

## SCHEDULE A: CUSTODY

Subject to this Schedule, and only if we have specifically agreed to do so in writing, we will provide you services of safekeeping and administration of your (or where applicable, your underlying customer's or customers' (as defined in the General Terms)) investments, including settlement of transactions relating to your (or where applicable, your underlying customer's or customers') assets, dealing with income arising therefrom and carrying out corporate actions.

### 1. GENERAL

1.1. Subject to this Schedule, we shall open and maintain on our books and records one or more cash and securities accounts in your name (or where applicable, in the name of your underlying customer or customers), to which in the case of cash accounts, there shall be credited all cash paid or deemed or treated as paid to you (or where applicable, your underlying customer or customers) and debited all cash paid or deemed or treated as paid by you (or where applicable, your underlying customer or customers) pursuant to these Terms and all Transactions relating thereto and such other payments as we and you may from time to time agree; and in the case of securities accounts, there shall be credited all securities and other similar property (including evidence of, title to, and all rights in respect of, securities or other similar property) delivered or deemed or treated as delivered to you (or where applicable, your underlying customer or customers) and debited all securities and other similar property (including evidence of, title to, and all rights in respect of, securities or other similar property) delivered or deemed or treated as delivered by you (or where applicable, your underlying customer or customers) pursuant to these Terms and all Transactions relating thereto. You (including, where applicable, on behalf of underlying customer(s) for whom you are acting as agent) acknowledge that any cash (**Cash**) or

securities or other similar property (including evidence of, title to, and all rights in respect of, securities or other similar property) (**Securities**) which are held or received by us for you (or where applicable, your underlying customer or customers) pursuant to this Schedule, shall be held by us as client funds or financial instruments (**Client's Assets**) in accordance with the Applicable Regulations (as defined in the General Terms).

1.2. Subject to clause 1.3 below, we shall receive, hold, release, pay, transfer and deliver (or instruct any sub-custodian or agent to receive, hold, release, pay, transfer and deliver) any Client's Assets to or from the Securities or Cash accounts only on receipt of your instructions. You (including, where applicable, on behalf of underlying customer(s) for whom you are acting as agent) authorise us to (or to instruct any sub-custodian or agent to) deliver Client's Assets to the Securities or Cash accounts and to transfer Client's Assets from the Securities or Cash accounts, only in accordance with such instructions. We shall have full authority to do whatever we reasonably deem necessary in order to effect your instructions. You (including, where applicable, on behalf of underlying customer(s) for whom you are acting as agent) also authorise us to (or to instruct any sub-custodian or agent to) do whatever we reasonably deem necessary to effect such transfers of Client's Assets to and from the securities or cash accounts as are required pursuant to these Terms or any Transaction.

1.3. You (including, where applicable, on behalf of underlying customer(s) for whom you are acting as agent) agree that we may without any further instructions from you carry out the following actions relating to Client's Assets:

(a) to collect and receive, for your account (or where applicable, for your underlying customer(s)), any payments (whether income or capital) and distributions in respect of Client's Assets, and to take any action necessary and proper in connection with them, including (without limitation) the presentation of coupons and other interest items and the

endorsement for collection of cheques, drafts and other negotiable instruments and the deduction or withholding of any sum on account of any tax required or which in our view is required to be so deducted or withheld or for which you (or where applicable, any your underlying customer(s)) are or are in our view liable or accountable by law or practice of any relevant revenue authority of any jurisdiction;

(b) to execute in your (or where applicable, your underlying customer's or customers') name such ownership and other certificates as may be required to obtain payment in respect of Client's Assets; and

(c) to exchange interim or temporary documents of title to Client's Assets for definitive ones.

**1.4.** We will identify on our books and records that Client's Assets belong to you (or where applicable, your underlying customer(s)). We will take all necessary steps and require that any sub-custodian or nominee or agent appointed by it, or any securities depository or credit institution which we use to hold Client's Assets pursuant to this Schedule, will clearly identify on its books and records that the Client's Assets do not belong to us but belong to our clients (to the extent permitted by applicable mandatory law, regulation, or market practice in accordance with the Applicable Regulations and/or any Market Rules).

**1.5.** In this Schedule when we refer to 'you', 'your' Cash or Securities, 'your' rights, obligations, agreement and acknowledgement, we include reference to your underlying customer(s) (if applicable), and to you acting on behalf of your underlying customer(s) for whom you are acting as agent. It is your obligation as an agent, sub-broker or sub-custodian to obtain consent, approval, instructions and authorisations from your underlying customer(s), and to keep them informed and aware of the arrangements with us, or information received from us.

**1.6.** You authorise us to hold Client's Assets in fungible accounts holding securities or cash of other clients of ours (but not our own

securities or cash), such accounts being designated as client accounts. You also authorise us to hold Client's Assets in accounts with any sub-custodian or nominee or agent or any securities depository or credit institution appointed by us on the basis that such accounts are fungible accounts, which hold securities or cash of other customers of the relevant third party (but not securities or cash of such third party).

