

SCHEDULE E: MARGIN TRADING

Subject to this Schedule, you may borrow cash or securities from us to purchase or sell investments, i.e. trade on margin. This Schedule sets out the terms for a margin account, which will be different from your regular accounts, in which you trade using the money and other assets you credit to such margin account.

1. Definitions

'Asset' means cash and/or financial instruments.

'Business Day' means any day other than Saturday or Sunday.

'Cash Balance' means as at any determination date, the net amount of cash in a definite currency in your Margin Account and the cash to be credited under selling Transactions in that currency less:

- (a) the cash to be paid or blocked under Transactions in that currency, and
- (b) any charges to your Margin Account.

'Eligible Collateral' means cash and/or securities that have been provided to us and that we recognise as eligible collateral to secure your obligations hereunder.

'Equivalent' or **'equivalent to'** shall mean in relation to cash, a payment of the same amount and in the same currency; in relation to securities, securities of the same issuer, which are part of the same issue and are of an identical type, nominal value, description and (except where otherwise stated) amount as those original securities. Securities will be equivalent to other securities notwithstanding that those securities have been redenominated 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 interest, dividends or other distributions thereon, including distributions which are a payment or repayment of principal in respect of the relevant securities, and unless otherwise notified in writing to a holder of the securities within a reasonable time before the latest time for the exercise of such right or option and 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 right or option, an amount equal to such sum has been paid to the holder of the securities within a reasonable time before the latest time for the exercise of the right or option, the expression **equivalent to** shall have the following meanings:

- (a) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (b) in the case of a capitalisation issue, securities together with the securities allotted by way of bonus on the original securities;
- (c) in the case of conversion, sub-division or consolidation, securities into which the relevant original securities have been converted, sub-divided or consolidated;

- (d) in the case of takeover, a sum of money or securities equivalent to the consideration given;
- (e) in the case of a rights issue, securities together with the securities allotted on the original securities;
- (f) 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;
- (g) 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, and
- (h) if no notice is served to us hereunder, we shall take such action as we in our absolute discretion deem appropriate provided that we notified you of a right or option in respect of which you served no notice to us.

'Haircut' means a discount or increase applied to an Asset in accordance with the Margin Trading Manual, to adjust its value for perceived risk. We may assign different haircuts for long and short Positions in the same Margin Security and for positive and negative Cash Balances in the same currency.

'Indebtedness' means your consolidated indebtedness as calculated by us in accordance with the Margin Trading Manual.

'Loan' means a securities or cash loan that we advance to you under this Schedule.

'Loaned Asset' means cash and/or securities that you borrow under the Loan.

'Margin Account' means your account with us used to record Margin Transactions.

'Margin Asset' means any Asset that we include in the Margin List.

'Margin Call' means a notice given to you by which we request a transfer of Eligible Collateral.

'Margin List' means a list of Margin Assets we provide to you from time to time. You understand and agree that we may amend the Margin List without your consent. We will notify you of any change prior to the date such change is to take effect.

'Margin Position' means the Position resulting from your Margin Transaction(s).

'Margin Ratio' means the ratio reflecting the relation between Eligible Collateral and Indebtedness, adjusted for Haircuts and other risk parameters, and calculated by us in accordance with the Margin Trading Manual.

'Margin Securities' means Margin Assets in the form of securities.

'Margin Trading Manual' means the internal manual communicated to you from time to time that explains how we determine requirements and calculate variables referred to in this Schedule. You understand and agree that we may modify this manual without your consent. We will notify you prior to the date any modification is to take effect.

'Margin Transaction' means a purchase or sale of securities, currencies or eligible derivative contracts (as defined in Schedule F) constituting in each case a Margin Asset where you borrow a Loaned Asset and where Eligible Collateral is provided as security for the Loan.

'Overnight Repo', 'Overnight Reverse Repo' and 'Overnight Currency Swap' means an overnight repurchase transaction, reverse repurchase transaction or spot currency swap transaction respectively.

'Position' means contractual claims or obligations recorded in your Margin Account.

'Roll-Over Transactions' means an Overnight Repo, Overnight Reverse Repo and/or Overnight Currency Swap.

2. General

2.1. Where you request Services under this Schedule and we agree, we will enter into Margin Transactions for you on the terms set out herein. Unless we agree otherwise, you may submit orders to us for entering into Margin Transactions only in respect of Margin Assets.

