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## EQUITIES MODULE

### 1 SCOPE

1.1 **Transactions:** The clauses in this Module apply to Transactions in Equity Securities. For these purposes, "**Transaction**" means a transaction [relating to an Equity Security] [under which delivery of an Equity Security is contemplated upon its formation] falling within paragraphs (i) to (iv) of the definition of "Transaction" in the Interpretation Module.

1.2 **Netting:** Any Transaction to which this Module applies shall be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" following an Event of Default.

### 2 DEALING AS PRINCIPAL

**Execution and capacity:** Every order which we may take is accepted and executed on the basis that we act on our own account as principal and not as agent for you.

**OR**

### 2 DEALING AS AGENT

2.1 **Execution and capacity:** When you instruct us to execute a Transaction in Equity Securities, at our entire discretion and without notification to you that order will, subject to Applicable Regulations, be executed by us as your agent.

#### 2.2 **Settlement of agency trades:**

(a) Because we act as your agent, we accept no responsibility to you for settlement of your obligations in respect of Transactions in Equity Securities. You will notify us of your clearing agent or other person who will procure settlement of your Transaction in Equity Securities. The provisions of the Indemnities and Limitation of Liability Module apply in respect of any liability of ours where, notwithstanding this clause, under Applicable Regulations we assume a responsibility to any other person for performance of your Transactions.

(b) Delivery or payment (as the case may be) by the other party to the Transaction shall be entirely at your own risk and our obligations to pay or deliver investments to you or to your order on account of a Transaction shall be

conditional upon receipt by us of Equity Securities or sale proceeds (as the case may be) from the other party or parties to the Transaction.

- (c) Any cash received by us in respect of a Transaction shall be a debt owed by us to you until paid by us to you or otherwise discharged, and we shall owe you no fiduciary duty in relation thereto.

### 3 **TRADING PROCEDURES**

- 3.1 ***Cut-off times:*** We may establish cut-off times for instructions which may be earlier than the times established by the particular Market and/or any clearing house involved in any Transaction, and you shall have no claims against us arising out of the fact that an order was not placed by you ahead of our cut-off time.
- 3.2 ***Corporate Actions:*** Where an order is given to us in respect of any Equity Security for which a Corporate Action is imminent we may decline to accept your instructions. We *may* not accept instructions to deal in any rights arising from Corporate Actions such as options, warrants, rights arising from holdings, or other matters.
- 3.3 ***Our duty in respect of Corporate Actions:*** Where, in respect of any Equity Securities held by us for your account or deliverable to us for your account, any Corporate Actions occur, we shall not be obliged to undertake any action, even if you specifically instruct us..

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

- 4.1 ***Off-Market Transactions:*** If we sell you any Equity Securities which are not quoted on a Market recognised or designated by the FCA, then, unless we specify a longer period, we shall, to the extent required by law, ensure the availability to you of a reasonable repurchase price for such Equity Securities for three months after the original sale to you. You may find it difficult to sell such Equity Securities after the end of such period due to their nature and possible illiquidity.
- 4.2 ***Suspended and grey market investments:*** We may enter into Transactions for or with you in:
  - (a) an Equity Security whose listing on a Market is suspended, or the listing of or trading in which has been discontinued, or which is subject to a Market announcement suspending or prohibiting trading; or
  - (b) a grey market investment, which is an Equity Security for which application has been made for listing or admission to trading on a Market where the Equity Security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the Equity Security is not already listed or admitted to trading on another Market.
- 4.3 ***Transparency:*** It is possible that there may be insufficient published information on which to base a decision to buy or sell such Equity Securities as referred to in the two preceding clauses.

## 5 **SHORT-SELLING**

5.1 **No Short Selling:** We do not accept instructions for Short Sales.

## 6 **LIMIT ORDERS**

6.1 **Sufficient Funds:** If you instruct us in respect of a Limit Order for the purchase of any Equity Securities, you will ensure that there are sufficient funds in your account to meet that Limit Order. We will not restrict you from subsequently entering further instructions which may result in insufficient funds for a Limit Order to be executed.

6.2

6.3 **Cancellation:** If you wish to cancel a Limit Order before its execution or expiry, subject to Applicable Regulations the order remains valid until you receive a confirmation of cancellation of that order from us.

6.4 **Partial fills:** We accept no responsibility if the order is not filled.

6.5 **Publication:** Unless you notify us to the contrary, we shall not immediately make public any Limit Order in respect of shares admitted to trading on an EEA regulated Market which is not immediately executed under prevailing market conditions.

