

# Private Clients

## General Terms and Conditions



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# Barclays General Terms and Conditions

## Section A – Important information

### The Terms and Conditions

- 1.1 These Barclays General Terms and Conditions (“**General Terms**”) shall apply to you when you apply to us and/or avail for Services and shall be read along with the Services Application Form and/or Services Terms and Conditions applicable to such Services. These General Terms together with the applicable Services Application Form and/or Services Terms and Conditions, shall form the terms and conditions defining our relationship with you in relation to the Services you have applied for and/or availed (collectively referred to as the “**Terms and Conditions**”).
- 1.2 If these General Terms are inconsistent with any of the terms outlined in the Services Terms and Conditions and/or Services Application Form applicable to a specific Service applied for or availed by you, then the terms contained within such Services Terms and Conditions and/or Services Application Form will prevail.

### When the Terms and Conditions come into effect

- 1.3 The Terms and Conditions come into effect when you apply for and/or we start providing our Service(s) to you.
- 1.4 These General Terms and the applicable Services Terms and Conditions and/or Services Application Form apply only to Services provided by Barclays Securities (India) Private Limited (“**BSIPL**”).
- 1.5 It is important that you read these General Terms together with the applicable Services Terms and Conditions and/or Services Application Form carefully. You should keep a copy in a safe place.

### Meaning of words and expressions

- 1.6 The meanings of certain words used in these General Terms and in the applicable Services Terms and Conditions and/or Services Application Form are set out in Section D. The section, clause and paragraph headings contained in these General Terms are for reference purposes only and shall not affect the meaning or interpretation of these General Terms. Also, in these General Terms:
  - (a) **we, us** and **our** means BSIPL, which provides the Services to you (as specified in the relevant Services Terms and Conditions and/or Services Application Form signed by you); and
  - (b) **you** and **your** mean any person entering or accepting these General Terms with us, which expressions shall,

unless repugnant to the context or meaning thereof, be deemed to mean and include, if you are an individual, your heirs, executors, administrators and legal representatives; if you are a sole proprietorship firm, your heirs, legal representatives, executors, administrators and permitted assigns; if you are a partnership firm or limited liability partnership, the partners or partner for the time being of the partnership firm or limited liability partnership, the survivors or survivor of them, their respective heirs, executors and administrators; if you are a company, your successors and permitted assigns; if you are a Hindu undivided family (HUF), the karta and its co-parceners and the survivors or survivor of them and their respective heirs, legal representatives, executors, administrators and permitted assigns; and if you are a trust, the trustees for the time being of the trust, survivors or survivor of them and the heirs, executors and administrators of the last surviving trustee.

- 1.7 If you avail our Services jointly with one or more persons, each one of you shall have accepted these General Terms and the relevant Services Terms and Conditions and/or Services Application Form. It is important that you understand the provisions of Clause 15 below. If you have any doubts in relation to applying for or availing Services jointly or any aspect of the Terms and Conditions, you should raise them with your Relationship Manager.

## Section B – Communication and instructions

### 2. Giving instructions

How can you give instructions?

- 2.1 You can give us instructions relating to the Services covered by the Terms and Conditions:

- (a) in writing; or
- (b) verbally (by telephone)

unless we otherwise agree with you in writing (including in your Services Application Form or any Services Terms and Conditions) or we tell you that instructions can only be given in a particular way for a certain Accounts or Services. We will, unless agreed otherwise in writing, not accept instructions by telephone if joint signing instructions apply.

- 2.2 For certain Accounts or Services we may accept instructions for transactions by facsimile. If so, it will be clearly stated in your relevant Services Application Form and/or Services Terms and Conditions and/or will be otherwise agreed in writing with you.

2.3 For certain Accounts or Services we may accept instructions for transactions Electronically. If so, it will be clearly stated in your relevant Services Application Form or any Services Terms and Conditions and/or will be otherwise agreed in writing with you.

2.4 If you have indicated in the Services Application Form that you wish to submit instructions via telephone, Electronically or facsimile, or we have agreed to receive your instructions via telephone, Electronically or facsimile, then Clause 4 will apply.

#### **When your instructions are deemed effective?**

2.5 Instructions are effective when we receive them. Except where verbal instructions are given, we will generally not acknowledge receipt of instructions other than by acting on them but we may call you to check any instructions or acceptance by us of any instructions sent Electronically.

2.6 If you give an instruction by telephone, facsimile or Electronically, we may, at our discretion, ask you to confirm it in writing. You must confirm your instruction as soon as possible to avoid any delay in our acting on it.

2.7 Generally we cannot change or stop an instruction you gave (except in certain limited circumstances we will tell you about) because we start processing instructions when we receive them. If we are able to change or cancel your instructions, we may impose a charge. We shall not be liable to you for any Losses suffered or incurred by you if in our opinion, the original instruction has already been completed or we have insufficient time or is unable to change or cancel the original instruction.

2.8 We can act on instructions:

- (a) given in a document that we reasonably believe bears your signature(s) or that of any person notified by you to us as authorised to give instructions on your behalf; or
- (b) that we believe in good faith to be from you or any person notified by you to us as authorised to give instructions on your behalf,

and there are no circumstances that we are, or should reasonably be, aware of that cast doubt on the identity of the person giving the instruction, We will take reasonable steps to notify you if we are in doubt as to the authenticity of any instruction.

Where instructions are given by anyone notified to us as being authorised to give instructions on your behalf, we can continue to act on their instructions unless we receive written notice from you that they are no longer authorised. If one or more of such authorised persons die, loses their legal capacity or renounce the powers granted to them, we will

assume the remaining authorised persons continue to be authorised unless we have received written notice from you that they are no longer authorised.

2.9 We reserve the right to take additional security measures before acting on instructions from time to time. We may assume, unless we are aware of an obvious error, that information you give us for an instruction, including any account number quoted in the instruction is correct. We will not be responsible for errors arising as a result of unclear orders received Electronically or by telephone.

2.10 We may refuse to act on any instruction if:

- (a) we reasonably believe by carrying out the instruction, we or an Associate might break a law, regulation, code or other duty which applies to us or become exposed to action or censure from any government, regulator or law enforcement agency;
- (b) the instruction is not clear, does not satisfy any requirements that apply to the Service(s) or product or was not given by you or an authorised person; or
- (c) it is for a payment to or from, or you are trying to make a payment in, a restricted country. We will tell you which countries are "restricted" on request or if you try to make a payment to, from or in a restricted country.

Unless applicable laws and regulations prevent us from doing so, we shall take reasonable steps to notify you in the above circumstances. In the case of a Payment Order, we shall take reasonable steps to notify you by the time the payment should have reached the bank you asked us to make the payment to. We will not be liable for any Losses you suffer as a result of such refusal.

2.11 If we receive any Payment Order or other instruction and;

- (a) we are concerned that it may not have come from you or an authorised person, it contains incorrect information or is illegible;
- (b) it exceeds a limit we set for security purposes; or
- (c) for some other reason, such as suspected fraud, we want to check the instruction with you,

we can ask you to confirm it in a manner reasonably acceptable to us and we will not act on it until you have done so.

2.12 Where we appoint an Associate or any other person to act as our agent or service provider, any instruction or notification you give to such agent or service provider will be deemed to be an instruction or notification given to us and we may act or rely on such instruction or notification accordingly. You

agree that receipt by such agent or service provider of such instruction or notification will not be regarded as receipt by us of such instruction or notification until we actually receive it.

- 2.13 Unless otherwise agreed between us, individuals authorised to give instructions on Accounts of unincorporated clubs, charities, societies and other forms of association are individually and jointly liable for money owed to us. This means that we have the right to demand repayment of the full amount owed to us, and not just a share of it, from any of the authorised signatories.

### Security procedures

- 2.14 We shall verify your signatures and those of your Authorised Signatories by comparison with the specimen signatures deposited with us. We are not obliged to ask for other proof of identity but reserve the right to do so. We will accept no liability in any case where we fail to notice a falsification, forgery or other defect in signature, authentication or legal capacity, except where gross negligence or fraud has been proven against us. You agree that you will be responsible for all instructions received by us from an Authorised Signatory even if the Authorised Signatory breaches the Terms and Conditions. For the avoidance of doubt, you understand that we cannot control how an Authorised Signatory uses your Accounts or Assets.

- 2.15 Keeping information about your Accounts secret may help to prevent fraud and protect your Assets. You should not disclose any information about your Accounts to anyone unless you know who they are and why they need it (which must be for a good reason). You should take all reasonable care to prevent unauthorised or fraudulent use of your personal details.

### 3. Other communications

Communications with us (other than instructions) in relation to the Services contemplated by the Terms and Conditions:-

- 3.1 You may contact us in relation to the Services contemplated by the Terms and Conditions by any of the means listed below, in any other manner permitted by your Services Application Form or any Services Terms and Conditions or as otherwise agreed in writing with you:

- (a) in writing;
- (b) verbally (by telephone); or
- (c) by facsimile or Electronically.

You should use the address, telephone, facsimile numbers and email address notified to you.

- 3.2 You must ensure we have your current contact details. If your details change, please notify us in writing. We are

required to continue forwarding information to you at the last known contact address we have for you. If you do not inform us promptly of a change to your details, the security of your information could be put at risk.

- 3.3 If you have indicated in the Services Application Form that you wish to be contacted by us or receive communication from us via telephone, Electronically or facsimile, or we have agreed to communicate with you via telephone, Electronically or facsimile, then Clause 4 will apply.

### When your communications are deemed effective?

- 3.4 Your communications under this Clause 3 are only effective when we receive them.

### How we will communicate with you

- 3.5 We will contact you in relation to the Services contemplated by the Terms and Conditions using the latest:

- (a) address;
- (b) facsimile number;
- (c) telephone number (including mobile phone number); or
- (d) email address,

provided by you.

- 3.6 We may also communicate with you by posting notices and information on one of our websites where we consider it appropriate to do so in the context of our relationship with you.

- 3.7 We will send all written statements of account and notices to you by post (unless stated otherwise in the Terms and Conditions, your Services Application Form, any Services Terms and Conditions or otherwise agreed) and will be considered received by you no later than three Business Days after dispatch if sent to an address in India or ten Business Day after dispatch if sent to an address outside India. If you have requested us to send you statements of account by email, the paper form of your monthly statements of account will cease to be generated. If you cancel your request for email statements, we will send you paper statement of account on the next statement date after receipt of your notice of cancellation. If for any reason we are unable to send you statements of account by email, we will send your statements and other notices by post.

- 3.8 We may leave messages for you to contact us on an answering or facsimile machine or with the person answering the telephone, unless you tell us not to.

- 3.9 We may record and monitor telephone calls so we can check instructions to ensure we are meeting our service standards.

3.10 In respect of Accounts opened or Services applied for or availed jointly with two or more persons, we will contact only the person named first in our records with respect to such Accounts or Services subject to any legal requirements or unless you request otherwise. The first named person is responsible for passing information we send to the other persons who have jointly opened the Account or availed Services.