**1.7.** You understand and expressly agree and provide consent to the following:

(a) where Client's Assets are held overseas there may be different settlement, legal and regulatory requirements in those jurisdictions from those applying in the Republic of Cyprus, together with different practices for the separate identification of securities or cash. In some jurisdictions Applicable Regulations may not allow us to hold Client's Assets separately from our own assets;

(b) in providing the Services described in this Schedule, we may hold Client's Assets with other institutions who are our affiliates, with such limitations as provided by Applicable Regulations;

(c) the omnibus accounts held with third parties are a form of pooling and accordingly, your individual entitlements may not be identifiable by separate certificates, physical documents or entries on the register or equivalent electronic records. In the event of an irrecoverable shortfall following any default or failure by a party responsible for pooled assets, you may not receive full entitlement and may share in that shortfall pro-rata to your original share of assets in the pool; and

(d) if you instruct us to hold Client's Assets with or register or record Securities in the name of a person not chosen by us, the consequences of doing so are at your own responsibility and risk and we shall not be liable therefore.

**1.8.** We shall be entitled to disclose any information relating to you or Client's Assets as is required by any law, court, legal process, professional advisor or banking or other

regulatory or examining authorities (whether governmental or otherwise). In addition, where you request the use of a third party tax reclaim service you agree that we may disclose information relating to you or Client's Assets that is requested by such third party tax reclaim service.

**1.9.** You acknowledge and agree that we may grant to any sub-custodian, securities depository or other third party, or otherwise create a security interest, lien, right of set-off or right of retention (**Third Party Security Interest**) over Client's Assets. This Third Party Security Interest:

(a) may arise over your Securities or Cash held by, or deposited with, that sub-custodian, securities depository or third party and shall extend only to properly incurred charges and liabilities arising from the provision of custody services in respect of your Securities in that account or from the provision by that third party to us for you of other services in respect of your Cash held in that account;

(b) arises under the operating terms of a settlement depository, in whose account your Securities are recorded or held, for the purpose of facilitating settlement of Transactions involving your Securities held in that account or under the operating terms of a third party, such as a clearing house, trading venue, settlement facility or intermediate broker, in whose account your Cash is recorded or held, for the purpose of settlement of Transactions or provision of margin or collateral under Transactions; or

(c) in relation to Securities or Cash held outside the Republic of Cyprus, arises as a result of the Applicable Regulations or Market Rules or is necessary for us to gain access to the local market in that jurisdiction and we have taken reasonable steps to determine that holding Securities or Cash subject to such security interest, lien, right of set-off or right of retention is in your best interest. You should nonetheless determine whether you wish to access markets and hold assets in such jurisdiction.

**1.10.** Where Third Party Security Interest is created, as specified in clause 1.9 above, there is a risk that in instances where we default on our or their obligations towards the relevant third party, or in other circumstances, including, without limitation, where the third party anticipates that such obligor may default on its obligations (including, for example, where the financial condition of the obligor deteriorates or insolvency proceedings onset against the obligor), then the third party may have the option to enforce or set-off its rights against Cash or Securities and as a consequence you may lose the Securities or Cash and may be not able to recover them from us or the third party, regardless of whether you are in actual or potential default towards us or the third person.

## **2. CLIENT'S ASSETS**

**2.1.** We may settle Transactions on a 'delivery-versus-payment' basis and in that case we will not hold any Cash or Securities.

**2.2.** We will hold Cash as custodian in compliance with the Applicable Regulations.

**2.3.** In relation to Cash the following provisions shall apply:

(a) when holding Cash we will make adequate arrangements to safeguard your rights and prevent the use of Cash for our own account, except in the case of borrowing by us of any interest derived from Cash held at a bank account with a third party on the terms to be separately agreed between you and us in writing;

(b) unless otherwise agreed in writing, we will not pay any interest on any Cash and you waive your right to such interest;

(c) we will keep such records and accounts as are necessary to enable us at any time and without delay to distinguish Cash held for you from cash held for any other client, and from our own funds;

(d) we will maintain our records and accounts in a way that ensures their accuracy, and in particular their correspondence to Cash;

(e) we will conduct, on a regular basis, reconciliations between our internal accounts

and those of any third party with which Cash is held; and

(f) when receiving any Cash, we will promptly place the same into one or more accounts, opened with a central bank, credit institution, a bank authorised in a third country or subject to your written request, a qualifying money market fund.

**2.4.** Where we do not deposit Cash with a central bank, we will exercise all due skill, care and diligence in the selection, appointment and periodic review of a credit institution, bank or money market fund where Cash will be placed and the arrangements for the holding Cash. In doing so, we will take into account the expertise and market reputation of such institutions with a view to ensure protection of your rights, as well as any legal or regulatory requirements or market practices related to the holding of client funds that could adversely affect your rights.

**2.5.** We may allow another person, such as a trading venue, central counterparty, organised market, settlement or clearing institution or an intermediate broker or agent, to hold or control Cash where we transfer the Cash for the purposes of a Transaction through or with that person, or to meet your obligation to provide collateral for a Transaction (including margin requirement for a contingent liability investment).

**2.6.** We may pass your Cash to a trading venue, central counterparty, organised market, settlement or clearing institution or an intermediate broker or agent, which is located outside the Republic of Cyprus. In such circumstances the legal and regulatory regime applying to such person(s) will be different from that of the Republic of Cyprus and, in the event of insolvency of such person(s), Cash may be treated in a different manner from that which would apply if the money was held by such person(s) in the Republic of Cyprus. Where due to the nature of the law or market practice of an overseas jurisdiction as set out in the Applicable Regulations and/or the Market Rules we are prevented from holding Cash in a separate account identified on books

and records of a third party as containing money belonging only to clients of ours and not our proprietary funds, Cash may not be segregated from our funds, and, in the event of our insolvency, Cash may not be as well protected.

