

TERMS OF BUSINESS FOR PER SE PROFESSIONAL CLIENTS

J.P. MORGAN EUROPE LIMITED

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, LONDON BRANCH

J.P. MORGAN LIMITED

J.P. MORGAN SECURITIES PLC

J.P. MORGAN MARKETS LIMITED

TERMS OF BUSINESS**J.P. MORGAN EUROPE LIMITED****J.P. MORGAN SECURITIES PLC**

Each authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, including any regulators which replace them or their functions.

J.P. MORGAN LIMITED**J.P. MORGAN MARKETS LIMITED**

Each authorised and regulated by the Financial Conduct Authority, including any regulator which replaces it or its functions.

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, LONDON BRANCH

Authorised and regulated by the Office of the Comptroller of the Currency in the jurisdiction of the U.S.A. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and to limited regulation by the Prudential Regulation Authority, including any regulators which replace them or their functions. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

1. SCOPE AND APPLICATION

1.1 These Terms of Business and any supplements or notices issued by J.P. Morgan (as defined below) thereto (collectively, the “**Terms**”) govern all designated investment business (as defined under the Financial Conduct Authority (the “**FCA**”) Handbook and Prudential Regulation Authority (the “**PRA**”) Handbook, as applicable) and business in relation to other traded products (excluding deposits) which is transacted with or for you by any one or more of the following companies: J.P. Morgan Europe Limited, JPMorgan Chase Bank, National Association London Branch, J.P. Morgan Limited, J.P. Morgan Securities plc. and J.P. Morgan Markets Limited. These companies are referred to collectively or, as the context may require, individually as “**J.P. Morgan**”, and each of these companies shall be severally and not jointly liable for their respective acts and omissions under these Terms. References to “we/us/our” are to J.P. Morgan. “**Affiliates**” means, whether in the United Kingdom or otherwise, direct or indirect subsidiaries of J.P. Morgan and the direct or indirect subsidiaries of J.P. Morgan’s direct or indirect holding companies from time to time, any entity directly or indirectly controlled by J.P. Morgan and any entity directly or indirectly under common control with J.P. Morgan and any other connected or associated person, whether or not any such subsidiary, holding company, entity or person exists as at the date at which you accept these Terms or is established or acquired after such date. References to “you” and “your” under these Terms are to you alone except as expressly provided otherwise in a specific context.

1.2 **These Terms constitute a legally binding contract which you accept for yourself and on behalf of any principal or principals on whose behalf you are acting as agent by giving us instructions to deal or accepting services from us after our dispatch of the Terms to you.**

1.3 These Terms supersede any terms of business for investment business (including any Global Institutional Connectivity addition and/or any Asian Addition) that may have been previously sent to you collectively by all of J.P. Morgan Europe Limited, JPMorgan Chase Bank, National Association, J.P. Morgan Limited (formerly J.P. Morgan plc) and J.P. Morgan Securities plc. (as they may have been amended from time to time by any one or more of such J.P. Morgan entities) or received from you. Transactions entered into under any terms of business which are superseded by these Terms shall be deemed, with effect from your acceptance of these Terms, as transactions entered into under these Terms.

Without limiting the application of these Terms to transactions entered into, or deemed to be entered into, under these Terms, these Terms are without prejudice to and shall not supersede or amend any other contract(s) entered into by you and J.P. Morgan (whether prior to or after our dispatch of these Terms to you) (each a “**Product Contract**”) including, without limitation, any contract (s) relating to specific, or specific types of, products, services or transactions including, but not limited to, financial instruments (as defined under the Markets in Financial Instruments Directive (“**MiFID**”)). In the event of any conflict between any Product Contract(s) and these Terms, the provisions of the Product Contract(s) shall prevail.

1.4 Any transactions entered into by you (or, where applicable, your principal or principals) under these Terms are subject to Applicable Law. Applicable Law means (a) any applicable law contained in or made under the Financial Services and Markets Act 2000 or any other statute of the United Kingdom; (b) any laws and regulations of any other jurisdiction applicable to the provision of services to you by J.P. Morgan under, or in connection with, these Terms; and (c) any other applicable principle, rule, guidance, decision, determination, ruling, article, by-law, procedure, usage and custom of the FCA, PRA or other relevant regulatory body, Exchange, Clearing System, CSD or organised market applicable to the provision of services to you by J.P. Morgan under, or in connection with, these Terms. In the event of a conflict between these Terms and any such Applicable Law, such Applicable Law shall prevail. In no event shall J.P. Morgan be obliged to take any action or refrain from taking any action which J.P. Morgan believes would breach Applicable Law.

Any capitalised terms which are not defined herein shall be deemed to be defined in accordance with Applicable Law. Clause headings shall be disregarded in the interpretation of these Terms. “**Clearing System**” means any person (or any system or platform operated by such person) providing settlement, clearing or similar services, whether or not as part of an Exchange including, without limitation, any central counterparty; “**CSD**” means any trans-national or local securities depository, book entry system or other person that provides handling, clearing, settlement or safekeeping services in which J.P. Morgan participates as a customer or member, including Euroclear and Clearstream; and “**Exchange**” means any exchange, multilateral trading facility, market, automated trading system, organised trading facility or platform or association of dealers in any part of the world on or through which securities, commodities or currencies or assets underlying, derived from or otherwise related directly or indirectly to the same are bought and sold.

1.5 If you are (a) based in Asia or Australasia; and/or (b) you instruct us to effect securities transactions involving Asian or Australasian securities; and/or (c) we effect securities transactions through any of our Affiliates, or a third party locally authorised broker, based in Asia or Australasia (“**Asian Transactions**”), the enclosed supplemental Asian Addition (“**Asian Addition**”) shall also govern such Asian Transactions. In the event of any conflict between these Terms and the Asian Addition, the provisions of the Asian Addition shall prevail. For the purposes of Asian Transactions, “**Applicable Law**” as defined above in Clause 1.4 shall include to the extent relevant, any law, rule or regulation applied in a jurisdiction in Asia or Australasia which may apply or to which we may be subject when we effect Asian Transactions with you or for you.

1.6 We may from time to time issue you with an additional supplement or notice setting out additional provisions to these Terms which will apply in respect of effecting securities transactions in certain jurisdictions and/or services.

2. CLIENT CATEGORISATION

2.1 J.P. Morgan shall treat you, for the purposes of all services which we provide to you (execution related services or otherwise) as a “per se professional client” as defined by the

FCA's Conduct of Business Rules ("Rules"). A per se professional client is deemed to possess the experience and knowledge to make its own investment decisions and assess the risks arising, and hence is not entitled to certain regulatory protections available to a "retail client" (as defined by the Rules). A summary of the different protections to which you are entitled, depending on your client categorisation, is set out in the enclosed Schedule of Protections Owed to Different Client Types. You should notify us immediately if, at any point in time, you consider that you would no longer fall within the definition of a per se professional client.

2.2 Under the Rules you should be aware that you are entitled to request to opt to a different client categorisation in accordance with the procedures set out in the Rules. If you are seeking to opt to a client categorisation with a lesser degree of protection, you will need to, inter alia, provide us with a statement in writing confirming that you are aware of the consequences of such re-categorisation. However, we would also advise you that, to the extent you request re-categorisation to opt to retail client status, we regret we shall not be able to continue to provide you with services hereunder, but, if appropriate, we may refer you to our private banking Affiliate(s) for future assistance. A summary of the different protections to which you are entitled, depending on your client categorisation, is set out in the enclosed Schedule of Protections Owed to Different Client Types.

2.3 Unless otherwise agreed in writing between us, if you are acting on behalf of any principal or principals when transacting business with us under these Terms, J.P. Morgan will treat you alone (rather than any such principal or principals) as its client for all purposes in relation to the Rules. Therefore, you will be responsible for fulfilling any regulatory obligations to your principal(s). This applies even if you act on behalf of any principal or principals whom you have identified to us, and no such principal or principals will be a client of J.P. Morgan for the purposes of the Rules.

Where you are an Investment Manager acting as agent on behalf of one or more principals in relation to business conducted pursuant to these Terms, you shall not be liable as principal to perform any term of any transaction under these Terms and the relevant principal or principals on whose behalf you are acting shall be liable in respect of all obligations and liabilities to be performed in respect of any transaction you have entered into on their behalf under these Terms, save as otherwise provided in these Terms and save where by your conduct or otherwise you have held yourself out as acting as principal in respect of a transaction under these Terms (in which cases you shall be jointly and severally liable with the relevant principal in respect of all obligations and liabilities to be performed in respect of that transaction).

If you are not an Investment Manager, but are acting as agent on behalf of one or more principals in relation to business conducted pursuant to these Terms, you and each of your principals shall be jointly and severally liable in respect of all obligations and liabilities to be performed in respect of any transaction you have entered into on the relevant principal's behalf under these Terms, and references under these Terms to any principal on whose behalf you are acting as agent other than as an Investment Manager shall be construed as a reference to both you and your principal jointly and severally.

"Investment Manager" under these Terms means a firm or an overseas financial services institution acting as an investment manager, as these terms are used under the FCA Handbook and PRA Handbook, as applicable.

2.4 For the avoidance of doubt, any principal can only act hereunder through you.

3. SERVICES PROVIDED

3.1 J.P. Morgan may provide, at its sole discretion, the following services, unless otherwise specified:

- (a) Execute transactions upon your instructions in accordance with these Terms;
- (b) Deal with or for you as principal and/or as your agent, as appropriate, or arrange deals in accordance with these Terms;
- (c) Provide investment research to you;
- (d) Provide such other services as may be agreed between you and J.P. Morgan; and
- (e) Subject to Clause 32 (No Fiduciary Duty), perform ancillary actions in connection with any service under this Clause 3.

3.2 J.P. Morgan may provide services with or through its Affiliates or other entity or delegate the performance of services to any Affiliate or other entity without your further consent and employ such agents on such terms as we deem appropriate. Without limiting J.P. Morgan's rights under these Terms, in respect of transactions with or through such third parties, you (and, where you are acting on behalf of a principal or principals, your principal or principals) may be subject to any business terms and conditions of such persons.

4. REPRESENTATIONS AND WARRANTIES

4.1 On a continuing basis, you represent and warrant to J.P. Morgan and agree that (including on behalf of any principal or principals for whom you are acting as agent):

- (a) You are duly organised and existing and in good standing under the laws of your jurisdiction;
- (b) You have full power, authority and capacity, and in the case of a trustee you have and will have full power, authority and capacity when acting in the capacity of trustee under the relevant trust deed(s), to enter into and perform your obligations under these Terms and to confer on us such authorities as are necessary so that these Terms will be binding upon you;
- (c) These Terms and any service or transaction contemplated or conducted or executed by you or for you constitute your legal, valid and binding obligations, enforceable against you in accordance with the provisions of these Terms, subject only to applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally;
- (d) Any of your investments which we or our agent hold on your behalf pursuant to these Terms are or will be beneficially owned by you free from all liens, charges and encumbrances other than those which may arise in our favour, or in the case of acting in the capacity of a trustee or investment manager, you represent that you have obtained a representation of beneficial ownership, free from all liens, charges and encumbrances, from the beneficial owner and that the beneficial owner has authorised you to deal with such investments;
- (e) All necessary corporate or other consents and authorities to enable you to conduct all transactions and contract to receive all services under these Terms have been obtained and will be maintained by you;
- (f) You have obtained and are in compliance with the terms of all authorisations, consents and approvals of any government or other regulatory body necessary to enable you to conduct all transactions under these Terms, and you shall provide us with copies of such consents or approvals as we may reasonably require;
- (g) You are and will be knowledgeable of and experienced in the risks of entering into transactions under these Terms, capable of

- evaluating the merits and risks of such transactions and able to bear the economic risks of such transactions;
- (h) No Event of Default with respect to you has occurred and is continuing, and no such event or circumstance will occur as a result of entering into or performing obligations under these Terms;
- (i) You confirm that any information given to us by you or on your behalf is complete, accurate and not misleading;
- (j) Each payment by you shall be made without any deduction or withholding on account of tax, save where such deduction or withholding is required by law, in which case the amount of payment due shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required;
- (k) You will comply with and fulfil all of your obligations under Applicable Law and will not breach any Applicable Law in respect of entering into or performing any transaction under these Terms and you will provide J.P. Morgan with any instructions or orders and/or complete such procedural formalities as may be required by applicable tax or other law and/or practice and, at the request of J.P. Morgan, you will supply in a timely manner all tax-related forms, documents, certificates or other information that may be periodically required to enable J.P. Morgan to comply with its or any other tax-related information reporting obligations and/or make any payments to you (i) without reduction for any tax withholding or (ii) at a reduced rate of withholding, if applicable;
- (l) Where pursuant to these Terms you acquire securities in an offering that has not been qualified as a public offering in the jurisdiction in which you are located, you do so as a qualified, professional, institutional or similar investor that is eligible to do so under the laws of that jurisdiction pursuant to applicable private placement rules (without any action being required on our part other than that which has been performed and notified to you in writing), and that any resale, sub-participation or re-hypothecation of, or other transaction in relation to, the securities by you will also be effected only in accordance with such rules (but without reliance on any such rule which is based purely on a numerical limit of offerees or purchasers);
- (m) Any third party appointed by you to give and receive instructions, notices and/or other communications on your behalf under these Terms has all requisite power and authority and/or appropriate regulatory or governmental consents (if applicable), to give and receive such instructions, notices or other communications;
- (n) Upon request from us, you will provide us with such information as is necessary for us to perform our obligations under Applicable Law; and
- (o) Either:
- (i) you do not and will not hold assets constituting, directly or indirectly, plan assets subject to (x) the fiduciary responsibility and prohibited transaction sections of the U.S. Employee Retirement Income Security Act of 1974 ("ERISA"); (y) the prohibited transaction provisions of Section 4975 of the U.S. Internal Revenue Code, (such assets in (x) and (y) being referred to as "Plan Assets"); or (z) any U.S. federal, state or local law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code ("Similar Law"); or
- (ii) your assets constitute Plan Assets but (x) these Terms and each transaction entered into hereunder will be entered into and performed on your behalf by a qualified professional asset manager (within the meaning of U.S. Department of Labor Prohibited Transaction Class Exemption ("PTCE") 84-14 ("QPAM Exemption")); and (y) such person has all requisite power and authority to enter into these Terms and each transaction hereunder on your behalf; and (z) neither the entering into nor the performance of these Terms or any transaction hereunder will result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code by reason of the application of the QPAM Exemption, all the conditions of which shall be met; or
- (iii) your assets are subject to Similar Law but (x) the entering into and performance of these Terms and each transaction entered into hereunder will not result in a breach of Similar Law, or result in any tax, rescission right, or other penalty on J.P. Morgan including by reason of an applicable exemption, all of the conditions of which shall be met.
- For the avoidance of doubt, references to "you" and "your" in this Clause 4.1 mean both you and any principal(s) on whose behalf you are acting.
- 4.2 In relation to any transaction carried out pursuant to these Terms, if you are acting as agent for any principal or principals then, on a continuing basis (and with respect to Clauses 4.2(a) and (b), on behalf of yourself and any principal or principals), you additionally represent, warrant and undertake to J.P. Morgan that:
- (a) You have full power, authority and capacity from your principal or each of your principals to enter into and perform your obligations under and pursuant to these Terms including, without limitation, entering into transactions under these Terms on your principal's or principals' behalf;
- (b) In so doing, you are expressly authorised by your principal or each of your principals to instruct us in relation to any such transaction and each transaction is entered into on the relevant principal's or principals' behalf and the relevant principal or principals shall be liable in respect of all obligations and liabilities to be performed in respect of any such transaction;
- (c) Where you are not an Investment Manager, but are acting as agent on behalf of one or more principals in relation to business conducted pursuant to these Terms, you and the relevant principal will be jointly and severally liable to us in respect of all obligations and liabilities to be performed in respect of any such transaction;
- (d) You have carried out all due diligence required under relevant laws, including without limitation, all applicable prevention and detection of money laundering, client identification, sanctions (for the avoidance of doubt, including any prevention and detection of terrorism legislation), laws and regulations, to satisfy yourself of the good standing of your principal or each of your principals and that your principal or each of your principals is not involved in any money laundering or criminal activity;

- (e) You assume full responsibility for, and shall ensure compliance with, without limitation any and all suitability, supervision control, registration, credit review, market abuse laws, rules and regulations and other requirements and restrictions of Applicable Law in respect of your principal's or each principal's use of services under these Terms;
- (f) You will use all reasonable endeavours to ensure that any principal or principals on whose behalf you act as agent complies with and fulfils all of its obligations under any transactions entered into pursuant to these Terms;
- (g) You hold and will at all times hold all requisite authorities from your principal or each principal to grant the security interests in respect of the investments, monies or other property of such principal created by Clause 16 and to take any further action as might be required by us under Clause 15.4 in respect of selling or realising any such investment; and
- (h) Each of your principals is able to, and hereby does, make the representations in Clause 4.1 as if all references to "you" in Clause 4.1 are references to each of your principals, and you have carried out the requisite due diligence to satisfy yourself of this.