#### 4. Electronic instructions and other communications

4.1 Where you have authorised us, we may be authorised, at your request, to send certain information and communications to you Electronically (when we use the words “**Electronically**” or “**Electronic**” herein, we mean any form of message made by any digital or IT device, including the internet and email) including but not limited to (i) account statements, transaction details and confirmations, product/transaction information, term sheets and analyst’s reports, and (ii) any other confidential information relating to you or your accounts, assets, investments and transactions with us. We accept no responsibility for the risk of receipt of such information by any persons other than you or for any breach of our duty of confidentiality to you by despatching such communications Electronically.

4.2 The Electronic information and communication sent by us to you by may not be password protected. There is no guarantee that Electronic information and communications will be secure, virus-free or successfully delivered.

4.3 We are not liable if, due to circumstances beyond our reasonable control, these Electronic communications are intercepted, delayed, corrupted, not received or received by persons other than the intended addressees. However, where we think this has happened with an Electronic communication from you we will try to confirm the communication with you. For security, legitimate business purposes and to maintain service standards we may monitor Electronic communications, including emails we send or receive, and any website we use.

4.4 Should you wish to communicate or instruct us by email, you accept all the associated risks, including the risk of delay, network overloads, transmission errors and that messages may be intercepted, read or modified by third parties.

4.5 The following shall apply where you have requested and authorised us to accept facsimile, email and/or telephone as a medium for instructions from you to us, from us to you, and from us to other parties on your behalf in accordance with the Terms and Conditions:

(a) You or your Authorised Signatory/ies shall, if requested by us, confirm in writing instructions given by you or your Authorised Signatory/ies by telephone/facsimile/email within such time after giving such instruction as is required by us. Without prejudice, any telephone instructions given or purported to be

given or received from you or your Authorised Signatory/ies or any facsimile/email stated to be from you or your Authorised Signatory/ies shall be deemed to be given with your full authority and approval and shall be sufficient authority to us to do or omit to do the act(s) as per such instructions and shall be conclusively binding on you, irrespective of whether such instructions are or are not subsequently confirmed in writing by you or your Authorised Signatory/ies.

(b) We shall be under no responsibility whatsoever to verify the authenticity or otherwise of any instructions given to us in the aforesaid manner. You accept full responsibility and liability for all consequences of fraudulent, forged or unauthorised instructions and we shall not be liable for any loss that you may suffer if we act on instructions that we believe to be from you or your Authorised Signatory/ies, except in a case where gross negligence or willful misconduct is proved against us.

(c) Your request and authorisation for us to accept instructions from you or your Authorised Signatory/ies by telephone, facsimile or Electronically shall remain in full force unless and until notice of revocation thereof in writing duly signed by or on your behalf is received by us and we have had a reasonable time to act upon the notice of revocation. Such revocation shall not release you from any liability hereunder in respect of any act performed by us in accordance with the terms of such authorisation prior to the expiry of such time.

4.6 When we send you information and communication in Electronic form, you understand that you may need to have the latest version of PDF file viewers or Microsoft Office application installed at your end to view such information and communication.

#### 5. Matters relevant to specific types of investment

5.1 When we provide you with a Service, it is important that you understand the nature and risks involved. When you apply for such Services, we will provide you with information on some of the general risks of investing and the nature and risks of particular types of investments. We have also set out some general risks associated with certain types of investments in Appendix 1 and also in the relevant Services Terms and Conditions. Please ensure that you take time to read and understand this information.

5.2 You confirm that you are aware that your Securities are subject to a very wide variety of risks which include amongst others (and by way of illustration) an unpredictable loss in value which may extend to a total loss of value of the Securities due to, inter alia:

(a) overall economic slowdown, unanticipated corporate performance, environmental or political problems,

changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports;

- (b) acts of force majeure including nationalization, expropriation, currency restriction, measures taken by any government or agency of any country, state or territory in the world, industrial action or labour disturbances of any nature, boycotts, power failures or breakdowns in communication links or equipment (including but not limited to loss of electronic data) international conflicts, violent or armed actions, acts of terrorism, insurrection, revolution, nuclear fusion, fission or radiation, or acts of God, default of courier or delivery service or failure or disruption of any relevant stock exchange, depository, clearing house, clearing or settlement systems or market, or the delivery of fake or stolen securities;
- (c) de-listing of Securities or market closure, relatively small number of scrip accounting for a large proportion of trading volume;
- (d) limited liquidity in the stock markets impeding readjustment of portfolio composition;
- (e) volatility of the stock markets, stock market scams, circular trading of securities and price rigging;
- (f) default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise and disputes raised by third parties;
- (g) low possibilities of recovery of loss due to expensive and time consuming legal process; and
- (h) change in the Securities and Exchange Board of India (SEBI) rules and regulations and laws governing the Terms and Conditions.

## Section C – General

### 6. Basis on which we provide our Services

- 6.1 We are authorised, at our discretion, to take such steps as we may consider expedient to enable us to provide our Services and to exercise our powers under the Terms and Conditions, including the right:
- (a) to comply with any law, regulation, order, directive, notice or request of any government or regulatory (including any self regulatory organisation) agency or body (whether or not having the force of law) requiring us to take or refrain from action. Nothing herein shall remove, exclude or restrict any of your rights under such law; and
  - (b) generally to do any acts and things that we deem necessary for or are incidental to providing any facilities

or Services and to make or withhold any payment that we deem necessary for ensuring compliance with any rules or regulations or any requirement of the issuer or counterparty.

- 6.2 Where permitted under the applicable laws and regulations, we may appoint a Barclays Group company or any other person as our nominee or agent or service provider to perform any Services on our behalf and may delegate any of our powers under the Terms and Conditions to such person but, in such a case, we shall remain liable for the gross negligence or willful misconduct of any such appointee as if no such appointment had been made.

### 7. Charges and payment

- 7.1 We will charge fees and commissions for our Services under the relevant Services Application Form and Services Terms and Conditions in accordance with our published tariffs or as otherwise agreed in writing. We may vary any fees, commissions or other charges at any time and we will notify you of any variations in accordance with Clause 14.
- 7.2 You will be liable for any costs, charges, penalties (including but not limited to brokerage, commissions, transfer fees, registration fees, stamp duties, taxes, legal fees and other fiscal liabilities)(collectively, “Charges”) incurred by us or imposed on us in connection with your Assets and/or any other Services under the relevant Services Application Form and Services Terms and Conditions, including those incurred in the exercise or enforcement of any of our rights under the relevant Services Application Form and Services Terms and Conditions. A certificate as to the nature and amount of any such Charges issued by us shall be conclusive evidence against you.

### 8. Your representations, warranties and undertakings

- 8.1 You represent, warrant and undertake (on an ongoing basis so that such representations, warranties and undertakings shall be regarded as having been repeated whenever you give us instructions, sign any Services Application Form and Services Terms and Conditions or are provided with any Service under the Terms and Conditions) as follows:
- (a) that you are not resident in a jurisdiction where there is any restriction on your purchase of any Securities or your being provided with any of the Services under the Terms and Conditions. If you become resident in any such jurisdiction, you will inform us immediately and will, if so required by us, sell or redeem any restricted Securities;
  - (b) that when purchasing or dealing in any Securities you will ensure that you are not subject to, and are not acting on behalf of any person who is subject to, any prohibition against, the purchase or dealing in any such Securities and that you are or will make yourself fully



aware of, understand and will fully comply with the relevant restrictions, rules, by-laws, customs, usages and regulations (particularly relating to trading and settlement of any clearing house) relevant to trading in such Securities and on the relevant exchanges and markets;

- (c) that you are acting as principal in relation to the Services provided hereunder;
- (d) in respect of any agreement you enter into with us or any of the Terms and Conditions you accept, all actions required to be taken (including obtaining any consents and registration with any entity and payment of any stamp or other duties, taxes or fees) have been or will be taken as may be required under applicable laws and regulations in order to enable you lawfully to enter into and perform your obligations under such agreement and the Terms and Conditions, to ensure that the obligations and any security interest are valid, legally binding and enforceable and to ensure that any security interest will rank ahead of any other security interests in any property charged under an agreement and to make any agreement and the Terms and Conditions admissible in evidence in the courts and/or tribunals of Mumbai and your jurisdiction of incorporation or domicile;
- (e) that any information you have provided to us for the purposes of establishing the arrangements contemplated by the Terms and Conditions (including as to your status, residence and domicile for tax purposes) is complete and correct in all material respects;
- (f) there are no prior or pending criminal proceedings, investigations or enquiries relating to you and no actions have been taken by any regulatory body against you (other than those disclosed to us in writing);
- (g) that, unless stated in the Terms and Conditions, you will not rely on or treat any communications from us as constituting warranties, representations or assurances in relation to any of the products and/or Services that we provide you with; and
- (h) that you will not deal in the Assets or take or omit to take any step that will result in any lien or charge arising over the Assets, other than a lien or other security pursuant to these terms.

8.2 You undertake to take all reasonable steps to ensure that the representations and warranties that you give (whether in this Clause 8 or any other provision of the Terms and Conditions) are true and complete. You will notify us immediately if this is not the case.

## 9. Your obligations

9.1 You shall maintain utmost secrecy with regard to information provided by us and in no case shall you divulge any

information provided by us, except to the extent required by law or to your accountant, tax or other professional adviser.

- 9.2 You agree that it is your responsibility to comply with all applicable laws and the regulations laid down from time to time by all relevant regulatory authorities for the purpose of dealing in Securities. You shall not transact or give instructions for transactions in Securities that would be in breach of or procure a breach of or result in non-compliance with applicable laws and the regulations.
- 9.3 Except to the extent it results from our gross negligence, willful misconduct or fraud or that of any Associate in carrying out functions delegated to it under the Terms and Conditions, you agree to keep us, our market information providers, any Associate and any other person appointed by us and our Associate(s) and their respective officers and employees indemnified against any actions, proceedings, and Losses that may be suffered or incurred (a) in connection with the provision of any Service under the Terms and Conditions including actions, claims and liabilities arising from any arrangements entered into by us with third party providers of information and other services reasonably required to enable us to provide such Service, (b) as a result of your failure to comply with your obligations under the Terms and Conditions, (c) in the enforcement of the Terms and Conditions or (d) in connection with any instruction given by you or any Authorised Signatory (including instructions given by telephone, facsimile or email), any transaction effected for you or any Service provided to you including any action properly taken by us or by our agents under the Terms and Conditions and this indemnity shall survive the termination of the Terms and Conditions.
- 9.4 You undertake to notify us promptly of any material change to information provided by you to us in the Services Application Form or in connection with your Accounts or Investments purchased by you or us on your behalf. In particular, you must update us with any changes in your status or information such as your address or changes that are relevant to your Tax Obligations (as defined in Clause 13.1). Some Service(s) may no longer be available if your status changes (for example, if you become resident in another country).
- 9.5 You shall render all possible assistance and you also agree to provide any further information or documents as may reasonably be requested by us from time to time, in order to enable us to perform our obligations under the Terms and Conditions or enable us to comply with any laws, regulations and policies (including, without limitation, "know your client" regulations/policies). Failure to do so may adversely affect the quality of the Service(s) we are able to provide.
- 9.6 You will carefully control the issuance of all instructions to us and make sure they are in accordance with the authority you have given us. We will not be liable to you if it can be shown

that you have not exercised reasonable control over the operation of, or access to, your Account and our Services.

