

## SCHEDULE I: STRUCTURED PRODUCTS

Subject to this Schedule, we will enter into derivative contracts for you, the execution of which will take place outside a trading venue. This Schedule also describes the way in which we may provide to you the Services of delegated reporting in respect of such derivative contracts, if specifically agreed.

### 1. The Basics

**1.1.** A **structured product** is an investment, where, regardless of the legal form of the investment, the amount repayable to the investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets, which are not directly purchased by the investor. In this Schedule, a structured product means a bilateral derivative contract, which:

- (a) is executed outside a trading venue, regulated third country market or exchange;
- (b) is subject to the standardised terms prescribed by the other party to the contract;
- (c) enables exposure to price movements of an underlying asset or to the ability of a specified entity to perform its obligations without continuous physical exposure to such asset or obligation;
- (d) does not require parties to put any collateral aside to mitigate the risk of not fulfilling their obligations under the contract;
- (e) requires a non-refundable initial investment;
- (f) carries interest (or coupon) to be paid at periodic intervals subject to predetermined conditions;
- (g) may give the right to acquire an asset or receive payment upon the end of its term;
- (h) is not centrally cleared; and
- (i) is discharged at a future date.

**1.2.** A **manufacturer** of a structured product is an entity that determines the terms and conditions of a structured product and that makes changes to an existing structured product including, but not limited to, altering its risk and reward profile or the costs associated with an investment in a structured product. In this Schedule, a manufacturer means any manufacturer as may be pre-approved by us from time to time including our affiliates.

**1.3.** A **term sheet** is a document setting forth the key terms and conditions under which an investment into a structured product may be made. A term sheet serves as a primary guidance to develop specific instructions to acquire or dispose of a structured product that should conform to the term sheet details. The term sheet together with the standard terms and definitions, as amended, a related confirmation and any other document or instrument incorporated therein by reference, constitute the legal documentation or the final terms of a structured product.

**1.4.** **Autocallable** structured products are market-linked investments offering an above-market coupon if automatically matured prior to the scheduled maturity date. The product is automatically matured (auto-called or kicks out) if the reference asset is at or above its initial level on a predetermined observation date. If called, the investor will receive their initial principal investment plus an above-market coupon. The auto-call test is carried out on a set schedule of predetermined observation dates, typically quarterly, semi-annually, or annually. The product can only mature on one of these auto-call dates. The underlying reference asset can be an equity, a commodity, an index or a foreign currency.

**1.5.** Autocallable structured products, while not auto-called, may also pay periodical coupons if all reference assets are equal or above their coupon level at any predetermined observation date. When a product is auto-called, on a predetermined observation date, the coupon for the date is paid, but any

future coupon cash flows or option payoffs are extinguished. An autocallable **linked to the worst** structured product is linked in its performance to the worst performing reference asset of a basket of reference assets underlying the product.

**1.6.** Some autocallable structured products incorporate a conditional capital protection feature so that, if a kick out has not occurred before the end date of the product, capital will be returned in full provided the underlying asset has not fallen below a certain level (known as the **barrier level**). This barrier level can be measured at any point during the term of the product (known as an American barrier) or only at maturity (known as a European barrier). Only if the underlying asset has fallen below the protection level and the product has not already kicked out, will investors be exposed fully to the downside of the underlying asset.

**1.7.** A **credit derivative** structured product is a financial contract in which the underlying is a credit asset (debt or fixed-income instrument). The purpose of this product is to transfer credit risk (and all or part of the income stream in relation to the borrower) without transferring the asset itself. A credit derivative structured product serves as a sort of insurance policy allowing an originator or buyer to transfer the risk on a credit asset (of which he may or may not be the owner) to the seller(s) of the protection or counterparties.

**1.8.** In a **credit default swap** product, the protection buyer continues to pay a certain premium to the protection seller to indemnify him against a credit event (payment default or a worsening in the quality of his debtors). In case of a payment default on a predetermined number of securities in the portfolio, the holder of the contract receives compensation from the protection seller. With this type of contract, an investor accepts the risk of limited losses (if one or two securities default, he receives nothing), but covers himself against major losses.

**1.9.** A **coupon** is the annual interest rate paid on a structured product, expressed as a percentage of the investment in the product (also known as the **notional**). Payments of coupon may be linked to the level of a single asset or a basket of assets as specified in the relevant term sheet. Where a coupon payment is contingent on the performance of the underlying and a predetermined performance level of the underlying is not reached or breached, coupon payment could be zero. With respect to some structured products, a coupon not paid on any coupon payment date can be later recovered if a predetermined performance level is reached or breached on any subsequent anniversary of that date. This mechanism is called the **phoenix feature**.