4.3 You will notify J.P. Morgan if any of the representations, warranties and undertakings contained in Clauses 4.1 and/or 4.2 ceases to be true.

5. RISK WARNING

5.1 This notice is provided to you in compliance with the Rules and MiFID. Please be aware that there are certain risks involved in entering into transactions in financial instruments. You should not deal in these products unless you understand their nature and the extent of exposure to risk that you will incur.

5.2 All financial products carry a certain degree of risk, and even low risk investment strategies contain an element of uncertainty. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the risks associated with each of these instruments. We refer you to the enclosed Schedule of Product and Service Risk Disclosures (a copy of which can also be found at <http://www.jpmorgan.com/pages/disclosures/mifid/ib/emea>) which describes both the risks of specific products, as well as generic types of risk, including, inter alia: liquidity risk, credit risk, market risk, currency risk, interest rate risk, legal/regulatory risk and operational risk.

5.3 The information contained in the enclosed Schedule of Product and Service Risk Disclosures cannot disclose the nature of all risks of all specific products or services or disclose everything about generic types of risk. The information contained in the Schedule of Product and Service Risk Disclosures is a general description of the risks associated with the specific products or services which we may provide to you. You should not rely on the highlighted risks as being the only risks in relation to the product or service. You should always satisfy yourself that a product or service is suitable for you in light of your financial circumstances and that you fully understand the nature and risk associated with that product or service. Any risks highlighted are not to be relied upon as investment advice or a personal recommendation.

6. TELEPHONE TAPING AND ELECTRONIC COMMUNICATIONS

6.1 J.P. Morgan may in its sole discretion record all telephone conversations including those held between you and/or your agent and employees of J.P. Morgan including trading, sales or settlements. J.P. Morgan may record such telephone conversations without use of a warning tone. Such records will be our sole property. Our voice records will be

accepted by you as conclusive evidence of the orders, instructions or conversations recorded.

6.2 To the extent permitted by Applicable Law, by virtue of accepting services hereunder, you agree that J.P. Morgan may record, monitor and retain all electronic communications for the purposes of ensuring compliance with J.P. Morgan's legal and regulatory obligations and internal policies, and in connection with the services and/or transactions contemplated by these Terms.

6.3 J.P. Morgan may retain such records for whatever period may be required as a matter of its internal policies and/or Applicable Law.

6.4 You agree that your use of electronic communications will be for the purposes of your business, trade or profession. You agree that the requirements of the E-Commerce Directive (2000/31/EC), as implemented in the United Kingdom, are excluded to the fullest extent permissible by law.

7. AUTHORISED INSTRUCTIONS

7.1 You authorise J.P. Morgan to act on any instruction received (by whatever means transmitted, whether or not in writing) which purports, and which we believe in good faith, to come from you or to have been given on your behalf regardless of whether you have provided us with notice of a list of persons (including any individual or entity) authorised to act on your behalf and, where you have provided us with such a list, regardless of whether the person in question is named or not named on that list. If we enter into any transaction(s) upon any such instruction, and securities or funds are not delivered to us as and when due, you will fully indemnify us and each of our Affiliates against all costs, expenses, liabilities and losses which we and/or any of our Affiliates may incur and against all claims which may be made against us and/or any Affiliate as a result of such failure.

7.2 Neither J.P. Morgan nor any Affiliate, nor any director, officer or employee of J.P. Morgan or an Affiliate, shall be responsible for any delays, inaccuracies or omissions in the receipt of your instructions or in the transmission of orders or other information to J.P. Morgan or an Affiliate by you except to the extent such delays, inaccuracies or omissions are caused by its own gross negligence, fraud or wilful default.

7.3 Notwithstanding our general willingness to enter into transactions with you or on your behalf, we shall not, unless otherwise obliged under the Rules, be under any obligation to enter into any particular transaction, or to accept and act in accordance with any instruction.

8. ORDER HANDLING AND OTHER REGULATORY REQUIREMENTS

8.1 Best Execution

When executing orders on your behalf and when placing orders with, or passing orders to, other entities (including Affiliates) for execution, we will do this in accordance with our Execution Policy as amended from time to time. For information on J.P. Morgan's Execution Policy for Professional Clients, see our webpage: <http://www.jpmorgan.com/pages/disclosures/mifid/ib/emea>

8.2 Aggregation and Priority of Orders

J.P. Morgan handles client and own account orders promptly, fairly and in due turn subject to market conditions. J.P. Morgan may aggregate your (or, where you are acting as agent on behalf of a principal or principals, your principal's or principals') order with (i) its own orders; (ii) orders of Affiliates; or (iii) orders of other persons, in a manner that J.P. Morgan believes is fair in accordance with Applicable Law. Such aggregation may on some occasions operate to your (or, where applicable, your principal's or principals') disadvantage and on other occasions to your (or, where applicable, your principal's or principals') advantage. Market conditions may not permit your (or, where applicable, your principal's or principals') aggregated

order to be executed at once or in a single transaction. We may therefore execute it over such period as we deem appropriate and we may report to you a volume weighted average price for a series of transactions so executed instead of the actual price of each transaction.

8.3 Open Orders

Unless otherwise agreed, open orders are specific and will remain in effect until executed or cancelled (including where cancelled by an Exchange). An open order will not be cancelled automatically by an identical or different order or transaction otherwise executed for your (or, where applicable, your principal's or principals') account in the securities concerned. It is your responsibility to cancel an open order where a substitute order has been entered. A transaction resulting from the execution of any such order which you have not cancelled will be entered in your (or, where applicable, your principal's or principals') account.

Sometimes your (or, where applicable, your principal's or principals') order may be partially completed on a particular trading day, to be completed on a subsequent trading day or days, and you may request that we delay sending you a confirmation until we are able to send you a confirmation covering the whole executed order. We are not obliged to accept such a request, but if we do accept it this does not affect the fact that you (or, where applicable, your principal or principals) are contractually obliged under these Terms to purchase (or sell, as applicable) the securities to which any partial execution relates. You (and, where applicable, your principal or principals) are responsible for obtaining your (and their) own legal advice as to when any obligation(s) you (or, where applicable, your principal or principals) have to disclose your (and/or, where applicable, your principal's or principals') transaction or resultant position may arise under Applicable Law.

8.4 Limit Orders

You hereby instruct J.P. Morgan and its Affiliates not to immediately make public (where we would otherwise be required to do so by Applicable Law) any limit order you place with us in respect of shares traded on a regulated market where that order cannot immediately be executed.

8.5 Inducements

In the course of providing services to our clients, we may pay or receive fees, commissions, rebates or other non-monetary benefits to or from third parties (including any Affiliate(s)). Such fees, commissions and rebates we directly receive from third parties from time to time will not be held on your behalf as client money under the FCA's Client Money Rules. Such fees, commissions, rebates or other non-monetary benefits will be disclosed to you to the extent required by the Rules and with regard to the nature of the services provided to you, and such disclosure may be in summary form only. Further details will be available upon request.

8.6 Margined Transactions

In the event J.P. Morgan enters into or arranges transactions with or for you (or, where applicable, your principal or principals) under which you (or, where applicable, your principal or principals) may be liable to make further payments, we may require that you (or, where applicable, your principal or principals) provide us with initial and/or additional margin in a form acceptable to us. You (or, where applicable, your principal or principals) represent and warrant to us that any initial or additional margin you post with us shall be fully transferable and that no option, lien, charge, security or encumbrance exists or will, due to any act or omission by you, exist over the margin. Without prejudice to Clause 13, if you (or, where applicable, your principal or principals) fail to provide us with such margin by no later than the close of business on the business day as defined under the Rules ("Business Day") after we have notified you of such requirements, we may suspend any payment or delivery of securities required to be

made to you (or, where applicable, your principal or principals) and may close out your (or, where applicable, your principal's or principals') account by purchasing from, or selling to, a third party in a commercially reasonable manner the relevant financial instrument, underlying securities or collateral (or comparable financial instruments or securities). You shall reimburse us for all reasonable costs incurred by us in respect of any such purchase or sale.

8.7 Short Positions

Unless you inform us otherwise, all instructions to sell investments are accepted by J.P. Morgan on the understanding that you (or, where applicable, your principal or principals) own the relevant investments. At the time of providing an instruction to J.P. Morgan to enter into transactions on your (or, where applicable, your principal's or principals') behalf, you must inform J.P. Morgan if the instruction requires J.P. Morgan to sell on your (or, where applicable, your principal's or principals') behalf investments which you do not own at the time, and (without prejudice to Clause 7.3) J.P. Morgan shall have the right in its sole discretion to refuse to accept any such instruction.

We may establish short positions on your (or, where applicable, your principal's or principals') behalf, that is to say sell on your (or, where applicable, your principal's or principals') behalf investments which you (or, where applicable, your principal or principals) do not own at the time, leaving you (or, where applicable, your principal or principals) with an open exposure related to any increase in the price of those investments before settlement. We may cover your (or, where applicable, your principal's or principals') settlement obligations by borrowing for you (or, where applicable, your principal or principals) the relevant investments. We may require you to sign appropriate documentation covering such borrowing.

You (or, where applicable, your principal or principals) acknowledge that restrictions or disclosure obligations may exist or be imposed from time to time under Applicable Law in relation to transactions in investments that J.P. Morgan enters into on your (or, where applicable, your principal's or principals') behalf. J.P. Morgan (without prejudice to Clause 7.3) reserves the right to refuse to accept any instruction where it considers in its sole discretion that accepting such instruction may cause it to breach Applicable Law (whether or not you have informed us as to whether or not you (or, where applicable, your principal or principals) own the investments in question).

8.8 Stocklending

Any stocklending between you (or, where applicable, your principal or principals) and J.P. Morgan will be documented separately on our standard terms.

8.9 Programme Trading

Where we accept an order to effect a programme trade we will act as riskless principal unless otherwise agreed at the time.

We and/or our Affiliate(s) may execute own account transactions in any investment and/or traded product included in a programme trade.

8.10 Contract Notes and Confirmations

Where J.P. Morgan executes a sale or purchase of an investment and/or traded product with or for you (or, where applicable, your principal or principals) under these Terms, J.P. Morgan may confirm essential details of that transaction with you or any agent nominated by you in writing. This confirmation or contract note may be dispatched by, inter alia, telex, SWIFT, facsimile or in electronic form (including notice via a website), which shall have the same effect as if provided to you in hard copy. Confirmations or contract notes override any oral or informal trade summary or information that may be provided to you. You (and, where applicable, your principal or principals) agree that for trades introduced or arranged by

J.P. Morgan to or for an Affiliate, the Affiliate's confirmation shall be sufficient for this purpose.

All contract notes or confirmations issued by J.P. Morgan or its Affiliates (as agent for J.P. Morgan) shall bind you (or, where applicable, your principal or principals) unless a detailed objection is received in writing by the J.P. Morgan contact stated on the applicable contract note or confirmation (or if no contact is stated, your usual contact at J.P. Morgan) within one Business Day of dispatch of the contract note or confirmation by J.P. Morgan or applicable Affiliate as agent for J.P. Morgan. A party shall not be bound by a contract note or confirmation which it issues in manifest error.

8.11 Custody of your Investments

J.P. Morgan may provide safe custody services for your (or, where applicable, your principal's or principals') investments, which will be the subject of a separate agreement. In addition, we may hold collateral in connection with financial instruments (as defined under MiFID), which may also be subject to a Product Contract.

Investments and/or traded products purchased by you (or, where applicable, your principal or principals) which are not custodied by J.P. Morgan, which are registrable, will be registered by us in accordance with your instructions. Certificates will be forwarded to you in accordance with your instructions. We will not accept responsibility for the safe custody obligations of any third parties to hold your (or, where applicable, your principal's or principals') investments.

8.12 Corporate Actions

We shall not be responsible for the following corporate actions, unless you have specifically instructed us and we have agreed in writing to comply with such instruction, on such matters:

- (a) Taking up any rights;
- (b) Exercising conversion or subscription rights;
- (c) Dealing with take-overs, other offers or capital reorganisations; and
- (d) Exercising voting rights.

J.P. Morgan shall have no obligation to notify you of any corporate action.

8.13 No Reliance / No Advice

Neither J.P. Morgan nor any of its Affiliates shall owe you (or, where applicable, your principal or principals) any duty to advise on the merits or suitability of any investment or series of investments or trading decisions or traded products entered into or contemplated by you unless specifically agreed otherwise in writing.

Without limitation to the generalities of the foregoing, we shall not give you (or, where applicable, your principal or principals) legal, regulatory, accounting, taxation, financial or any other advice in relation to any investment or series of investments or trading decisions or traded products and you (or, where applicable, your principal or principals) are solely responsible for seeking and obtaining your (or their) own advice and taking your (or, where applicable, your principal's or principals') own trading decisions. You (and/or, where applicable, your principal or principals) agree that you and/or they will rely on your or their own judgement for all trading decisions and investments or series of investments and that you or they are not in any way acting in reliance on us.

Furthermore, any research, trading recommendation, trade idea, information about investment and investment strategy, market commentary, generic advisory material or other information communicated to you (or, where applicable, your principal or principals) is not personalised to, tailored to or based on a consideration of your (or, where applicable, your principal's or principals') individual circumstance, is incidental to the provision of services by J.P. Morgan under these Terms and should not be relied upon. Neither J.P. Morgan nor any of

its Affiliates gives any representation, warranty or guarantee as to the accuracy or completeness of any such information or as to the regulatory, legal, accounting, taxation or other consequences of any investment or traded products.