9.7 You agree that the Investments made are at your discretion, judgment and opinion. You further undertake and confirm that:

- (a) you understand the risks involved in investing in Securities;
- (b) you shall be responsible for all the investment decisions and trades; and
- (c) you shall be and continue to be responsible for all the risks and consequences for entering into trades that you choose to enter into.

9.8 You agree to immediately furnish information to us in writing, if any winding up or insolvency petition or decree or award is passed against you or if any litigation or proceeding has been filed against you that may have material bearing on your capacity.

#### **10. Our liability to you**

10.1 We are not liable to you for any Losses in respect of our Services under the Terms and Conditions unless directly caused by our gross negligence, willful default or fraud.

10.2 The provision of our Services under the Terms and Conditions do not constitute us as a trustee and we shall have no trust or other obligations, except those contained in the Terms and Conditions.

10.3 We are under no duty to examine or verify the validity of the ownership of or title to any Securities and shall not be liable in respect of any defect in ownership or title.

10.4 Neither we nor any of our market information providers shall be liable for any taxes or duties payable on or in respect of the Securities nor for the management of or any diminution in the value of the Securities.

10.5 We shall not be liable to you for any Losses if we do not act or refuse to act on your instructions or communication for any reason specified in Clause 2.10 above or if we otherwise fail to take any action that in our opinion is or would be in breach of any applicable law or regulation.

10.6 We will not be liable to you for:

- (a) any Losses as a result of anything we cannot reasonably control and the effect of which is beyond our reasonable control to avoid;
- (b) any Losses you may suffer that we could not reasonably have anticipated when you gave us an instruction;
- (c) any loss of business, goodwill, opportunity, profit or exemplary damages; or

(d) any type of special, consequential or indirect loss whatsoever.

10.7 Nothing in the Terms and Conditions shall exclude or limit any duty or liability we may have to you under any applicable law or regulations.

10.8 To the extent there is any conflict between the Terms and Conditions and our duties under any applicable laws and regulations, we will act in a way we reasonably consider necessary to comply with such applicable laws and regulations. We will not be treated as having breached the Terms and Conditions as a result.

10.9 We are not liable for the performance or profitability of Investments we recommend or make for you.

#### **11. Conflicts of interest and material interest**

11.1 The complexity and size of our business, our position within the wider Barclays Group, and our reliance on third parties at various points can occasionally lead to situations where our interests and/or those of our staff conflict with your interests. Equally, your interests may occasionally compete with those of other clients.

11.2 Where we are aware or made aware that we are faced with a situation of competing interests, we will undertake all reasonable steps to protect your interests and ensure you fair treatment, in line with the duties we owe you as our client.

11.3 Where we are not satisfied that our arrangements to handle conflicts are sufficient to prevent a conflict of interest from potentially harming your interests, we will:

- (a) disclose the nature and source of the conflict to you; and
- (b) if appropriate, obtain your permission to proceed with the Service(s).

11.4 We describe below some of the types of conflicts of interest that could arise so that you are able to understand them and consent to our acting nonetheless. Examples of such situations include:

- (a) where we or our Associates carry on business on behalf of other clients;
- (b) where recommendations we make to you differ from advice or recommendations given to other clients;
- (c) where we deal on your behalf through an Associate or where an Associate receives an agent's commission;
- (d) where a deal or recommendation involves Investments issued by us, an Associate, a client or a client of an Associate;

- (e) where we or our Associates deal with you as principal for their own account or have a long or short position in Securities that are held by you or in which we have transacted for you;
- (f) where we match your transaction with that of another client by acting as agent on their behalf as well as yours;
- (g) where we or an Associate is involved in or act in respect of a new issue, rights issue, takeover or any other transaction or have any other relationship with an issuer of Investments which is relevant to Investments in which we deal on your behalf or make recommendations; or
- (h) where our officers or employees or those of an Associate act as officers or employees of issuers of Investments in respect of which we deal on your behalf of make recommendations.

11.5 For any business where you are introduced by a third party, we may have made a payment to the introducer or pay on-going commissions. The basis of such payments will be made available to you where required by applicable laws and regulations.

11.6 When providing Services or conducting business for you:

- (a) we may receive from or pay to a third party commissions or other benefits in relation to that business (we will ensure that these arrangements provide for an enhancement of the Service(s) to which they relate and that they do not prevent us from acting in your best interests); and
- (b) we and any Associates are permitted to deal in Investments with you as agent and/or principal.

You agree that neither the relationship between you and us as described in the Terms and Conditions nor any other Service(s) that we provide to you will give rise to any duties on our part or that of our Associates that would prevent us or our Associates doing any kind of business except where it would not be permitted under the applicable laws and regulations.

11.7 We and our Associates provide a range of Services and may possess information of a confidential or non-public nature which we are under a duty not to disclose or use for our own benefit or anyone else's. We are not under a duty to you to use or disclose all information in the possession of the Barclays Group when providing our Services. For example, we are not obliged to disclose or take into consideration any information, fact or matter:

- (a) that has not come to the actual attention of the individual making a recommendation to you or acting on your behalf whether or not it has come to the attention of any other person;

- (b) disclosure of which would be a breach of a duty of confidentiality to any other person or result in a breach of any applicable law or regulation; or
- (c) that is held solely in a division of us or the Barclays Group in a manner that prevent its publication outside that division.

11.8 You shall (promptly on gaining knowledge of the same) disclose to us in writing the details of any interest you may have in any listed company or other corporate body that may enable you to obtain unpublished price sensitive information in respect of such company or corporate body. You shall keep us indemnified against the consequences of any non-disclosure in this respect..

## 12. Your information

12.1 You consent and authorise us to hold and process any personal information relating to you (including information relating to your repayment of fulfillment of your obligations under the Terms and Conditions or failure thereof, details of any of your accounts, assets, transactions and account relationship with us (if any)), biometric information to uniquely identify you, and financial information obtained by us in connection with, or as a result of, the Terms and Conditions, dealings between us and you, whether it concerns you, your relevant beneficial owners or acquaintances (collectively, "**Information**"). We will keep the Information confidential and only disclose it to the extent provided in the Terms and Conditions.

12.2 You consent and authorise us, our officers and employees to use, store, process, disclose, transfer (including outside the place in which your accounts are held) and exchange the Information to or with any person that it considers necessary:

- (a) for any purpose in connection with Services that we provide to you;
- (b) to promote or enhance the provision of other financial services from us or any Associate to you;
- (c) in connection with matching any Information with other information in our possession that relates to you;
- (d) in order to comply with applicable laws and regulations;
- (e) to ensure compliance with present or future contractual or other commitment with local or foreign regulatory authorities;
- (f) in connection with Barclays policy on collection, use and disclosure of information as set out in statements, circulars, notices or other terms made available by us to you;
- (g) in connection with our legitimate business interests (for e.g. credit scoring, market analysis and management purposes);

(h) in order to meet our or any Associate's obligations to counterparties or any relevant regulatory authority (including any requests or reporting as may be stipulated by any relevant regulator from time to time); and

(i) for risk management purposes.

12.3 If you fail to fulfill any or whole of your obligations under the Terms and Conditions, we may disclose or publish your name and your directors or partners as a defaulter in such manner and through such medium as we in our discretion may think fit.

12.4 The recipients of Information under Clause 12.2 may include the following persons or entities, wherever located:

(a) any Associate, divisions of Barclays Bank PLC and the head office, branches, representatives officers, directors, officers and employees of any Associate;

(b) any agent or independent contractor of any Associate;

(c) any actual or potential assignee, novatee, transferee, participant, sub-participant or successor (or any agent, adviser, actual or potential investor, in or any of the foregoing) in relation to any of our rights or obligations under the Terms and Conditions or any other agreement;

(d) any professional adviser or service provider to any Associate;

(e) the agents and advisers to you;

(f) any rating agency, insurer or insurance broker of, or any direct or indirect provider of credit protection to, any Associate;

(g) any court, tribunal or regulatory, supervisory, governmental or quasi-governmental authority that has jurisdiction over any Associate;

(h) any person who is entitled to demand or request the relevant Associate to make disclosure, including banks, financial institutions, credit reference agencies and any person to whom it is in the relevant Associate's interests to make disclosure;

(i) any other third party provider of services (including, but not limited to, any stock exchange, depository, depository agent, clearing system, trade repository, fund registrar or fund manager, nominee or custodian, issuer, manager or underwriter of Securities) selected by the relevant Associate;

(j) any other third party provider of services engaged or to be engaged by you;

(k) any person for the purpose of wire transfer;

(l) in the event of default, any debt collection agent appointed by the relevant Associate;

(m) any person or entity to whom the relevant Associate is required by any law, competent court or tribunal, policy or other government authorities to make disclosure; and

(n) any person or entity if we reasonably determine that disclosure is: (i) necessary or desirable in the performance of our or an Associate's function; or (ii) in the interests of us or an Associate.

12.5 Information may be transferred out of the jurisdiction from which it was supplied. The laws concerning confidentiality and data protection may be more or less stringent in the jurisdiction to which the Information is transferred.

12.6 If we transfer Information to one of our service providers or agents outside the jurisdiction where we provide our Services to you, we will require that the service provider or agent agrees to apply the same level of protection as we are required to apply to the Information in the jurisdiction where we provide our Services to you.

12.7 We and any Associate may use the Information relating to you to inform you by post, telephone, Electronically or by personal visit without express invitation about products and services (including those of others) which may be of interest to you.

12.8 Where permitted by the applicable laws and regulations, we may outsource data and transaction processing, financial and transaction reporting, custody, risk management, execution, operational and any other functions to any person in any jurisdiction. You authorise the relevant service provider to process and deal with your Information for the purpose of providing services to you.

12.9 For the avoidance of doubt, you expressly and irrevocably consent to us, any Associate and our respective employees, agents and brokers at any time disclosing your Information under the applicable laws and regulations of India for the purposes and to the persons listed above.

12.10 Where you provide us with personal, biometric or financial information relating to others (e.g. dependants, other family members, a joint Account holder, your officers, employees, partners, shareholders and/or other persons who may have a beneficial interest in you), you confirm that you have their consent, or are otherwise entitled, to disclose the information to us on the understanding that we will use it in accordance with the Terms and Conditions (e.g. we will process the information in order to provide our Services). You undertake to procure all relevant consents, authorizations and/or approvals from these persons for their personal data to be collected, held, processed, used and/or disclosed by us as we may reasonably request for or in connection with the

performance by us of our obligations under or in connection with the Terms and Conditions.

12.11 You are aware that you have the option to at any time withdraw this consent and where such consent is withdrawn, you understand that we may, at our sole discretion, discontinue the provision of Services for which the Information was sought.

12.12 You specifically waive any applicable laws, regulations or provisions (including corporate secrecy laws) regarding confidentiality in each jurisdiction, including without limitation, India, to the fullest extent permitted under such laws.