**1.10.** A **maturity date** is the date the structured product expires and returns the investment, provided that it has not expired earlier on one of the dates specified in the relevant term sheet. For most structured products, **early termination** is only permitted in exchange for a fee. Possible early termination events include legal or regulatory changes that prevent one or both parties from fulfilling the contract terms or a reduction in a party's creditworthiness. An early termination event can also relate to business arrangements between multiple parties.

**1.11.** A **key information document** or **KID** is a pre-contractual document that contains key information about the structured product and assists the investor to understand the nature, risks, costs, potential gains and losses of the structured product and compare the structured product with other products.

## 2. Risk

**2.1.** Any investment in structured products is subject to a number of risks. Prior to investing, you should carefully consider risk factors associated with any investment in the products, the business of the

manufacturer and the industry in which it operates together with all other information contained herein and in the KIDs, including, but not limited to the risk factors described below. The following is not an exhaustive list or explanation of all risks, which you may face when making an investment in structured products and should be used as guidance only.

**2.2.** As an uncleared off-exchange derivative, a structured product entails a counterparty credit risk, whereby you are exposed to the inability of the manufacturer to perform its obligations under the relevant product. The manufacturer is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk arising from the assets it holds. The obligations of the manufacturer under a structured product are unsubordinated and unsecured and will rank *pari passu* with its other unsubordinated and unsecured obligations.

**2.3.** If you invest in a credit derivative structured product, you will additionally be exposed to the credit risk of one or more reference entities. Upon the occurrence of any of the default events comprising a credit event with respect to any reference entity, you may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such reference entity. A credit event may occur even if the obligations of a reference entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

**2.4.** Structured products do not represent a claim against any issuer, sponsor, manager or other connected person in respect of their underlying assets and you will not have any right of recourse under to any such issuer, sponsor, manager or other connected person. Structured products are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of any underlying asset and such entities have no obligation to take into account the consequences of their actions on any party to structured products.

**2.5.** Investing in structured products is unlikely to lead to outcomes, which exactly reflect the impact of investing in an underlying asset, and losses could be considerably greater than would be suffered by a direct investor. As an investor in the structured products, you will not have any ownership interest or rights in the underlying, such as voting rights, dividend payments or other distributions. If the structured products are linked to non-U.S. equity securities issued through depositary arrangements like ADRs, you will not have the rights of owners of such ADRs or the applicable underlying stock.

**2.6.** Although structured products provide for the payment of interest in the form of coupon payments, each coupon payment may be contingent on the performance of the underlying, and could amount to zero. The coupon payments, paid over the term of the structured product may not compensate you for any loss in value due to inflation and other factors relating to the value of money over time.

**2.7.** Following certain corporate events relating to the issuer of underlying, such as a merger where such issuer is not the surviving entity or a merger event where holders of an underlying security would receive all cash or a distribution of property with respect to such security, the coupon payments you may receive may be based on the securities of a successor to such issuer or any cash or any other assets distributed to holders of such underlying in such corporate event. The occurrence of these corporate events and the consequent adjustments may materially and adversely affect the amount of interest payable on the structured product.

**2.8.** The movements in the price of the underlying may be subject to significant fluctuations and may adversely affect your actual returns. Changes in the relevant price of the underlying may not correlate with changes in interest rates, currencies or indices. Historical performance of an underlying should not be taken as an indication of the future performance of such underlying during the term of the structured

product. The actual performance of an underlying over the term of the structured product, as well as the amount payable as coupon or at maturity, may bear little relation to the historical performance of such underlying. As a result, it is impossible to predict whether the level of an underlying will rise or fall or whether a reference entity will or will not discharge its obligations as and when due.

**2.9.** As there may be no market for structured products, structured products involve liquidity risk. The manufacture of a structured product may be the only market maker and therefore the only liquidity provider for the structured product and it may be impossible to liquidate the existing position and/or to assess the value of the position arising from a structured product.

**2.10.** Depending on the terms of the structured product, an investor may receive no or a limited amount of interest, payment of principal or interest or delivery of any specified asset may occur at a different time than expected and all or a substantial portion of initial investment may be lost. If a structured product is terminated before maturity, an early termination amount paid may be much less than the amount of initial investment or nothing at all.