8.14 Financial Services Compensation Scheme

J.P. Morgan is a member of the Financial Services Compensation Scheme ("**Scheme**"). The Scheme is only available to certain types of claimants and claims. Payments to eligible claimants under the Scheme will vary depending on the type of protected claim (e.g. deposits or investments) the claimants hold with respect to the relevant institution. Payments under the Scheme in respect of protected deposits are subject to a maximum payment to any eligible depositor of GBP85,000. Payments under the Scheme in respect of Designated Investment Business (as defined under the Scheme) are subject to a maximum payment of GBP50,000 per eligible investor. Further details of the Scheme are available from J.P. Morgan on request or at the Scheme's official website at <http://www.fscs.org.uk>.

8.15 Settlement

J.P. Morgan's obligation to settle any transaction or to deliver any securities purchased by you (or, where applicable, your principal or principals) is conditional upon receipt by J.P. Morgan or J.P. Morgan's settlement agent of all necessary documents or funds due to be delivered by you (or, where applicable, your principal or principals) or on your (or, where applicable, your principal's or principals') behalf on or before the due date for settlement.

Unless otherwise agreed in writing, you (or, where applicable, your principal or principals) are responsible for the due performance of every transaction which we enter into with or for you (or, where applicable, your principal or principals). Where permitted to do so by Applicable Law, we may effect a net settlement with or for you (or, where applicable, your principal or principals) or on your (or, where applicable, your principal's or principals') behalf. Where we have acted as agent for you (or, where applicable, your principal or principals), it is the other party to the transaction who is responsible for settlement of the transaction and delivery or payment will be at your (or, where applicable, your principal's or principals') entire risk.

J.P. Morgan shall effect settlement of any transaction in accordance with Applicable Law and market practice in the jurisdiction or market in which the transaction is settled. You (and, where applicable, your principal or principals) acknowledge that settlement of securities in some jurisdictions or markets does not occur on a delivery against payment basis.

Where you are acting under these Terms as agent on behalf of a principal or principals, and at the time a transaction is agreed under these Terms you have not notified us of the allocation of such transaction to your principal or amongst your principals as applicable, then: (i) you undertake to fully allocate the transaction, and notify us of such allocation, promptly to your principal or amongst your principals as applicable, each of whom will be liable as principal in respect of the part of the order allocated to it; and (ii) where you are an Investment Manager, until you have fully allocated the transaction and notified us of such allocation, without prejudice to any concurrent liability of your principal(s), you shall be liable as principal in respect of all obligations and liabilities to be performed in respect of any unallocated portion of that order.

You (or, where applicable, your principal or principals) are responsible for all taxes, duties and levies payable with respect to any transaction executed by J.P. Morgan with you or on your (or, where applicable, your principal's or principals') behalf. Where the applicable tax authority looks to J.P. Morgan to account for any such tax, duty or levy on your (or, where applicable, your principal's or principals') behalf, we shall be entitled to deduct, charge and account for any such amount and you (or, where applicable, your principal or principals) shall be obligated to pay to J.P. Morgan the relevant amount in

addition to the funds required to settle the transaction. If you (or, where applicable, your principal or principals) are entitled to an exemption from any such tax, duty or levy, J.P. Morgan shall be entitled nonetheless to deduct, charge and account for the amount you (or, where applicable, your principal or principals) would have been required to pay absent the exemption unless you supply all documentation and explanations required or requested by J.P. Morgan in order to be satisfied, in its sole discretion, that the exemption is available.

8.16 Execution of Orders

When executing an order on your behalf, J.P. Morgan or its Affiliate, as the case may be, may execute that order outside a regulated market or Multilateral Trading Facility ("MTF") where J.P. Morgan or its Affiliate reasonably believes that this is necessary to achieve best execution. You consent to J.P. Morgan (or an Affiliate as the case may be) executing an order outside a regulated market or MTF where J.P. Morgan (or the relevant Affiliate as the case may be) reasonably believes it is in your best interest to so execute an order.

8.17 Systematic Internalisation

To the extent that J.P. Morgan may, subject to the pre-trade quotation obligations set out in the Rules, act as a systematic internaliser, and J.P. Morgan grants access to quotes provided by it, J.P. Morgan may limit the number of transactions that it undertakes with you (or, where applicable, your principal or principals) and/or the total number of transactions it may enter into in aggregate with clients on the basis of such published quote.

8.18 Trade Reporting

Where J.P. Morgan executes a transaction in respect of shares admitted to trading on a regulated market, but which are transacted outside a regulated market, J.P. Morgan will make the relevant transaction information public in accordance with Applicable Law unless you inform J.P. Morgan in writing that you will undertake to do so. J.P. Morgan may rely upon third parties (including data monitors) to make public such transaction information and J.P. Morgan may receive fees or commissions in connection with such third party arrangements. Fees or commissions owed by you to J.P. Morgan in connection with any such transaction shall not be affected by any fees or commissions received by J.P. Morgan from any third party in respect of such transaction.

8.19 Transaction Reporting

J.P. Morgan will comply with its obligations under the Rules set out in SUP 17 (as amended from time to time) in relation to transactions executed with you (or, where applicable, your principal or principals) or on your (or, where applicable, your principal's or principals') behalf.

8.20 Duties and Charges

J.P. Morgan may charge transaction duties and charges owing from you on a trade at fund manager level, or at a level different from that payable by J.P. Morgan as execution broker. Any difference in such duties and/or charges may be retained or absorbed by J.P. Morgan.

8.21 ICMA Rules and Recommendations

All transactions under these Terms in "international securities" as that term is defined in the Rules and Recommendations of the International Capital Market Association or any successor entity ("ICMA") shall be subject to ICMA Rules and Recommendations.

8.22 Market Conduct

You will not take any action or fail to take any action in circumstances where taking such action or failing to take such action would amount to market abuse, nor fail to observe the proper standards of market conduct in relation to any relevant Exchange and not knowingly take any step or omit to take any

step that would cause J.P. Morgan to commit market abuse or fail to observe such proper standards.

8.23 Additional market requirements

Specific additional provisions which apply when trading on certain markets (including Exchanges, Clearing Systems or order matching systems) may be included on <http://www.jpmorgan.com/pages/disclosures/markets> from time to time.

9. CLIENT MONEY AND CUSTODY

9.1 The application of the rules governing client money are dependent on the legal entity within J.P. Morgan with which you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) transact and specifically whether such entity is or is not authorised as a credit institution, as such term is defined under the FCA Handbook and PRA Handbook, as applicable. Each entity within J.P. Morgan that is a credit institution shall be referred to as a "**J.P. Morgan Credit Institution**". A list of which entities within J.P. Morgan are J.P. Morgan Credit Institutions can be found at

<http://www.jpmorgan.com/pages/disclosures/mifid/ib/emea>.

We will notify you from time to time, including by way of posting on the above webpage, if any entities within J.P. Morgan become or cease to be a J.P. Morgan Credit Institution.

9.2 Unless specifically agreed in writing and subject to Clause 9.5, any money which a J.P. Morgan Credit Institution, other than J.P. Morgan Securities plc ("**JPMS plc**"), receives from you (or, where applicable, your principal or principals), or holds on your (or, where applicable, your principal's or principals') behalf in the course of carrying on investment business in the United Kingdom, will be held as banker, not as trustee, and will therefore not be subject to the protections conferred by the FCA's Client Money Rules as set out in CASS 7 of the FCA Handbook ("**Client Money Rules**"), and such funds will not be segregated from the money of such J.P. Morgan Credit Institution, and may be used by it in the course of its business. As a result, if such J.P. Morgan Credit Institution fails, the FCA's Client Money Distribution Rules as set out in CASS 7A of the FCA Handbook ("**Client Money Distribution Rules**") will not apply to these sums and you will not be entitled to share in any distribution under the Client Money Distribution Rules. You (or, where applicable, your principal or principals) will therefore rank only as a general creditor of such J.P. Morgan Credit Institution.

9.3 Subject to Clause 9.5, entities within J.P. Morgan that are not J.P. Morgan Credit Institutions ("**J.P. Morgan Investment Firms**") and JPMS plc will treat any money received from you (or, where applicable, your principal or principals) or held on your (or, where applicable, your principal's or principals') behalf in the course of carrying on investment business as client money in accordance with the Client Money Rules which, for the avoidance of doubt, may include holding client money with a third party bank or banks. A J.P. Morgan Investment Firm or JPMS plc (as applicable) may also hold client money with a J.P. Morgan Credit Institution or other member of the group of companies of which J.P. Morgan forms part which is a bank authorised in a third country (as defined under the Client Money Rules). We may also allow another third party (for example an OTC counterparty, settlement agent, intermediate broker, Exchange or Clearing System) to hold or control client money in order to effect one or more transactions through or with that person or to satisfy your obligation to provide collateral in respect of a transaction. Client money may be held outside the United Kingdom. If client money is held with a party outside the United Kingdom the applicable legal and regulatory regime may be different from that of the United Kingdom and other European Economic Area (the "**EEA**") states and if the bank, intermediate broker, over-the-counter ("**OTC**") counterparty, Exchange, Clearing System or settlement agent fails, your (or, where applicable, your principal's or principals') money may be treated differently from the position that would apply if client money were held in the

United Kingdom or an EEA state. You (and, where relevant, your principal or principals) should consider taking independent legal advice if you or they have any concerns.

9.4 J.P. Morgan Investment Firms or JPMS plc (as applicable) may place your (or, where applicable, your principal's or principals') money into a qualifying money fund, as defined in the Client Money Rules. As a result, any money will not be held in accordance with the Client Money Rules and the units in any such fund will be held for you as custody assets in accordance with the provisions on custody assets set out in the FCA's Custody Rules as set out in CASS 6 of the FCA Handbook (the "**Custody Rules**"). If you do not want us to place client money we hold on your (or, where applicable, your principal's or principals') behalf into a qualifying money fund, please advise us in writing.

9.5 The Client Money Rules and the Custody Rules will not apply in respect of any monies or assets where full ownership has been transferred by you (or, where applicable, your principal or principals) to J.P. Morgan for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations (a "**Title Transfer Collateral Arrangement**") pursuant to a Product Contract. Where money or securities have been provided to J.P. Morgan under a Title Transfer Collateral Arrangement such money and securities may be used in the course of J.P. Morgan's business and you (or where applicable, your principal or principals) will therefore rank only as a general creditor of such J.P. Morgan institution. Any notification that you would like to terminate a Title Transfer Collateral Arrangement should be made in accordance with the Product Contract and in writing.

9.6 In the event that a J.P. Morgan Credit Institution agrees separately with you to treat any money received from you or held on your behalf as client money in accordance with the Client Money Rules, the provisions of Clauses 9.3 to 9.5 shall apply in respect of that J.P. Morgan Credit Institution as if it were a J.P. Morgan Investment Firm, save to the extent that such J. P. Morgan Credit Institution may otherwise agree in writing with you.

9.7 You agree that J.P. Morgan may in its sole discretion decide to pay away any unclaimed money held on your (or, where applicable, your principal's or principals') behalf as client money in accordance with the Client Money Rules to a registered charity of our choice, provided that J.P. Morgan has held such unclaimed money for you for at least 6 years following the last movement on your account (disregarding any payment or receipt of interest, charges or similar items) and we have taken reasonable steps in accordance with the Client Money Rules to trace you and return the money, in which case we shall cease to treat such money as client money. In such circumstances, we (or an Affiliate) will unconditionally undertake to pay you a sum equal to the balance paid away in the event that you seek to claim such balance in the future.

9.8 You agree that J.P. Morgan may in its sole discretion decide to:

- (a) liquidate any unclaimed assets kept in safe custody by us for you at market value and pay away the proceeds, or
- (b) pay away any such unclaimed assets,

in either case to a registered charity of our choice, provided that we have held the relevant assets in safe custody for you for at least 12 years; we have in the 12 years preceding the divestment not received any instructions from you or on your behalf relating to any assets kept in safe custody for you; and we have taken reasonable steps in accordance with the Custody Rules to trace you and return the relevant assets, in which case we shall cease to treat such assets as custody assets held for you. In such circumstances, we (or an Affiliate) will unconditionally undertake to pay you a sum equal to the value of the relevant asset at the time it was liquidated or paid away in the event that you seek to claim the asset in the future.

9.9 J.P. Morgan reserves the right to charge an account maintenance fee in relation to inactive accounts in respect of which we have not received any instructions from you or on your behalf for at least 1 year. Such fee will be notified to you at your last known address. Pursuant to Clause 10.2, such maintenance fee may be deducted from any funds held by us on your (or where applicable your principal's or principals') behalf. In the event that insufficient funds are available in such accounts, you agree that we may in such manner and at such time or times as we in our sole discretion see fit, liquidate any investments or other assets, as we in our sole discretion may select, that we hold for you (or, where applicable your principal or principals) in safe custody in order to deduct the amount of the maintenance fee from the proceeds.

9.10 You may at any time make a request for information in respect of any client money or assets J.P. Morgan holds for you in safe custody or a copy of any statement previously provided to you, in respect of which we may charge you an amount which reasonably corresponds to our actual costs.

10. CHARGES AND INTEREST

10.1 We may charge you (or, where applicable, your principal or principals) interest in the following circumstances:

- (a) Where you (or, where applicable, your principal or principals) are in default by virtue of late payment for or delivery of investments, traded products, collateral or cash, interest may be charged at a rate at our sole discretion; and
- (b) Where there is an agreed debit balance on your (or, where applicable, your principal's or principals') account with us, interest may be charged at the rate agreed between us.

Interest will not normally be payable to you (or, where applicable, your principal or principals) in respect of any money we hold for you (or, where applicable, your principal or principals), unless specifically agreed between you and J.P. Morgan in writing.

10.2 Our charges will be subject to negotiation and agreement. In the absence of any agreement between us, we shall be entitled to charge and you (or, where applicable, your principal or principals) agree to pay our standard rates plus all commission, mark-up, mark-down, spread or other fees, charges, expenses, fines or penalties on a transaction entered into by you under these Terms, as well as any applicable value added tax. Any charges due to us (or to our agents) plus any applicable value added tax, duties, taxes and levies may be deducted from any funds held by us on your (or, where applicable, your principal's or principals') behalf or any payments made by us to you (or, where applicable, your principal or principals) or to others on your behalf or, at our discretion, shall be paid by you (or, where applicable, your principal or principals) as we notify. Where value added tax is due on our charges (including any expenses) payable by you (or, where applicable, your principal or principals) to J.P. Morgan, you (or, where applicable, your principal or principals) shall be responsible for such value added tax and shall pay such value added tax to the relevant tax authorities or J.P. Morgan as required by Applicable Law. References to "**value added tax**" in this paragraph include value added tax, sales tax, services tax, goods and services tax and analogous taxes plus any interest or penalties if relevant.

10.3 Where we effect any transaction as principal with you (or, where applicable, your principal or principals), the pricing of that transaction may incorporate a mark up or mark down, which may result in additional compensation to us.

10.4 We and/or our Affiliates may receive other payments in connection with any transaction we execute with or for you (or, where applicable, your principal or principals), in addition to or in lieu of any fees, as described in Clause 8.5.

We may share our charges with other persons and the amount or basis of any shared charges in relation to a specific transaction will be made available on request to the extent required under the Rules and with regard to the nature of the services provided to you, and such disclosure may be in summary form only. Further details will be available on request.