12.13 Subject to restrictions imposed by applicable laws and regulations, our rights to retain and disclose your Information will continue after the Terms and Conditions are terminated or we cease to provide Services to you.

12.14 You agree that any bank with whom you have accounts, including any Associate, can provide us with information as to the operation of any such accounts and provide a banker's opinion to us upon our request.

## 12A Disclosure Obligations

12A.1 If you (or a person with whom you have a joint account) are subject to tax or reporting in another country (or we have reason to believe or are required to presume that this may be the case), we, and other Barclays Group entities, may be required by legislation, regulation or by agreement with tax authorities of that country to report on an ongoing basis certain information about you and your account on an individual or aggregate basis:

- (i) to a relevant tax authority which may then pass that information to the tax authorities where you are subject to tax; or
- (ii) directly to the tax authorities in that country (such as the United States).

If you are not an individual, we, and other Barclays Group entities, may also have to report information about your direct and indirect shareholders or other owners or interest holders and, if you are a trust, your beneficiaries, settlors or trustees.

If this applies to you at any time, the information we, and other Barclays Group entities, would have to report includes information about you, your accounts and other products, for example your account number(s), the amount of payments including interest paid or credited to the account(s), the account balance(s) or value(s), your names, addresses, countries of residence and social security numbers/taxpayer identification numbers or similar (if applicable).

12A.2 You acknowledge that, to comply with these obligations, we, and other Barclays Group entities, need to review certain information they holds about you or additional documents and information we, and other Barclays Group entities, obtain from you, such as certifications about your identity, tax residence, nationality and status. We, or the Barclays Group, may centralise this review process in another country and we, or the Barclays Group, may also use carefully selected agents or sub-contractors that have adequate protections for keeping its customers' data secure and operate under a strict duty of confidentiality to us.

12A.3 You hereby consent and agree:

- (i) to provide any additional information or documents we request from you in order to comply with our reporting obligations;
- (ii) that we may make the disclosures to the tax authorities described above;
- (iii) to waive any rights to limit or prevent disclosure to tax authorities, under applicable data protection, bank secrecy or similar laws in respect of the information we report to comply with these obligations;
- (iv) if you do not provide us with information or documents we need or do not provide a waiver of confidentiality rights where needed, we may (i) withhold on amounts, including interest (and in certain circumstances gross proceeds from 2019), paid or credited to us; or (ii) close or block your account, terminate or redeem our product and/or end our contractual or other relationship with you; and/or (iii) transfer the account, product or relationship (and its associated assets and liabilities) to an affiliate of the Barclays Group in another jurisdiction (and, for the avoidance of doubt, and you shall be deemed to have given consent to any such transfer);
- (v) if you ask us to make a payment to an account based at a financial institution which does not participate or comply with relevant tax legislation, we may be required, and you authorise us, to withhold certain amounts, for example, in respect of US tax liabilities from the payment (we will tell you if this is the case);
- (vi) that we may transfer your data to another country for processing including countries which may not have an adequate level of protection for data law purposes and use agents and sub-contractors to process your data to comply with our obligations;
- (vii) to the greatest extent permitted by applicable law, we will not be liable to you for any loss you may suffer as a result of our complying with legislation or agreements with tax authorities in accordance with this clause, unless that loss is caused by fraud on our part; and

(viii) that this consent will override any inconsistent term or consent provided by you under any agreement with us, to the extent it provides fewer or lesser rights for us, whether before or after the date of these Terms and Conditions.

### 13 Legal and Tax

13.1 You have sole responsibility for complying with any applicable laws and regulations and the management of your tax affairs. You confirm that you have and are compliant with all applicable filings and payments, in particular, all tax declaration and reporting obligations relating to the Assets held in your Account and any income or gains they produce (the “**Tax Obligations**”).

In the event that you are holding Assets in an Account as trustee or in any other fiduciary or non-personal capacity, you confirm that you will make relevant information provided to you by us available as often as may be required, and no less than annually, to any beneficial owner, settlor or beneficiary or other similar person who may need to receive it to enable that person to fulfill any applicable legal and tax obligations in a timely manner. You also confirm that all such persons are aware of all applicable legal and tax obligations, that we are not legal or tax advisers on those obligations and they have undertaken, to the best of your knowledge, all necessary steps to fulfill such obligations.

13.2 BSIPL and its Associates will not provide you with legal or tax advice. The value to you, and the effects on you, of some of our Service(s) may depend on your tax status. We recommend that you obtain your own independent legal and tax advice, tailored to your particular circumstances.

We may ask questions about your personal tax position and may explain to you our understanding of the generic legal or tax position relating to our products or Services in order to provide you with information on those products or Services and to assist us in selecting which products or services may be appropriate for you. We do not warrant or assume any duty of care to investigate into whether or not, or to ensure that, the information is complete, up-to-date, accurate or necessarily appropriate to or takes into account fully your circumstances. We do not assume any legal responsibility for anyone acting on the information provided.

13.3 You confirm that you are aware of all legal and tax obligations that apply to you arising from the products and Services that we provide to you and that you will undertake all necessary steps to fulfill these obligations.

13.4 You will indemnify us against any tax liability that may be incurred by us in respect of transactions entered into by us on your behalf.

13.5 In the course of our relationship with you, we will provide you with Account statements and other standard

information. It is your responsibility to identify and obtain all the information that you may require to fulfill your legal and tax obligations. We will consider written requests from you for the provision of further information but you acknowledge that, unless we are required to do so by law or regulation, we are not obliged to provide such information.

13.6 We are authorised to withhold and pay on your behalf any taxes or duties payable in respect of any Securities, or any Account, facility or Service provided to you.

13.7 There may be other taxes or costs that are not paid through us or imposed by us that you have to pay in connection with your Account.

13.8 If you are paying us interest, fees or any other payment, you may be required by law to deduct tax or other duties from the amounts payable to us. This would mean that you would need to deduct tax from the payment before paying us. Where this is the case, you must “gross up” the payment so that the net amount we receive is equal to the full amount we would have received had the payments made by you not been subject to a tax deduction. You are responsible for the payment of any withholding tax to the applicable tax authorities.

13.9 If you request us to maintain separate Accounts for capital and income, we will endeavour to allocate your Assets and the proceeds arising from such Assets between those Accounts in a manner that we consider is reasonably consistent with your requirements. However, in some cases, it may be difficult to determine when and how to categorise amounts as either capital or income, and in what proportions. In addition, definitions of capital and income may vary in different tax jurisdictions. Accordingly, we will not be liable to you for the timing or allocation of amounts between your capital and income Accounts. You should seek your own professional advice on the correct allocation between capital and income, particularly if this is likely to have tax implications for you.

13.10(a) You consent to the withholding or deduction by us (or any entity in the Barclays Group or its delegates or other withholding agent or third party (e.g. custodian)) from any payment to you, or to or from your account or any account of any amount of withholding, income tax, value added tax, tax on the sale or disposition of any property, duties or other lawfully collected amounts (together, the “**Collected Amounts**”) collected or paid under FATCA which we (or any entity in the Barclays Group) reasonably determines is required under FATCA.

(b) You acknowledge and accept that we (or any entity in the Barclays Group) will not be required to reimburse you for any amount withheld or deducted by us (or any entity in the Barclays Group), any delegate or any other person. To the extent we, any Affiliate, any delegate or any other party pays or is or becomes required to pay

any amount that should have been, but was not deducted and withheld from a payment to you, or to or from your account, or any account required as described above in this paragraph, you shall indemnify us for such amount, plus any interest and penalties thereon, provided we (or any entity in the Barclays Group) or any of its delegates paid or is or becomes required to pay the amount to a governmental authority in any jurisdiction, domestic or foreign.

- (c) You represent that you have secured from any person that will own a beneficial interest in a payment from us (or any entity in the Barclays Group) any consent or waiver necessary to permit us (or any entity in the Barclays Group) and any delegate to carry out the actions described in this Clause 13.10.

#### 14. Variations

14.1 We may change any of the provisions in the Terms and Conditions for any reason not listed below in this Clause 14 provided that:

- (a) you are able to terminate our Services without charge; or
- (b) we agree to waive any charge that would otherwise apply.

14.2 We will not reduce a fixed or bonus rate on an Account for the period that we have agreed to keep it fixed.

14.3 If we provide a new Service or facility in connection with an Account or Service (including any benefits or services provided as part of an account package), we may introduce a new charge for providing you with that Service or facility.

14.4 We may change our charges or introduce a new charge if there is a change in (or we reasonably expect that there will be a change) in the costs we incur in carrying out the activity for which the charge is or will be made or the applicable laws and regulations. Any change or new charge will be a fair proportion, as reasonably estimated by us, of the impact of the underlying change on the costs we incur in our business and operations.

14.5 We may also change our charges for a valid reason and we will give you notice in accordance with Clause 14.8.

14.6 We may change any of the Terms and Conditions in order to upgrade your Account or enhance the services we provide to you, after giving you notice in writing in accordance with Clause 14.8, if we reasonably consider this to be to your advantage and there is no increased cost to you.

14.7 We may also change the Terms and Conditions for any of the following reasons:

(a) where we reasonably consider that:

- (i) the change would make the terms easier to understand or fairer to you; or
- (ii) the change would not be to your disadvantage;

(b) to cover:

- (i) the improvement of any Service or facility we supply in connection with the Account(s);
- (ii) the introduction of a new Service or facility;
- (iii) the replacement of an existing Service or facility with a new one; or
- (iv) the withdrawal of a Service or facility which has become obsolete, or has ceased to be widely used, or has not been used by you at any time in the previous year;

(c) to enable us to make reasonable changes to the way we look after your Accounts or provide services as a result of changes in:

- (i) the banking, investment or financial system;
- (ii) technology; or
- (iii) the systems we use to run our business and operations; or

(d) as a result of applicable laws and regulations (or where we reasonably expect that there will be a change in an applicable law or regulation).

14.8 Unless stated above and under this Clause 14, we will give you notice (by post or Electronically) of any change made under this Clause 14 at least 30 days in advance of the change coming into effect. However, we may introduce changes as soon as we give you notice if we consider they are necessary, or to take account of legal or regulatory requirements, or if they are technical or procedural in nature and we reasonably believe they will help us to improve our service to you.

Where we do so:

- (a) we will tell you the date the change comes into effect; and
- (b) if notice is given to you at the most recent physical or email address we have for you, you will be treated as having agreed to be bound by that change with immediate effect or 30 days after the notice is deemed to have been received by you (as the case may be), unless you terminate the Terms and Conditions or our Services under Clause 14.10.



14.9 Any new or changed charge will be communicated to you before the new or changed charge takes effect. If we are going to carry out an activity for which the charge has changed since we last notified you of the applicable charges, we will tell you what the new charge is before we carry out the activity.

14.10 If you do not want to be treated as accepting a change, you must, before it comes into effect, tell us that you want to terminate the Terms and Conditions with us.

14.11 Except as provided in the Terms and Conditions, no provision of the Terms and Conditions shall be deemed waived, altered, modified or amended unless otherwise agreed with you in writing.