2.2. You understand that trading under this Schedule involves borrowing of Loaned Assets. When you decide to enter into Margin Transactions, you will be using an intraday credit allowance that we provide to you. This intraday credit allowance may be used to purchase or sell Margin Assets in the amount that may considerably exceed the value of Eligible Collateral deposited to your Margin Account with us. You also understand that while Margin Transactions may give a greater opportunity for profit, it is also of a higher degree of risk. You agree to carefully consider whether entering into Margin Transactions is appropriate for you, taking into consideration your financial resources, objectives and other relevant circumstances.

2.3. By reference to the Margin Ratio, we will assign margin status to your Margin Account which status will define and reflect the level of risk which we associate with your Margin Account. Margin status ranges shall be as follows:

- (a) **Active** which means you may submit orders to enter into Margin Transactions within the limits we have imposed and subject to the provisions of the General Terms or the General Terms and Schedule C: Custody, as the case may be, withdraw any Asset from your Margin Account. Unless we otherwise expressly agree, you can only withdraw Assets actually available in your Margin Account, i.e. we will not be obliged to arrange funding or lending for execution of your withdrawal instructions;
- (b) **Restricted** which means you may submit orders and/or instructions to the extent such orders and/or instructions are aimed at reduction of Margin Positions and/or increasing Margin Ratio. At this level you will not be entitled to give us instructions to withdraw;
- (c) **Margin Call** which means we have the right to give you a Margin Call, and you shall satisfy such Margin Call as specified in this Schedule. At this level you will not be entitled to give us instructions to withdraw;

(d) **Liquidation** which means we are entitled without prejudice and in addition to any right or remedy we may have under these Terms, to liquidate any or all of your Positions and/or deduct any outstanding amounts from the proceeds thereof or cash available in your Margin Account to the extent necessary for your margin status to become Active. We will also have the right to take any other action described in clause 15.2 of the General Terms. At this level you will not be entitled to give us instructions to withdraw.

3. Order Execution

3.1. Unless otherwise agreed between you and us, before entering into any Margin Transaction you shall transfer to us Eligible Collateral. Where you wish to enter into a Margin Transaction to buy or sell currency or an eligible derivative contract (as defined in Schedule F) you shall transfer to us Eligible Collateral in the form of cash.

3.2. To execute a Margin Transaction you may submit an order to us by any communication means acceptable under the Terms for submitting orders.

3.3. We will check any order we receive from you against our requirements, and, subject to order's compliance with the said requirements, we will execute the order or transmit the same for execution. You acknowledge that we may reject any order for entering into a Margin Transaction, notwithstanding its compliance with the formal requirements, without giving any reason.

3.4. If execution of your order results in necessity for you to borrow a Loaned Asset to pay or deliver under the relevant Margin Transaction, we shall debit your Margin Account for the Assets paid or delivered and, if applicable, credit your Margin Account for the Assets bought or received. As a result, negative Cash Balance or short Margin Position in related Margin Securities shall appear or grow in absolute value implying an emerged or increased Indebtedness.

3.5. Where you enter into a Margin Transaction you simultaneously undertake to transfer back to us cash and/or securities equivalent to the Loaned Assets and, where relevant, to pay to us an amount equal to, and in the same currency as, the amount payable by the issuer of the Loaned Securities or, in the case of income in the form of securities or other property, deliver to us equivalent to such securities or other property. The amount payable shall in each case be increased by any amount which is required by law to be deducted or withheld in respect of tax by or on behalf of the issuer of the relevant securities or any other person. All Loans are intraday credits and shall be fully returned by you by the close of business of that day without further notice unless otherwise agreed.

3.6. You shall control your margin status and comply with the requirements set forth in the Terms. Specifically, you shall maintain your margin status at an Active level in respect of all your Margin Accounts with us. It shall be your responsibility to be aware of all your Positions and to ensure those comply with the requirements in this Schedule at all times.

4. Roll-Over

4.1. You shall perform under and settle all Margin Transactions as set out in the Applicable Regulations and Market Rules and by applicable settlement deadlines. You agree that where you fail to close out Margin Positions by the end of a trading day, you will be deemed to have offered to us to enter into a Roll-Over Transaction with us on the terms and conditions set out below.

4.2. We may, but shall never be obliged to, enter into Roll-Over Transactions for or with you. All cash and/or securities acquired as a result of, or in connection with Roll-Over Transactions, shall be Eligible Collateral subject to the terms of this Schedule. You understand and agree that we may elect not to enter into Roll-Over Transactions for you.

