

August 01, 2013

Dear Client,

This variation notice serves to inform you that with effect from the date specified herein below the Terms of Business for Professional Clients and Eligible Counterparties of BrokerCreditService (Cyprus) Limited (the "Terms" or "Terms of Business") will be modified as follows<sup>1</sup>:

- (a) references to the Tied Agent in clause 5.2. and 5.5. of Section A be deleted;
- (b) clause 5.5. of Section A be deleted in its entirety and all references to clauses in the Section A be construed accordingly;
- (c) clause 6.6. of Section A be amended by inserting the following at the end of the clause:  
"The cut-off times may be further extended for a reasonable time to accept delivery or payment from third parties engaged by BCS to render the Services to the Client."
- (d) clause 6.18. of Section A be amended by inserting the following at the end of the clause:  
"The Client hereby acknowledges that the Client has sole responsibility for ensuring that only individuals designated to BCS as persons authorised to operate Client's account(s) with BCS have access to the email address(es) and that to the fullest extent permitted by applicable law BCS shall not be responsible nor liable for any unauthorised use thereof or for any losses sustained by the Client arising from or in connection with the use of the designated email address(es) or BCS' reliance upon and compliance with instructions and other communications received from the designated email address(es) or inaccuracies, errors or omission in electronic messages."
- (e) clause 15.1. of Section A be amended by adding a new clause 15.1.12. as follows:  
"15.1.12. It is not a US person within the meaning of US income tax laws as in effect from time to time and none of the persons which directly or indirectly own ten percent or more of the Client (being a person other than an individual) is a US person."
- (f) clause 15.2. of Section A be deleted in its entirety;
- (g) clause 24.6. of Section A be replaced by the following:  
"24.6. Before an arbitrator has been appointed to determine a Dispute, the respondent(s) may by notice in writing to the claimant(s) require that all Disputes or a specific Dispute be heard by a court of law. If the respondent(s) give(s) such notice, the Dispute to which such notice refers shall be determined in accordance with Clause 24.7. For the avoidance of doubt, neither Party is entitled to refer a dispute to a state court in accordance with Clause 24.7. before it refers the Dispute to arbitration in accordance with Clause 24.2."
- (h) clause 24.7. of Section A be replaced by the following:  
"24.7. The courts of Cyprus shall have exclusive jurisdiction to decide on any proceedings relating to any Dispute. The Parties agree that the courts of Cyprus are the most appropriate and convenient courts to

<sup>1</sup> Pursuant to clause 1.4. Section A of the Terms this notice serves to advise you on the material changes made to the Terms of Business.

determine and settle Disputes between them and accordingly no party shall raise any arguments based on forum non conveniens.”

- (i) clause 24.8. of Section A be deleted in its entirety and all references to clauses in the Section A be construed accordingly;
- (j) Section H be amended as shown in the copy thereof attached at the Exhibit A to this variation notice, where deletions to the original contract are shown in struck through text and additions are shown in underlined text;
- (k) the Terms be amended by inserting a new Section I application of which to your particular case will be conditional upon the written arrangements being separately agreed between you and BCS; and
- (l) the Terms be amended by inserting a new Section J as set out in the copy thereof attached at the Exhibit B to this variation notice.

The revised Terms will become effective from August 16, 2013 and will govern all business between you and BCS, unless otherwise agreed. In the absence of an explicit negative response, you will be treated as having provided your consent to the amended Terms. By conducting business with BCS you agree and accept the variation which will therefore become legally binding on you.

Should you have any questions relating to this notice or the enclosed document, please do not hesitate to contact your Client Manager at BCS in the first instance.

# EXHIBIT A

## SECTION H: TERMS FOR OTC REPURCHASE AND BUY/SELL BACK TRANSACTIONS

### 1. Definitions

~~'Accrued Interest' means, with respect to any Purchased Securities subject to a Buy/Sell Back Transaction, unpaid Income that has accrued during the period from (and including) the issue date or the last Income Payment Date (whichever is the later) in respect of such Purchased Securities to (but excluding) the date of calculation. For these purposes unpaid Income shall be deemed to accrue on a daily basis from (and including) the issue date or the last Income Payment Date (as the case may be) to (but excluding) the next Income Payment Date or the maturity date (whichever is the earlier);~~

**'Base Currency'** means US dollars;

**'Business Day'** means:

- i. in relation to the settlement of a Transaction or delivery of Securities under this Section through a settlement system, a day on which that settlement system is open for business;
- ii. in relation to the settlement of a Transaction or delivery of Securities under this Section otherwise than through a settlement system, a day on which banks are open for business in the place where the relevant Securities are to be delivered and, if different, the place in which the relevant payment is to be made; ~~and~~
- iii. in relation to the payment of any amount under this Section not falling within (i) or (ii) above, a day other than a Saturday or a Sunday on which banks are open for business in the principal financial centre of the country of which the currency in which the payment is denominated is the official currency and, if different, in the place where any account designated by the parties for the making or receipt of the payment is situated (or, in the case of a payment in euro, a day on which TARGET2 operates); and
- iv. in all other cases, any day other than Saturday, Sunday or a public holiday in the Republic of Cyprus on which commercial banks are open for business.

**'Buyer'** means for any Transaction, the Client or BCS acting as a buyer of the Securities as specified in the related Trade Confirmation;

**'Cash Margin'** means a cash sum paid or to be paid to the Buyer or the Seller in accordance with paragraph 4;

**'Contractual Currency'** means the currency of the Purchase Price;

**'Equivalent Margin Securities'** mean Securities equivalent to Securities previously transferred as Margin Securities;

**'Equivalent Securities'** mean, with respect to a Transaction, Securities equivalent to Purchased Securities under that Transaction;

**'Equivalent'** or **'equivalent to'** in relation to any Securities mean Securities ~~If and to the extent that such Purchased Securities have been redeemed, the expression shall mean a sum of money equivalent to the proceeds of the redemption (other than Distributions).~~

~~Securities are "equivalent to" other Securities for the purposes of this Section if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other original Securities. Securities will be equivalent to other Securities notwithstanding that those Securities have been redenominated into euro or that the nominal value of those Securities has changed in connection with such redenomination. Where 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 a Distribution, the expression 'equivalent to' shall have the following meanings: provided that—~~

~~Securities will be equivalent to other Securities notwithstanding that those Securities have been redenominated into euro or that the nominal value of those Securities has changed in connection with such redenomination; and~~

- i. in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- ii. in the case of a call on partly paid securities, securities equivalent to the paid-up securities; provided that, in the case of Equivalent Securities, Seller or, in the case of Equivalent Margin Securities, the party which transferred the relevant Margin Securities shall have paid to the other party a sum of money equal to the sum due in respect of the call;
- iii. in the case of a capitalisation issue, securities equivalent to the relevant Securities together with the securities allotted by way of bonus thereon;
- iv. 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; provided that, if appropriate, notice has been given in accordance with subparagraph 5.3. of this Section;
- v. in the case of takeover, a sum of money or securities equivalent to the consideration or alternative consideration of which notice has been given in accordance with subparagraph 5.3. of this Section;
- vi. in the case of a rights issue, securities equivalent to the relevant Securities together with the securities allotted thereon; provided that notice has been given to the other party in accordance with subparagraph 5.3. of this Section;
- vii. 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; provided that notice has been given in accordance with subparagraph 5.3. of this Section;

- viii. in the case of any event similar to any of the foregoing, Securities equivalent to (as defined in the provisions of this definition) the original Securities together with or replaced by a sum of money or Securities or other property equivalent to (as so defined) that received in respect of such Securities resulting from such event~~where Securities have been 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 a Distribution, the expression "equivalent to" shall mean Securities equivalent to (as defined in the provisions of this definition preceding the proviso) the original Securities together with or replaced by a sum of money or Securities or other property equivalent to (as so defined) that receivable by holders of such original Securities resulting from such event;~~

**'Haircut Level'** means, with respect to any Transaction at any time during the period from the Purchase Date to the Repurchase Date the product of the following formula:

$$\frac{HL}{PP} * 100\%, \text{ where}$$

HL = the Haircut Level;

PP = the Purchase Price;

MV = the Market Value.