## 15. Individual and joint accounts

15.1 Where any Services Application Form is entered into between us and more than one person, each person agrees (except where we have agreed otherwise in writing):

- (a) his or her obligations under the Terms and Conditions are joint and several so we may demand any payment from any or all such persons;
- (b) he or she has authority (as full as if he or she was the only person entering into the Terms and Conditions) on behalf of the others to give or receive any instruction, notice, request or acknowledgement without notice to the others;
- (c) if there is a dispute between such persons which we know about, or where separate instructions are given by two or more of them and they are in conflict, we are entitled to delay acting on those instructions until the apparent conflict has been resolved and insist that all such persons authorise instructions to us;
- (d) any such person may give us an effective and final discharge in respect of any of our obligations under the Terms and Conditions; and
- (e) that on the death of any one or more of them:
  - (i) the Terms and Conditions shall continue and we may treat the survivor(s)/successor(s) as entitled to any Assets and Account(s);
  - (ii) the survivor(s)/successor(s) may withdraw or transfer any balance out of or effect any transaction on the Account(s), subject to us being satisfied that no estate duty is payable on the Account(s) and on the condition that the survivor(s)/successor(s) will keep us indemnified in full against any Losses that we may suffer if we have to account for the Assets which have been withdrawn or transferred out of an Account(s) following the death of an Account holder;

(iii) until we are given other instructions by the survivor(s)/successor(s), we may continue to provide our Services in accordance with the latest instructions and mandate; and

(iv) we will act in accordance with Clause 26.

15.2 We cannot accept telephone instructions if any person(s) jointly availing the Service(s) has told us only to accept instructions given jointly by two or more such persons.

15.3 If the consent of your spouse is required for any reason under any applicable law, we may assume for all purposes that such consent has been given.

15.4 You agree that we may in our discretion require an instruction to be given by all or a number of the persons jointly availing or applying for the Service(s) before we take any action under the Terms and Conditions.

15.5 You agree that we may contact and otherwise deal only with the first named person, who in our records has applied for or is availing the Service(s) subject to any legal requirements or unless you request otherwise.

15.6 Unless joint Account holders instruct otherwise, we may credit their joint Account with any Assets or Securities received by us in the sole name of any Account holder.

15.7 Where you own Investments individually, these Investments may be placed into a joint Account. If they are, they will be owned jointly.

## 16. Specific types of accounts

16.1 Where you are a partnership or limited liability partnership:

- (a) any liability arising under the Terms and Conditions or any agreement between you and us shall be the joint and several liability of the persons constituting your partners at any time;
- (b) we shall, in the absence of any written agreement between you and us, be entitled to treat any person who is one of your partners as having authority to act on your behalf in relation to your Account(s) or Service(s) provided to you and to give any instruction whatsoever on your behalf and each such person shall be regarded as an Authorised Signatory for the purpose of the Terms and Conditions until we shall have received written notice of such person's retirement or resignation or removal as a partner;
- (c) any demand or notice given by us to any one or more of your partners shall be deemed to be a demand or notice given to all such partners;
- (d) every one of your partners at any time shall (notwithstanding the retirement or resignation of any



person or persons as partner or partners or the admission of any other person or persons as a partner or partners) continue to be jointly and severally liable to us with the other partner or partners in respect of:

- (i) the Terms and Conditions;
  - (ii) all Accounts opened or maintained and all other Services offered or provided to or utilized by you at any time when such person is a partner;
  - (iii) all transactions made or effected on any such Account(s) or Service(s) at any time before notice of such person's retirement or resignation as a partner is given to us; and
  - (iv) all transactions made or effected on any such Account(s) or pursuant to such Service(s) at any time before such person's admission as a partner which remain unsettled, unpaid or due to us at the time of such person's admission as a partner;
- (e) in the event of any dispute between any partners or any dispute as to whether any person is or was partner, we shall be entitled to: (i) refuse to act on any instruction or make payment on any instrument; or (ii) freeze any and all Accounts and suspend any facility or Service until the dispute has been resolved to our satisfaction; and (iii) close or terminate any and all Accounts, facilities or Services; and
- (f) we shall be at liberty to: (i) release or discharge any one or more of the partners from any liability to us for which the other partner or partners are also jointly and severally liable; and (ii) enter into any arrangement or compromise with any partner with respect to their liability without prejudicing or affecting our rights and remedies against any other partner.

#### 16.2 Where you are a Hindu Undivided Family ("HUF"):-

- (a) all Services rendered by us to you shall be through your Karta including the opening and operating of any relevant Account;
- (b) the obligations and liabilities entered or incurred by your Karta shall be binding on each of your coparceners, present and future, and on your estate. All claims due to us from you shall be recoverable from your Karta and also from your entire properties;
- (c) you represent and warrant that your Karta has full and unrestricted authority on behalf of your coparceners to give or receive any instruction, notice, request or acknowledgement without notice to your coparceners and also to bind all your coparceners however constituted from time to time. However in the absence of your Karta, any of your major coparceners may only

receive any notice, request and/or issue any acknowledgment;

- (d) where separate instructions are given and are conflicting in nature, we are entitled to act on any of those instructions or to delay acting on those instructions until the apparent conflict has been resolved;
- (e) where there is a dispute among your coparceners and the mandate/s given by your disputing coparceners are withdrawn, we may refuse to act upon the instructions of your Karta and to allow operations on your Account(s) including instructions for transaction relating to any Investments, until the resolution of the dispute by the coparceners. However we may allow your Karta to continue to deal with the Account(s) and/or Investments without being liable for any loss that may be incurred to your coparceners and your coparceners absolve us of any such liability and waive their right to legal remedies for such loss on issuance of the mandate letter;
- (f) your Karta or any of your coparceners may give us an effective and final discharge in respect of any of our obligations under the Terms and Conditions ;
- (g) in the event of the death or insolvency of your Karta:
  - (i) the Terms and Conditions shall not terminate;
  - (ii) your surviving coparceners shall appoint a Karta who shall act in place of the deceased/insolvent Karta having the same rights and obligations as stated herein. You are the only party to the Terms and Conditions and entitled to the Assets, provided that we reserve the right to act on the instructions of the personal representatives or liquidator of any such person who has died (or, as applicable, declared insolvent) upon our being given proof of their authority;
  - (iii) if your surviving coparceners fail to communicate to us to our satisfaction as to the identity of the new Karta then no further transaction will be permitted and if required the Terms and Conditions shall be terminated;
- (h) in the event of your partition and the same being notified to us in writing by the Karta or any of your coparceners with the consent of the Karta, no further operations will be permitted in the Account(s), the Account(s) shall be closed and the Terms and Conditions shall be terminated subject to our rights as stated herein. We may not be able to act on such notification immediately in certain circumstances and therefore sufficient time should be available to us to enforce the closure and termination. Any instructions issued and acted upon by us during the intervening

period shall be your responsibility. If no written notice of partition is given, we shall be under no obligation to make enquiries and shall not be liable or responsible for any Losses that may be incurred by your coparceners.

16.3 Where you are acting as trustee of a trust, the following paragraphs apply:

- (a) We will deal with you as a customer as if there were no trust and are not obliged to: (a) accept cheques or payment orders for crediting or debiting your Account other than those drawn or made in your favour; or (b) obtain any consent from, or arrange the execution of, any trust, unless we agree in writing.
- (b) You must provide us with such information on the beneficiaries of the relevant trust and the trust terms as we may require. If you cannot disclose such information due to confidentiality, you must provide us with undertakings that are satisfactory to us, covering such matters as we may require. You will also inform us if any of the information that you have provided to us relating to the trust changes so that we can maintain up-to-date information.
- (c) You must comply with anti-money laundering legislation in the countries in which you are incorporated, registered and provide services. Regulatory authorities may ask us to provide information about you, your Account and Services provided to you or beneficiaries of the relevant trust. We have no obligation to make enquiries as to the purpose for which such information is requested.
- (d) If requested by us, you must provide us with a certified copy of the latest Trust Deed. If you provide us with a certified copy of the latest trust deed, we will be deemed not to have any knowledge of provisions in the document constituting or evidencing the trust other than where we have actual knowledge of: (a) provisions relating to the identity of the settlor, the beneficiaries and the trustees; and (b) provisions evidencing that the trust has been constituted, the general signing powers of the trustee and its representatives, the purposes of the trust, the reasons for opening the Account and services which may be requested for the trust. We are not obliged to: (i) review the terms of the document constituting or evidencing the trust or the powers and duties of the trustee; or (ii) determine whether the trustee is in breach of the provisions of the trust.
- (e) You represent and warrant (on a continuous basis for as long as you have any Account or receive any Service or enter into any transaction with us) that:
  - (i) the trust is validly constituted in accordance with all applicable laws;
  - (ii) all necessary steps have been taken, all discretions

have been properly exercised and you have the power to: (1) open and operate each Account and apply for each Service; and (2) enter into each transaction, the Terms and Conditions and any other agreement or document between us, under your constitution and the Trust Deed;

- (iii) you are the sole trustee or co-trustee (as applicable) of the trust;
- (iv) there are no restrictions on your right to be indemnified from the assets of the trust, other than in the express written terms of the Trust Deed or at law;
- (v) you are not aware that you are in default under any provision of the Trust Deed;
- (vi) entering into and performing the provisions of the Terms and Conditions, and any other agreement between us, involves no breach of any duty by you in relation to the Trust Deed; and
- (vii) you are not aware that any steps or proceedings have been taken for the winding-up or termination of the trust.
- (f) If required by us, you will provide us with a legal opinion to verify the representations and warranties set out in the paragraph immediately above.
- (g) You will not undertake, or fail to undertake, any act that would prejudice your right of indemnity out of the assets of the trust, or our right to be subrogated to that right of indemnity.
- (h) We will have full recourse to all the assets of the trust and all Assets standing to the credit of your Account in the event that you do not meet any of your obligations (including obligations under indemnities that you grant to us).
- (i) You will be personally liable in respect of any liabilities for which you have no right to be indemnified from the assets of the trust of where we have no right to be subrogated to such right of indemnity or in respect of any breach by you of any of your representations or warranties above or any of the provisions of the Terms and Conditions and any other agreement between us.

16.4 Where you are a company:-

- (a) only your Authorised Signatory/ies may give or receive any instruction, notice, request or acknowledgement;
- (b) you shall be liable for all your acts and/or omissions including those that are contrary to your documents of constitution and/or any statute or regulation of any regulatory authority/ies;

- (c) where separate instructions are given and are conflicting in nature, we are entitled to act on any of those instructions or to delay acting on those instructions until the apparent conflict has been resolved;
- (d) until we receive written communication from you revoking the authority of the Authorised Signatory/ies, we shall continue to act on the instructions of such Authorised Signatory/ies and you shall be responsible for the same. We may not be able to act on such communications immediately in certain circumstances and therefore sufficient time should be available to us to enforce the revocation. Any instructions issued and acted upon by us during the intervening period shall be your responsibility; and
- (e) that your Authorised Signatory/ies may give us an effective and final discharge in respect of any of our obligations under the Terms and Conditions.