4.3. Under an Overnight Repo we will sell securities to you for an agreed sum of money immediately after the close of business on any business day on condition that you will return to us securities equivalent to the originally sold securities for an agreed sum of money prior to the opening of trading in such securities on the next business day.

4.4. Under an Overnight Reverse Repo you will sell securities to us for an agreed sum of money immediately after the close of business on any business day on condition that we will return to you securities equivalent to the originally sold securities for an agreed sum of money prior to the opening of trading in such securities on the next business day.

4.5. Under an Overnight Currency Swap we will sell to you specific amount in one currency (first currency) for specific amount in another currency (second currency) immediately after the close of business on any business day on condition that you will return to us equivalent to the originally transferred amount in the first currency for an agreed amount in the second currency prior to the opening of trading in such securities on the next business day.

4.6. We will be entering into Overnight Repos or Overnight Reverse Repos at the closing prices for Margin Securities at a market where such Margin Securities are predominantly traded on the date of the Transaction. If for any reason prices for Margin Securities are not available on an exchange or organised market and on or about the date of the Transaction we have received offer quotations in respect of Margin Securities of the relevant description from two or more market makers or regular dealers in a comparable size, we will treat as the value of such Margin Securities the arithmetic mean of the prices quoted by each of them, adjusted by us in a reasonable manner to reflect accrued but unpaid distributions and to deduct anticipated transaction costs. We reserve the right to decide which securities in your Margin Account are to be subject to a Roll-Over Transaction and will normally select the most liquid securities according to the prevailing market conditions.

4.7. We will be entering into Overnight Currency Swaps at foreign exchange rates quoted by the central banks in the principal financial center of the country of which the first currency is the official currency, on the date of the Transaction.

4.8. You agree that we may modify the roll-over procedures without your consent. We will notify you prior to the date such modification is to take effect.

5. Commission and Interest

5.1. Interest on Loans will accrue daily at the annualised rate and on the basis agreed between you and us. Failing separate agreement, actual/365 (or 366 in case of a leap year) day count convention will apply. We will debit your Margin Account with such accrued interest periodically without prior notice. Where you borrow Margin Securities interest will accrue on the market value of the Margin Securities as determined by us by reference to such pricing sources as we consider appropriate and taking into account, in our absolute discretion, any variation in the value of cash or the Margin Securities due to the availability, liquidity, solvency or market volatility or other market variable applicable to the Margin Securities. You understand that we may change the interest rates at any time without your consent. We will notify you prior to the date such change is to take effect.

5.2. You will be charged commission under Roll-Over Transactions at the annualised rate and on the basis agreed between you and us. Failing separate agreement, actual/365 (or 366 in case of a leap year) day count convention will apply. We will debit commission due to your Margin Account periodically without prior notice. You understand that the commission rates are subject to change without your consent. We will notify you prior to the date such change is to take effect.

5.3. You agree that we may charge commission by increasing or decreasing the repurchase price under a Roll-Over Transaction or charge the commission separately against your Margin Account cash balance.

5.4. We may pay interest on positive cash balances in your Margin Account provided that relevant interest rates have been specifically agreed between you and us. Unless otherwise agreed, simple interest will accrue daily according to the actual number of days elapsed.

6. Margin Calls and Liquidation

6.1. On or any time after your margin status reaches or falls below Margin Call level, we will be entitled to give you a Margin Call to recover your margin status to Active. A Margin Call may be given by any communication means agreed under the Terms.

6.2. A Margin Call may specify the deadline for making a transfer of Eligible Collateral, or failing such specification, you shall transfer Eligible Collateral so that we receive the same by 2 p.m. (UTC) on the day following the day of the Margin Call or where aggressive thresholds are applicable to you, by 2 p.m. (UTC) on the day of the Margin Call.

6.3. If a Margin Call is not fulfilled in accordance with its terms we may immediately change your margin status to Liquidation.

6.4. If your margin status drops down to Liquidation and/or you fail to close out Margin Positions under clause 4.1 above, we shall have the right, in addition to other rights and remedies we may have under the Terms, to liquidate your Positions to the extent necessary for your margin status to become Active.

6.5. You shall reimburse us for all expenses incurred with regard to the liquidation of your Positions. You will not hold us liable for any Loss (as defined in the General Terms) you may suffer as a result of any action or omission on our behalf that is in compliance with the terms of this Schedule, including liquidation of your Positions.