**2.11.** Structured products may not be a suitable investment for all investors. Before investing in any structured product, you shall make your own determination of the suitability of any such investment, with particular reference to your own investment objectives and strategy, and any other factors, which may be relevant to you in connection with such investment. In particular, you should not invest in structured products unless:

- (a) you have sufficient knowledge and experience to make a meaningful evaluation of the products, the merits and risks of investing in the products and the information contained in the KIDs;
- (b) you have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation and the investments you are considering, an investment in the products and the impact the products will have on your overall investment portfolio;
- (c) you have your priority needs, any core protection needs and saving for retirement needs adequately met;
- (d) you have adequate access to liquid cash (i.e. savings established), and significant disposable income or capital that you wish to invest;
- (e) you appreciate that you could lose all of your capital when investing in a product even if you hold it until the end of its term and have sufficient financial resources and liquidity to bear all of the risks of an investment in the product;
- (f) you are unlikely to need access to your investment over the product term and accept that purchasing power of your investment may be reduced at maturity;
- (g) you are happy to hold your investment until the end of its term but accept that your investment may redeem early;
- (h) you are prepared to take the risk that the manufacturer might fail to make payments due under the product in which case you would get back less than it was due or nothing at all;
- (i) you are prepared to take the risk of receiving no return on your initial investment or less than you could have earned in the same period if you had invested in a standard deposit account;
- (j) you are prepared to give up dividends or other distributions you might receive if you invested directly in securities or similar investments;
- (k) you understand thoroughly the contractual documentation governing the products, underlying securities and underlying obligations and are familiar with the behaviour of financial markets and of any financial variable which might have an impact on the return on the products;

(l) you are able to evaluate possible scenarios for economic, interest rate and other factors that may affect your investment and its ability to bear the applicable risks;

(m) you understand the tax consequences of investment in the products.

**2.12.** You should be aware that we or our affiliates we may play a variety of roles in connection with the manufacturing and distribution of structured products. In performing these functions, our economic interests or those of our affiliates may be misaligned or be potentially adverse to your interests as an investor in the product. In addition, our business activities or those of our respective affiliates, including hedging and trading activities, could cause our or their economic interests to be adverse to yours. It is possible that hedging or trading activities of our affiliates or ours may result in substantial returns for them or us while the value of the products goes down.

**2.13.** We or one of our affiliates may act as the calculation agent with respect to a structured product or products. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and on the manufacturer. The manufacturer may appoint a different calculation agent from time to time after the date of the relevant term sheet without your consent.

### 3. Agency Authority

**3.1.** You hereby appoint us as your agent and authorise us to enter into Transactions in structured products on your behalf as contemplated in this Schedule.

**3.2.** Unless otherwise expressly agreed by us, each order placed by us in accordance with the terms of this Schedule shall be construed as an order in respect of a Transaction placed by us as agent for you with a manufacturer and each Transaction concluded pursuant to such order shall be a transaction between you and the relevant manufacture governed by the standard contractual documentation detailing features and specific characteristics for the structured product as may be published by the manufacture from time to time.

**3.3.** You acknowledge and agree that you shall be liable in respect of all obligations and liabilities to be performed in respect of any Transaction in a structured product we have entered into on your behalf as agent and we shall not be liable as principal to you or any third party to perform any term of any Transaction.

**3.4.** You understand that manufacturers may require to independently verify your identity or satisfy any other 'know your customer' or due diligence requirements and may approve or disapprove entering into any Transaction. You agree that we may disclose to manufactures such information and provide such documents pertaining to you as manufacturers may reasonably require for executing and performing Transactions contemplated by this Schedule.

**3.5.** The authority contained in this clause 3 shall be continuing one and shall remain in full force and effect until revoked by termination of this Schedule, but such revocation shall not affect any liability in any way resulting from Transactions initiated prior to such revocation.

### 4. Transactions

**4.1.** Prior to offering, selling or otherwise arranging any Transaction pursuant to this Schedule, we will provide to you by e-mail or by other electronic means as may be agreed between you and us from time to time, information about the KIDs designed by the relevant product manufactures. Alternatively, we

may direct you to KIDs suites created by product manufactures at which KIDs are available to download. You should be aware that if no KID is available for a structured product, we will not be able to take or act under any order or instruction or enter into any particular Transaction for you in such product.

**4.2.** You acknowledge that all instructions concerning any Transaction or proposed Transaction hereunder or any other matter contemplated hereby shall be given to us in writing. You understand that execution of such instructions cannot be accurately pre-determined or guaranteed and that nothing contained herein amounts to any warranty or guarantee (express or implied) on our behalf that any Transaction contemplated hereby will actually be entered into or terminated early upon your relevant request.