## 17. Termination

17.1 The Terms and Conditions or the provision of any of our Services may be terminated:

- (a) by mutual consent of the Parties hereto;
- (b) by either Party at any time by giving at least 30 days' written notice to the other Party. Where the account holder comprises more than one person, we may require such notice to be given by all such persons;
- (c) if the Services Application Form and/or any agreement is sought to be disclaimed and/or is no longer binding on you;
- (d) in the event that any applicable laws or regulations at any time be or become such that the Terms and Conditions cannot be continued, enforced or performed according to its terms subject to a reasonable notice period; or
- (e) in the event that any statutory or government license or permission or registration is withdrawn, cancelled or nullified causing the terms of the Terms and Conditions to be inoperative or unenforceable.

17.2 Without prejudice to any other right we have under the Terms and Conditions or any other agreement with you or otherwise at law, we may at any time after the occurrence of a Default, do any one or more of the following without notice:

- (a) immediately suspend, cancel or terminate any or all Accounts, Services or transactions entered into or effected with or for your account or our relationship with you;

- (b) accelerate any and all liabilities (whether actual or contingent at that time) of you to us so that they shall become immediately due and payable;
- (c) liquidate and realize any of your property in our possession or control;
- (c) suspend, terminate, assign or dispose of any or all contracts, transactions or Instruments to which you are entitled or are a party (including any open positions on any Securities or Assets held on your behalf, or contracts or transactions between you and us or entered into by us on your behalf) at prevailing market prices, or at prices regarded by us in good faith as the best prices available at such time; and
- (d) apply any amounts of any nature standing to your credit or due to you (or any account holder where there is more than one account holder) from us against any amounts that you (or any of you where there is more than one account holder) owe to us or any Associate (of whatsoever nature and howsoever arising, including any contingent amounts), or generally to exercise our rights of set-off, combination of accounts or consolidation against you.

17.3 For the purposes of this clause, a **"Default"** shall be deemed to occur in the event that:

- (a) you (or any of you where there is more than one account holder):
  - (i) have failed to comply with or observe any provision of the Terms and Conditions or any other obligation owed to us;
  - (ii) behave in a manner that makes it inappropriate for us to maintain your Account or continue to provide the Service(s);
  - (iii) inappropriately authorize a person to give instructions on your Account;
  - (iv) die or become insane;
  - (v) have become bankrupt, insolvent or you are unable to pay debts as they fall due; or
  - (vi) make any compromise or arrangement with your creditors or is the subject of an order passed by any statutory, judicial or governmental authority attaching to your account(s);
- (b) any action is taken by any of your creditors to recover, realize or enforce any security over any of your Assets or to enforce any judgment against you;
- (c) any dispute or proceedings arise between any of the persons making up the Account holder where there is more than one;

- (d) we reasonably believe that you have given us any false information at any time;
- (e) we reasonably believe that you are, or someone else, is using the Account illegally;
- (f) continuing to provide the Services under the Terms and Conditions results in or may result in us being in breach of any applicable law or sanction;
- (g) by maintaining your Account(s) we may damage our reputation;
- (h) you have been in a serious or persistent breach of the Terms and Conditions or any additional terms which apply to an Account; or
- (i) any other matter or event arises including any regulatory requirement, which in our good faith opinion renders termination necessary or advisable in our interests.

17.4 Termination of the Terms and Conditions, closure of any Account or termination of a particular Service will not affect (i) the provision of any other Services under the Terms and Conditions that have not been terminated, (ii) any contractual provisions intended to survive termination or closure or (iii) any accrued rights, liabilities or existing commitments (including those in relation to any transactions entered into at the date of termination or closure but unsettled, which shall be completed expeditiously by us).

17.5 Following termination, at our demand:

- (a) you will pay our fees pro rata to the date of termination;
- (b) you will pay any additional expenses necessarily and reasonably incurred by us or on your behalf in terminating the Terms and Conditions or a particular Service; and
- (c) you will bear any Losses realized in settling or concluding outstanding obligations.

## 18. Assignment

18.1 The Terms and Conditions is personal to you (and any person jointly availing the Services from us) and unless we agree otherwise, you may not assign, transfer, charge or create any encumbrance or interest on or over: (i) your Assets; (ii) your Account(s); or (iii) any of your other rights or obligations under the Terms and Conditions or under any Services.

18.2 To the fullest extent permitted by the applicable laws and regulations, we shall be entitled to assign our rights, obligations and benefits under the Terms and Conditions to any successor entity, Associate or to any other third party entity at our discretion, provided that:

- (a) we reasonably consider the member of the Barclays Group is capable of performing the Terms and Conditions; and
- (b) we have given you notice of the transfer (unless that is impracticable in the circumstances).

18.3 On the date specified in the notice:

- (a) the member of the Barclays Group will acquire all the rights, powers, obligations and liabilities it would have had if it had been an original party to the Terms and Conditions in substitution for us;
- (b) you will be released from any further obligation to us; and
- (c) we will be released from any further obligation to you.

18.4 For the purposes of giving you written notice under this Clause 18, if we are not reasonably able to serve written notice on you personally, we may instead give you notice by publishing a notice of the transfer in any newspaper of general circulation and such notice will be deemed to be notified to you on the date of publication or broadcast..

## 19 Delegation

19.1 We may delegate, the extent permitted under applicable laws and regulations, any of our functions and responsibilities under the Terms and Conditions to any person including an Associate (with or without a power to further sub-delegate), provided that we reasonably consider it capable of discharging those functions and responsibilities. Where we so delegate or allow such sub-delegation:

- (a) it may be to any member of the Barclays Group outside the jurisdiction where we provide the Services to you;
- (b) it will not affect our liability to you for the matters delegated; and
- (c) we will give you 30 days' written notice of the delegation of any function that involves the exercise of our investment discretion on your behalf.

19.2 Where permitted under the applicable laws and regulations, we may employ Associates and third parties to perform dealing and administrative services that are necessary to enable us to perform the Terms and Conditions without further notice or consent.

## 20. Law, arbitration, jurisdiction and language

20.1 The Terms and Conditions and our relationship with you will be governed by and construed in accordance with the laws of India. The Terms and Conditions is supplied in the English

language and all communication between you and us will be in English unless otherwise agreed or notified by us to you.

- 20.2 We shall endeavour to settle all disputes or differences arising in connection with the Terms and Conditions including its creation, validity, effect, interpretation or performance by mutual dialogue within 30 days from the date of the dispute or difference arising. If we fail to settle the disputes or differences by mutual dialogue, the disputes or differences may be referred to arbitration before a sole arbitrator (appointed by us), to be held at Mumbai, in accordance with the Arbitration and Conciliation Act, 1996 or any other statutory modification or re-enactment thereof for the time being in force.
- 20.3 Subject to Clauses 20.2 above and 20.4 below, the Mumbai courts have exclusive jurisdiction in connection with the Terms and Conditions and for such purposes the parties irrevocably submit to the jurisdiction of the Mumbai courts.
- 20.4 We retain the right to bring proceedings against you in our discretion in any other courts including the courts of any other country which may have jurisdiction to whose jurisdiction you irrevocably submit.
- 20.5 You agree to the service of legal process or any other documents in connection with proceedings in any court by registered post sent to your last addresses shown in our records or in any other manner permitted by the laws in India, the law of the place of service or the law of the jurisdiction where proceedings are instituted.

## 21. Waiver

- 21.1 Our failure to insist on you strictly complying with the Terms and Conditions or any act or omission on our part will not amount to a waiver of our rights under the Terms and Conditions.
- 21.2 Any waiver by us of a breach of any provision of the Terms and Conditions shall not affect our rights in relation to: (a) any other breaches of the same provision of which we are not aware; (b) breaches of any other provisions of the Terms and Conditions that are existing at the time of the waiver; (c) any further, continuous or future breach of the provision whose breach has been waived; or (d) breaches of any other provisions.

## 22. Severability

- 22.1 Each provision of the Terms and Conditions is severable. To the extent that any provision is or becomes invalid, unenforceable or contrary to any applicable law, then it will be given no effect and will be deemed not to be included in the Terms and Conditions, and the remaining provisions of the Terms and Conditions will still be valid and enforceable.

## 23. Entire agreement

- 23.1 The Terms and Conditions sets out the entire agreement and understanding between us with respect to its subject matter. It supersedes all previous agreements and understandings between us with respect to its subject matter. This clause shall not limit or exclude any liability for fraud.

## 24. Third party rights

- 24.1 Unless a provision of the Terms and Conditions provides otherwise, a person who is not a party to the Terms and Conditions will not have any rights to enforce any of the terms of these Terms and Conditions.

## 25. Complaints

- 25.1 We have procedures for handling client complaints fairly and promptly. If you have a complaint, you should contact your Relationship Manager or send an email to [BSIPL.concerns@barcap.com](mailto:BSIPL.concerns@barcap.com). If your Relationship Manager cannot resolve the complaint to your satisfaction, you should ask for your complaint to be raised with the Head of Compliance, Barclays Securities (India) Private Limited.

## 26. Dealing with personal representatives and insolvency practitioners

- 26.1 If you die, the Terms and Conditions will continue to bind your estate until terminated by, or us giving notice to, your validly appointed personal representative. Your estate must provide us with such information as we reasonably require to confirm your death and the appointment of the personal representative.
- 26.2 Once we received the grant of representation for your estate (or such other formal appointment as applicable in your jurisdiction), we will act in accordance with your personal representative's instructions as permitted by applicable laws and regulations, but:
- (a) Assets cannot be sold until any re-registration, transfer, transmission or other required process is completed with any fees, charges and expenses owed to us accounted for;
  - (b) if we have not received any instructions after three months of our receipt of the grant of representation, we may re-register, transfer or transmit your holdings into your personal representative's name;
  - (c) we will send any new certificates to the registered correspondence address for your estate; and
  - (d) if your estate is too small to warrant a grant of representation, we may at our discretion pay the balance on your personal representative's instructions. This is provided that we receive a signed agreement

from the personal representative to reimburse us for any loss we suffer as a result.

- 26.3 Until we are given instructions by persons proven by a court order of competent jurisdiction to be your personal representative, we may (but are not obliged to):
- (a) in relation to discretionary investment management services, continue to manage the investments in accordance with any agreed mandate; and
  - (b) provide, on request, and subject to the provision of additional information and indemnities as we may reasonably require, investment advice to those people who we reasonably believe are likely to be proven to be the personal representatives in accordance with the latest agreed client risk profiling report.
- 26.4 Notwithstanding anything in the Terms and Conditions, if the Terms and Conditions is not terminated within two years of the date of your death, we may take such action as we reasonably consider appropriate to close your Account(s). Your estate or your personal representative will be liable for all reasonable costs associated with us taking this action, or considering taking action, except to the extent that costs arise because of our negligence, wilful misconduct or fraud.
- 26.5 If you are a non-natural person and we receive notice of your winding up or similar procedure in any jurisdiction, we will act on the instructions of your proven representatives.