**'Income'** means, with respect to any Security at any time, all interest, dividends or other distributions thereon, including distributions which are a payment or repayment of principal in respect of the relevant securities or, in case of equity Securities, a payment of redemption proceeds in respect of the relevant securities ('Distribution(s)');

**'Income Payment Date'** means, with respect to any Securities, the date on which Income is paid in respect of such Securities or, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income;

**'Margin Percentage'** means, with respect to any Margin Securities or Equivalent Margin Securities, the percentage, if any, agreed by the parties acting in a commercially reasonable manner;

**'Margin Ratio'** means, with respect to a Transaction, the Market Value of the Purchased Securities at the time when the Transaction was entered into divided by the Purchase Price (and so that, where a Transaction relates to Securities of different descriptions and the Purchase Price is apportioned by the parties among Purchased Securities of each such description, a separate Margin Ratio shall apply in respect of Securities of each such description), or such other proportion as the parties may agree with respect to that Transaction;

**'Margin Securities'** mean, in relation to a Margin Transfer, Securities of the type and value (having applied Margin Percentage, if any) reasonably acceptable to the party calling for such Margin Transfer;

**'Margin Transfer'** means any or any combination of, the payment or repayment of Cash Margin and the transfer of Margin Securities or Equivalent Margin Securities;

**'Market Value'** means with respect to any Securities as of any time on any date, the price for such Securities (after having applied the Margin Percentage, if any, in the case of Margin Securities) at such time on such date obtained from a generally recognised source agreed by the parties or as otherwise agreed by the parties (and where different prices are obtained for different delivery dates, the price so obtainable for the earliest available such delivery date) having regard to market practice for valuing Securities of the type in question plus the aggregate amount of Income which, as at such date, has accrued but not yet been paid in respect of the Securities to the extent not included in such price as of such date, and for these purposes any sum in a currency other than the Contractual Currency for the Transaction in question shall be converted into such Contractual Currency at the Spot Rate prevailing at the time of the determination. Unless otherwise agreed, the pricing source for calculation of Market Value shall be the relevant page on Bloomberg or, if that page is not published for the relevant day, the relevant page on Reuters, or, if that page is not published for the relevant day, as determined by BCS in good faith;

**'Maximal Net Exposure'** means the sum of Maximal Transaction Exposures determined in respect of all outstanding Transactions. For this purpose any amounts not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate prevailing at the relevant time;

**'Net Margin'** provided to a party at any time, means the excess (if any) at that time of (i) the sum of the amount of Cash Margin paid to that party (including accrued interest on such Cash Margin which has not been paid to the other party) and the Market Value of Margin Securities transferred to that party under subparagraph 4.1. (excluding any Cash Margin which has been repaid to the other party and any Margin Securities in respect of which Equivalent Margin Securities have been transferred or a cash equivalent has been paid to the other party) over (ii) the sum of the amount of Cash Margin paid to the other party (including accrued interest on such Cash Margin which has not been paid by the other party) and the Market Value of Margin Securities transferred to the other party under subparagraph 4.1. (excluding any Cash Margin which has been repaid by the other party and any Margin Securities in respect of which Equivalent Margin Securities have been transferred or a cash equivalent has been paid by the other party) and for this purpose any amounts not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate prevailing at the time of the determination;

**'Net Paying Securities'** mean Securities which are of a kind such that, were they to be the subject of a Transaction to which paragraph 5 applies, any payment made by the Buyer under paragraph 5 would be one in respect of which either the Buyer would or might be required to make a withholding or deduction for or on account of taxes or duties or the Seller might be required to make or account for a payment for or on account of taxes or duties (in each case other than tax on overall net income) by reference to such payment;

**'Price Differential'** means, with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction (on a 360 day, 365 day or other day basis in accordance with the applicable market convention, unless otherwise agreed between the parties for the Transaction) for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of calculation or, if earlier, the Repurchase Date;

**'Pricing Rate'** means, with respect to any Transaction, the per annum percentage rate for calculation of the Price Differential agreed to by the Buyer and the Seller in relation to that Transaction;

**'Purchase Date'** means, with respect to any Transaction, the date on which Purchased Securities are to be sold by the Seller to the Buyer in relation to that Transaction;

**'Purchase Price'** means on the Purchase Date, the price at for which Purchased Securities are sold or are to be sold by the Seller to the Buyer;

**'Purchased Securities'** mean, with respect to any Transaction, the Securities sold or to be sold by the Seller to the Buyer under that Transaction, and any New Purchased Securities transferred by the Seller to the Buyer under paragraph 8 in respect of that Transaction;

**'Repurchase Date'** means, with respect to any Transaction, the date on which the Buyer is to sell Equivalent Securities to the Seller in relation to that Transaction;

**'Repurchase Price'** means, with respect to any Transaction and as of any date, the sum of the Purchase Price and the Price Differential as of such date;

**'Securities'** mean financial instruments, ~~other than including shares or stock in the share capital of a corporation, whether ordinary shares or preference shares or other kinds of shares or stock ('equity Securities' or 'equities')~~ equities, that are the subject of the purchase and sale Transaction as specified in the related Trade Confirmation;

**'Sell Back Differential'** means, with respect to any Buy/Sell Back Transaction as of any date, ~~the aggregate amount obtained by daily application of the Pricing Rate for such Buy/Sell Back Transaction (on a 360 day, 365 day or other day basis in accordance with the applicable market convention, unless otherwise agreed between the parties for the Transaction) to the sum of (a) the Purchase Price and (b) Accrued Interest paid on the Purchase Date for such Transaction for the actual number of days during the period commencing on (and including) the Purchase Date for such Buy/Sell Back Transaction and ending on (but excluding) the date of calculation;~~

**'Sell Back Price'**, with respect to any Buy/Sell Back Transaction, means —

(A) in relation to the date originally specified by the parties as the Repurchase Date pursuant to subparagraph 3.2.(iii) of this Section, the price agreed by the parties in relation to that Buy/Sell Back Transaction, and

(B) in any other case (including for the purposes of the application of paragraph 4 (Margin Maintenance), the product of the formula  $(P + AI + D) - (IR + C)$ , where:

P = the Purchase Price;

AI = the amount, equal to Accrued Interest at the Purchase Date, paid under subparagraph 3.3. of this Section;

D = the Sell Back Differential;

IR = the amount of any income in respect of the Purchased Securities payable by the issuer on or, in the case of registered Securities, by reference to, any date falling between the Purchase Date and the Repurchase Date or the early Termination date, as the case may be;

C = the aggregate amount obtained by daily application of the Pricing Rate for such Buy/Sell Back Transaction to any such Income from (and including) the date of payment by the issuer to (but excluding) the date of calculation.