**4.3.** When giving effect to your instructions, we shall be responsible for accurate placement of orders with the designated manufactures. Additionally, we will as soon reasonably practicable upon placement of the order, confirm the terms of the order with the manufacturer and advise you accordingly.

**4.4.** You understand that all instructions and other notices that you are required or permitted to give under the terms of any Transaction under this Schedule shall be provided by you to us. You acknowledge that no manufacturer shall be obligated to act or rely on any notice or instruction unless provided by us acting as agent on your behalf.

**4.5.** You understand that all Transactions in structured products should be performed in accordance with their respective terms. You agree that you will promptly deliver or arrange for the delivery of any instructions, money, documents or property deliverable by you under any Transaction in accordance with that Transaction.

**4.6.** We shall be responsible for clearing and settlement of all Transactions entered into by us pursuant to this Schedule as your agent and you agree that if at any time we deem it necessary to pay or make or receive delivery on your behalf with a view to discharging your obligations in connection with any Transaction, we may and you agree that we may, effect or accept on your behalf such payment or delivery upon such terms and by such methods which we deem appropriate. To this end, you authorise us to borrow, buy or sell on your behalf any cash or securities necessary to make the payment, delivery or replacement. You agree that we may subsequently repay any borrowing with financial instruments or assets purchased or otherwise acquired for your account or require you to pay to us for any Loss (as defined in the General Terms) incurred by us in connection with any of the foregoing.

**4.7.** You agree that we may require you to limit the number of open Transactions, which you may have with us at any time. You acknowledge that we may be unable to carry out orders in accordance with your instructions in order to ensure that these limits are not crossed.

**4.8.** We will promptly provide to you any disclosures and other documentation in relation to structured products, which have been made available to us by the manufactures for that purpose, including any related notices, confirmations or reports. You acknowledge, however, that we accept no liability or responsibility for the accuracy or completeness of any information in any such documentation.

## **5. Clearing and Reporting**

**5.1.** We will comply with our transaction reporting obligations under Applicable Regulations in relation to Transactions executed pursuant to this Schedule. To us to comply, you agree to promptly deliver to us transaction data and any other information that we may from time to time request to enable us to complete and submit transaction reports to the relevant competent authority or trading venue.

5.2. We will as and where applicable, comply with the clearing obligation under Applicable Regulations in relation to Transactions executed pursuant to this Schedule. To us to comply, you agree that where you are a non-financial counterparty incorporated or having place of business in the EU, you shall notify us in writing whether you exceed the clearing threshold in respect of any class of OTC derivative contracts, which may be subject to the clearing obligation from time to time, indicating the relevant class or classes of OTC derivative contracts. Where you are a non-financial counterparty incorporated or having place of business outside the EU, you shall notify us in writing whether you would exceed the clearing threshold in respect of any class of OTC derivative contracts, which may be subject to the clearing obligation from time to time, if you were established in the EU, indicating the relevant class or classes of OTC derivative contracts. Failing such notice, we will deal with you on the understanding that no clearing threshold has been (or would have been) exceeded by you in respect of any OTC derivative contracts class. You shall also notify us in writing when you no longer exceed (or would exceed, if you were established in the EU) the clearing threshold for any such OTC derivative contracts class.

## 6. Delegated Reporting

6.1. Unless otherwise specifically agreed in writing between you and us, we will be under no obligation to report the details of any Transaction, which is reportable by you pursuant to Applicable Regulations.

6.2. You may request that we help you to meet your reporting obligations pertaining to Transactions hereunder (individually or collectively a **Relevant Transaction**) under Applicable Regulations (**Reporting Obligation**) by reporting, on your behalf, relevant data to a trade repository (**TR**). Where you so request and we agree, clause 6.3 to 6.11 will apply. Information with regard to the costs and expenses applicable to this Service may be obtained in the Fee Schedule.

6.3. In respect of each Relevant Transaction you appoint and authorise that we submit and subject to the other provisions of these Terms, we agree to use reasonable endeavours to submit, the information as determined by us in our sole and absolute discretion is required to be reported under Applicable Regulations (**Relevant Data**), to a TR selected by us and notified to you (a **Relevant TR**) by the later of the deadline for reporting as specified in Applicable Regulations (**Reporting Deadline**).

6.4. In respect of each Relevant Transaction, you:

- (a) agree to deliver to us in time any data required for us to comply with our obligation under clause 6.3 above;
- (b) agree and acknowledge that if you fail to comply with clause 6.4(a), we will be under no obligation to (but may) submit the Relevant Data to a Relevant TR by the Reporting Deadline;
- (c) represent to us that the information you deliver under clause 6.4(a) is, at the time of delivery, true, accurate and complete in every material respect; and
- (d) acknowledge that we may rely on the information you deliver under clause 6.4(a) without investigation.