**2.7.** With the exception of any securities or other instruments transferred to us pursuant to Schedule E: Financial Collateral Arrangement to the General Terms, any Securities debited to the securities accounts shall be held by us as custodian, and you hereby appoint us, and we agree to act, as a custodian, in accordance with the terms of this Schedule with respect to any Securities.

**2.8.** We are authorised under this Schedule to act through and hold Securities with sub-custodians being such other entities as we may appoint as sub-custodian. In addition, we and each sub-custodian appointed by us may deposit Securities with, and hold Securities in any securities depository (which may include any settlement system, dematerialised book entry system, clearance system or similar system) on such terms as such systems customarily operate. We reserve the right to add, replace or remove any sub-custodians.

**2.9.** We will use reasonable skill, care and diligence in the selection of any sub-custodian appointed by us pursuant to this Schedule and shall be responsible to you for satisfying ourselves as to the ongoing suitability of such sub-custodian, for the maintenance of an appropriate level of supervision over such sub-custodian and for making periodic enquiries to confirm that the obligations of such sub-custodian to us are discharged in a satisfactory manner.

**2.10.** We are authorised to hold in bearer form, such securities as are customarily held in bearer form, and register (at our discretion) in your or our name or in the name of another sub-custodian appointed by us or any nominee of ours or another sub-custodian appointed by us, such securities as are customarily held in registered form. We shall not be liable for any Loss (as defined in the General Terms) suffered or caused as a result of an instruction

to hold Securities with, or have them registered in the name of, any person not chosen by us.

**2.11.** We shall be allowed to register or record legal title to Securities in the name of a nominee. Where investments are subject to the law or market practice of a jurisdiction outside the Republic of Cyprus and due to the nature of the law or market practice of an overseas jurisdiction, it is in your best interest or it is not feasible to do otherwise:

(a) where we are prevented from registering or recording legal title to Securities in your name or the name of a nominee, we may register or record Securities in the name of a sub-custodian or other third party; or

(b) where we are prevented from registering or recording legal title to Securities in your name, the name of a nominee, or the name of a third party, we may register or record Securities in our name. If Securities are registered in our name, such Securities may not be segregated from our assets, and, in the event of our insolvency, may not be as well protected. Arrangements with sub-custodians are such that Securities held with them shall be in a separate account containing assets belonging only to clients of ours and not our proprietary assets. In any event, we will notify you of the registration name used in respect of Securities, which are registrable securities.

**2.12.** We are committed to maintain adequate organisational arrangements to minimise the risk of misuse, fraud, poor administration, inadequate recordkeeping or negligence in respect of Securities. We keep such records and accounts as are necessary to enable us at any time and without delay to distinguish Securities held for you from those held for any other client, and from our own assets. We maintain our records and accounts in a way that ensures their accuracy, and in particular their correspondence to Securities. We conduct, on a regular basis, reconciliations between our internal accounts and those of any third parties with which Securities are held, details of which are available upon request.

**2.13.** If we deposit Securities with a person in a non-EEA state, we will be subject to the law of that state and your rights in relation to Securities may differ accordingly. If the safekeeping of securities is subject to specific regulation and supervision in a jurisdiction where we propose to hold Securities with a third party, we will not deposit Securities in that jurisdiction with a third party, which is not subject to such regulation and supervision.

**2.14.** We will not hold Securities with a person in a non-EEA state, which does not regulate custody activities unless the nature of Securities requires the Securities to be held in such a state or we receive a prior written instruction from you, in which case the consequences of doing so are entirely at your own responsibility and risk.

**2.15.** You shall not be entitled to any fraction or other entitlement arising as a result of us holding Securities in omnibus accounts, which is not directly referable solely to your holding and such fractions or entitlements shall be at our disposal. On partial redemptions, we shall use whatever method we deem fair to determine how shares will be redeemed.

**2.16.** We do not make any warranties, representations or other statements whatsoever in respect of the validity or sufficiency of the securities, the enforceability of any rights or interests relating thereto or whether it is appropriate, necessary or desirable to take or omit to take any action in relation thereto, and these matters shall exclusively be your concern.

**2.17.** You agree that we may use Securities for the purposes of a securities' loan to us, one of our affiliates, to another client of our, or to a third party and may enter in repurchase, reverse repurchase, a buy/sell-back or a sell/buy-back transactions in Securities with you or on your behalf with a third party, including our affiliates and other clients. You agree and acknowledge that we may enter into these transactions in respect of Securities held in a securities account with us or held by us in an omnibus account with a third party.

**2.18.** Where we borrow or buy Securities or arrange any lending, repurchase, reverse repurchase, a buy/sell-back or a sell/buy-back transactions in respect of Securities, title to the loaned or sold Securities (as the case may be) will be transferred to the borrower or buyer, and the securities returned to you will be equivalent but not identical to the loaned or originally sold Securities. Any such transactions arranged by us or entered into on your behalf with any of a list of counterparties selected by you and shall be documented on market standard documentation. You hereby authorize us to negotiate and execute such documentation on your behalf. In respect of any loan of Securities, we shall require that appropriate cash or securities collateral is provided to us for you by the borrower. You agree that we do not accept liability for the default of any third party buyer or borrower. Interest payable in respect of any loaned Securities and pricing rates for repurchase, reverse repurchase, a buy/sell-back or a sell/buy-back transactions will be separately agreed between you and us in a Fee Schedule or otherwise.

**2.19.** You hereby offer to us and we may from time to time agree to enter into an overnight repurchase or reverse repurchase Transaction, as the case may be, with or for you on the terms and conditions set out below. You understand that we may, but shall never be obliged to, enter into any such Transactions with or for you.