**'Seller'** means for any Transaction, the seller of the Securities as specified in the related Trade Confirmation;

**'Spot Rate'**, where an amount in one currency is to be converted into a second currency on any date, unless the parties otherwise agree, means the latest available spot rate of exchange obtained by reference to a pricing source or quoted by a bank, in each case agreed by the parties (or in the absence of such agreement, specified by the Buyer), in the London inter-bank market for the purchase of the second currency with the first currency on the day on which the calculation is to be made or, if that day is not a day on which banks are open for business in London, the spot rate of exchange quoted at close of business in London on the immediately preceding day in London on which such a quotation was available;

**'TARGET2'** means the Second Generation Trans-European Automated Real-time Gross Settlement Express Transfer System, or any other system that replaces it;

**'Term'** means, with respect to any Transaction, the interval of time commencing with the Purchase Date and ending with the Repurchase Date;

**'Termination'**, with respect to any Transaction, refers to the requirement with respect to such Transaction for the Buyer to sell Equivalent Securities against payment by the Seller of the Repurchase Price in accordance with subparagraph 3.8., and reference to a Transaction having a 'fixed term' or being 'terminable upon demand' shall be construed accordingly;

'Transaction' means a repurchase transaction 'Repurchase Transaction' or a buy and sell back transaction 'Buy/Sell Back Transaction';  
'Transaction Exposure' means, with respect to any Transaction at any time during the period from the Purchase Date to the Repurchase Date (or, if later, the date on which Equivalent Securities are delivered to the Seller or the Transaction is terminated due to an Event of Default), the amount 'E' determined in accordance with (A) as the result of formula  $E = R - V$ , where: or (B) below as agreed by the parties with respect to particular Transactions:

(A) the result of formula  $E = (R \times MR) - MV$ , where:

R = the Repurchase Price at such time;

MR = the applicable Margin Ratio;

~~MV = the Market Value of Equivalent Securities at such time and so that where the Transaction relates to Securities of more than one description or to which different Margin Ratios apply, E shall be determined by multiplying the Repurchase Price attributable to Equivalent Securities of each such description by the applicable Margin Ratio and aggregating the results and for this purpose the Repurchase Price shall be attributed to Equivalent Securities of each such description in the same proportions as those in which the Purchase Price was apportioned among the Purchased Securities.~~

~~If E is greater than zero, the Buyer has a Transaction Exposure equal to E and if E is less than zero, the Seller has a Transaction Exposure equal to the absolute value of E; provided that E shall not be greater than the amount of the Repurchase Price on the date of the determination; or~~

(B) the result of the formula  $E = R - V$ , where:

R = the Repurchase Price at such time;

V = the Adjusted Value of Equivalent Securities at such time or, where a Transaction relates to Securities of more than one description or to which different haircuts apply, the sum of the Adjusted Values of the Securities of each such description.

For this purpose the 'Adjusted Value' of any Securities is their value determined on the basis of the formula:

$V = MV * (1 - H) = MV / MR$ , where:

MV = the Market Value of Equivalent Securities at such time;

H = the 'haircut' for the relevant Securities, if any, as agreed by the parties from time to time, being a discount from the Market Value of the Securities;

MR = the applicable Margin Ratio.

If E is greater than zero, the Buyer has a Transaction Exposure equal to E and if E is less than zero, the Seller has a Transaction Exposure equal to the absolute value of E.

## 2. General

2.1. Subject to the ~~Terms~~ terms of this Section, the Buyer and the Seller shall be considered to have entered into a binding oral or written agreement, whereby the Seller agrees to sell to the Buyer Securities against the payment of the Purchase Price by the Buyer to the Seller, with a simultaneous agreement by the Buyer to sell to the Seller Equivalent Securities, at a certain date or on demand against the payment of the Repurchase Price by the Seller to the Buyer, when they agree on the material terms of the Transaction.

2.2. The ~~Terms~~ terms of this Section ~~may~~ shall be incorporated by reference into any Trade Confirmations.

2.3. In respect of any Transaction, the Term of this Section, the Terms of Business and the Trade Confirmation shall together constitute a single, integrated agreement between the parties.

2.4. In the event of any conflict between the ~~Terms~~ terms of this Section and the Terms of Business, this Section shall prevail. In the event of any conflict between the ~~Terms~~ terms of this Section and the Trade Confirmation, the Trade Confirmation shall prevail.

## 3. Initiation, Confirmation and Termination

3.1. A Transaction may be entered into orally or in writing at the initiation of either Buyer or Seller.

3.2. Upon agreeing to enter into a Transaction hereunder BCS shall promptly deliver to the Client a written confirmation of such Transaction (a 'Trade Confirmation'). If the Client fails to object to or request a correction of a Trade Confirmation sent by BCS within twenty four (24) hours after delivery thereof, that Trade Confirmation shall be deemed accepted by the Client and such failure shall not affect the validity or enforceability of that Trade Confirmation for the Transaction. The Client shall not be entitled to claim the Transaction void and refuse to perform its obligations there under on the grounds, that it has not received the Trade Confirmation due to any reasons whatsoever. BCS may at the sole option of BCS, incorporate any Trade Confirmation into the relevant Client's Account Statement. ~~In the case of a Buy/Sell Back Transaction the Confirmation delivered in accordance with this paragraph 3 may consist of a single document in respect of both of the transactions which together form the Buy/Sell Back Transaction or separate Confirmations may be delivered in respect of each such transaction.~~

3.3. The Trade Confirmation shall describe the Purchased Securities (including CUSIP or ISIN or other identifying number or numbers, if any), identify the Buyer and the Seller and set forth –

- i. the Purchase Date;

- ii. ~~the Purchase Price. In the case of a Buy/Sell Back Transaction, the Purchase Price shall be quoted exclusive of Accrued Interest to the Purchase Date on the Purchased Securities;~~
- iii. the Repurchase Date, unless the Transaction is to be terminable on demand (in which case the Trade Confirmation shall state that it is terminable on demand) ~~provided that Buy/Sell Back Transactions shall not be terminable on demand;~~
- iv. the Pricing Rate applicable to the Transaction. ~~In the case of a Buy/Sell Back Transaction, the parties shall record the Pricing Rate in at least one Confirmation applicable to that Buy/Sell Back Transaction;~~
- v. the Margin Ratio or Haircut;
- vi. the Maximal Transaction Exposure;
- vii. in respect of each party the details of the ~~bank~~ settlement account(s) to which payments to be made hereunder are to be credited;  
~~whether the Transaction is a Repurchase Transaction or a Buy/Sell Back Transaction;~~  
~~in the case of a Buy/Sell Back Transaction the Sell Back Price quoted exclusive of Accrued Interest;~~
- viii. any additional terms or conditions of the Transaction;
- ix. and may be in the form to which the parties agree.

3.4. The Trade Confirmation relating to a Transaction shall, together with the Term of this Section and the Terms of Business, constitute prima facie evidence of the terms agreed between the Buyer and the Seller for that Transaction. In the event of any conflict between the terms of this Section and the Terms of Business, this Section shall prevail. In the event of any conflict between the terms of this Section and the Trade Confirmation, the Trade Confirmation shall prevail.

3.5. On the Purchase Date for a Transaction, the Seller shall transfer the Purchased Securities to the Buyer or its agent against the payment of the Purchase Price by the Buyer in accordance with subparagraph 6.34. ~~In the case of a Buy/Sell Back Transaction, the Purchased Securities shall be transferred to the Buyer or its agent against the payment of the Purchase Price plus an amount equal to Accrued Interest to the Purchase Date on such Purchased Securities.~~

3.6. Termination of a Transaction will be effected, in the case of on demand Transactions, on the date specified for Termination in such demand, and, in the case of fixed term Transactions, on the date fixed for Termination.