11. MATERIAL INTERESTS

11.1 When we deal or arrange deals with or for you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) or otherwise provide services to you, we, an Affiliate or some other person connected with us, may have an interest, relationship or arrangement that is material in relation to the transactions or investment concerned and you authorise us under these Terms to deal or arrange deals in such circumstances without further specific prior notification to you, and J.P. Morgan and/or its Affiliates may retain any profit from such transactions. For example, we may deal in investments as principal, or as agent for more than one party, or may make a recommendation to buy or sell an investment in which we have a long or short position or in which we have been given instructions by another customer to buy or sell. Information barriers may exist between the different parts of our organisation, which will mean that the person dealing with or for you (or, where applicable, your principal or principals) may be unaware of such a situation. However, even where this is not the case, we shall not, in providing services to you, be obligated to use or disclose information, whether or not unpublished and/or price sensitive, which is in possession of another of our business areas or any of our Affiliates.

11.2 We are required to treat you (or, where applicable, your principal or principals) fairly in relation to conflicts of interest or material interests. Where we are unable to manage a potential conflict effectively through our own internal conflict management arrangements, we may make you aware of the possibility of such conflict or material interest and ask you to consent to us acting notwithstanding such conflict or material interest. We may also decline to act where we believe that there is no other practicable way of treating you (or, where applicable, your principal or principals) and our other clients fairly. If you object to us acting where we have disclosed that we have a conflict or material interest, you should notify your usual contact at J.P. Morgan in writing. Unless so notified, we will assume that you do not object to our so acting.

11.3 Neither the relationship between you (or, where applicable, your principal or principals) and J.P. Morgan, nor the services to be provided by J.P. Morgan, nor any recommendation or advice tendered to you (or, where applicable, your principal or principals), nor any other matter, will give rise to any fiduciary or equitable duties on the part of J.P. Morgan which would oblige either J.P. Morgan or an Affiliate to accept responsibilities more extensive than those set out in these Terms or which would prevent or hinder J.P. Morgan or an Affiliate from:

- (a) Acting as principal or as agent for any Affiliate in respect of investments and/or traded products sold or purchased; or
- (b) Advising on, managing, underwriting, or otherwise participating in any issue or proposed issue of securities or other corporate finance matter (whether for a corporation or otherwise); or
- (c) Advising on or managing investments and/or traded products for any person.

Neither J.P. Morgan nor any Affiliate shall be liable to account to you (or, where applicable, your principal or principals) for any profit, commission or remuneration made or received from or by reason of transactions with our clients or any connected transaction nor will our fees, unless otherwise agreed in writing between us, be rebated. You acknowledge and agree that J.P. Morgan and its Affiliates may provide services and earn

(and retain) all such profit, commission or remuneration notwithstanding the existence of material interests.

11.4 J.P. Morgan, or an Affiliate, may hold a long or short position or a derivative interest in, or act as a market maker in, the financial instruments of any issuer in which you (or, where applicable, your principal or principals) may hold a position or J.P. Morgan or an Affiliate may act as underwriter, distributor, adviser or lender to any such issuer. J.P. Morgan may conduct trading activities, including hedging, in connection with any transaction referenced herein, which may have an adverse impact on you (or, where applicable, your principal or principals).

12. AFFILIATES

We may recommend the services of, or pass an order to, any Affiliate. We may introduce you to an Affiliate outside the United Kingdom which may not be an authorised person subject to regulation under the terms of the FSMA, and any money held by such an Affiliate on your (or, where applicable, your principal's or principals') behalf may be treated differently to how it would be treated if it were held by an authorised person who is subject to regulation under the terms of the FSMA.

13. EVENTS OF DEFAULT

13.1 On or at any time after the occurrence of any of the following events (each an "Event of Default"):

13.1.1 You (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) fail to pay any amount due and owing, or fail to deliver when due any property in respect of any transaction with J.P. Morgan or any Affiliate; or

13.1.2 You (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) otherwise default in the due performance and observance of any other provision of these Terms; or

13.1.3 Any representation or warranty made by you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) being incorrect, untrue, or ceasing to be true in any material respect at any time, or you (or, where applicable, your principal or principals) fail to comply with any undertaking made by you (or, where applicable, your principal or principals) under these Terms; or

13.1.4 You (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) fail to comply with the rules and/or regulations of any Exchange, OTC market, Clearing System, applicable regulation or law, or you (or, where applicable, your principal or principals) are suspended from membership of, or participating in, any Exchange, over-the-counter market or Clearing System; or

13.1.5 Any material adverse change in your (or, where you are acting as agent on behalf of a principal or principals, your principal's or principals') financial condition or business occurs which, in our opinion, may jeopardise our position in relation to any transaction entered into with you (or, where applicable, your principal or principals); or

13.1.6 You (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) become insolvent or unable to pay your (or, where applicable, your principal's or principals') debts as they become due, or make a general assignment, arrangement or composition with or for the benefit of creditors, or become the subject of insolvency, bankruptcy or similar proceedings, or a petition is presented for your (or, where applicable, your principal's or principals') winding up or liquidation or a trustee, receiver or manager is appointed over all or substantially all of your (or, where applicable, your principal's or principals') assets; or

13.1.7 You (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) lose the regulatory authorisations and/or licences which are necessary for you (or, where applicable, your principal or principals) to

lawfully perform your (or, where applicable, your principal's or principals') obligations under these Terms; or

13.1.8 Where you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) are acting as a trustee, you (or, where applicable, your principal or principals) cease to act as trustee of the relevant trust or you (or, where applicable, your principal or principals) lose your (or, where applicable, your principal's or principals') trustee indemnity; or

13.1.9 Where you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) are a natural person, you (or, where applicable, your principal or principals) die or become of unsound mind;

We may:

- (a) Terminate these Terms, with immediate effect upon written notice to you, whereupon any amount or other obligations owed by you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) to J.P. Morgan and/or any Affiliate under these Terms shall become immediately due and payable and due for performance; and/or
- (b) Terminate these Terms in relation to any J.P. Morgan entity or entities with immediate effect upon written notice to you, whereupon any amount or other obligations owed by you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) to that J.P. Morgan entity (or those J.P. Morgan entities), and/or an Affiliate in respect of services provided to you by that J.P. Morgan entity, under these Terms shall become immediately due and payable and due for performance but these Terms will remain in force between you (or, where applicable, your principal or principals) and each other J.P. Morgan entity and references in these Terms to "J.P. Morgan" and "we" shall be construed accordingly; and/or
- (c) Terminate with immediate effect any outstanding transaction(s) entered into between J.P. Morgan and you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) under these Terms as we shall determine and notify you of such termination as soon as reasonably practicable, whereupon any amount or other obligations owed by you (or, where applicable, your principal or principals) to J.P. Morgan and/or any Affiliate in respect of that transaction or those transaction(s) shall become immediately due and payable and due for performance but these Terms will remain in force between us in respect of all other transactions; and/or
- (d) Without prejudice to any of our other rights, exercise any of our powers pursuant to Clauses 15, 16 and/or 17 below.

13.2 Where you are subject to a system of law that does not permit termination to take place after the occurrence of an Event of Default, (a) we shall not be required to serve you with notice of termination; and (b) termination of these Terms shall be deemed to have occurred as of the time immediately preceding the Event of Default ("**Automatic Early Termination Event**").

13.3 Where in relation to any transaction carried out pursuant to these Terms you are acting as agent for any principal or principals, any Event of Default and/or an Automatic Early Termination Event in relation to you shall constitute an Event of Default in respect of that principal or principals on whose behalf you are acting as agent, unless otherwise determined by us.

13.4 If an Event of Default and/or an Automatic Early Termination Event occurs in relation to you (or, where relevant, your principal or principals), you shall immediately give written notice thereof to us, specifying the relevant Event of Default and/or Automatic Early Termination Event. Neither the existence nor non-existence of such notification by you shall prejudice the rights and remedies available to us under these Terms or Applicable Law.

13.5 Where an Event of Default and/or an Automatic Early Termination Event occurs in relation to a principal or principals on whose behalf you are acting as agent, these Terms can be terminated by us in relation to such principal(s) under Clause 13.1 without affecting the continuation of these Terms in relation to you and any other party on whose behalf you act.

13.6 If any person (a "**Guarantor**") has provided J.P. Morgan any form of financial or performance guarantee or surety or collateral in respect of your (or, where relevant, your principal's or principals') obligations under these Terms, then it shall also be an Event of Default if any of the events set out in Clause 13.1 occur in relation to the Guarantor, unless otherwise determined by us.

13.7 If a J.P. Morgan entity admits in writing that it is unable to pay its debts as they fall due, or a receiver, administrator (whether out of court or otherwise), administrative receiver, liquidator, trustee or analogous officer is appointed over it or over all or any material part of its property, or there is a declaration of a moratorium in respect of its indebtedness (other than where any of the foregoing events are pursuant to or in connection with a consolidation, reorganisation, amalgamation or merger or any analogous event to any of the foregoing events in this parenthesis), you shall be entitled upon written notice to such J.P. Morgan entity to terminate these Terms in relation to that J.P. Morgan entity with immediate effect upon written notice to that J.P. Morgan entity, whereupon you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) may treat the outstanding transactions between you (or, where applicable, your principal or principals) and that J.P. Morgan entity under these Terms (but, for the avoidance of doubt, not including any transactions between you and that J.P. Morgan entity under a Product Contract) as cancelled and terminated and/or set-off and/or net the positions and liabilities between you (or, where applicable, your principal or principals) and that J.P. Morgan entity in respect of such outstanding transactions, but these Terms will remain in force between you (or, where applicable, your principal or principals) and each other J.P. Morgan entity and references in these Terms to "J.P. Morgan" and "we" shall be construed accordingly. For the purposes of you exercising any set-off or netting right under this Clause 13.7, where you (or, where applicable, your principal or principals) or the relevant J.P. Morgan entity are under an obligation to deliver securities in respect of a transaction under these Terms, any such obligations shall constitute an amount equal to the purchase price of the relevant securities in the market as shall be reasonable in the circumstances.

13.8 Any termination under this Clause 13 will not affect any provision of these Terms intended to survive termination, including, without limitation, Clauses 8.15, 10, this Clause 13, Clauses 15, 16, 17, 18, 19, 20, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33 and 34.

14. TERMINATION ON NOTICE

14.1 J.P. Morgan may, by sending you a notice in writing under these Terms: (a) terminate these Terms; and/or (b) terminate these Terms in relation to any J.P. Morgan entity or entities, whereupon these Terms will remain in force between you (or, where applicable, your principal or principals) and each other J.P. Morgan entity and references in these Terms to "J.P. Morgan", "we", "us" and "our" shall be construed accordingly.

14.2 Any termination given by us may take effect immediately or on such later date as the notice may specify.

14.3 You may also terminate these Terms by giving notice in writing of termination, which will take effect ten Business Days after the date on which we receive such notice.

14.4 Upon termination under either Clauses 14.1 or 14.3, both we and you (or, where applicable, your principal or principals) will honour and fulfil any transactions agreed to but not settled before the date of any such termination.

14.5 Where under these Terms you are acting as agent on behalf of more than one other party, we may terminate these Terms in relation to any such other party pursuant to this Clause 14 without affecting the continuation of these Terms in relation to you and any other party on whose behalf you act.

14.6 Upon termination subject to final discharge of all obligations owed by you (or, where applicable, your principal or principals) to us, your account will be transferred or otherwise administered in accordance with your instructions.

14.7 Any termination effected by either party under this Clause 14 will not affect accrued rights under these Terms or in respect of any transaction(s) entered into under these Terms, or any provision of these Terms intended to survive termination, including, without limitation, Clauses 8.15, 10, 13, this Clause 14, Clauses 15, 16, 17, 18, 19, 20, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33 and 34.

15. CLOSE OUT

15.1 If any of the Events of Default set out in Clause 13.1 occurs, we may, with immediate effect or as soon as practicable, in our sole discretion and without notice, and without prejudice to any of our rights, whether under these Terms or otherwise:

- (a) Treat any or all outstanding transactions or matching transactions under these Terms as cancelled and terminated; and/or
- (b) Cancel, close out, terminate and/or reverse all or any transaction(s) or open positions under these Terms, and, or alternatively, take any other action which we consider necessary or appropriate to cover (including to hedge, open new positions or otherwise risk manage our positions and/or cover our expenses), reduce or prevent our loss or otherwise recover any amount owed by you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) to J.P. Morgan or any Affiliate under these Terms; and/or
- (c) Set-off and/or net any or all positions and liabilities between J.P. Morgan and you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) under these Terms, including the values upon close out, termination or reversing of transactions or open positions.

15.2 Where an Event of Default is an Automatic Early Termination Event under Clause 13.2, the close-out provisions under Clause 15.1 shall occur automatically.

15.3 For the purposes of valuing any positions or transactions in respect of our rights above and under Clause 13.1 we may, without limitation, take into account such factors as we deem relevant including, but without limitation, reasonable transaction costs, fees, commissions and expenses which would be incurred in connection with a purchase, sale or realisation of an investment and/or traded product.

15.4 For the purpose of selling or realising any investment and/or traded product which we are holding or are entitled to receive on your (or, where you are acting as agent on behalf of a principal or principals, your principal's or principals') behalf, if we so request at any time, you shall

promptly execute and sign all such transfers, assignments, further assurances, powers of attorney or other documents and do all such other acts and things (or, where you are acting as agent for any principal or principals, and have no authority to do so yourself, you shall use best endeavours to procure the same from that principal or principals) as may reasonably be required to sell, dispose of or realise the investment or for the exercise by us of all or any of the powers, authorities and discretions conferred on us by these Terms.

16. LIEN, CHARGE AND SET-OFF

16.1 Without prejudice and in addition to any general lien, right of set-off or other similar rights which we may have, by law or otherwise, over any of your (and, where you are acting as agent on behalf of a principal or principals, your principal's or principals') investments, monies or other property, your (or, where applicable, your principal's or principals') investments, monies or other property shall be subject to a general lien in favour of J.P. Morgan and its Affiliates, insofar as there remains any outstanding amount owed by you (or, where applicable, your principal or principals) to J.P. Morgan or any Affiliate under these Terms.

16.2 Your (or, where applicable, your principal's or principals') investments, monies or other property shall be subject to a charge in favour of J.P. Morgan and its Affiliates as continuing security for the payment and discharge of any obligation, whether present or future, actual or contingent owed by you (or, where applicable, your principal or principals) to J.P. Morgan or any Affiliate under these Terms. Where you are acting under these Terms as agent on behalf of a principal or principals, the charge over the investments, monies or other property of that principal or those principals shall act as continuing security only for the payment and discharge of any obligation, whether present or future, actual or contingent owed by that principal or those principals to J.P. Morgan or any Affiliate.

16.3 If at any time during the course of or following the termination of these Terms any amount or other obligation is owed by you (or, where applicable, your principal or principals) to us under these Terms, we may set-off any such amount or obligation against, or retain or make deductions from, any amount or other obligation which we, or any Affiliate, owe to you (or, where applicable, your principal or principals) or are holding including in any of the following ways under these Terms:

- (a) In accordance with the rules and/or regulations of any applicable Exchange or Clearing System;
- (b) By debiting any account or accounts of yours (or, where applicable, your principal or principals) with us and/or with any Affiliate;
- (c) In any other manner which we deem appropriate and in accordance with the law; and
- (d) In addition we shall have the right at any time without notice to combine and/or consolidate all or any of your (or, where applicable, your principal's or principals') accounts held by any Affiliate, any nominee or trustee for an Affiliate, and/or us.

16.4 Where you (or, where applicable, your principal or principals) or we or an Affiliate are under an obligation to deliver securities, for the purposes of J.P. Morgan exercising any termination, close out, netting or set-off rights under these Terms, any such obligations shall constitute an amount equal to the purchase price of the relevant securities in the market (as determined by us in our sole discretion).