6.5. Without prejudice to clause 6.10(a), in respect of each Relevant Transaction, we will determine in our sole and absolute discretion whether the Reporting Obligation has arisen, the characterisation of the Relevant Transaction and the Relevant Data. If unique reference(s) need to be generated for inclusion in the Relevant Data, you agree that we may generate such unique reference(s).

6.6. If we do not report any of the Relevant Data by the Reporting Deadline, we will notify you as soon as reasonably practicable and you will be entitled to report such Relevant Data to a TR or to appoint a third party to make such report on your behalf. Other than in this instance or as otherwise agreed between

you and us in writing, you will not report or arrange the reporting of the Relevant Data to a TR and will notify us immediately if you have reported or arranged the reporting of the Relevant Data to a TR other than in accordance with this provision.

**6.7.** Notwithstanding clause 6.8 below, you acknowledge and agree that we are not obliged to discover errors in or check the accuracy, authenticity or completeness, of any Relevant Data, whether that information derives from you or any other person (including without limitation any trading venue, counterparty or similar financial market entities but excluding ourselves).

**6.8.** Subject to clause 4.7 above, if we become aware of a material error in any Relevant Data reported to a TR in accordance herewith, we will use reasonable endeavours to notify the other party if doing so is thought, in our sole discretion, necessary to resolve such material error, and both parties will use reasonable efforts, acting in good faith and a commercially reasonable manner, to resolve such error. If you become aware of a material error in any Relevant Data reported to a TR in accordance herewith or any error in any data provided by you to us, you will notify us as soon as reasonably practicable and both parties will use reasonable efforts, acting in good faith and a commercially reasonable manner, to resolve such error.

**6.9.** You agree that we may utilise the services of a third party service provider to facilitate the submission of Relevant Data or other performance of our obligations hereunder (including but not limited to any platform, system, interface or other technology developed by any such third party service provider for such purpose). Where we have discretion in selecting a third party service provider, we will use reasonable care in the selection of the third party service provider.

**6.10.** You acknowledge and agree that:

(a) we shall, at all times, perform our obligations and exercise discretion hereunder with reasonable care, provided that we shall not be required to do or cause to be done anything which is not permitted or is otherwise contrary to or inconsistent with the operating procedures of any third party service provider or any Relevant TR (including any decision by a third party service provider or any Relevant TR not to permit us to submit Relevant Data in accordance herewith) or is contrary to any Applicable Regulations or we are otherwise prevented from doing by any Applicable Regulations.

(b) you remain solely responsible and liable for submission of all data subject to the Reporting Obligation which is not included in the Relevant Data and compliance with the your Reporting Obligation generally;

(c) any submission of Relevant Data is made with a view to facilitating your reporting of data pursuant to the Reporting Obligation and is independent of any Reporting Obligation that we may or may not be subject to;

(d) where we are not ourselves subject to the Reporting Obligation, any submission of Relevant Data is solely for the purpose of fulfilling our obligations hereunder;

(e) we will not be required to provide any Services or otherwise perform hereunder to the extent any failure by us to provide Services or otherwise perform is due to a breach or other act or omission by you, any Relevant TR or any third party service provider;

(f) without prejudice to any other agreement you may have with any Relevant TR or any third party service provider, you will not have recourse under or in relation hereto against any Relevant TR or any third party service provider in respect of any Relevant Data submitted hereunder or any other activities contemplated by this Schedule; and



(g) the Reporting Obligation and, accordingly, the Service we provide under this Schedule, remain at all times subject to change as a result of further regulatory developments and guidance.

**6.11.** Notwithstanding any other provision of the Terms of Business, we and our directors, officers, employees, contractors and agents shall not have any liability to you (or any person claiming under or through you) whether in contract, tort (including negligence), breach of statutory or regulatory duty or otherwise, for any Loss arising directly from, or in connection with:

(a) any acts, omissions or failures of any third party, including but not limited to any third party service provider or a Relevant TR (including any decision by a third party service provider or a Relevant TR not to permit us to submit Relevant Data via the third party service provider or to a Relevant TR on your behalf);

(b) the failure of any platform, system, interface or other technology, including any internal platform, system, interface or other technology, which we use or intend to use in the performance of our obligations or exercise of our rights under this Schedule; or

(c) a third party accessing or intercepting any information or data attributed to you, except to the extent that such Loss is due to the gross negligence, wilful misconduct or fraud on our behalf or that of our contractors or agents.