3.7. In the case of on demand Transactions, demand for Termination shall be made by the Buyer or the Seller, by telephone or otherwise, and shall provide for Termination to occur after not less than the minimum period as is customarily required for the settlement or delivery of money or Equivalent Securities of the relevant kind.

3.8. On the Repurchase Date, the Buyer shall transfer to the Seller or its agent Equivalent Securities against the payment of the Repurchase Price by the Seller (less any amount then payable and unpaid by the Buyer to the Seller pursuant to paragraph 5). ~~In the case of a Buy/Sell Back Transaction this subparagraph shall not apply. Termination of such a Transaction will be effected on the Repurchase Date by transfer to Seller or its agent of Equivalent Securities against the payment by Seller of (i) in a case where the Repurchase Date is the date originally scheduled by the parties pursuant to subparagraph 3.2. (iii) of this Section, the Sell Back Price referred to in subsection (A) plus an amount equal to Accrued Interest to the Repurchase Date; and (ii) in any other case, the Sell Back Price referred to in subsection (B).~~

3.9. Where the parties have agreed that BCS shall, acting as agent for the Client, transfer Equivalent Securities or pay the Repurchase Price, BCS obligation to settle any such Transaction shall be conditional upon receipt by BCS or its agents on or before the Termination date of the Equivalent Securities or the Repurchase Price to be so paid or delivered. By entering into any Transaction where the Client's account with BCS has been specified as a settlement account in the relevant Trade Confirmation, the Client undertakes to deliver to that settlement account on or before the Repurchase Date the Securities or funds in the amount sufficient to settle and terminate the relevant Transaction.

#### **4. Margin Maintenance**

4.1. If at any time either party has a Net Exposure (as defined in subparagraph 4.3. below) in respect of the other party it may by notice to the other party require the other party to make a Margin Transfer to it of an aggregate amount or value at least equal to that Net Exposure.

4.2. A notice under subparagraph 4.1. above may be given orally or in writing.

4.3. For the purposes of this Section a party has a Net Exposure in respect of the other party if the aggregate of all the first party's Transaction Exposures plus any amount payable to the first party under paragraph 5 but unpaid less the amount of any Net Margin provided to the first party exceeds the aggregate of all the other party's Transaction Exposures plus any amount payable to the other party under paragraph 5 but unpaid less the amount of any Net Margin provided to the other party; and the amount of the Net Exposure is the amount of the excess. For this purpose any amounts not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate prevailing at the relevant time.

4.4. To the extent that a party calling for a Margin Transfer has previously paid Cash Margin which has not been repaid or delivered Margin Securities in respect of which Equivalent Margin Securities have not been delivered to it or cash amount equivalent to Equivalent Margin Securities has not been paid, that party shall be entitled to require that such Margin Transfer be satisfied first by the repayment of such Cash Margin or the delivery of Equivalent Margin Securities but, subject to this, the composition of a Margin Transfer shall be at the option

of the party making such Margin Transfer. Notwithstanding the above, BCS is entitled, when calling for a Margin Transfer, to require from the Client to satisfy the Margin Transfer by payment of Cash Margin.

4.5. Any Cash Margin transferred shall be in the Base Currency or such other currency as the parties may agree.

4.6. A payment of Cash Margin shall give rise to a debt owing from the party receiving such payment to the party making such payment. Such debt shall bear interest payable at such times, as may be agreed between the parties, and shall be repayable subject to the terms of this Section. Interest rate on Cash Margin in respect of the relevant currency ~~and the payment intervals~~ shall be as follows, unless agreed between the parties otherwise in writing prior to the payment of the relevant Cash Margin:

(a) For USD, the interest rate will be the rate per annum equal to the overnight Federal Funds Effective Rate for each day cash is held by the transferee as reported, against close of business date, under column EFF on Bloomberg Page 'FEDL01'.

(b) For EUR, the interest rate will be the rate per annum equal to the overnight rate as published by the European Central Bank and reported on Bloomberg page 'EONIA Index', for each day cash is held by the transferee.

(c) For GBP, the SONIA rate appearing opposite SONIO/N as reported on Bloomberg page 'SONIO Index', on such day if it is a London banking day, otherwise on the London banking day immediately ~~preceding~~ preceding such day.

(d) For RUB and other currencies not mentioned above in this subparagraph, the interest rate as may be determined by BCS at its sole discretion from time to time.

4.7. Where the Seller or the Buyer becomes obliged under subparagraph 4.1. above to make a Margin Transfer, it shall transfer Cash Margin or Margin Securities or Equivalent Margin Securities within the following delivery periods, unless otherwise agreed:

(a) ~~in respect of Cash Margin~~, by the end of the same Business Day if notice is given prior to noon, i.e. 12 PM (Moscow time); or

(b) by the end of the next Business Day, if notice is given after noon, i.e. 12 PM (Moscow time).

4.8. Where a party (the 'Transferor') becomes obliged to transfer Equivalent Margin Securities and, having made all reasonable efforts to do so, is, for any reason relating to the Securities or the clearing system through which the Securities are to be transferred, unable to transfer Equivalent Margin Securities then the Transferor shall immediately pay to the other party Cash Margin at least equal to the Market Value of such Equivalent Margin Securities.

~~4.9. The parties may agree that, with respect to any Transaction, the provisions of subparagraphs 4.1. to 4.8. above shall not apply but instead that margin may be provided separately in respect of that Transaction in which case—~~

~~i. that Transaction shall not be taken into account when calculating whether either party has a Net Exposure;~~

~~ii. margin shall be provided in respect of that Transaction in such manner as the parties may agree; and~~

~~margin provided in respect of that Transaction shall not be taken into account for the purposes of subparagraphs 4.1. to 4.8. above.~~

~~4.10. If the parties agree that a Buy/Sell Back Transaction is to be repriced in accordance with subparagraph 4.9. above, they shall at the time of such repricing agree the Purchase Price, the Sell Back Price and the Pricing Rate applicable to the Repriced Transaction.~~

4.9. The parties may agree that any Net Exposure which may arise shall be eliminated not by Margin Transfers under the preceding provisions of this paragraph but by the repricing of Transactions under subparagraph 4.10. below, the adjustment of Transactions under subparagraph 4.11. below or a combination of both these methods.

4.10. Where the parties agree that a Transaction is to be repriced under this subparagraph, such repricing shall be effected as follows:

i. the Repurchase Date under the relevant Transaction (the 'Original Transaction') shall be deemed to occur on the date on which the repricing is to be effected (the 'Repricing Date');

ii. the parties shall be deemed to have entered into a new Transaction (the 'Repriced Transaction') on the terms set out in (iii) to (vi) below;

iii. the Purchased Securities under the Repriced Transaction shall be Securities equivalent to the Purchased Securities under the Original Transaction;

iv. the Purchase Date under the Repriced Transaction shall be the Repricing Date;

v. the Purchase Price under the Repriced Transaction shall be such amount as shall, when multiplied by the Margin Ratio applicable to the Original Transaction, be equal to the Market Value of such Securities on the Repricing Date;

vi. the Repurchase Date, the Pricing Rate, the Margin Ratio and, subject as aforesaid, the other terms of the Repriced Transaction shall be identical to those of the Original Transaction;

vii. the obligations of the parties with respect to the delivery of the Purchased Securities and the payment of the Purchase Price under the Repriced Transaction shall be set off against their obligations with respect to the delivery of Equivalent Securities and payment of the Repurchase Price under the Original Transaction and accordingly only a net cash sum shall be paid by one party to the other. Such net cash sum shall be paid within the minimum period specified in subparagraph 4.7. above.