16.5 J.P. Morgan will not be obliged to exercise any power of sale under these Terms in place of exercising any right of set-off.

16.6 Where we exercise any right of set-off against a principal on whose behalf you are acting as agent, we shall only exercise such right of set-off against the property of the

relevant principal and, for the avoidance of doubt, we will not exercise any such rights against the property of any other principal on whose behalf you are acting as agent. In respect of a principal that is a trustee, corporation or other person or group of persons formed as a collective investment scheme having an “umbrella” structure, we will only have recourse against those assets attributable to the relevant sub-fund of the umbrella in respect of which you have effected a transaction under these Terms and we will not have recourse against any other assets of that umbrella that have been allocated to any other sub-fund of such umbrella notwithstanding that it is at law a single legal entity.

17. POWER OF SALE

17.1 You (or, where applicable, any principal or principals on whose behalf you are acting) hereby irrevocably authorise us at any time after the occurrence of an Event of Default, if any amount or other obligation owed to us and/or any Affiliate(s) from you (or, where applicable, your principal or principals) under these Terms has not been paid or performed when due, to sell, dispose of or realise any investment, traded product or other property which we are holding or are entitled to receive on your (or, where applicable, your principal's or principals') behalf, without responsibility for any loss or diminution, in order to realise funds to satisfy any amount or obligation (including, without limitation, our expenses and/or any costs incurred as a result of any buy-in) owed by you (or, where applicable, your principal or principals) to J.P. Morgan or any Affiliate.

17.2 At any time after the occurrence of an Event of Default, we shall have the right to appropriate all or part of any investment, traded product or other property which we are holding or are entitled to receive on your (or, where applicable, your principal's or principals') behalf, without responsibility for any loss or diminution, towards satisfying any amount or obligation owed by you (or, where applicable, your principal or principals) to J.P. Morgan and/or any Affiliate(s).

18. EXCLUSION, RESTRICTION OF LIABILITY AND INDEMNITY

18.1 Subject to Clause 18.4 below, none of us nor any Affiliate, nor any of our or their respective directors, officers or employees shall be liable for any loss suffered by you (or, as applicable, your principal or principals) under or in connection with these Terms unless caused by its own gross negligence, wilful default or fraud.

18.2 Subject to Clause 18.4 below, you (or, where applicable, any principal or principals on whose behalf you are acting) will indemnify us and/or each Affiliate and each of our and/or its respective directors, officers or employees against any costs, loss, liability or expense whatsoever which may be suffered or incurred by us and/or any of them directly or indirectly in connection with or as a result of any service performed or action permitted under these Terms (including, for the avoidance of doubt, the occurrence of any of the events set out in Clause 13.1), unless caused by the gross negligence, wilful default or fraud of the person claiming indemnity under this Clause 18.2.

18.3 Subject to Clause 18.4 below, in no event shall we or any Affiliate, or any of our or their respective directors, officers or employees be liable to you (or, where applicable, any principal or principals on whose behalf you are acting) for any consequential, indirect, punitive, special or incidental damages, liabilities, claims, losses, expenses, awards, proceedings or costs howsoever caused.

18.4 Nothing in these Terms will exclude or restrict any liability for fraud or any duty or liability we may have to you under the Rules which may not be excluded or restricted thereunder, or require you to indemnify or compensate us to any extent prohibited by the Rules.

19. PROVISION OF FINANCIAL AND OTHER INFORMATION

You will provide us with financial and other information concerning yourself (and/or, where you are acting as agent for any principal or principals, information on that other party or parties) as we from time to time may reasonably request or as we may be required to procure as a matter of law or regulation, and you will notify us immediately of any material adverse change in your financial status (and/or, where you are acting as agent for any principal or principals, the financial status of each principal).

You also authorise us to disclose information to your investment manager, investment adviser, auditors, administrators, other advisors or agents as they may from time to time request, and to disclose such information to third parties (including but not limited to investors) at the direction of your investment manager, investment adviser, administrator and other advisers of agents. We shall not be liable to you for any costs, expenses, losses, damages, liabilities, demands, charges, actions and claims of any kind or nature whatsoever, howsoever caused, resulting from any such disclosure following the request of your investment manager, investment adviser, auditors, administrators, other advisors or agents.

20. DATA PRIVACY AND MARKETING

J.P. Morgan hereby notifies you (and, where you are acting as agent on behalf of a principal or principals, your principal or principals) and your and their affiliates and agents and your and their officers, employees and other individual representatives that, in the course of providing services, J.P. Morgan may process information about officers and employees of you (or, where applicable, your principal or principals) and your or their affiliates and agents which may constitute personal data (including sensitive personal data) under the EU Data Protection Directive (the “Directive”) and implementing laws or under other data protection laws that apply in J.P. Morgan's Europe, Middle East & Africa region (“Personal Data”). The Personal Data may be shared, for the purposes described below, with our Affiliates and/or our service providers and/or the service providers of our Affiliates in any country in which J.P. Morgan or such Affiliates or service providers conduct business. This may include some countries that do not provide the same statutory protection for Personal Data as applies under the Directive and implementing laws or under other data protection laws that apply in J.P. Morgan's Europe, Middle East & Africa region. The Personal Data may be processed for purposes including administering the relationship and related services, compliance with any Applicable Law, and the prevention or investigation of suspected or actual crimes or malpractice. The Personal Data may be disclosed by us and/or our Affiliates and/or our service providers and/or the service providers of our Affiliates if permitted or compelled by Applicable Law, or to regulators, auditors or law enforcement agencies, or in response to court orders or requests from government authorities. Further details of J.P. Morgan's processing activities, including the type of organisations to which the Personal Data may be disclosed, are available at http://www.jpmorgan.com/directdoc/emea_privacy.pdf, as amended from time to time. Individuals about whom J.P. Morgan processes Personal Data may request a copy of the Personal Data held in relation to them by J.P. Morgan. J.P. Morgan may, if allowed by law, charge a fee for this. If any Personal Data is found to be wrong, the individual concerned has the right to ask J.P. Morgan to amend, update or delete it, as appropriate.

J.P. Morgan may contact you and your employees by mail, e-mail, SMS, telephone and any other electronic means to provide information on products and services that J.P. Morgan believes will be of interest to you, unless J.P. Morgan receives a written objection to receiving such information. Anyone who does not wish to receive such communications from J.P. Morgan should contact their usual relevant contact at J.P. Morgan.

21. ELECTRONIC SERVICES

J.P. Morgan may make available to you those electronic services which J.P. Morgan has agreed to provide to you from time to time. The provision of such electronic services shall be subject to these Terms, as well as the enclosed Electronic Services Terms.

22. THIRD PARTY DEPOSITORIES

Where J.P. Morgan places your (or, where you are acting as agent on behalf of a principal or principals, your principal's or principals') funds, financial instruments or traded products in accounts with third party depositories, such accounts will be subject to the laws of the jurisdiction of such accounts (which may be in a jurisdiction other than that of a Member State of the EEA), and such depositories may impose a security interest or lien over, or right of set-off in relation to those funds, financial instruments or traded products. Your rights to your (or, where applicable, your principal's or principals' rights to their) funds, financial instruments or traded products in the event of an insolvency or default may be different (and may be reduced) in the event of an insolvency or default of a depository. Such depository may hold your (or, where applicable, your principal's or principals') assets in an omnibus account. In the event of an insolvency or default of such party, if there is a shortfall in the omnibus account or the assets available to settle all claims, you (or, where applicable, your principal or principals) may not recover all your assets. It also may not be possible under the relevant national law of a third party for assets held on your (or, where applicable, your principal's or principals') behalf to be separately identifiable from the assets belonging to that third party or to us. Where your (or, where applicable, your principal's or principals') assets are held by a third party, J.P. Morgan will not be liable for the acts or omissions of that third party or for any loss or damage you (or, where applicable, your principal or principals) may incur other than as a direct result of gross negligence, wilful default or fraud on our part in the initial selection of the third party depository.

23. MONEY LAUNDERING PREVENTION

We are obliged to comply with Applicable Law, regulations and sanctions concerning money laundering and the financing of terrorism. These laws and regulations require us to deter money launderers from using us as a conduit for their illegal activities, to identify and report suspicious transactions and to keep an audit trail for use in any subsequent investigation into money laundering activities. Our obligations under these laws and regulations override any obligations of confidentiality which may otherwise be owed to you (and, where applicable, your principal or principals). We may be obliged to notify the relevant authorities (including in the United Kingdom, the United States of America and/or other jurisdictions) of any transactions which we may suspect involve the laundering of the proceeds of, or involve the financing of, any criminal activity, regardless of where that crime may have been committed. We shall therefore deal with you (and, where applicable, your principal or principals) on the understanding that you (or, where applicable, your principal or principals) are complying with and will continue to apply all applicable anti-money laundering legislation to which you (or, where applicable, your principal or principals) may be subject. We may also from time to time seek your written assurance that you have records evidencing that you have identified your clients in accordance with applicable anti-money laundering legislation, as applicable. If at such time you are unable to provide us with such assurance, we reserve the right to cease to deal with you without limiting any other rights under these Terms.

24. AMENDMENTS AND ASSIGNMENT

24.1 You agree that we have a right to amend these Terms at any time by sending you either a notice of amendment in writing or a revised Terms of Business. Any amendment will apply in respect of any commitment or

transaction entered into by us after notice of the amendment is given, and may take effect either immediately or at such later date as the notice may specify.

24.2 You agree that we may at any time cause all or any part of our rights, benefits and/or obligations under or in connection with these Terms and/or any transaction(s) entered into under these Terms to be transferred to any Affiliate subject to giving you notice thereof.

24.3 Except in respect of *de minimis* sums transferred in accordance with the Client Money Rules (where your consent is not required), you agree that, we may transfer to another person, as part of a transfer of business to that person, client money balances, provided that:

- (a) the sums transferred will be held for you by the person to whom they are transferred in accordance with the Client Money Rules; or
- (b) if not held in accordance with (a), J.P. Morgan will exercise all due skill, care and diligence in assessing whether the person to whom the client money is transferred will apply adequate measures to protect these sums.

For the purposes of this Clause, *de minimis* sums shall mean £100 or less.

24.4 You (or, as applicable, your principal or principals) may not assign any of your rights, benefits and/or obligations under these Terms or any transaction(s) entered into under these Terms without our prior written consent.

25. ENTIRE AGREEMENT

Subject to Clauses 1.5, 1.6, 8.23 and 21 above, these Terms constitute the entire terms on which we will conduct the types of business set out in Clause 1.1 with you (or, as applicable, your principal or principals) and no amendment, addition, supplement or other terms of business will have effect unless issued or agreed by J.P. Morgan in writing.

26. INFORMATION SHARING AND CO-OPERATION

26.1 J.P. Morgan may, without notice to you, share information relating to you with any of its Affiliates and you consent to such sharing.

26.2 Without limiting J.P. Morgan's rights under Applicable Law, J.P. Morgan may and you agree that J.P. Morgan may, without notice to you, disclose information relating to you (i) if it considers such disclosure to be required by any court of competent jurisdiction or by Applicable Law, or (ii) to any governmental or regulatory or supervisory or self-regulatory body, or (iii) in defence of claims or enforcement of rights, or (iv) to any of J.P. Morgan's or any of its Affiliates' external lawyers, accountants, auditors, insurers and others providing advice and/or other services to J.P. Morgan or the relevant Affiliate, or (v) to issuers, registrars, clearing agents, Exchanges, central counterparties, clearing organisations, CSDs, depositories, custodians, other agents or service providers or other trading venues where disclosure is considered by J.P. Morgan as necessary or appropriate.

26.3 You shall provide us with all reasonable assistance and co-operation in connection with any investigation, proceedings or request for information in relation to the provision of services or transactions entered into under these Terms by any relevant regulatory, supervisory, Exchange or self-regulatory body, including but not limited to, co-operating with any dispute resolution mechanisms of, or providing any information or records requested by, such a regulatory, supervisory, Exchange or self-regulatory body.

27. FORCE MAJEURE

It is hereby agreed that neither J.P. Morgan nor any Affiliate shall be liable to you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals), or have any responsibility of any kind for any loss thereby

incurred or suffered by you (or, as relevant, your principal or principals), for the non-performance, partial performance or delay in performance of any of its obligations hereunder caused by a "Force Majeure Event", being any reason of any cause beyond the control of J.P. Morgan or any of its Affiliates, including: (a) fire, flood, storm, earthquake or other acts of God, war, hostilities, expropriation, strike, lockout, work to rule or other industrial dispute, terrorist or criminal action, civil unrest, lack of energy supply or embargoes; (b) any unavailability, impairment, breakdown or failure of transmission or communication, data processing or computer facilities, bank or electronic transfer systems, postal or other strikes or similar industrial action; (c) any failure or delay of any relevant Exchange, Clearing System, multilateral trading facility, organised trading facility or custodian through which your transaction is made; (d) the imposition, introduction, amendment or change (including a change in interpretation) of any legislation, regulation, directive, policy, tax treaty, foreign exchange control, limits on the repatriation of currency, rule, trade embargo or foreign investment or ownership rules by any governmental or supranational body, Exchange, regulatory or self regulatory organisation, CSD or Clearing System or any failure or delay by any of the foregoing in publicising or enforcing or applying the same. Where a Force Majeure Event occurs that prevents or delays the performance by J.P. Morgan and/or any of its Affiliates of any of their obligations under these Terms or a transaction entered into under these Terms: (a) all such obligations shall be suspended for the duration of the Force Majeure Event; and (b) for the avoidance of doubt, any such obligation that would, but for the Force Majeure Event, have fallen due shall not fall due, or be deemed for any purpose to fall due, for the duration of the Force Majeure Event. In no event shall we or any Affiliate have any liability for any consequential, indirect, punitive, special or incidental damages, liabilities, claims, losses, expenses, awards, proceedings or costs howsoever caused.

28. COMMUNICATIONS AND COMPLAINTS

28.1 All communications by you to us will be to the address or fax number, and to the J.P. Morgan entity and department, set out in any further agreement between us in respect of any relevant service or product or, if there is no such agreement or any such agreement is not applicable, to the relevant J.P. Morgan entity and department, marked for the attention of your usual relevant contact at J.P. Morgan, at the fax number or address of such J.P. Morgan department or contact. Any communications made by us to you shall be directed to whomever we consider appropriate in your organisation in the circumstances for the purposes of the communication.

28.2 Unless otherwise agreed, communications between us will be taken to be received:

- if sent by post, courier or delivered by hand, upon receipt; and
- if sent by fax, at the time shown in a transmission report that indicates that the whole fax was sent; and
- if sent by telex, when the proper answer-back is received; and
- if posted on our website, on the Business Day following such posting.

Instructions to us may also be given by telephone, e-mail or through our website if specifically agreed with us in writing in advance.

28.3 For the avoidance of doubt, any notice or notification that we are required or permitted to give under these Terms (including, without limitation, notices under Clauses 13.1, 14.1, 24.1, 24.2, 30, and Clause 6 of the enclosed Electronic Services Terms) to any principal or principals on whose behalf you act as agent may be provided by J.P. Morgan to you. Any notice to be provided to us by a principal or principals on whose behalf you act as agent shall

be provided to us by you and we shall not be obligated to act or rely on any notice otherwise received by us.

