevent conflicts of interest arising against the interests of clients;
- training of employees;
- rules governing the acceptance and granting of inducements, including disclosure of such arrangements to clients; and
- the general or specific disclosure of conflicts of interest to clients where necessary, including, but not limited to, instances where it is not considered possible to have sufficient arrangements to avoid or wholly manage a conflict of interest.

If you so request, we will be pleased to provide further details on the principles outlined above.

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Citibank N.A., Jersey Branch is regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 for the conduct of investment business and under the Banking Business (Jersey) Law 1991 for the conduct of deposit taking business. Citi International Personal Bank is registered in Jersey as a business name of Citibank N.A. The address of Citibank N.A., Jersey Branch is P.O. Box 104, 38 Esplanade, St Helier, Jersey JE4 8QB. Citibank N.A., Jersey Branch is a participant in the Jersey Banking Depositor Compensation Scheme (the "DCS"), which offers protection for eligible deposits of up to £50,000 but only applies in respect of "eligible depositors", which includes individual natural persons, but does not, for example, include corporate clients or trustees. The DCS only applies in respect of "eligible deposits" which means cash deposits held with a bank in Jersey, such as Citibank N.A., Jersey Branch, but will not, for example, include any deposits held in banks outside Jersey or any investments held in Jersey or elsewhere. The maximum total amount of compensation is capped at £100,000,000 in any 5 year period. Full details of the DCS are available on the States of Jersey website www.gov.je or on request. Citibank N.A. is incorporated with limited liability in the USA. Head office: 399 Park Avenue, New York, NY 10043, USA. © Citibank N.A. 2014. CITI, CITI and Arc Design are registered service marks of Citigroup Inc. Calls may be monitored or recorded for training and service quality purposes.