4.11. The adjustment of a Transaction (the 'Original Transaction') under this subparagraph shall be effected by the parties agreeing that on the date on which the adjustment is to be made (the 'Adjustment Date') the Original Transaction shall be terminated and they shall enter into a new Transaction (the 'Replacement Transaction') in accordance with the following provisions:

i. the Original Transaction shall be terminated on the Adjustment Date on such terms as the parties shall agree on or before the Adjustment Date;

- ii. the Purchased Securities under the Replacement Transaction shall be such Securities as the parties shall agree on or before the Adjustment Date (being Securities the aggregate Market Value of which at the Adjustment Date is substantially equal to the Repurchase Price under the Original Transaction at the Adjustment Date multiplied by the Margin Ratio applicable to the Original Transaction);
- iii. the Purchase Date under the Replacement Transaction shall be the Adjustment Date;
- iv. the other terms of the Replacement Transaction shall be such as the parties shall agree on or before the Adjustment Date; and
- v. the obligations of the parties with respect to payment and delivery of Securities on the Adjustment Date under the Original Transaction and the Replacement Transaction shall be settled in accordance with paragraph 6 within the minimum period specified in subparagraph 4.7. above.

4.12. If at any time the Net Exposure of BCS in respect of the Client is in excess of Maximal Net Exposure, Clause 16.2. of Section A of the Terms shall apply.

## **5. Income Payments and Corporate Actions**

### **5.1. Unless otherwise agreed –**

- a. where: (i) the Term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction; or (ii) an Income Payment Date in respect of any such Securities occurs after the Repurchase Date but before Equivalent Securities have been delivered to the Seller or, if earlier, the occurrence of the termination of the Transaction due to an Event of Default then the Buyer shall on the date such Income is paid by the issuer transfer to or credit to the account of the Seller an amount equal to (and in the same currency as) the amount paid by the issuer;
  - b. where Margin Securities are transferred from one party ('the first party') to the other party ('the second party') and an Income Payment Date in respect of such Securities occurs before Equivalent Margin Securities are transferred or a Cash Margin at least equal to the Market Value of such Equivalent Margin Securities is paid by the second party to the first party, the second party shall on the date such income is paid by the issuer transfer to or credit to the account of the first party an amount equal to (and in the same currency as) the amount paid by the issuer;
- and for the avoidance of doubt references in this paragraph to the amount of any Income paid by the issuer of any Securities shall be to an amount paid without any withholding or deduction for or on account of taxes or duties notwithstanding that a payment of such Income made in certain circumstances may be subject to such a withholding or deduction.

### **5.2. Unless otherwise agreed –**

- a. where the Purchased Securities the subject of a Transaction consist of or include equities in respect of which an Income Payment Date would, but for this provision, occur during the Term of such Transaction, Seller shall seek to effect a substitution of such equities in accordance with subparagraph 8.1. before the Notice Date referred to in subparagraph 5.3., but if such a substitution has not been effected by that date then Termination of such Transaction shall, provided that Seller has notified Buyer of such Termination in accordance with subparagraph 5.3., occur on, and, accordingly, the Repurchase Date of such Transaction shall fall on, the Business Day immediately preceding such Income Payment Date.
- b. except to the extent that Equivalent Margin Securities in respect of the relevant Margin Securities have already been transferred or a Cash Equivalent Amount has already been paid, where one party (the 'transferor') has transferred Margin Securities which are equities to the other (the "transferee") then, on the Business Day preceding the next Income Payment Date in respect of such Margin Securities, the transferee shall transfer to the transferor Equivalent Margin Securities in respect of such Margin Securities in exchange for new Margin Securities as if such transfers were made pursuant to a request under paragraph 8.4. to which the transferee had agreed; provided that (i) the transferor has given notice to the transferee in accordance with subparagraph 5.3. of the application of this subparagraph 5.2.(b) and (ii) the transferor has provided reasonable details to the transferee of the Margin Securities in question, the relevant Income Payment Date and the new Margin Securities to be exchanged for such Equivalent Margin Securities and the transferee has indicated to the transferor that such new Margin Securities are acceptable to it.

5.3. Any notice given pursuant to subparagraph 5.2. above shall not be valid unless given so as to be effective, at the latest, one hour before the close of business on the last Business Day (the 'Notice Date') on which the recipient would customarily be required to initiate settlement of the securities to be transferred by it pursuant to such notice in order for settlement to take place on the Business Day immediately preceding the relevant Income Payment Date. Nothing in subparagraph 5.2. shall prejudice any entitlement of either party to terminate a Transaction in any other manner permitted by this Section.

5.4. Unless otherwise agreed between the parties, where (notwithstanding, and without prejudice to, subparagraph 5.2. and 5.3. above) Equivalent Securities in respect of Purchased Securities which are equities or, as the case may be, Equivalent Margin Securities or a Cash Equivalent Amount in respect of Margin Securities which are equities have not been transferred, or paid, as the case may be, by Buyer to Seller or the transferee to the transferor prior to an Income Payment Date in respect of such Securities, then subparagraph 5.1. above shall not apply (if it otherwise would) in respect of such Securities, and the Buyer shall or, as the case may be, the transferee shall, on the date Income is paid by the issuer of those Securities, transfer to or credit to the account of Seller or, as the case may be, the transferor -

- a. an amount equal to (and in the same currency as) so much of such Income attributable to such Securities as Buyer or the transferee is (if it is the holder of such Securities on such Income Payment Date) or would have been (if it had been the holder of such Securities on such Income Payment Date) paid in cash by the issuer to the holder; and
- b. an amount equal to such amount, if any, in respect of tax or tax benefit as Buyer or the transferee is (if it is the holder of such Securities on such Income Payment Date) or would have been (if it had been the holder of such Securities on such Income Payment Date) entitled to claim or recover in cash from the issuer's jurisdiction in respect of such Income payment;

provided that, unless otherwise agreed between the parties, if Buyer or, as the case may be, the transferee has failed to make reasonable efforts to transfer the relevant Equivalent Securities or Equivalent Margin Securities prior to such Income Payment Date in circumstances where the proviso to subparagraph 5.2.(a) above or, as the case may be, subparagraph 5.2.(b) has been satisfied or where an Income Payment Date occurs after the Repurchase Date but before Equivalent Securities have been delivered to the Seller or, if earlier, the occurrence of an early Termination date or the termination of the Transaction under Clause 16.1.1. of the Section A of the Terms, then, instead of transferring or crediting the amount referred to in subparagraphs (a) and (b) of this subparagraph 5.4., Buyer or, as the case may be, the transferee shall indemnify Seller or, as the case may be, the transferor in respect of any cost, loss (including for the avoidance of doubt the amount of Income that would have been paid to Seller or, as the case may be, the transferor if it had been the holder of such Securities on such Income Payment Date) or damage (excluding, for the avoidance of doubt, any consequential loss or damage) suffered by such person which it would not have suffered had the relevant Equivalent Securities or Equivalent Margin Securities been transferred prior to such Income Payment Date.

5.5. Where Buyer or, as the case may be, the transferee is required by law to make any transfer or credit pursuant to subparagraphs (a) or (b) of subparagraph 5.4. above subject to withholding or deduction of taxes or duties, and as a result would, but for this subparagraph, be required to pay additional amounts under subparagraph 6.2. of this Section, unless otherwise agreed between the parties, it shall only be obliged to pay such additional amounts to the extent that it could, in the relevant circumstances, have avoided, satisfied or off-set the relevant obligation to withhold or deduct (or to account for the tax withheld or deducted) by utilising any available tax credit in respect of the relevant Securities (or transactions relating to them).