**2.20.** Under an overnight repurchase Transaction, we will sell securities to you for an agreed sum of Cash (which shall be equal to market value of the sold securities) immediately after the close of business on any business day on condition that you will return to us Securities equivalent to the originally sold securities (as defined in clause 2.27 below) for an agreed sum of money (which shall not exceed market value of originally sold securities multiplied by an agreed pricing rate) prior to the opening of trading in such securities on the next business day.

**2.21.** Under an overnight reverse repurchase Transaction, you will sell Securities to us for an agreed sum of money (which shall not exceed market value of the sold Securities) immediately after the close of business on any business day on condition that we will return to you securities equivalent to (as defined in clause 2.27 below) the originally sold Securities for an agreed sum of Cash (which shall be equal to market value of the sold Securities multiplied by an agreed pricing rate) prior to the opening of trading in such securities on the next business day.

**2.22.** You hereby offer to us and we may from time to time agree to borrow any or all Securities overnight. In case of any such borrowing, you agree to transfer loaned Securities to us immediately after the close of business on any business day on condition that we will return to you securities equivalent to (as defined in clause 2.27 below) originally borrowed Securities prior to the opening of trading in such securities on the next business day and pay you interest in respect of any loaned Securities. Upon receipt of loaned Securities under a Securities loan, we will also provide to you such cash and/or securities collateral as we reasonably deem appropriate on condition that you will transfer back to us collateral equivalent to (as defined in clause 2.27 below) originally transferred collateral, immediately after we return to you equivalent securities under the relevant loan. You agree that market value of cash and/or securities we may from time to time provide to you as collateral under any single Securities loan shall not exceed 15% of the lesser of:

- (a) market value of loaned Securities under the loan; and
- (b) the difference, if a positive number, between the aggregate of all money payable by you to us under these Terms (whether as price or distribution in respect of securities or other instruments or as fees, commission, compensation, charges, expenses or costs or otherwise and whether in our favor or for further credit to a third party) and the value of all securities or instruments deliverable by you

to us (including for further transfer to a third party) under all outstanding Transactions under these Terms, and the aggregate of all money payable by us to you under these Terms (whether as price or distribution in respect of securities or other instruments or otherwise) and the value of all securities or instruments deliverable by us to you under all outstanding Transactions under these Terms.

**2.23.** In respect of any and all collateral, which we may from time to time provide to you under a Securities loan, you agree that unless we fail to return to you equivalent securities or pay interest in respect of a Securities loan, under which the collateral was first provided to you, you shall not be entitled to sell, assign, transfer, charge, pledge, part with possession of or otherwise dispose of or encumber in any manner (or purport to do so) all or any part of, or any interest in, the collateral except that you may return to us equivalent collateral as set out in clause 2.22 above. You further agree that we may at any time substitute any or all collateral with cash or securities of the same or greater value or to withdraw any excess collateral.

**2.24.** We will be entering into overnight Securities borrowing, repurchase and reverse repurchase Transactions with or for you at the market prices for borrowable or purchased Securities. If prices for securities are available on a trading venue or organised market, the value shall be the last price on such venue or organised market where securities are predominantly traded on a trading day immediately preceding the determination date. If prices for derivative contracts are available on a trading venue or organised market, the value shall be the settlement price of futures or theoretical price of options, as the case may be, on such venue or organised market on a trading day immediately preceding the determination date. Information about the prices can be obtained directly from the organized trading venue or information service providers such as, but not limited to, Bloomberg or Thomson Reuters.

If for any reason prices for securities are not available on a trading venue or organised market and on or about a determination date we have received, or if securities are predominantly OTC traded, "last price" quotations in respect of securities of the relevant description from Bloomberg Generic (BGN) shall be used. If such quotes are unavailable - we will treat as the value of such securities Thomson Reuters Composite Pricing (CMPB, CMPA) quotes, or arithmetic mean of the prices quoted by two or more market makers or regular dealers in a comparable size, adjusted by us in a reasonable manner to reflect accrued but unpaid distributions and to deduct anticipated transaction costs.

**2.25.** In respect of Securities subject to an overnight borrowing or reverse repurchase Transaction, we and in respect of securities sold under an overnight repurchase Transaction or securities provided to you as collateral, you shall pay or, in the case of income in the form of securities or other property, deliver to the other party on the date income is paid or delivered by the issuer of securities or its relevant agent (or on such other date as you and we may from time to time agree) a sum of money or securities or other property equivalent to (as defined in clause 2.27 below), and in the same currency as, the type and amount of such income that would be received by that other party assuming no securities were loaned, sold or otherwise transferred and securities were retained by that party, net of any amount which is or, as the case may be, would have been, held or deducted or withheld in respect of tax by or on behalf of the issuer of the relevant securities or other competent withholding agent.

**2.26.** Interest payable in respect of overnight Securities borrowings and pricing rates for overnights repurchase and reverse repurchase Transactions will be notified to you separately in a Fee Schedule or otherwise.