We shall not be obligated to act or rely on any notice received by us purporting to be from any principal or principals on whose behalf you are acting as agent.

28.4 If you have any cause for complaint in relation to any aspect of your relationship with us, your complaint should be addressed to:

The Head of Compliance

JPMorgan Chase Bank, National Association, London Branch
25 Bank Street
Canary Wharf
London E14 5JP

29. LANGUAGE

These Terms are supplied to you in English, and we will continue to communicate with you, and you shall communicate with us, in English.

30. GOVERNING LAW AND DISPUTE RESOLUTION

30.1 **Application of English law:** Subject to Clauses 1.3 and 1.4, these Terms, any agreement to which these Terms relate, any agreement or transaction executed in connection with any services provided to you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) under these Terms by J.P. Morgan or any Affiliate and the whole of our relationship (including, without limitation, (1) any contractual, pre-contractual or non-contractual rights, obligations or liabilities arising in any way out of, in relation to or in connection with our relationship, and (2) any issue as to the existence, validity or termination of these Terms or any related or connected agreement) will be governed solely by, and construed solely in accordance with, English law.

30.2 **Jurisdiction of English courts:** Subject to Clause 30.3, we and you (and, where you are acting as agent on behalf of a principal or principals, your principal or principals) agree that the English courts have exclusive jurisdiction to settle any dispute, difference or other question arising in any way out of or in connection with these Terms, any agreement to which these Terms relate, any agreement or transaction executed in connection with any services provided to you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) under these Terms by J.P. Morgan or any Affiliate or any other aspect of our relationship (including, without limitation, (1) any contractual, pre-contractual or non-contractual rights, obligations or liabilities arising in any way out of, in relation to or in connection with our relationship, and (2) any issue as to the existence, validity or termination of these Terms or any related or connected agreement) (a "Dispute"). You (and, where applicable, your principal or principals) irrevocably submit to the jurisdiction of the English courts and agree that the English courts are the most appropriate and convenient courts to settle any Dispute and that you will not argue to the contrary.

30.3 **Arbitration:** We and you (and, where you are acting as agent on behalf of a principal or principals, your principal or principals) agree that any Dispute shall be referred to and finally resolved by arbitration in the event that we and/or you (and/or, where applicable, your principal or principals) give notice in writing to that effect before any proceedings are brought under Clause 30.2 or, if such proceedings have been brought, before the date for filing a defence in those proceedings. If proceedings have already been brought under Clause 30.2 when such notice is given, (i) the party which has brought such proceedings will immediately discontinue the proceedings, (ii) the costs of the discontinued proceedings will be reserved to the Arbitral Tribunal, and (iii) any claim by the discontinuing party in the arbitration which corresponds to a claim made in the discontinued proceedings will be regarded

as having been commenced on the date of issue of the discontinued proceedings. Any arbitration under this Clause 30.3 shall be under the Arbitration Rules (the "**LCIA Rules**") of the London Court of International Arbitration ("**LCIA**"), which are deemed to be incorporated by reference into this Clause 30.3, save that any requirement in the LCIA Rules to take account of the nationality of a person considered for appointment as an arbitrator shall be disapplied and a person shall be nominated or appointed as an arbitrator (including as Chairman) regardless of that person's nationality. The arbitral tribunal shall consist of three arbitrators. The seat of arbitration shall be London, England. The language of the arbitration shall be English. In this connection, we and you (and, where applicable, your principal or principals) waive any right of application to determine a preliminary point of law under Section 45 of the Arbitration Act 1996.

30.4 **Service of process:** You (and, where applicable, your principal or principals) agree that, without prejudice to any mode of service allowed under any relevant law, any document relating to any arbitration or court proceedings may be served on you (and/or, where applicable, your principal or principals) by any of the methods of communication set out at Clause 28. You (and, where applicable, your principal or principals) further agree that we may serve any documents required to be served on you (or, where applicable, your principal or principals) in relation to any Dispute at any address in England where you (or, where applicable, your principal or principals) or any company within the same group of companies of which you (or, where applicable, your principal or principals) are a member have a place of business and that this will constitute effective service. For the avoidance of doubt, where you are acting as agent on behalf of a principal or principals, we may serve any documents required to be served on you (or your principal or principals) at any such address in England of either you or such principal or principals.

30.5 **Indemnity:** Without prejudice to any other remedy, you (and/or, where applicable, any principal or principals on whose behalf you are acting) will indemnify us, any Affiliate and any of our or its respective directors, officers, employees or representatives against any costs, loss, liability or expense whatsoever which may be suffered or incurred by us and/or them directly or indirectly in connection with or as a result of any suit, action, proceeding or any step in any suit, action or proceeding taken by you (and/or, where applicable, your principal or principals) and/or any person connected or affiliated with you (and/or, where applicable, your principal or principals) otherwise than in accordance with this Clause 30.

31. WAIVER OF IMMUNITY

You (and, where applicable, your principal or principals) irrevocably waive, to the fullest extent permitted by any law, with respect to you (and, where applicable, any principal or principals on whose behalf you are acting) and your (and/or, where applicable, your principal's or principals') revenues and assets (irrespective of their use or intended use), all sovereign or other immunities and privileges to which you (and/or, where applicable, your principal or principals) or your (and/or, where applicable, your principal's or principals') revenues or assets might otherwise be entitled in the courts of any jurisdiction in any suit, action or proceeding relating to any Dispute (including, without limitation, immunity from (i) suit and legal process, (ii) jurisdiction of any court, (iii) relief by way of injunction or order for specific performance or recovery of property, (iv) attachment or seizure of your (and/or, where applicable, your principal's or principals') assets whether before or after judgement, and (v) execution or enforcement of any judgment or award by any means). You (and, where applicable, your principal or principals) consent to the grant of such relief in any form and irrevocably agree that you (and/or, where applicable, any of your principal or principals) will not claim any such immunity or privilege in any suit, action or proceeding relating to any Dispute.

32. NO FIDUCIARY DUTY

Neither the relationship between J.P. Morgan and you (or, where applicable, any principal or principals on whose behalf you are acting), nor the services to be provided by J.P. Morgan to you (or, where applicable, your principal or principals) under these Terms, nor any other matter, shall give rise to any fiduciary or equitable duties on J.P. Morgan's part which would oblige it to accept responsibilities more extensive than expressly stated in these Terms.

33. RIGHTS OF THIRD PARTIES

33.1 Any Affiliate may enforce and rely on any provision of these Terms conferring a benefit on it to the same extent as if it were a party to these Terms or any transactions hereunder.

33.2 Save as aforesaid, a person who is not a party to these Terms has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of these Terms.

34. NO WAIVER

Failure to exercise or a delay in exercising a right or remedy under these Terms or by law, by us, does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided under these Terms or by law prevents the further exercise of the right or remedy or the exercise of another right or remedy by us. A waiver by us in respect of a breach of these Terms or any other default in respect of these Terms must be in writing and signed by us to be effective. A waiver by us in respect of a breach of these Terms or any other default in respect of these Terms does not constitute a waiver by us of a subsequent or prior breach or default in respect of these Terms.

For and on behalf of

J.P. MORGAN EUROPE LIMITED

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
LONDON BRANCH

J.P. MORGAN LIMITED

J.P. MORGAN SECURITIES PLC

J.P. MORGAN MARKETS LIMITED

J.P. Morgan Europe Limited, Registered in England & Wales 938937. Registered Office: 25 Bank Street, Canary Wharf, London E14 5JP. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. JPMorgan Chase Bank, National Association, Organised under the laws of U.S.A. with limited liability. Main Office 1111 Polaris Parkway, Columbus, Ohio 43240. Registered as a branch in England & Wales branch No. BR000746. Registered Branch Office: 25 Bank Street, Canary Wharf, London E14 5JP. Authorised and regulated by the Office of the Comptroller of the Currency in the jurisdiction of the U.S.A. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and to limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. J.P. Morgan Limited, Registered in England & Wales No. 248609. Registered Office: 25 Bank Street, Canary Wharf, London E14 5JP. Authorised and regulated by the Financial Conduct Authority. J.P. Morgan Securities plc, Registered in England & Wales No. 2711006. Registered Office: 25 Bank Street, Canary Wharf, London E14 5JP. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. J.P. Morgan Markets Limited, Registered in England & Wales No. 1592029. Registered Office: 25 Bank Street, Canary Wharf, London E14 5JP. Authorised and regulated by the Financial Conduct Authority.

Schedule of Protections Owed to Different Client Types

1. Under the provisions of the FCA Handbook and PRA Handbook, as applicable, Professional Clients (as defined under the FCA's Conduct of Business Rules) are granted fewer protections than Retail Clients (as defined under the FCA's Conduct of Business Rules). In particular:

- (a) You will be provided with less information with regard to the firm, its services and any investments (for example on costs, commissions, fees and charges);
- (b) Where we assess the appropriateness of a product or service, we can assume that you have sufficient knowledge and experience to understand the risks involved;
- (c) If we are required to assess the suitability of a personal recommendation made to you, we can assume that you have sufficient experience and knowledge to understand the risks involved, and can sometimes assume that you are able financially to bear any investment risks consistent with your investment objectives;
- (d) When providing you with best execution we are not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution for you;
- (e) We do not need to inform you of material difficulties relevant to the proper carrying out of your order(s) promptly;
- (f) Should we provide you with periodic statements, we are not required to provide them as frequently as for retail clients;
- (g) Where we are holding your client money, we are not required to notify you of whether interest is payable on it; and
- (h) As a Professional Client you may not be entitled to compensation under certain investor compensation schemes.

2. Under the Rules, Eligible Counterparties (as defined under the FCA's Conduct of Business Rules) are granted fewer protections than Professional Clients and Retail Clients. In particular, and in addition to the above:

- (a) We are not required to provide you with best execution in executing your orders;
- (b) We are not required to disclose to you information regarding any fees or commissions that we pay or receive;
- (c) We are not required to assess the appropriateness of a product or service that we provide to you but can assume that you have the expertise to choose the most appropriate product or service for yourself;
- (d) We are not required to provide you with information about ourselves, our services and the arrangements through which we will be remunerated;
- (e) We are not required to provide you with risk disclosures on the products or services that you select from us; and
- (f) We are not required to provide reports to you on the execution of your orders or the management of your investments.

Asian Addition

This Asian Addition supplements and forms part of the Terms of Business and any additional supplements or notices issued by J.P. Morgan thereto (collectively, the “**Terms**”) which govern all designated investment business (as defined under the FCA Handbook and PRA Handbook, as applicable) and business in relation to other traded products (excluding deposits) which is transacted with or for you by J.P. Morgan. Unless otherwise stated, the following additional provisions shall also govern all Asian Transactions. In the event of any inconsistency between the Terms and this Asian Addition, this Asian Addition shall prevail with respect to the Asian Transactions.

1. DEFINITIONS

Capitalised terms used in this Asian Addition shall have the same meanings as defined in the Terms, unless indicated otherwise.

2. PROGRAMME TRADING

Clause 8.9 of the Terms shall be deleted and replaced in its entirety with the following:

“8.9 Programme Trading

“Where we accept an order to effect a programme trade we will act as agent unless otherwise agreed at the time and confirmed in the relevant confirmation, if any.

We or our Affiliates may execute own account transactions in any investment and/or traded product included in a programme trade.”

3. CHARGES AND INTEREST

Clause 10.2 of the Terms shall be deleted and replaced in its entirety with the following:

“Our charges will be subject to negotiation and agreement. In the absence of any agreement between us, we shall be entitled to charge and you (or, where applicable, your principal or principals) agree to pay our standard rates plus all commission, mark-up, mark-down, spread or other fees, charges, expenses, fines or penalties on a transaction entered into by you under these Terms. Any charges (including any expenses) due to us (or to our agents) plus any applicable taxes, duties, taxes and levies may be deducted from any funds held by us on your (or, where applicable, your principal’s or principals’) behalf or any payments made by us to you (or, where applicable, your principal or principals) or to others on your behalf or, at our discretion, shall be paid by you (or, where applicable, your principal or principals) as we notify. All expenses (including but not limited to levies, fees, duties and taxes) arising out of or in performance of any of J.P. Morgan’s duties under these Terms, shall be reimbursed by you (or, where applicable, your principal or principals) to J.P. Morgan. Where value added tax, services tax, goods and services tax or any analogous tax (each “**VAT**”) is due on our charges (including any expenses) payable by you (or, where applicable, your principal or principals) to J.P. Morgan, you (or, where applicable, your principal or principals) shall be responsible for such VAT and shall pay such VAT to the relevant tax authorities or J.P. Morgan as required by Applicable Law. J.P. Morgan shall exercise its best efforts to discharge applicable withholding tax for you (or, where applicable, your principal or principals) as required in the ordinary course of business in the purchase or sale of securities based on prevailing tax directives and customary practice. Should the same be inquired and/or disputed by applicable tax authorities, you (or, where applicable, your principal or principals) agree to provide further supporting documents as may be requested by the applicable tax authorities from time to time for the purpose of confirming the applicable tax charge.”

4. INFORMATION SHARING AND REGULATORY ENQUIRIES

The following wording shall be added to the end of Clause 26 of the Terms as follows:

“26.4 You further agree that, in relation to a transaction where J.P. Morgan has received an enquiry from a regulatory authority, the following provisions shall apply:

- (a) Subject as provided below, you shall, immediately upon request by J.P. Morgan (which request shall include the relevant contact details of a regulatory authority), inform a regulatory authority of the identity and contact details of the customer for whose account the transaction was effected and (so far as known to you) of the person with the ultimate beneficial interest in the transaction. You shall also inform a regulatory authority of any third party (if different from the customer/ultimate beneficiary) who originated the transaction and “Know Your Client” documentation to a regulatory authority.
- (b) If you effected the transaction for an investment fund or discretionary account, you shall, immediately upon request by J.P. Morgan (which request shall include the relevant contact details of a regulatory authority), inform a regulatory authority of the identity and contact details of the fund or account and, if applicable, the identity and contact details of the person who, on behalf of the fund or account, instructed you to effect the transaction.
- (c) If you are aware that your customer is acting as intermediary for its underlying customers, and you do not know the identity and contact details of the underlying customer for whom the transaction was effected, you confirm that:
 - (1) You have arrangements in place with your customer which entitle you to obtain such information from your customer immediately upon request; and
 - (2) You will, on request from J.P. Morgan in relation to a transaction, promptly request such information from the customer on whose instructions the transaction was effected, and provide the information to the relevant regulatory authority as soon as you have received from your customer.”

5. J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

The following additional provisions shall apply where we effect your transaction through J.P. Morgan Securities (Asia Pacific) Limited (“**JPMSAPL**”).

5.1 Address and licensing information

JPMSAPL has its registered address at 19, 20, 22-29/F, Chater House, 8 Connaught Road Central, Central, Hong Kong, and is licensed by the Securities and Futures Commission of Hong Kong for Types 1 (dealing in securities), 4 (advising on securities) and 7 (providing automated trading services) activities, with CE number AAJ321.

5.2 Professional Investors

In relation to your dealings with JPMSAPL, you are categorised as a Professional Investor pursuant to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”). Given your categorisation, JPMSAPL wishes to highlight the following treatment applicable to you:

- (a) Client agreement
- JPMSAPL is not required to enter into a written agreement relating to the services that are provided to you.
- (b) Risk disclosure statements
- JPMSAPL is not required to provide you with relevant disclosure statements in respect of the risks involved in any transactions it enters into with you, or to bring those risks to your attention.
- (c) Information about clients
- JPMSAPL is not required to establish your financial situation, investment experience or investment objectives.