5.6. In relation to Purchased Securities or Margin Securities which are equities (and in respect of which Equivalent Securities or, as the case may be, Equivalent Margin Securities have not been transferred or a Cash Margin paid pursuant to subparagraph 4.8. above) Buyer, in the case of Purchased Securities, or the transferee, in the case of Margin Securities, shall notify the other party, within a reasonable time after the date on which a holder of such Securities would in the normal course have received such notice from the issuer, of any notice issued by the issuer of such Securities to the holders of such Securities relating to any proposed conversion, sub-division, consolidation, takeover, pre-emption, option or other similar right or event affecting such Securities or of any Income payment declared in respect of such Securities. Whether or not such notice is received from the first party, the other party may –

- a. where the relevant Securities are Purchased Securities, cause the Transaction to be terminated in accordance with subparagraphs 3.6. to 3.8. of this Section as if the Transaction were an on demand Transaction or, where the relevant Securities are Margin Securities, request that Equivalent Margin Securities be transferred in respect of such Securities to subparagraph 8.4. of this Section; and/or (as appropriate);
- b. within a reasonable time before the latest time for the exercise of the right or option give written notice to the first party that on redelivery of Equivalent Securities or Equivalent Margin Securities, as the case may be, it wishes to receive Equivalent Securities or Equivalent Margin Securities in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice; provided that if any sum is required to be paid by a holder of the securities to the issuer or any other person in order to exercise such rights, the other party shall pay to the first party an amount equal to such sum.

5.7. This paragraph 5 shall not apply to Buy/Sell Back Transactions. Subject as otherwise provided in this Section or as otherwise agreed between the parties, where the Income paid or distributed by the issuer of Purchased Securities or Margin Securities is not in the form of money but is in the form of other property, the obligation of a party under paragraph 5 to pay to the other party an amount equal to the amount paid by the issuer shall be construed as an obligation to transfer property equivalent to that distributed by the issuer.

5.8. Where any voting rights fall to be exercised in relation to any Purchased Securities or Margin Securities which are equities and in respect of which Equivalent Securities or, as the case may be, Equivalent Margin Securities have not been transferred or a Cash Margin has not been paid pursuant to subparagraph 4.8. above, neither Buyer, in the case of Purchased Securities, nor the transferee, in the case of Margin Securities, shall have any obligation to arrange for voting rights of that kind to be exercised in accordance with the instructions of the other party in relation to such Purchased Securities or Margin Securities, unless otherwise agreed between the parties.

## **6. Payment and Transfer**

6.1. Unless otherwise agreed, all money paid hereunder shall be in immediately available freely convertible funds of the relevant currency. All Securities to be transferred hereunder (i) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request, or (ii)

shall be transferred through any agreed book entry or other securities clearance system or (iii) shall be transferred by any other method mutually acceptable to the Seller and the Buyer.

6.2. Unless otherwise agreed, all money payable by one party to the other in respect of any Transaction shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed, the paying party shall pay such additional amounts as will result in the net amounts receivable by the other party (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.

6.3. Seller shall promptly pay and account for any transfer or similar duties or taxes chargeable in connection with the transfer of Purchased Securities which are equities and any Equivalent Securities in respect thereof and shall reimburse to Buyer the amount of any liability incurred by it as a result of Seller's failure to do so. Where Margin Securities which are equities are transferred by one party to the other, the transferor (the first party) shall promptly pay and account for any transfer or similar duties or taxes chargeable in connection with such transfer as well as in connection with any subsequent transfer by the transferee (the second party) of Equivalent Margin Securities in respect thereof to the first party and shall reimburse to the second party the amount of any liability incurred by the second party as a result of the first party's failure to do so.

6.34. Unless otherwise agreed in writing between the parties, under each Transaction transfer of Purchased Securities by the Seller and payment of Purchase Price by the Buyer against the transfer of such Purchased Securities shall be made simultaneously and transfer of Equivalent Securities by the Buyer and payment of Repurchase Price payable by the Seller against the transfer of such Equivalent Securities shall be made simultaneously.

6.45. Subject to and without prejudice to the provisions of subparagraph 6.4., either party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities and money waive in relation to any Transaction its rights under this Section to receive simultaneous transfer and/or payment provided that transfer and/or payment shall, notwithstanding such waiver, be made on the same day and provided also that no such waiver in respect of one Transaction shall affect or bind it in respect of any other Transaction.

6.6. Unless otherwise agreed, where any Purchased Securities, Equivalent Securities, Margin Securities or Equivalent Margin Securities which are equities are transferred through a settlement system which automatically generates a mandatory payment or delivery, or a mandatory obligation to pay or deliver, against the transfer of such Securities, then –

- a. such automatically generated payment, delivery or obligation shall be treated as a payment or delivery by the transferee to the transferor, and except to the extent that it is applied to discharge an obligation of the transferee to effect a payment or delivery, such payment or delivery, or obligation to pay or deliver, shall be deemed to be a Margin Transfer made by the transferee; and
- b. unless the parties shall have agreed otherwise, the party receiving such Margin Transfer shall cause to be made to the other party for value the same day either, where such Margin Transfer is a payment, an irrevocable payment in the amount of such Margin Transfer or, where such Margin Transfer is a delivery, an irrevocable delivery of Securities (or other property, as the case may be) equivalent thereto.

6.57. The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities, any Equivalent Securities, any Margin Securities and any Equivalent Margin Securities shall pass to the party to which transfer is being made upon transfer of the same in accordance with this Section free from all liens (other than a lien granted to the operator of the clearance system through which the Securities are transferred), claims, charges and encumbrances.

Notwithstanding the use of expressions such as 'Repurchase Date', 'Repurchase Price', 'margin', 'Net Margin', 'Margin Ratio' and 'substitution', which are used to reflect terminology used in the market for transactions of the kind provided for in this Section, all right, title and interest in and to Securities and money transferred or paid under this Section shall pass to the transferee upon transfer or payment, the obligation of the party receiving Purchased Securities or Margin Securities being an obligation to transfer Equivalent Securities or Equivalent Margin Securities.

6.68. Time shall be of the essence in this Section.

6.79. Subject to Clause 16 of Section A: ~~General~~ of the Terms, all amounts in the same currency payable by each party to the other under any Transaction or otherwise under this Section on the same date shall be combined in a single calculation of a net sum payable by one party to the other and the obligation to pay that sum shall be the only obligation of either party in respect of those amounts.

6.810. Subject to Clause 16 of Section A: ~~General~~ of the Terms, all Securities of the same issue, denomination, currency and series, transferable by each party to the other under any Transaction or hereunder on the same date shall be combined in a single calculation of a net quantity of Securities transferable by one party to the other and the obligation to transfer the net quantity of Securities shall be the only obligation of either party in respect of the Securities so transferable and receivable.

## **7. Contractual Currency**

7.1. All the payments made in respect of the Purchase Price or the Repurchase Price of any Transaction shall be made in the Contractual Currency. Notwithstanding the foregoing, the payee of any money may, at its option, accept tender thereof in any other currency, provided,

however, that, to the extent permitted by applicable law, the obligation of the payer to pay such money will be discharged only to the extent of the amount of the Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) for delivery within the customary delivery period for spot transactions in respect of the relevant currency.