**2.27.** The expression **equivalent to** shall mean in relation to cash, a payment of the same amount and in the same currency; in

relation to securities, securities of the same issuer, which are part of the same issue and are of an identical type, nominal value, description and (except where otherwise stated) amount as those original securities. Securities will be equivalent to original securities notwithstanding that those securities have been redenominated or that the nominal value of those securities has changed in connection with such redenomination. Where original securities have been partly paid, converted, subdivided or consolidated or have become the subject of a takeover or the holders of securities have become entitled to receive or acquire other securities or other property or the securities have become subject to any similar event (other than interest, dividends or other distributions thereon), including distributions which are a payment or repayment of principal in respect of the relevant securities, the expression **equivalent to** shall have the following meanings:

- (a) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (b) in the case of a call on partly paid securities, securities equivalent to the paid-up securities;
- (c) in the case of a capitalisation issue, securities equivalent to the relevant securities together with the securities allotted by way of bonus thereon;
- (d) in the case of conversion, sub-division or consolidation, securities equivalent to the securities into which the relevant securities have been converted, sub-divided or consolidated;
- (e) in the case of takeover, a sum of money or securities equivalent to the consideration given;
- (f) in the case of a rights issue, securities equivalent to the relevant securities together with the securities allotted thereon;
- (g) in the event that income in the form of securities, or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities is distributed, securities equivalent to the relevant securities

together with securities or a certificate or an entitlement equivalent to those allotted; and

- (h) in the case of any event similar to any of the foregoing, securities equivalent to the original securities together with or replaced by a sum of money or securities or other property equivalent to that received in respect of such securities resulting from such event;

provided that if any event occurs with respect to original securities, which involves the payment of money by the holder of securities, including where a call becomes payable in respect of partly-paid securities, or a demand for any fee, assessment, charge or other payment in respect of any securities becomes payable or the holder of securities otherwise is or becomes legally liable to meet any payment due or to become due in respect of securities, you or we, as the case may be, shall pay to the other party, which is the holder of such securities (or where you are the holder of securities, to the applicable third party on your behalf), for value not later than the due date of the relevant payment, an amount equal to that which is required to be paid by such a holder of securities.

**2.28.** In case you do not operate your account or instruct us with regard to your Cash or Securities for a long time, you agree that:

- (a) we may cease to treat any assets as Securities, provided that we have held the relevant assets in safe custody for at least 12 years and in the 12 years preceding the divestment we have not received any instructions from you or on your behalf relating to those assets and taken reasonable steps to trace you and return the relevant asset;
- (b) we may stop treating money as Cash, provided that we have held such money for you for at least 6 years following the last movement on your account (disregarding any payment or receipt of interest, charges or similar items) and we have taken reasonable steps to trace you and return the money. We will write to you at your last known address informing of our intention to no longer treat any balance as Cash and thereafter give you 28 days to make a claim.



### 3. ACCOUNT STATEMENTS

**3.1.** We shall issue to you statements of account (each an **Account Statement**) on the first business day following any reporting day and upon termination of these Terms. In case there are no operations on your account, no Account Statements be sent to you unless otherwise required by Applicable Regulation. We may send to you Account Statements by electronic mail and/or other means of electronic communication as agreed between you and us from time to time. Only if specifically agreed with you we will provide you with hard copies of Account Statements within reasonable time, after notice requiring doing so is received by us.

**3.2.** Account Statements will contain full information as may be required by Applicable Regulations, including information on Cash and Securities held by us for you and will include, where applicable, all costs and associated charges charged by us or other parties related to the Transactions and Services undertaken on your behalf and all sums due to us by you and by us to you under these Terms. This will include one-off charges that need to be paid to us at the beginning or at the end of the Transaction and/or Service; ongoing charges related to Transactions and/or Services, any charges that are related to ancillary services; and any other costs incidental thereto. The information on the Account Statement may be shown as at the trade date or the settlement date, provided that the same basis is applied by us consistently to all information in the Account Statement.

**3.3.** The reporting currency will be United States Dollars (USD), unless otherwise agreed, however when prices, values, costs or charges are in foreign currency we will indicate the currency involved and applicable currency conversion rates and costs.

**3.4.** Account Statements shall, in the absence of manifest error, be conclusive evidence and be binding on you, unless we receive a written detailed objection from you

within 24 hours of dispatch of the Account Statement at the correct address or making it otherwise available to you. If you fail to object to or request a correction of an Account Statement, that Account Statement shall be deemed agreed by you and a failure to object shall not affect the validity or enforceability of any Account Statement. You shall not be entitled to refuse to perform your obligations thereunder on the ground that you have not received the Account Statement due to any reasons whatsoever unless the failure to receive the same was due to our fault. An Account Statement (or an amended Account Statement, as the case may be), once not objected by you shall be conclusive evidence of the Transactions and other information contained therein and shall supersede all prior oral statements with respect thereto.

### 4. CORPORATE ACTIONS

**4.1.** If income is paid or distributed by the issuer of any securities:

(a) in respect of Securities standing to the credit of a securities account, you will (subject to clause 4.2) pay to us an amount equal to, and in the same currency as, the amount paid or, in the case of income in the form of securities, deliver to us securities equivalent to such securities;

(b) in respect of Securities standing to the debit of a securities account, we will (subject to clause 4.3) as soon as practicably possible but not later than 5 (five) business days upon receipt of fully reconciled income paid or otherwise delivered to us by the issuer or its paying agent pay to you an amount equal to the amount paid or, in the case of income in the form of securities, deliver to you securities equivalent to securities so delivered. We will credit the relevant cash account in respect of the amount so payable or, as the case may be, debit the relevant securities account in respect of the securities so deliverable.

**4.2.** The amount to be paid by you to us under clause 4.1(a) shall include but not be restricted to:

(a) any amount which is deducted or withheld in respect of tax by or on behalf of the issuer of the relevant securities or by any other withholding agent, and

(b) any additional tax credits to which a holder of such securities as specified by us would be entitled in respect of such income.