## 7 **SETTLEMENT AND OWNERSHIP**

7.1 **Purchases:** You shall pay for any Equity Securities purchased for you on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there is insufficient cash in your account to enable us to meet the settlement obligations, we shall not be obliged to settle the Transaction. Where there is insufficient cash in your account and we do proceed to settlement, we may accept delivery of the Equity Securities, charge your account for the payment to satisfy your obligation, sell the Equity Securities at a price we believe to be reasonable, and credit your account with the net proceeds thereof (after deduction of commission and other costs).

7.2 **Sales:** You shall make Equity Securities sold by you available for settlement on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there are insufficient Equity Securities held for your account, we shall not be obliged to settle the Transaction. Where there are insufficient Equity Securities in your account and we do proceed to settlement, we may buy the Equity Securities required for delivery at a price we believe to be reasonable, charge your account for the cost thereof, deliver the Equity Securities to satisfy the delivery obligation, and credit your account with the net proceeds thereof (after deduction of commission and other costs).

7.3 **Title:** If in any Transaction we deliver Equity Securities or pay money on your behalf, but your obligations in respect of that Transaction are not performed simultaneously with or prior to our own delivery or payment, then we shall not be obliged to credit your

account with any Equity Securities or money received by us from any third party until your own obligations to us are fully performed; and any such Equity Securities or money received by us shall be our property not yours.

- 7.4 **Finality:** We shall owe no payment or delivery obligation and shall not be deemed to hold any property belonging to you as a result of settlement of a Transaction until we have received, with finality, the cash or Equity Securities to which you are entitled.
- 7.5 **Contractual Settlement:** We may, in our discretion, provisionally credit and debit your account on the due date of settlement as if the Transaction had settled on that date even where, under Applicable Regulations, the Transaction has not settled in your favour or our favour with finality. We may, however, in our absolute discretion reverse any such provisional debits and credits at any time until we receive payment (on sale) or delivery (on purchase) on your behalf with finality. We shall not be liable to you in respect of income or any other rights relating to the Equity Securities which would have accrued on the monies or investments if settlement had taken place on the contractual settlement date.
- 7.6 **CREST:** Where you instruct us to effect settlement by accepting the transfer of Equity Securities to our nominated CREST account you accept that payment obligations upon settlement will be dealt with through a settlement bank and that the creation of a settlement bank payment obligation will to the extent of such obligation discharge payment due from us.
- 7.7 **Non-DvP Markets:** In some securities markets, delivery of Equity Securities and payment may not be made simultaneously. In such markets we may make payment or delivery of Equity Securities at such time and in such manner as is in accordance with relevant local law and practice or with the customs prevailing in the relevant market. You shall bear the risk that the counterparty to the Transaction may not pay or perform on time or at all.
- 7.8 **Fails:** We will notify you if settlement of a Transaction fails to take place on the contractual settlement date, whether because of a default by a counterparty to that Transaction or otherwise.
- 7.9 **Aggregation for settlement:** Settlements in respect of executed Transactions may, in our discretion, be netted to the lowest number of movements for each type of Equity Security reasonably possible, subject to Applicable Regulations.
- 7.10 **Relevant Markets and Clearing Organisations:** Where more than one trading Market is potentially relevant in respect of a Transaction or an Equity Security, it shall be within our discretion to determine the settlement period or other matters relevant to the operation of this Module.

## 8 STABILISATION

- 8.1 **Stabilisation Activity:** We may effect Transactions in Equity Securities that may be the subject of stabilisation, a price supporting process that may take place in the context of new issues. The effect of stabilisation can be to make the market price of the new issue

temporarily higher than it would otherwise be. We shall owe you no duties in respect of legitimate stabilisation activities which we undertake.

## 9 **SYSTEMATIC INTERNALISATION**

- 9.1 ***Systematic Internalisation:*** We may act, and execute your instructions, as a systematic internaliser. We may limit the number of Transactions that we undertake to enter with you at the published quote and the total number of Transactions that we undertake to enter for different clients at the same time at the published quote.

## 10 **TRANSPARENCY**

- 10.1 ***Trade Reporting:*** Under Applicable Regulations, we may be obliged to make information about certain Transactions public. You agree and acknowledge that any and all proprietary rights in such Transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we are obliged to disclose.

## 11 **DEFINITIONS**

***Definitions:*** In this Module, the following terms have the following meanings:

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

**"Equity Security"** means any security which is a share in a company, or a security equivalent to a share in a company, a partnership or other entity, provided that it is negotiable on the capital Market, and includes a depository receipt in respect of a share.

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

**"Short Sale"** means a Transaction for the sale of equities not owned by you at the time scheduled for settlement of the Sale Transaction.