7.2. If for any reason the amount in the Contractual Currency received by a party, including amounts received after conversion of any recovery under any judgment or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due and payable, the party required to make the payment will, as a separate and independent obligation, to the extent permitted by applicable law, immediately transfer such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.

7.3. If for any reason the amount in the Contractual Currency received by a party exceeds the amount of the Contractual Currency due and payable, the party receiving the transfer will refund promptly the amount of such excess.

## **8. Substitution**

8.1. A Transaction may at any time between the Purchase Date and Repurchase Date, if the Seller so requests and the Buyer so agrees, be varied by the transfer by the Buyer to the Seller of Securities equivalent to the Purchased Securities, or to such of the Purchased Securities as shall be agreed, in exchange for the transfer by the Seller to the Buyer of other Securities of such amount and description as shall be agreed ('New Purchased Securities') (being Securities having a Market Value at the date of the variation at least equal to the Market Value of the Equivalent Securities transferred to the Seller).

8.2. Any variation under subparagraph 8.1. above shall be effected, subject to subparagraph 6.45., by the simultaneous transfer of the Equivalent Securities and New Purchased Securities concerned.

8.3. A Transaction which is varied under subparagraph 8.1. above shall thereafter continue in effect as though the Purchased Securities under that Transaction consisted of or included the New Purchased Securities instead of the Securities in respect of which Equivalent Securities have been transferred to Seller.

8.4. Where either party has transferred Margin Securities to the other party it may at any time before Equivalent Margin Securities are transferred to it under paragraph 4 request the other party to transfer Equivalent Margin Securities to it in exchange for the transfer to the other party of new Margin Securities having a Market Value at the time at which the exchange is agreed at least equal to that of such Equivalent Margin Securities. If the other party agrees to the request, the exchange shall be effected, subject to subparagraph 6.45., by the simultaneous transfer of the Equivalent Margin Securities and new Margin Securities concerned. Where either or both of such transfers is or are effected through a settlement system in circumstances which under the rules and procedures of that settlement system give rise to a payment by or for the account of one party to or for the account of the other party, the parties shall cause such payment or payments to be made outside that settlement system, for value the same day as the payments made through that settlement system, as shall ensure that the exchange of Equivalent Margin Securities and new Margin Securities effected under this subparagraph does not give rise to any net payment of cash by either party to the other.

## EXHIBIT B

### SECTION J: TERMS FOR OTC PURCHASE AND SALE OF NON-RUSSIAN SECURITIES

#### 1. Definitions

'**Clearing Agency**' means Clearstream (Clearstream Banking, S.A.) or Euroclear (Euroclear Bank S.A./N.V.) or DTC (The Depository Trust Company) or CREST (CREST Depository Limited) or their respective successors;

'**Contractual Currency**' has the meaning specified in subparagraph 5.1.;

'**Delivery Date**' means, with respect to any Transaction, the date on which Securities are to be delivered by Seller to Buyer;

'**DVP**' means delivery versus payment settlement where cash payment must be made simultaneously with the delivery of the security.

'**Income**' means, with respect to any Security at any time, all interest, dividends or other distributions thereon, but excluding distributions which are a payment or repayment of principal in respect of the relevant Securities;

'**Income Payment Date**' means, with respect to any Securities, the date on which Income is paid in respect of such Securities;

'**Payment Date**' means, with respect to any Transaction, the date, on which the Purchase Price is to be paid by the Buyer to the Seller;

'**Purchase Price**' means the price at which Securities are sold or are to be sold by the Seller to the Buyer;

'**Record Date**' means, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income or exercise of any other rights attached to Securities from time to time;

'**Securities**' mean any shares, bonds, and other transferable securities that may be settled with a Clearing Agency, purchased by the Buyer from the Seller according to this Section;

'**Settlement Date**' means, with respect to any Transaction, the date, on which Securities are to be delivered by the Seller to the Buyer in relation to that Transaction, and/or the date, on which the Purchase Price is to be paid by the Buyer to the Seller;

'**Trade Confirmation**' has the meaning specified in subparagraph 2.2.;

'**Trade Date**' means, in relation to any Transaction, the date on which the Buyer and the Seller agree upon the terms and conditions of a purchase and sale of Securities;

'**Transaction Costs**' have the meaning specified in subparagraph 4.6.;

References in these Terms to 'written' communications and communications 'in writing' include communications made through any electronic system for communication capable of reproducing communication in hard copy form, including email, unless otherwise agreed.

#### 2. General

2.1. Subject to the Terms of this Section, the Buyer and the Seller may from time to time enter into Transactions in which the Seller agrees to sell to the Buyer Securities as defined below against the payment of the Purchase Price by the Buyer to the Seller ('Transaction'). A Transaction may be entered into orally or in writing at the initiation of either Buyer or Seller.

2.2. Upon agreeing to enter into a Transaction hereunder BCS shall promptly send to the Client a written confirmation of such Transaction (a 'Trade Confirmation'). If the Client fails to object to or request a correction of a Trade Confirmation sent by BCS within twenty four (24) hours upon dispatch, that Trade Confirmation shall be deemed accepted by the Client and such failure shall not affect the validity or enforceability of that Trade Confirmation for the Transaction. The Client shall not be entitled to claim the Transaction void and refuse to perform its obligations there under on the grounds, that it has not received the Trade Confirmation due to any reasons whatsoever. A Trade Confirmation (or an amended Trade Confirmation, as the case may be), once not objected by the Client shall be conclusive evidence of the related Transaction and shall supersede all prior oral statements with respect hereto. BCS may at the sole option of BCS, incorporate any Trade Confirmation into the relevant Client's Account Statement.

2.3. Trade Confirmation shall identify Buyer and Seller and contain the following information:

- (i) the Securities (including CUSIP or ISIN or other identifying number or numbers, if any) and quantity thereof;
- (ii) the Trade Date;
- (iii) the Purchase Price;
- (iv) the Payment Date and Delivery Date. Should the said dates be the same, the Transaction shall be settled DVP, unless otherwise expressly agreed between the parties in the Trade Confirmation;
- (v) the details of the bank/custody account(s) of the parties; and
- (vi) any additional terms or conditions of the Transaction, if any.

2.4. A Trade Confirmation shall, together with this Section and the Terms of Business, constitute a prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Trade Confirmation in accordance with subparagraph 2.2. of this Section.

2.5. In respect of any Transaction, the terms of this Section, the Terms of Business and the Trade Confirmation shall together constitute a single, integrated agreement between the parties. In the event of any conflict between the terms of this Section and the Terms of Business, this Section shall prevail. In the event of any conflict between the terms of this Section and the Trade Confirmation, the Trade Confirmation shall prevail. Accordingly, each party agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and

that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, and (ii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder.

2.6. The Seller shall procure the delivery of Securities or deliver such Securities to the Buyer or its agent on the Delivery Date in accordance with the terms of this Section and the relevant Trade Confirmation. The Securities shall be fully paid for and there shall be no moneys or liabilities outstanding or payable in respect of such Securities as of the Trade Date for such Securities. The parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all right, title and interest in any Securities shall pass from the Seller to the Buyer subject to the terms and conditions set out in this Section, on delivery of the same in accordance with this Section with full title guarantee, free from all liens (other than a lien granted to the operator of the clearance system through which the Securities are transferred), charges and encumbrances. In the case of Securities title to which is registered in a computer-based system which provides for the recording and transfer of title to the same by way of book entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time.