**4.3.** Any amount distributed to you pursuant to clause 4.1(b) shall not:

(a) include any amount in respect of cash or securities which is:

(i) deducted or withheld in respect of tax by or on behalf of the issuer of the relevant securities or by other withholding agent;

(ii) required to be accounted for to the tax authorities of the Republic of Cyprus in respect of the income in question; or

(iii) might be recovered by us or any other holder of the securities from any relevant taxation authority outside the Republic of Cyprus in respect of the income in question; and

(b) exceed the amount of cash (or the amount of securities comprising income), which you would have received from the issuer in respect of the income, had you been the holder of such securities on the date, by reference to which the identity is determined of those holders to whom that income is paid, net of any amount which is or, as the case may be, would have been, held or deducted or withheld in respect of tax by or on behalf of the issuer of the relevant securities or other withholding agent.

**4.4.** We will use commercially reasonable efforts to claim dividends and interest payments on Securities but will not have any duty to take steps to recover any amounts due in respect of which the issuer or its registrar, paying agent or other agent defaults.

**4.5.** We shall inform you as soon as practicable after we become aware of the occurrence or prospective occurrence of any conversion, subscription, sub-division, consolidation, redemption, rights issue, takeover or other offer, capital reorganisation, call, capitalisation issue or distribution of, or a

granting of, an entitlement to receive securities or any other corporate event (**Corporate Action**) with respect to Securities debited to your securities account. You agree that we give no representation, warranty or guarantee as to the accuracy or completeness of any information in relation to a Corporate Action provided to us by a third party and accept no liability or responsibility whatsoever for the accuracy or completeness of such information.

**4.6.** Where a Corporate Action giving rise to a right or option occurs, you (in respect of Securities standing to the debit of your securities account) or us (in respect of Securities standing to the credit of your securities account) may within a reasonable time before the latest time for the exercise of the right or option give notice to the other party that either we or you wish to receive Equivalent Securities or other assets in such form as will arise if the right is exercised in such manner as is stated in the notice.

**4.7.** We may, upon service of such notice, credit or debit the relevant cash account or the relevant securities account with such amounts of cash or, as the case may be, securities as would reflect the performance of the instructions in such notice by us. If you do not serve notice under clause 4.6, we shall credit or debit the relevant cash account or the relevant securities account to reflect the taking of such action as we in our absolute discretion deem appropriate provided that we notified you of a Corporate Action giving rise to a right or option in respect of which you served no notice to us. You acknowledge that securities, or other assets required to be delivered under clause 4.6, may be the subject of a loan made by us to third parties and that reasonable prior notice (being the period of standard settlement time for the relevant securities or assets) must be given to us to provide for the return of such securities or other assets.

**4.8.** A notice served by you under clause 4.6 shall not be effective (in which case we will inform you as soon as reasonably practicable) where it refers to an event which involves the payment of money by the holder of securities,

unless you pay to us, for value not later than the due date of the relevant payment, an amount equal to that which is required to be paid by such a holder of securities.

**4.9.** If a call becomes payable in respect of partly-paid Securities, or a demand for any fee, assessment, charge or other payment in respect of any Securities becomes payable, we may debit the cash accounts with a sum equal to the amount so payable, but shall have no liability whatsoever for the consequences of a failure to satisfy any calls made.

**4.10.** Where we, in our capacity as custodian, or any third party holding Securities on our behalf, in its capacity as custodian, is legally liable to meet any payment due or to become due in respect of Securities, you will provide us or such other person (as the case may be) with funds to meet such payment, for value not later than the day on which the call is payable.

**4.11.** If a right to vote (other than a right contemplated by a Corporate Action) arises in respect of any Securities standing to the debit of your securities account, we shall either:

- (a) transfer such Securities to your designated account with another custodian\broker\registrar within a reasonable time before the latest time for the exercise of such vote; or
- (b) request instructions from you in respect of such voting rights and use our commercially reasonable endeavours to arrange for such voting rights to be exercised in accordance with such instructions provided those instructions are received within such period as we reasonably require.

## **5. SECURITY INTEREST**

**5.1.** Subject to clause 5.6 below, as continuing security for the payment and discharge of all your present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity whatsoever, and any guarantee or indemnity of any of those obligations, under or in connection with these Terms or any

Transaction, and/or any other agreement or contract for which you agree to provide security to us, together with all interest accruing on such obligations and liabilities and any cost or expense whatsoever, (including, without limitation, reasonable legal fees) which we may incur in enforcing, perfecting or maintaining any of our rights, whether pursuant to these Terms or any Transaction, contract or otherwise, including without limitation, the cost of funding or currency exchange and, to the extent not already covered, any loss incurred by us in liquidating, obtaining or re-establishing any hedge or related position (**Secured Obligations**), you hereby charge to us by way of first fixed charge with full title guarantee and free from any encumbrances whatsoever:

- (a) all right, title and interest in and to Securities debited to any securities account;
- (b) all rights which, or the certificates or documents of title to which, are deposited with, held or recorded by us (including without limitation derivative rights under any contract);
- (c) all other securities and all rights, cash (including without limitation dividends and coupon payments) and property whatsoever which may from time to time accrue on, be derived from or be offered in respect of any Client's Assets;
- (d) all Cash credited to any cash accounts;
- (e) all your rights arising in respect of any Client's Assets, including, without limitation, any rights against any custodian, banker or other person;
- (f) all your rights under these Terms including, without limitation, all rights to delivery of any equivalent assets, (each of the cases (a) to (f) above individually or collectively, **Secured Assets**).