You have the right to withdraw from being treated as a Professional Investor pursuant to the SFO at any time, whether in respect of all products or markets or any part thereof, by giving written notice to JPMSAPL. Please also inform JPMSAPL immediately if you no longer fall within the category of Professional Investor as defined under the SFO.

6. ADDITIONAL PROVISIONS FOR TRADING IN AUSTRALIAN SECURITIES AND / OR TRADING WITH CLIENTS DOMICILED IN AUSTRALIA

The following additional provisions shall apply to all transactions in Australian securities:

6.1 J.P. Morgan Securities Australia Limited as contracting broker

Until we provide further notice to you, J.P. Morgan Securities plc. (“**JPMS plc**”) will introduce your (or, where you are acting as agent on behalf of a principal or principals, your principal's or principals') orders in Australian securities (the “**Australian Transactions**”) to J.P. Morgan Securities Australia Limited (“**JPMSAL**”), who will execute and confirm execution of the Australian Transactions to you. For this purpose, JPMSAL is deemed as your contracting broker. JPMSAL holds an Australian Financial Services License granted by Australian Securities and Investments Commission which covers the provision of certain financial services to you.

6.2 Wholesale clients

You represent and warrant to JPMS plc and JPMSAL that you are, and JPMS plc and JPMSAL shall be entitled to treat you as, a “wholesale client” within the meaning of Section 761G of the Corporations Act 2001 (the “**Corporations Act**”). JPMS plc and JPMSAL are providing services to you on the basis that you are a wholesale client. Please notify JPMS plc and JPMSAL immediately if, at any point of time, you consider you would no longer fall within the definition of this term. You undertake to provide to JPMS plc and JPMSAL any information, documents or certificates requested by JPMS plc and JPMSAL for the purposes of confirming the accuracy of your representation contained in this Clause 6.2. For the avoidance of doubt, this paragraph shall be construed in accordance with the provisions of Clause 2.3 of the Terms except that references to the “**Rules**” shall be deemed to be to the Corporations Act.

Where you are acting as agent, you shall be taken to give the representations and warranties in the preceding paragraph and Clause 4.1 of the Terms, both in your own right and as agent for the relevant principal and give the representations, warranties and undertakings in Clause 4.2 of the Terms in your own right and in respect of Clause 4.2(a) and (b) on behalf of yourself and any principal or principals.

6.3 Amendment of Terms

For the purpose of Australian Transactions, the Terms shall apply to you altered as necessary so that all references to “J.P. Morgan” in the Terms shall be construed to include JPMSAL, and:

- (a) Clause 4.1 shall be amended by adding a new Clause 4.1(n) as follows, and renumbering the existing Clause 4.1(n) as Clause 4.1(o):

“(n) On those occasions where you place instructions with J.P. Morgan to buy and sell the same security for the same price, the execution of those instructions will result in there being a change in the beneficial ownership of the securities and you will provide written confirmation to J.P. Morgan of a change in beneficial ownership in respect of the relevant securities when requested to do so by J.P. Morgan; and”

- (b) Clause 7.3 shall be amended by adding the following additional paragraphs:

“In respect of all transactions entered into by J.P. Morgan with you (or, where you are acting as agent on behalf of a principal or principals, your principal or principals) or on your (or, as applicable, your principal's or principals') behalf under these Terms, you authorise J.P. Morgan to cancel or amend, without requiring your consent, any of those transactions where:

- (a) J.P. Morgan is requested to do so by the operator of any relevant financial market or clearing and settlement facility; or
- (b) Otherwise pursuant to or as contemplated by the ASX Operating Rules, the ASX Clear Operating Rules (formerly the ACH Clearing Rules), the ASX Settlement Operating Rules (formerly the ASTC Settlement Rules) or the practices and procedures of the ASX and any relevant clearing house.

To the full extent permitted by law, J.P. Morgan shall not be liable for any loss suffered by you in these circumstances.”

- (c) Clause 8.7 shall be deleted and replaced in its entirety with the following:

“8.7 Short Positions

We may, in accordance with Applicable Law, establish short positions on your (or, where applicable, your principal's or principals') behalf, that is to say sell on your (or, where applicable, your principal's or principals') behalf financial products or investments which you (or, where applicable, your principal or principals) do not own at the time, leaving you (or, where applicable, your principal or principals) with an open exposure related to any increase in the price of those financial products or investments before settlement. We may cover your (or, where applicable, your principal's or principals') settlement obligations by borrowing for you (or, where applicable, your principal or principals) the relevant financial products or investments. We may require you to sign appropriate documentation covering such borrowing.

At the time of providing an instruction to J.P. Morgan to enter into transactions on your (or, where applicable, your principal's or principals') behalf, you must inform J.P. Morgan if the execution of that instruction would constitute a short sale within the meaning of section 1020B of the Corporations Act.

In the event that you (or, where applicable, your principal or principals) fail to deliver to J.P. Morgan the relevant securities required to settle a transaction entered into on your (or, where applicable, your principal's or principals') behalf by the settlement date, J.P. Morgan may cancel, close out or terminate (at J.P. Morgan's discretion) the transaction entered into on your (or, where applicable, your principal's or principals') behalf and will do so at your (or, where applicable, your principal's or principals') cost.”

- (d) Clause 9 shall be amended by including the following new Clauses 9.11 and 9.12:

“9.11 J.P. Morgan will treat any money received from you (or, where applicable, your principal or principals) or held on your (or, where applicable, your principal's or principals') behalf under these Terms in accordance with Applicable Law.

9.12 Unless specifically agreed in writing, JPMSAL will deposit any money received from you (or, where applicable, your principal or principals) at JPMorgan Chase Bank N.A. (Sydney Branch) (“**JPMCB Sydney**”). JPMCB Sydney is an Australian authorised deposit-taking institution as defined by the Corporations Act. Unless required by

Applicable Law, any money which JPMCB Sydney holds on your (or, where applicable, your principal's or principals') behalf is held in its capacity as your (or, where applicable, your principal's or principals') bank, not as trustee and such money may not be subject to the client money requirements of the Corporations Act. Unless specifically agreed in a separate agreement or required by Applicable Law, any funds which JPMCB Sydney receives from you (or, where applicable, your principal or principals), or holds on your (or, where applicable, your principal's or principals') behalf will not be subject to the client money protections conferred by the Corporations Act, and such funds will not be segregated from the money of JPMCB Sydney, and may be used by it in the course of its business and you (or, where applicable, your principal or principals) may therefore rank only as a general creditor."

(e) Clause 30 of the Terms shall be deleted and replaced in its entirety with the following:

"30. GOVERNING LAW AND DISPUTE RESOLUTION

The Terms between us will be governed by the laws of New South Wales. The courts of New South Wales shall have non-exclusive jurisdiction to settle any dispute or claim which may arise out of or in connection with these Terms, for which purpose we both agree to submit to the non-exclusive jurisdiction of the courts of New South Wales."

The following additional provisions shall apply to all transactions with clients domiciled in Australia:

If you are domiciled in Australia, you are notified that:

- (a) JPMS plc does not hold an Australian financial services licence covering the financial services it provides to you. JPMS plc will provide financial services to you pursuant to Class Order 03/1099 issued and gazetted by the Australian Securities and Investments Commission on 23 December 2003 (the "**Class Order**"), which exempts JPMS plc from the requirement to hold an Australian Financial Services Licence ("**AFSL**") under the Corporations Act. JPMS plc is authorized by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority under the laws of the United Kingdom, which differ from Australian laws; and
- (b) J.P. Morgan Markets Limited ("**JPMML**") does not hold an AFSL covering the financial services it provides to you. JPMML will provide financial services to you pursuant to the Class Order which exempts JPMML from the requirement to hold an AFSL under the Corporations Act. JPMML is authorized and regulated by the Financial Conduct Authority under the laws of the United Kingdom, which differ from Australian laws; and
- (c) J.P. Morgan Securities (Asia Pacific) Limited ("**JPMSAPL**") does not hold an AFSL covering the financial services it provides to you. JPMSAPL will provide financial services to you pursuant to Class Order 03/1103 issued and gazetted by the Australian Securities and Investments Commission on 23 December 2003 (the "**JPMSAPL Class Order**"), which exempts JPMSAPL from the requirement to hold an AFSL under the Corporations Act. JPMSAPL is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong under the laws of Hong Kong, which differ from Australian laws; and
- (d) J.P. Morgan (S.E.A.) Limited ("**JPMSEAL**") does not hold an AFSL covering the financial services it provides to you. However, JPMSEAL will continue to provide financial services to you pursuant to Class Order 03/1102 issued by ASIC, which exempts JPMSEAL from the requirement to hold an AFSL under the Act. Please note that JPMSEAL is authorized and regulated by the Monetary Authority of Singapore under the laws of Singapore, which differ from Australian laws.

JPMS plc, JPMML, JPMSAPL and JPMSEAL understand that you are a wholesale client within the meaning of section 761G of the Corporation Act ("**wholesale client**"). JPMS plc, JPMML, JPMSAPL and JPMSEAL may only continue to provide you with financial services pursuant to the Class Order / JPMSAPL Class Order (as applicable) while you remain a wholesale client. You will inform JPMS plc, JPMML, JPMSAPL and JPMSEAL if you cease to be a wholesale client at any time in the future.

Information on all entities within the J.P. Morgan group which hold Class Order relief granted by the Australian Securities and Investments Commission may be found at: https://www.jpmorgan.com/pages/disclosures/ASIC_Class_Orders

7. ADDITIONAL PROVISIONS FOR PROVISION OF FINANCIAL ADVISORY SERVICES TO AND DEALING IN SECURITIES WITH OR FOR INVESTORS IN SINGAPORE

JPMS plc has been approved by the Monetary Authority of Singapore to:

- (a) Provide financial advisory services to accredited and institutional investors, via application by J.P. Morgan Securities Singapore Private Limited ("**JPMSS**") and J.P. Morgan (S.E.A.) Limited ("**JPMSEAL**") pursuant to paragraph 11 of the First Schedule to the Financial Advisers Act (Cap. 110 of Singapore); and
- (b) Deal in securities for accredited and institutional investors, via application by JPMSS and JPMSEAL pursuant to paragraph 9 of the Third Schedule to the Securities and Futures Act (Cap. 289 of Singapore).

8. ADDITIONAL PROVISIONS FOR CHINA CONNECT TERMS – CLIENTS OF J.P. MORGAN SECURITIES PLC

8.1 Application

8.1.1 Notwithstanding any provision in any General Terms and Conditions, these China Connect Terms constitute a legally binding contract which you accept and which shall apply where you inform or indicate to J.P. Morgan that you wish to trade China Connect Securities through China Connect.

8.1.2 These China Connect Terms are supplemental to, and without prejudice to, any applicable General Terms and Conditions.

8.1.3 Capitalised terms used in these China Connect Terms (including in the Risk Disclosures Statement) will have the meanings given to such terms in the Schedule hereto. In the event of any inconsistency with respect to transactions in China Connect Securities between these China Connect Terms and the General Terms and Conditions, these China Connect Terms shall prevail.

8.2 Compliance with Trading Restrictions and Applicable China Connect Laws

8.2.1 Any trading in China Connect Securities will be subject to the China Connect Rules and all Applicable China Connect Laws, including, without limitation, any applicable requirements and/or restrictions pursuant to China Connect as may be amended from time to time, certain of which are referred to in the Risk Disclosures Statement. You shall be fully responsible for understanding and complying with all Applicable China Connect Laws as amended from time to time and for any consequences of Northbound trading. Neither J.P. Morgan nor any Related Person will, or intends to, advise you on any of the Applicable China Connect Laws. For further information, please refer to the web pages on the HKEx website and the SFC website relating to China Connect from time to time and other relevant sources.

8.2.2 J.P. Morgan shall have the right to apply any procedures or requirements in respect of any trading of China Connect Securities through China Connect which it determines in its absolute discretion to be necessary or desirable for the purpose of complying with any Applicable China Connect Laws or market practice. Neither J.P. Morgan nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.

8.2.3 J.P. Morgan may refuse to execute any instruction given by you, if (for example, and without limitation):

8.2.3.1 such instruction is not compliant with any Applicable China Connect Laws or if J.P. Morgan reasonably believes that such instruction may not be compliant with any Applicable China Connect Laws or if J.P. Morgan is required by the SEHK not to accept such instruction;

8.2.3.2 in respect of any instruction to make a Northbound sell order, J.P. Morgan determines in its absolute discretion that you do not have sufficient China Connect Securities at the time of such instruction to settle the delivery obligation; and

8.2.3.3 in respect of any instruction to make a Northbound buy order, J.P. Morgan determines in its absolute discretion that you do not have sufficient funds to settle the payment obligation in respect of such order on the settlement day. Neither J.P. Morgan nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such refusal.

8.2.4 In the event that SEHK, the SEHK Subsidiary or HKSCC is notified by SSE, CSDCC or any other relevant exchange, clearing

house or governmental or regulatory body that there is reasonable cause to believe that you have failed to comply with or have breached any Applicable China Connect Laws, you shall, upon the request of J.P. Morgan provide such information (including translations into Chinese if requested by J.P. Morgan) as J.P. Morgan may reasonably request to enable it to assist the relevant exchange, clearing house or governmental or regulatory body including, without limitation, SSE, CSDCC or any PRC governmental or regulatory authorities or agencies to assess whether there is any non-compliance or breach of the Applicable China Connect Laws and/or the extent of any non-compliance or breach, and, by providing such information, you are deemed to waive the benefit of any bank secrecy laws and data protection laws which may be applicable.

8.3 Free of Payment Pre-delivery of China Connect Securities by you

8.3.1 If J.P. Morgan Chase Bank N.A. is not your custodian, or if it is your custodian but does not, on T-1 day, hold China Connect Securities which you intend to sell on T day, you may, if agreed with J.P. Morgan, pre-deliver sufficient China Connect Securities to fulfill your anticipated and associated sell order to the Account (defined below) on T-1 day or within applicable times on T day in accordance with CCASS operational procedures, in which case the primary or only reason that the HK Dealer will accept delivery of such China Connect Securities is in anticipation of settlement of an associated sale by you of those China Connect Securities and to facilitate the pre-trade checking requirements under the China Connect Rules (see Risk Disclosures Statement). If you pre-deliver your China Connect Securities on T day, you acknowledge the greater risk that such China Connect Securities may not actually be recognised by SEHK as being available for sale on T day and therefore your sell order will be rejected by J.P. Morgan.

8.3.2 Your China Connect Securities delivered in accordance with these provisions will be held by the HK Dealer in a designated client securities account (the "Account") at CCASS. The HK Dealer will determine in its reasonable discretion whether to accept in the Account any proposed delivery of China Connect Securities.

8.3.3 Your China Connect Securities will be held by HKSCC on the HK Dealer's behalf. You should note that because of the law and market practice in the PRC, your China Connect Securities will be registered in the name of HKSCC. Neither J.P. Morgan nor any Related Person shall be liable for any act or omission by, or the insolvency of, HKSCC. In the event you incur a loss due to the negligence, wilful default, or insolvency of HKSCC, J.P. Morgan will make reasonable endeavours, in its discretion, to seek recovery from HKSCC, but it will not be under any obligation to institute legal proceedings, file any proof of claim in any insolvency proceeding, or take any similar action. In the event of the insolvency of HKSCC you may not have any proprietary interest in the China Connect Securities and may be an unsecured general creditor in respect of any claim you may have in respect of them whether against us or against, HKSCC.