2.7. The Buyer shall transfer the full amount of the Purchase Price to the Seller on the Payment Date. The Purchase Price for debt Securities shall include, where appropriate, accrued coupon yield determined in accordance with the offering memorandum or a similar Securities' offering document, unless otherwise agreed.

2.8. DVP will be standard for all Transactions unless otherwise agreed between BCS and the Client in the Trade Confirmation. Delivery and payment shall be made simultaneously on the third day following the Trade Date (and if not a Business Day on the next following Business Day), however, the Client and BCS may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities and money agree to transfer funds and the Securities not simultaneously and the delivery and payment are to be made and credited at the relevant Settlement Dates specified in the Trade Confirmation. In case of non-DVP settlement, should the Buyer fail to pay the Purchase Price or the Seller fail to transfer the Securities on the Settlement Date scheduled for such payment or transfer, the non-defaulting party may hold performance until the obligations of the other party under the Transaction are fully discharged and may claim interest in accordance with paragraph 6 hereof.

### **3. Income Payment and Corporate Actions**

3.1. Unless otherwise agreed between the parties in writing,

- (i) where the period from and including the Trade Date to and excluding the Settlement Date of a particular Transaction extends over a Record Date and the Income Payment Date is beyond such a period, in respect of any Securities subject to that Transaction, the Seller shall on the date such Income is paid by the issuer or on such other date as the parties may from time to time agree pay or deliver to the Buyer such some of money or property as is agreed between the parties or, failing such agreement, a sum of money or property equivalent to (and in the same currency as) the type and amount of such Income received; provided that
- (ii) where Income is paid in relation to any Securities before the relevant Delivery Date such Income will not be transferred from the Seller to the Buyer until the Delivery Date; and
- (iii) for the avoidance of doubt, BCS shall not be liable for any withholding or deduction for or on account of taxes or duties made by the issuer or a paying agent notwithstanding that a payment of such Income made directly to the Client could be free of any withholding or deduction.

3.2. The Seller's obligation to transfer Income to the Buyer arises upon actual receipt of such Income provided that the Seller has used reasonable endeavors to receive the Income. The Seller is not obligated to enforce the payment of Income.

3.3. In case of non-DVP settlement the Seller shall notify the Buyer in writing within a reasonable time after the date on which a holder of such Securities would in the normal course have received such notice from the issuer, of any notice issued by the issuer of such Securities to the holders of such Securities relating to the rights attached thereto on or after the Trade Date and before the Settlement Date, including of any proposed conversion, sub-division, consolidation, takeover, pre-emption, option or other similar right or event affecting such Securities or of any Income payment declared in respect of such Securities. Where, the period from and including the Trade Date to and excluding the Settlement Date of a particular Transaction extends over a Record Date in respect of any voting rights the Seller shall be obligated to arrange for voting rights of that kind to be exercised in accordance with the instructions of the Buyer in relation to the Securities, unless otherwise agreed. Where, the period from and including the Trade Date to and excluding the Settlement Date of a particular Transaction extends over a Record Date in respect of any rights relating to conversion, sub-division, consolidation, pre-emption, rights arising under a takeover offer, rights to receive securities or a certificate which may at a future date be exchanged for securities or other rights, including those requiring election by the holder for the time being of such Securities, then the Buyer may within a reasonable time before the relevant Record Date give written notice to the Seller it wishes to receive Securities in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice.

### **4. Payment and Transfer**

4.1. All money payable by one party to the other in respect of any Transaction shall be paid in immediately available freely convertible funds of the relevant currency free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law.

4.2. All Securities to be transferred hereunder (i) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request, or (ii) shall be transferred through the book entry system of the Clearing Agency, or (iii) shall be transferred through any other agreed securities clearance system or (iv) shall be transferred by any other method mutually acceptable to the Seller and the Buyer.

4.3. Performance shall be deemed satisfied if the Seller, instead of the initial Securities purchased by the Buyer, delivers:

- (i) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (ii) in the case of a call on partly paid securities, securities equivalent to the paid-up securities provided that the Buyer shall have paid to the Seller a sum of money equal to the sum due in respect of the call;
- (iii) in the case of a capitalisation issue, Securities together with the securities allotted by way of bonus thereon;
- (iv) in the case of conversion, sub-division or consolidation, securities into which the relevant Securities have been converted, sub-divided or consolidated; provided that, if appropriate, notice has been given in accordance with subparagraph 3.3. above;
- (v) in the case of takeover, a sum of money or securities equivalent to the consideration or alternative consideration of which notice has been given in accordance with subparagraph 3.3. above;
- (vi) in the case of a rights issue, Securities together with the securities allotted thereon; provided that notice has been given to the other party in accordance with subparagraph 3.3. above;
- (vii) 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 together with securities or a certificate or an entitlement equivalent to those allotted; provided that notice has been given in accordance with subparagraph 3.3. above;
- (viii) in the case of any event similar to any of the foregoing, Securities together with or replaced by a sum of money or Securities or other property equivalent to (as so defined) that received in respect of such Securities resulting from such event.

4.4. The Seller represents that the Securities are duly and fully paid for and there are no liabilities due or payable in respect of the Securities or any portion thereof at the Delivery Date except for the obligation to sell these to the Buyer, and at the moment of registration of the Securities in the name of the Buyer or its agent, the Seller is the sole owner of the Securities and has good and valid title in the Securities, free of any claim, charge, security, lien (other than a lien granted to the operator of the clearance system through which the Securities are transferred), power of sale and/or any encumbrances whatsoever and the Seller has full and undoubted right to dispose of the Securities, including, without any limitations, sell, transfer or deliver to the Buyer on the terms and conditions of this Section and the Transaction.

4.5. Time shall be of essence in this Section.

4.6. All costs and expenses incurred by the party and paid to a bank, custodian, depository or registrar in connection with performance of such party's obligation to pay money or deliver the Securities (the 'Transaction Costs'), cannot be charged by that party from another subject to exceptional cases specified herein.

## **5. Currency of Payments**

5.1. All the payments made in respect of or connection with the Transaction shall be made in the currency of the Purchase Price (the 'Contractual Currency'). Notwithstanding the foregoing, the payee of any money may, at its option, accept tender thereof in any other currency, provided, however, that, to the extent permitted by applicable law, the obligation of the payer to pay such money will be discharged only to the extent of the amount of the Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange).

5.2. If for any reason the amount in the Contractual Currency received by a party, including amounts received after conversion of any recovery under any judgment or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due and payable, the party required to make the payment will, as a separate and independent obligation, to the extent permitted by applicable law, immediately transfer such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.

5.3. If for any reason the amount in the Contractual Currency received by a party exceeds the amount of the Contractual Currency due and payable to the extent such amount is in excess of normal banking expenses relating to funds transfers, the party receiving the transfer will refund promptly the amount of such excess and the banking costs shall be paid by the other party.

## **6. Interest**

6.1. If any sum of money payable hereunder or under any Transaction is not paid when due or any amount of Securities deliverable hereunder or under any Transaction is not transferred when due, or a party holds money due and payable to the other party without any reasonable grounds, interest shall accrue on the unpaid sum or the Purchase Price of the Securities as a separate debt, and

- (i) should the currency of the amount due be US Dollars or the Securities due are denominated in US Dollars, at the annual rate calculated as LIBOR + 5%; or
- (ii) should the currency of the amount due be Euro or the Securities due are denominated in Euro, at the annual rate calculated as EONIA + 5%; or
- (iii) should the currency of the amount due be not US Dollar or Euro, at the annual rate 18% of the unpaid sum under Actual/360 day count convention.