**5.2.** Subject to clause 5.6 below, as continuing security for the payment and discharge of the Secured Obligations, you hereby charge to us by way of floating charge all rights, title and interests in the Secured Assets expressed to be charged by clause 5.1.

**5.3.** Without prejudice to 5.4, at any time while any Secured Obligation is outstanding

and not discharged in full in accordance herewith, we may:

(a) if we reasonably believe that the Secured Assets or any part thereof is in danger of being seized or sold under any form of distress or execution levied or threatened or is otherwise in jeopardy or imperilled; or

(b) if any circumstance shall occur which in our reasonable belief prejudices, imperils or threatens the Secured Assets or is likely to do any of the foregoing,

by notice in writing to you give a notice of crystallisation pursuant to this clause and upon giving the notice, any charge created pursuant to clause 5.2 or any charge created by clause 5.1 which is a floating charge shall, to the extent permitted by Applicable Regulations, be crystallised and be converted into a fixed charge as to all of the undertaking, property and assets or such of them as may be specified in the notice.

**5.4.** In addition, and without prejudice to clause 5.3, any charge created by clause 5.1 or any charge created by clause 5.2 which is a floating charge shall automatically be converted into a fixed charge as to all of the undertaking, property and assets subject to such floating charge, subject to the relevant provisions of the Cyprus Companies Law Chap. 113, as amended, if and to the extent applicable, and, in addition to any conversion, which would occur under general law, shall automatically be converted (immediately and without notice) into a fixed charge as to all of the undertaking, property and assets subject to such floating charge if an Event of Default occurs.

**5.5.** The floating charge created by clause 5.2 shall rank behind all the fixed charges created by clause 5.1 but shall rank in priority to any other security created over any Secured Assets after the effective date hereof.

**5.6.** Without prejudice to clauses 5.1 to 5.5, in the event that you are an investment firm duly authorised in the EU and holding Securities with us in your own name but on behalf of your underlying customer(s) in your capacity as a trustee, you hereby confer on us

(and on any other person subject to clause 1.9 above) a general lien, right of sale and right of set-off in our (and that person's) favour in respect of any and all Securities (and any income paid or distributed in respect of such Securities), which shall extend only to the payment and discharge of all properly incurred charges and liabilities arising from the provision of the Services in respect of those Securities (and any income paid or distributed in respect of those Securities) and the full and punctual settlement of Transactions involving those Securities, and references in these Terms to 'Secured Assets' and 'Secured Obligations' shall be construed accordingly.

**5.7.** The Secured Assets shall be deemed to constitute primary and not collateral security; and the security shall not be discharged or impaired by:

(a) the dealing with, existence or validity of any other security taken by us in relation to the Secured Obligations or any enforcement of or failure to take, perfect or enforce any such security;

(b) any amendment to or variation of the Secured Obligations;

(c) any release of or granting of time or any other indulgence to you or any third party; or

(d) any other act, event or omission which would or might but for this clause operate to impair or discharge the security constituted by, or liability hereunder, including any act, omission or thing which would or might afford an equitable defence to a security.

**5.8.** The security hereby created is a continuing security notwithstanding any intermediate payment or settlement of account for the payment and discharge of the Secured Obligations and is in addition to, and shall neither be merged into, nor in any way exclude or prejudice, any other security, right of recourse, set-off, combination or other right or interest whatsoever which we may now have or at any time hereafter hold or have (or would apart from this Schedule hold or have) as regards you or any other person in respect of the Secured Obligations, and we may at any

time take, give up, deal with, vary, exchange, or abstain from perfecting or enforcing any other security interest without affecting or prejudicing the security hereby created.

**5.9.** All our rights under this Schedule, the grant of the security in the Secured Assets, and all your obligations under this Schedule, shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of these Terms or any Transaction or any other agreement or contract for which you agree to provide security to us or any other agreement or instrument relating to any of the foregoing;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any other agreement or instrument relating to any of the foregoing;
- (c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to or departure from any guarantee, for all or any of the Secured Obligations; or
- (d) any other circumstance that might otherwise constitute a defence available to, or a discharge of, you in respect of the Secured Obligations or in respect of this Schedule (other than the indefeasible payment in full of all the Secured Obligations).

**5.10.** The security constituted by this Schedule shall be cumulative, in addition to and independent of every other security which we may at any time hold for the Secured Obligations or any rights, powers and remedies provided by law. No prior security held by us over the whole or any part of the Secured Assets shall merge into the security constituted by this Schedule.

**5.11.** This Schedule shall remain in full force and effect as a continuing arrangement, notwithstanding any settlement or intermediate payment or other matter or thing whatsoever, unless and until you discharges it or it is otherwise discharged (in each case in accordance with this Schedule).

**5.12.** You shall not be entitled to sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets without our permission. We may, at your request, in our absolute discretion permit you to deal in or otherwise dispose of any of the Secured Assets, subject to the other provisions of this Schedule. If at any time we consent to such a dealing or disposition, that consent shall in no way constitute a waiver of our right to refuse to give our consent to any other request. If we permit such a dealing or disposition of any of the Secured Assets, then on such dealing or disposition the relevant Secured Assets shall be automatically released from the security hereby created. Subject to the other provisions of this Schedule, you will be able to withdraw the Secured Assets in amount by which the total value of the Secured Assets exceeds the total value of the Secured Obligations at the time of withdrawal.