## Section D – Definitions and Interpretation

### 27. Definitions

27.1 The following terms have the following meanings:-

**Account(s)** means your account(s) with us;

**Assets** shall have the same meaning as assigned to it under the applicable Services Application Form and/or Services Terms and Conditions to which these General Terms also apply;

**Associate** means a member of the Barclays Group;

**Authorised Signatory/ies** means the authorised signatory/ies set out in the Services Application Form or otherwise authorised by you (including by way of a board resolution or in a power of attorney in favour of a third party) and notified to us in writing from time to time by you;

**Barclays Group** means BSIPL, its parent or subsidiary companies, any companies such parent or subsidiary companies totally or partly own at any time and any person or entity Controlling, Controlled by or under common Control with BSIPL;

**BSIPL** means Barclays Securities (India) Private Limited (which expression shall, unless repugnant to the context or

meaning thereof, be deemed to mean and include its successors and permitted assigns);

**Business Day** means a day (other than a Saturday, Sunday, a public holiday or a day on which the Securities and Exchange Board of India is closed for transactions) on which BSIPL is open for business in the city in which it provides Services to its clients;

**Control** means the power to direct or influence the direction of the management and policies of BSIPL whether by contract, ownership of shares, membership of the board of directors, agreement or otherwise and, in any event and without limitation of the foregoing, any entity directly or indirectly owning more than 30% of the voting securities of BSIPL shall be deemed to control BSIPL. The terms “**Controlling**” and “**Controlled**” shall have a corresponding meaning;

**Default** has the meaning set out in Clause 17.3 above;

**Electronically** has the meaning given to it in Clause 4.1 above;

**FATCA** means:

- (a) sections 1471 to 1474 of the Internal Revenue Code or any associated regulation, instruction or other official guidance, as amended from time to time;
- (b) any treaty, law, regulation, instruction or other official guidance enacted or amended in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above;
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction; or
- (d) any treaty, law, regulation, instruction or other official guidance analogous to paragraphs (a), (b) or (c) enacted or amended in any other jurisdiction from time to time, and any agreement pursuant to the implementation of any such treaty, law, regulation, instruction or other official guidance with any governmental or taxation authority in any jurisdiction, including, without limitation, any governmental or intergovernmental agreement for the cross border exchange of tax information applicable in any jurisdiction, the EU Savings Directive (Council Directive 2003/48/EC) and any multilateral tax information exchange;

**Investment** means any form of investment including, without limitation, shares, debentures and other categories of securities, derivatives, mutual funds;

**Losses** mean all losses, costs, expenses, damages, claims and liabilities;

**Mutual Fund** has the same meaning as assigned to it under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;

**Party or Parties** means you and/or us as the case may be or as the context may require;

**Payment Order** means an instruction to make payments (for example, by direct transfer) or cash withdrawals;

**Relationship Manager** means your relationship manager at BSIPL;

**Services Application Form** means the application form completed and signed by you from time to time requesting the provision of one or more Services by us to you, which incorporates these General Terms and the relevant Services Terms and Conditions;

**Services Terms and Conditions** means the terms and conditions governing the provision of a specific Service requested by you under a Service Application Form or as agreed otherwise, which incorporates these General Terms;

**Securities** shall have the same meaning as assigned to it under the applicable Services Application Form and/or

relevant Services Terms and Conditions to which these Terms and Conditions also apply;

**Services** mean the services applied for by you and/or the services rendered by us to you, which are governed by the Terms and Conditions;

**Terms and Conditions** means the General Terms and any other applicable Services Terms and Conditions; and

**Trust Deed** means the trust deed or any other document constituting the trust.

27.2 In the Terms and Conditions, unless the context requires otherwise:

- (a) a reference to any statute, statutory provision or regulation shall be construed as a reference to the same as it may be amended, modified or re-enacted from time to time;
- (b) headings and titles are for convenience only and do not affect its interpretation; and
- (c) the singular includes the plural and vice versa.



## Appendix 1 – Risk Disclosure Statement

**Warning: the following risk disclosures are general and not intended to be exhaustive or comprehensive. You should inform yourself about the risks associated with specific products.**

### Introduction

The objective of this document is to explain to you the nature of various transactions prior to your instructing Barclays Securities (India) Private Limited (“we”, “us” or “our”) to execute such transactions. The associated risk of loss in entering into such transactions can be substantial.

This document may not be sufficient to explain all the risks and other significant aspects of entering into the various types of transactions discussed in this document. You should therefore fully understand the nature of the transactions and contractual relationships, the extent of your exposure to risk and the potential losses that can be incurred and, as appropriate; consult your financial and tax advisers or other professional advisers before entering into such transactions. In particular, derivatives transactions are not suitable for many members of the public. You should carefully consider whether such transactions are suitable for you in light of your financial resources, experience, objectives for engaging in the transactions, ability to bear risks and other relevant circumstances.

Please read through this document carefully and consult your

Relationship Manager if you have any questions.

## Section 1

### 1.1 General risks of transactions

In considering whether to trade or enter into any transaction, you should be aware of the following.

### 1.2 Potential losses

You may sustain substantial losses on the transactions if market conditions move against your positions. It is in your interest to understand fully the impact of market movements, in particular the extent of profit or loss you would be exposed to when there is an upward or downward movement in the relevant rates. Your position on various transactions may be liquidated at a loss and you will then be liable for any resulting deficit in your account with us. Under certain circumstances, it may be difficult to liquidate an existing position, assess the value, determine a fair price or assess your exposure to risk.

### 1.3 Liquidation of positions

Under certain market conditions you may find it difficult or impossible to liquidate a position. Placing contingent orders,

such as “stop-loss” or “stop-limit” orders, will not necessarily avoid loss or limit your losses to the intended amounts, as it may be difficult or impossible to execute such orders without incurring substantial losses under certain market conditions. Strategies using combinations of positions, such as “spread” or “straddle” positions may be as risky as taking simple “long” or “short” positions.

### 1.4 Risk of margin trading

The risk of loss in financing a transaction by deposit of collateral is significant. The high degree of leverage that is often obtainable in margin trading can work against you as well as for you due to fluctuating market conditions. You may sustain large losses as well as gains in response to a small market movement. While the amount of the initial margin required to enter into a transaction may be small relative to the value of the transaction, a relatively small market movement would have a proportionately larger impact. You may sustain losses in excess of your initial margin funds or in excess of your cash and any other assets deposited as collateral with us (as the case may be). You may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover you will remain liable for any resulting deficit in your account and interest charged on your account. The impact of interest costs could lead to an increase in any rate of return required to break even. You should therefore carefully consider whether such trading or financing arrangement is suitable in light of your financial position and investment objectives.

### 1.5 Risk of securities trading

The prices of securities can and do fluctuate, sometimes dramatically, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities. In addition, securities regulations and investor protection rules vary with different exchanges. Some may expose investors in securities listed on those exchanges to high investment risk. In particular, certain exchanges allow companies to list with neither a track record of profitability nor any obligation to forecast future profitability. Such securities may be very volatile and illiquid and their greater risk profiles mean that trading on such exchanges or in such securities may be more suited to professional or sophisticated investors. You should seek independent professional advice if you are uncertain of or have not understood any aspect of the nature of the exchange or the risks involved in trading such securities. We would also highlight that in respect of “small cap shares”, there is a risk of losing money when shares are bought in smaller companies. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than the amount that you paid for them. Some investments may be very illiquid, meaning that they are infrequently



traded, and hence it may be difficult to sell them on within a reasonable timeframe or at a price which reflects “fair” value. In extreme cases an investment may be non-readily realizable. In this case there may be no secondary market available, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

#### 1.6 Pricing relationships

The normal pricing relationships between a derivative and its underlying assets may not exist in certain circumstances. The absence of an underlying reference price may make it difficult to assess the “fair” value of a derivative position.

#### 1.7 Tax risks

Before entering into any transaction you should understand the tax implications of doing so, e.g. income tax. Different transactions may have different tax implications. The tax implications are dependent upon your specific circumstances, the nature of your activities and the transactions in question. There can be no guarantee that the nature, basis or incidence of taxation may not change during the lifetime of an investment. This may cause potential current or future tax liabilities. You should therefore consult your tax adviser to understand the relevant tax considerations.

#### 1.8 Counterparty risks

All transactions that are executed upon your instructions with counterparties and brokers are dependent on their due performance of their obligations. The insolvency or default of such counterparties and brokers may lead to positions being liquidated or closed out without your consent.

Please ensure that you are aware of the identity of the contractual counterparty you are or may be matched with. Often, you will be purchasing an unsecured obligation of such counterparty (as opposed to an obligation of a central clearing corporation as would be the case with exchange traded futures and options) and you should evaluate the comparative credit risks. Where you purchase a debt instrument, such as a note or a bond, you should be aware that you may be taking the credit risk of both your contractual counterparty and the issuer of the debt instrument.

#### 1.9 Terms and conditions

It is important that you fully understand the terms and conditions of any transactions that you propose to undertake, including the contractual specifications of any exchange-traded option or contract, the circumstances under which you may become obliged to make or take delivery of an underlying asset upon settlement of a derivatives transaction, and the commissions, fees and other charges for which you will be liable. You should therefore familiarise yourself with any agreement or confirmation that

you may enter into with us. You must fully understand your rights and obligations under that agreement or confirmation, and carefully study the trading mechanism and understand the potential risks involved before you trade. You should not sign any agreement or confirmation unless you are familiar with the contents or effects of those documents or your professional advisers have explained the contents and effects.

#### 1.10 Non-diversification

Your portfolio may be subject to risks arising out of non-diversification if the assets in your portfolio exhibit a high concentration of specific securities, industry sectors, asset types, maturity periods or other asset features.

#### 1.11 Volatility of returns

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors in addition to more company or investment specific factors.

## Section 2

### 2.1 Equity securities and equity funds

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly, and cannot be assumed to follow historic trends. In adverse market conditions irrecoverable capital losses could be incurred. In the worst case, a company could fail and if this happens its equity can become worthless. These securities are commonly used by investors seeking longer term capital growth. Examples of typical company characteristics which could heighten equity investment risks are:

- (a) a low market capitalization;
- (b) a product set that is undiversified or reliance on single markets as a major source of income;
- (c) a significant reliance on borrowing as a source of finance; (d) a significant level of fixed costs to pay, irrespective of output, production or turnover levels;
- (e) major income sources which are seasonal or “cyclical” in nature; and
- (f) companies trading primarily in emerging markets particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

## 2.2 Debt securities and fixed income funds

The value of debt investments (or “bonds”) can generally be expected to be more stable than that of equity investments. However in some circumstances, particularly when interest rate expectations are changing, the value of most bonds is also volatile. The most common use of a bond is to provide a reliable yield, or source of income until maturity. For example the value of a bond can be adversely affected by a number of factors such as:

- (a) the issuer’s credit rating, which reflects their ability to repay the amounts payable when they fall due;
- (b) the market expectations about future interest and inflation rates;
- (c) amount of interest payable (the coupon);
- (d) the length of time until the debt falls due for repayment; or
- (e) the seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer, and changes to market interest rate expectations. Bonds issued by major governments tend to be lower risk investments, while the risks of other debt securities (such as corporate issuers) can vary greatly. For example if an issuer is in financial difficulty, there is an increased risk that they may default on its repayment obligations. In this event, little or no capital may be recovered; any amounts repaid may take a significant amount of time to obtain.