**5.13.** You shall not at any time, except with our prior consent:

- (a) create, purport to create or permit to subsist any security on, or in relation to, any Secured Assets other than the security created by this Schedule;
- (b) create or grant (or purport to create or grant) any interest in any Secured Assets in favour of a third party; or
- (c) amend, or agree to the amendment of, the rights or liabilities attaching to any of the Secured Assets.

**5.14.** We acknowledge that before the security constituted by this Schedule becomes enforceable or we exercise the Right to Use (if applicable):

- (a) you are the beneficial owner of the Secured Assets and there will be no transfer of full ownership, merely an encumbrance on the Secured Assets and the beneficial interest in the Secured Assets will remain with you; and
- (b) you shall be entitled to receive all dividends, interest and other distributions paid in respect of the Secured Assets and all voting and other rights and powers which may be

exercised by the holder in respect of Secured Assets shall be exercised by you, or at your direction as described hereinabove.

**5.15.** You shall immediately on demand execute and deliver to us any document and do any other act or thing which we may specify for protecting, preserving or perfecting any security created or intended to be created by this Schedule or for facilitating the realisation thereof or otherwise for enforcing the same or exercising any of our powers, rights and discretions under this Schedule, including the execution of all releases, transfers, assignments and other documents and the giving of all notices, orders, instructions and directions which we may request.

**5.16.** You shall not, without our prior consent, do, cause or permit to be done anything which may adversely affect the security created by this Schedule or which is a variation or abrogation of the rights attaching to or conferred on all or any part of the Secured Assets by this Schedule.

**5.17.** Your liability under this Schedule in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by or available to us being or becoming wholly or partially illegal, void or unenforceable on any ground;
- (b) us renewing, determining or varying any Transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission which, but for this provision, might have discharged or otherwise prejudiced or affected your liability hereunder.

**5.18.** You waive any right you may have of requiring us to enforce any security or other right; or claim any payment from, or otherwise proceed against, any other person, before enforcing the security created under this Schedule against you.

**5.19.** After the security created by this Schedule has become enforceable:

(a) all dividends, interest and other distributions paid in respect of the Secured Assets and received by you or on your behalf shall be immediately paid to us or, if received by us, may be applied by us as though they were proceeds of a sale under clause 15 of the General Terms; and

(b) all voting and other rights and powers which may be exercised by the holder in respect of Secured Assets shall be exercised by us, or at our direction and you shall comply with any directions we may, in our absolute discretion, give concerning the exercise of those rights and powers.

**5.20.** Upon or at any time after the occurrence of an Event of Default, we shall not be obliged to accept any instructions from you in respect of the Secured Assets.

**5.21.** If we are satisfied that all Secured Obligations have been irrevocably paid and discharged in full and that all facilities which might give rise to Secured Obligations have terminated, we shall, at your request and at your expense, release, reassign or discharge (as appropriate) the Secured Assets from the security created pursuant to this Schedule.

**5.22.** If we reasonably determine that any payment or delivery received or recovered by us may be avoided or invalidated after Secured Obligations have been discharged in full, and after any facility which might give rise to such Secured Obligations has been terminated, this Schedule (and the security created hereby) will remain in full force and effect and we will not be obliged to release any Secured Assets until the expiry of such period as we shall reasonably determine.

**5.23.** No payment, which may be avoided or adjusted under any Applicable Regulations, including any enactment relating to bankruptcy or insolvency, shall prejudice or affect our right to recover the Secured Obligations from you or to enforce the security created under this Schedule, to the full extent of the Secured Obligations.

## **6. FINANCIAL COLLATERAL**

**6.1.** This clause 6 will apply to you only if you are a person other than a natural person.

**6.2.** The security interest established over Secured Assets under clause 5 above constitutes **security financial collateral arrangement** between you and us, as described and regulated by Financial Collateral Arrangements Law, 43(I)/2004, as amended.

**6.3.** You hereby expressly consent that we may:

(a) enter into a Securities Financing Transaction (as defined in the Commission Delegated Directive (EU) 2017/593 supplementing MiFID II with regard to safeguarding of Financial Instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits) in respect of such Securities, whether or not with or for you, our own account or any other person, and use them thereunder; and

(b) use such Securities for our own account or the account of any other person or client of ours.

**6.4.** You hereby authorise us at any time or times to borrow, lend, charge, pledge or otherwise encumber to cover any obligations or liabilities, whether present or future, actual or contingent, owed by us to any person and arising from time to time, and to hypothecate or rehypothecate, on any terms, whether for its own account or for the account of third parties, and to dispose of or otherwise to use for our own purposes any Secured Assets by transferring such Secured Assets to ourselves or to another person without giving you prior notice of such transfer (**Right to Use**).

**6.5.** Upon exercising the Rights to Use, Secured Assets will be transferred to us with full title guarantee and free from any encumbrances whatsoever, be registered, recorded or held in our name or in the name of our nominee and that we will not register, record or hold any assets in your name. You will have a right against us for the delivery of equivalent assets. Upon delivery to you of

equivalent assets, such equivalent assets will become subject to the security created by this Schedule (and security financial collateral arrangement regime) and will constitute Secured Assets subject to all the provisions hereof. Please refer to risk disclosure regarding financial collateral arrangement at [www.cy.sinara-finance.com/disclosures](http://www.cy.sinara-finance.com/disclosures).