### Derivatives transactions involving Special Risks

#### Options

## 2.3 Risks on options trading

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of options (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options would have to increase for your position to become profitable, taking into account the premium paid and all transaction costs. You should also inform yourself of:

- (a) the characteristics and risks/volatility of the asset(s) to which a contract is linked (the “underlying”);
- (b) any relevant market quote conventions, such as the lot size of a contract and the value attributed to movements in the value of the underlying;

- (c) the “leveraged” exposure to price movements in the underlying, which significantly increases volatility;
- (d) the sums you are able to afford to risk before you may wish to close out;
- (e) how different investments in derivatives might interact with one another;
- (f) any ongoing responsibilities you may have during the life of the contract such as any requirements to post cash amounts as “Margin”, and the potential consequences of failure to do so; and
- (g) any action you may need to take in order to exercise or opt for settlement at or before expiry/

If you are unsure of any of these or other aspects of a derivatives contract you are considering entering into, please consider your actions carefully.

The purchaser of options may offset its position by trading in the market or exercise the options or allow the options to expire. A person who purchases an option should be aware that in order to realize any value from the option, it will be necessary either to offset the option position or to exercise the option. A relatively small movement in the price of the underlying security can therefore result in a disproportionately large movement, unfavourable or favourable, in the value of options. The purchaser of an option should be aware that some option contracts may provide only a limited period of time for exercise of the option, and some option contracts may provide for the exercise of the option on a specified or stipulated date. The exercise of an option results in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium paid plus transaction costs.

Selling (writing or granting) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of the amount of the premium received. The seller will be liable to deposit additional margin to maintain the position if the market moves unfavourably. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to acquire or deliver the underlying interest. If the option is not covered, the risk of loss can be unlimited.

#### Additional risks common to options trading

Terms and conditions of contracts: before you conduct your transactions, you should understand the terms and conditions of

the specific option which you are trading and the associated obligations (e.g. the expiration dates and restrictions on the time of exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

## Futures

### 2.4 What rights and duties do you have?

Futures entail the obligation to deliver or take delivery on a specified expiration date of a defined quantity of an underlying interest at a price agreed on the contract date. Underlying for futures include assets such as equities and benchmarks such as indices.

**Caution:** Futures can involve special risks, which arise because an investor is exposed to the movement of a proportionately large amount of the underlying in return for a small upfront payment. This can either work in the favour or against an investor, depending on the difference between the current market price of the underlying and the strike price defined in the contract. They are therefore only suitable for investors who are familiar with this type of instrument, have sufficient liquid assets and are able to absorb any losses that may arise. Before you conduct your transactions, you should understand the terms and conditions of the specific futures contract (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of the futures contract).

For bought futures an investor will profit from rising market prices, and vice versa for sold futures or forwards. Please also note that the current price at which an asset can be traded in the futures market may differ from the price at which it can be bought or sold immediately at the time of dealing. This can work either in the favour or against the returns experienced by an investor

### 2.5 Risks to be borne in mind

Margin requirements: on buying or (short) selling an underlying asset on the futures market, you must supply a specified initial margin on agreement of the contract. This is usually a percentage of the total value of the contracted instruments. In addition, a variation margin is calculated periodically during the life of the contract. This corresponds to the book profit or loss arising from any change in value in the contract or underlying instrument.

**Caution:** In the event of a book loss, the variation margin can be several times as large as the initial margin. The terms for calculating the variation margin are laid down in the applicable exchange regulations or contract provisions. You are obliged to deposit the required initial or variation margin cover with us for the entire life of the contract.

## Additional risks associated with futures and options trading

### Structured products

#### 2.6 What are structured products?

Structured product is the generic phrase for securities which provide economic exposure to a wide range of asset classes using a structured approach. This may include providing capital protection such that an investor will not have economic exposure to performance of the underlying assets below a certain level. This also includes products where the potential return from your investment may be different to that normally expected from the underlying assets, but where your capital may be at risk. Structured products are combinations of two or more financial instruments. At least one of them must be a derivative. Together, they form a new investment product. Structured products can be traded either on- exchange or over the counter. Every structured product has its own risk profile since the risks of their individual components may be reduced, eliminated or increased. Hence it is particularly important that you are fully aware of the risks involved before acquiring any such product. Such information can be found, for example, in the relevant product literature.

#### 2.7 What are structured products with capital protection?

Structured products with capital protection consist of two elements: a fixed-income investment (especially a bond or a money market investment) and an option. This combination enables the holder to participate in the price movements of one or more underlying assets (via the option or participation component) while at the same time limiting potential losses (via the bond or capital protection component). The capital protection component may only cover a portion of the capital invested and can be well under 100% of the capital invested, depending on the product. Capital protection does not therefore mean 100% repayment of the purchase price for all products. The option component usually comprises one option or a combination of options. The risks this component entails therefore correspond to those of the corresponding option or option combination. Depending on the underlying's market value, it can expire without value. The participation and protection elements can be separated, depending on the product in question. This allows you to retain or dispose of each individual component separately

#### 2.8 Risks to be borne in mind

Every structured product has its own risk profile resulting from the interaction of its component risks. Since there is almost limitless potential to combine product elements, we cannot go into detail here about the risks involved in any particular case. Before effecting any such transaction, be sure that you are fully aware of the risks involved. Such information can be found, for example, in the relevant product literature. Issuer's credit risk and liquidity risk: With structured products, buyers can only assert their rights

against the issuer. Hence, alongside the market risk, particular attention needs to be paid to issuer risk. You need therefore to be aware that, as well as any potential loss you may incur due to a fall in the market value of the underlying, a total loss of your investment is possible if the issuer should default. You should also note that while market makers, who in most cases are the issuers themselves, normally guarantee that structured products are tradable, liquidity risks cannot be excluded. Investors should be aware that the return of capital invested at the end of the investment period is not guaranteed and therefore investors may get back less than was originally invested.

Risks arising from equity linked notes and other structured securities: Certain notes and securities may be linked to the performance of equities or other underlying references. You should study the terms of such products carefully and understand the risks involved including the nature of the underlying assets and extent of their economic exposure to those assets. In some cases structured products may offer high income or a high level of participation to the capital growth experienced by the underlying assets. These products generally do not incorporate capital protection, and any that is provided is dependent on a financial index or basket of indices meeting certain conditions during the product life (such as a minimum value). Such products generally include leverage, and their value can be subject to sudden and large falls if the conditions which disapply protection arise. You may sustain a total or partial loss of your investment.

Investors should review product termsheets and other literature carefully for details of any factors which might impact on how the payoff from a product may change with different economic or market conditions. In particular where the payoff from a product incorporates conditional protection, if the protection barrier is breached the capital value of an

investment will be exposed to the full risk of the underlying. In relation to structured notes (“Notes”) where the returns on the Notes are linked directly or indirectly (such as via options) to changes in the market of the underlying instrument, you will be exposed to price volatility in that market. You should therefore make your own assessment of the relevant market concerned. You should note that the underlying instrument may be traded in different jurisdictions and on different markets. The market on which the Notes may be traded may be different from the market on which the underlying instrument is traded. Accordingly, the nature of the risks a holder of the Notes is subject to may be very complex.

If the underlying instrument is a stock index, you should note that the value of the underlying instrument may change if the method of calculating the index is changed notwithstanding that the market for the underlying component stocks remains unchanged.

You should be aware that the product terms described only apply to investors who invest at launch and who hold the product until final maturity. Investors should be aware that early redemption or secondary market purchase could result in a capital loss, even where the product terms protect or guarantee return of the nominal amount purchased. Although the Notes may be listed on a stock exchange, there may not be a secondary market for the Notes. Accordingly you may not be able to find purchasers for the Notes should you wish to dispose of the notes and the Notes may not have any market value. We do not have any obligation to purchase the Notes from you. Accordingly, you should expect that you are required to hold the Notes until their maturity.

You should also note that the tax implications of the Notes may be different from the underlying instrument.

## Section 3

### Additional information

#### Investments in non-traditional funds

##### 3.1 What are non-traditional funds?

Non-traditional funds are funds or investment companies that differ from traditional equity and bond investments on account of their investment style.

Alternative investments may be used by some clients to further diversify the investment risks present within their portfolio of assets. These investments are very bespoke in nature and may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that you understand the properties of the type of assets before making such an investment.

Investors should only invest in these products if they are prepared to sustain a total or substantial loss of the money they have invested, plus any commission or other transaction charges.

The phrase “**alternative investments**” can cover a very wide range of investment products, and the major classes of these products and specific risks associated with them are set out below.

- (a) Private Equity and Private Equity Funds Private equity funds commonly invest in any form of equity or company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. They may be small start-up companies with little or no proven track record, and range up to firms which are of a significant size with a long and established trading

history. A number of attributes of private equity investment give rise to unique risk factors such as:

- (i) non-transferable investments, or a long “lock up” period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflects fair value;
- (ii) the committed capital may be drawn down during a capital commitment period. Investors must be capable of making payments to satisfy the capital calls made throughout the commitment period;
- (iii) a focused portfolio of investments, which could lead to exposure to an undiversified economic exposure to the underlying assets;
- (iv) possible use of significant leverage or borrowing, which amplifies possible risks;
- (v) a possible lack of scrutiny or accountability of management to shareholders for decisions they make; and
- (vi) distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to fund investors.

It is important that you are familiar with the type of assets and the terms of any fund you might contemplate direct or indirect investment in equity, debt or any other security issued by a private company

- (b) Property or property development funds Investment in real property or property funds involves a number of risks particular to this class of asset. Notably fixed property is immovable and might not be easy to sell or to value independently. As a result of the illiquid nature of property it may take time to realize any investment made even when participating in a property fund.

There is no guarantee that the underlying properties will remain occupied, or that they might not incur significant maintenance or restoration costs which may impact on the returns available. All property is subject to local risks which may be unique in nature, which may be caused by factors such as the prevailing legal, economic, environmental or political circumstances.

Investors in property development funds face additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or tenanted at the intended cost or timeframe. Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business.

Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase

### 3.2 What general risks do you need to be aware of ?

Non-traditional investments can take countless different forms. Hence we cannot go into detail here about the risks involved in any particular case. Before making any such investments, be sure to seek comprehensive advice about the particular risks involved and to study carefully any offers.

It is not uncommon for there to be little information available concerning a non-traditional investment. Moreover, many investment strategies are highly complex and very difficult to understand. Changes in strategy that can lead to a substantial increase in the level of risk are often virtually overlooked, accorded too little attention or noticed too late.

The liquidity and tradability of non-traditional investments can vary a great deal. Fixed holding periods lasting many years are not unusual. Provisions regarding trading frequency and holding periods may change frequently and rapidly. Liquidations can stretch over many years.

It is important to understand that it may be difficult to liquidate or sell an investment of this type, or to identify an independently determined fair valuation for an interest in this kind of vehicle. In addition you may not be protected by certain regulatory protections or compensation schemes in the event that a scheme operator acts unlawfully and causes a loss to you when managing fund assets. Such risks can be mitigated through the performance of extensive due diligence prior to investment, or through investment via a professionally managed fund of funds.

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