8.3.4 Your China Connect Securities may be held in an omnibus account by HKSCC. As a result there is a risk that your China Connect Securities will not be separately distinguishable from the China Connect Securities held for any other person in that omnibus account (whether or not other clients of J.P. Morgan) and, in the event of a shortfall in the number of China Connect Securities held by HKSCC you may be required to share in that shortfall. A further effect of holding in an omnibus account can be that following a corporate action that favours the small investor, your rights in respect of that corporate action may be less than they otherwise would have been, had your China Connect Securities investments been held in your own name.

8.3.5 Accounts that contain your China Connect Securities are or will be subject to the law of a jurisdiction other than that of an EEA State, such as Hong Kong and/or PRC law. Your rights relating to those China Connect Securities may differ accordingly.

8.3.6 A depositary may have a security interest or lien over, or right of set-off in relation to your China Connect Securities.

8.3.7 Unless J.P. Morgan shall have received and accepted a contrary instruction, J.P. Morgan may in your name or on your behalf sign any document relating to China Connect Securities which may be required (i) to obtain receipt of any China Connect Securities or funds or (ii) by any tax or regulatory authority.

8.3.8 You acknowledge that J.P. Morgan intends to re-deliver to you or to your usual custodian or bank any China Connect Securities which have not been sold on T day.

8.3.9 You acknowledge that J.P. Morgan conducts business in China Connect Securities for other clients and for the account of its affiliates. J.P. Morgan may pool your China Connect Securities received hereunder and treat them as fungible with the same China Connect Securities of other clients. J.P. Morgan may at any time allocate equivalent China Connect Securities to you and shall not be bound to return to you the original China Connect Securities delivered to the HK Dealer. You acknowledge that J.P. Morgan intends, within one Trading Day of receipt, to deliver or pay to you or your usual custodian (net of any fees or other expense payable by you to J.P. Morgan) any distribution or payment received by J.P. Morgan in respect of China Connect Securities for your account.

8.3.10 You undertake to give such instructions promptly on J.P. Morgan's request (to J.P. Morgan and/or your usual custodian or bank and/or any other person) as J.P. Morgan may require to pre-authorise any such delivery or payment in connection with this Clause 8.3.

8.3.11 J.P. Morgan shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting right) in relation to any payment or distribution or voting in respect of China Connect Securities for your account or to notify you of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. You acknowledge that in certain circumstances, including, without limitation, as a result of any Applicable China Connect Laws, it may be difficult, impracticable or not permissible for HKSCC or its nominee (and for J.P. Morgan or you) to exercise any rights or entitlements or to participate in any actions, transactions or other matters in respect of any China Connect Securities. If J.P. Morgan shall make any such collection or receipt, take any such action or give you any such notification or shall take any action pursuant to any such notification, J.P. Morgan shall not have (a) any liability in respect of any inaccuracies or delays; and (b) any obligation to continue or repeat any such action.

8.4 Risk Disclosures and Acknowledgement

8.4.1 These China Connect Terms (together with the Risk Disclosures Statement) highlight certain key features of China Connect. By instructing J.P. Morgan in respect of any transaction relating to China Connect Securities, you acknowledge:

8.4.1.1 that (i) you have read and understood the Risk Disclosures Statement and other information set out in the Risk Disclosures Statement; (ii) you understand that there is a risk of prohibition from trading China Connect Securities; and (iii) your instructions to trade China Connect Securities may not be accepted; and (iv) you understand your obligations when trading China Connect Securities through China Connect including any consequences of a breach of Applicable China Connect Laws;

8.4.1.2 that neither J.P. Morgan nor any Related Person shall be liable for any loss, liability, or third party claim or demand that you may suffer or incur directly or indirectly as a result of any action or inaction by J.P. Morgan and/or any Related Person in connection with the provision of services under these China Connect Terms including, without limitation, the materialisation of any of the risks described in the Risk Disclosures Statement;

8.4.1.3 that SEHK has the power not to extend the China Connect Service to you and the power to require J.P. Morgan not to accept instructions from you if it is found that you, J.P. Morgan and/or any of J.P. Morgan's clients has or may have committed any abnormal trading conduct set out in the SSE Rules or failed to comply with any China Connect Rules;

8.4.1.4 that J.P. Morgan and/or any Related Person may provide to a China Connect Authority relevant information and materials relating to you, including, without limitation, in relation to your identity, personal data and trading activities for the purposes of assisting any investigation or surveillance by a China Connect Authority;

8.4.1.5 that if the SSE Rules and/or any other Applicable China Connect Laws are breached, (i) SSE has the power to carry out investigations, and may, through SEHK (or the SEHK Subsidiary or any other governmental or regulatory body), require J.P. Morgan and/or any Related Person to (A) provide relevant information and materials relating to you including, without limitation, in relation to your identity, personal data and trading activity; and (B) assist in a China Connect Authority's investigation in relation to you and/or your trading activity and (ii) you may be subject to regulatory investigations and the relevant legal or regulatory consequences if you are in breach of, or fail to comply with such laws, rules and regulations;

8.4.1.6 that the SEHK may (for the purpose of assisting SSE in its regulatory surveillance of the China Connect Market and enforcement of the SSE China Connect Rules and as part of the regulatory cooperation arrangement between the SEHK, the SEHK Subsidiary and SSE), at the request of SSE, require J.P. Morgan to provide information (including, without limitation, in relation to your identity, personal data and trading activity) in relation to you and any other persons referred to in the SEHK China Connect Rules with respect to any China Connect orders placed or China Connect transactions made or entered into by J.P. Morgan on their behalf;

8.4.1.7 that where a China Connect Authority considers that there is a serious breach of the SSE Rules, J.P. Morgan and/or any Related Person may be required by a China Connect Authority to (a) issue warning statements (verbally or in writing) to you; and (b) cease providing you with any service relating to trading China Connect Securities through China Connect;

8.4.1.8 and agree that prior to J.P. Morgan and/or any Related Person informing you that a Northbound buy order instructed by you has been settled, you shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order;

8.4.1.9 and consent to J.P. Morgan and/or any Related Person providing information relating to your profile, the types and values of Northbound buy and sell orders and transactions made and executed on your behalf to a China Connect Authority at such intervals and in such form as such China Connect Authority may specify from time to time;

8.4.1.10 and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required by any China Connect Authority per Applicable China Connect Laws relating to any China Connect Securities;

8.4.1.11 and accept that J.P. Morgan and any Related Person may in accordance with the China Connect Rules keep records (including telephone records) for a period of not less than 20 years, of: (i) all orders and trades executed on your behalf; (ii) any instructions received from you; and (iii) your account information in relation to Northbound trading ;

8.4.1.12 that the SEHK may upon SSE's request require the Exchange Participant to reject an order made on your behalf; and

8.4.1.13 that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by J.P. Morgan or any Related Person, you or any other third party arising from or in connection with (i) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities; or (ii) any amendments, making or enforcement of the China Connect Rules; or (iii) any action taken by a China Connect Authority in the discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).

8.5 Representations

8.5.1 You make the representations set out in this Clause to J.P. Morgan on a continuing basis, including without limitation on the first date that these China Connect Terms are effective and on each date that you instruct an order or give an instruction in respect of China Connect Securities under these China Connect Terms:

8.5.1.1 that you are aware of and shall comply with all Applicable China Connect Laws to which you may be subject;

8.5.1.2 that the execution of any instruction you give to J.P. Morgan shall not result in any breach of any Applicable China Connect Laws;

8.5.1.3 that you understand and have assessed the risks relating to China Connect and you are willing to undertake the risks relating to China Connect;

8.5.1.4 that as Northbound trading is available only to Hong Kong and overseas investors, you are not a legal entity incorporated or registered in the PRC; and

8.5.1.5 where you are an agent, you hereby confirm that you have authority to trade with J.P. Morgan on behalf of your principals. You further confirm that you have authority, and unless specifically stated otherwise, make all representations and acknowledges all matters herein on behalf of yourself and your principals.

8.5.2 You make the following representations set out in this Clause to J.P. Morgan on the date you instruct an order to sell China Connect Securities:

8.5.2.1 that you do not know of any fact that may impair the validity of such China Connect Securities and that you have full authority to receive, deal with and give instructions, authorisations or declarations in respect of the same;

8.5.2.2 that there is no adverse claim to such China Connect Securities; and

8.5.2.3 that there is no restriction on the transfer of such China Connect Securities other than those expressly provided for under the SEHK China Connect Rules or CCASS China Connect Rules.

8.6 Settlement and Currency Conversion

8.6.1 All Northbound trading is effected and settled in Renminbi. If J.P. Morgan does not receive sufficient Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and you may not acquire title to, or become entitled to sell or transfer the relevant China Connect Securities. Where J.P. Morgan holds any funds on your behalf, if there are insufficient Renminbi funds to settle any Northbound buy order or other payment obligation in connection with China Connect, you authorise J.P. Morgan to convert any funds in any other currency which are held by it on your behalf into Renminbi for the purposes of settlement thereof.

8.6.2 Notwithstanding any provisions in the General Terms and Conditions, where it is necessary to convert one currency to another pursuant to these China Connect Terms, such conversion may be

carried out automatically by J.P. Morgan in a commercially reasonable manner without prior notice to you. Any risk, loss or cost resulting from any conversion of one currency into another currency pursuant to these China Connect Terms shall be borne by you.

8.6.3 Notwithstanding any provisions in the General Terms and Conditions, where J.P. Morgan determines that there is insufficient liquidity in Renminbi to settle any buy orders, J.P. Morgan may, in its sole and absolute discretion, reject your instruction to place such buy order.

8.7 Sale, Transfer and Disgorgement

8.7.1 Where, under the terms of the China Connect Rules, J.P. Morgan and/or any Related Person receives any notice (a "Forced-sale Notice") from a China Connect Authority requiring it to sell and liquidate a specified number of China Connect Securities owned by you, J.P. Morgan shall issue a corresponding notice to you requesting you to sell and liquidate such China Connect Securities within the period specified by the relevant China Connect Authority.

8.7.2 In relation to any Forced-sale Notice, you hereby authorise J.P. Morgan to sell or arrange for the sale of such China Connect Securities on your behalf at such price and on such terms as they may determine in its absolute discretion to the extent necessary to comply with all Applicable China Connect Laws.

8.7.3 Where China Connect Securities owned by you that are the subject of a Forced-sale Notice have been transferred from the holding of the Exchange Participant to another Clearing Participant or custodian (the "Recipient Agent"), you hereby authorise J.P. Morgan and any Related Person to provide instructions to the Recipient Agent on your behalf to return the relevant China Connect Securities for sale and liquidation in accordance with all Applicable China Connect Laws. You also undertake to inform the Recipient Agent of such authorisation and, where required, to instruct the Recipient Agent to act accordingly.

8.7.4 You hereby authorise J.P. Morgan to sell or arrange for the sale of any amount of China Connect Securities owned by you if J.P. Morgan and/or any Related Person receives any notice or request from any China Connect Authority requiring you to disgorge any profits as a result of any "short swing profit rule".

8.7.5 In addition to the above, you hereby authorise J.P. Morgan to sell, procure the sale of, transfer or carry out any other action in relation to China Connect Securities owned by you if J.P. Morgan and/or any Related Person is instructed to do so by any China Connect Authority or if J.P. Morgan and/or any Related Person otherwise determines in its absolute discretion that it is necessary or desirable to do so in order to comply with any Applicable China Connect Laws.

8.7.6 Neither J.P. Morgan nor any Related Person shall have any liability for any losses or risks which may result to you directly or indirectly from any actions taken by J.P. Morgan or any Related Person in respect of this Clause.

8.8 Liability and Indemnity

8.8.1 Notwithstanding any other provision in these China Connect Terms, neither J.P. Morgan nor any Related Person shall be responsible for or shall have any liability to you for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of J.P. Morgan's or any Related Person's fraud, wilful default or gross negligence.

8.8.2 You will indemnify J.P. Morgan and each Related Person and their respective directors, officers and employees (together, the "Indemnified Parties") on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from the services provided under these China Connect Terms, including,

without limitation (a) any Taxes resulting from any trading of China Connect Securities pursuant to China Connect; (b) the materialisation of any risk referred to in the Risk Disclosures Statement; (c) any legal costs which any Indemnified Party may incur in connection with any instruction given by you; or (d) any costs incurred in connection with Clause 8.7 (*Sale, Transfer and Disgorgement*) above and in each case other than those claims, demands, actions, proceedings, damages, costs, expenses, losses and liabilities which result directly from J.P. Morgan's fraud, willful default or gross negligence.

8.9 Fees and Taxation

8.9.1 J.P. Morgan shall be entitled in its absolute discretion, without further notice or demand, forthwith, to satisfy any obligation or potential obligation of J.P. Morgan and/or any Related Person or you to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with, in such manner as J.P. Morgan in its absolute discretion may determine, all or part of any property held by J.P. Morgan or any Related Person for any purpose, and to apply the proceeds in reduction of all or part of your liability to any tax authority or J.P. Morgan and/or any Related Person.

8.9.2 Neither J.P. Morgan nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by any of them in respect of the foregoing.

8.9.3 You shall be responsible for paying all fees, charges, levies and Taxes, and you shall be required to comply with any filing or registration obligations, in each case as may be required by any China Connect Authority or any Applicable China Connect Laws relating to any trading or investment by you of or in China Connect Securities.

8.10 Miscellaneous

8.10.1 You will execute any further documents and provide any materials and/or information as J.P. Morgan may reasonably request to enable it to perform its duties and obligations under these China Connect Terms which may become necessary as and when the China Connect Rules are amended from time to time.

8.10.2 You will provide all information (including translations into Chinese, if required) to J.P. Morgan which it requests if such information is requested by any China Connect Authority or any exchange, regulatory authority or an organisation (whether within or outside Hong Kong) with which HKEx or the SEHK has entered into an information sharing arrangement or agreement. Amongst other things, your failure to comply with this provision may result in a suspension of China Connect Services to you.

8.10.3 J.P. Morgan reserves the right to vary any of the terms of these China Connect Terms and the Risk Disclosures Statement by written notice to you and by making such amendments available at www.jpmorgan.com/directdoc/disclosures/markets/ChinaConnect_JP_MSplc.pdf

8.10.4 Save for Clause 8.2 (Compliance with Trading Restrictions and Applicable China Connect Laws), Clause 8.3 (free of Payment Pre-delivery of China Connect Securities by you), Clause 8.4 (Risk Disclosures Statement and Acknowledgement), Clause 8.7 (Sale, Transfer and Disgorgement), Clause 8.8 (Liability and Indemnity) and Clause 8.9 (Fees and Taxation), and/or to the extent the context requires, these China Connect Terms shall automatically terminate upon termination of the General Terms and Conditions.

SCHEDULE: DEFINITIONS

"**Affiliate**" means in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or

person means ownership of a majority of the voting power of the entity or person.

"**A Shares**" means any securities issued by companies incorporated in the PRC which are listed and traded on the PRC A Share markets (Shanghai and Shenzhen) and not on the SEHK.

"**Applicable China Connect Laws**" means the laws, regulations, rules and guidelines of Hong Kong and the PRC from time to time including, without limitation, the China Connect Rules.

"**Average Pricing**" means the allocation or application of an average price per China Connect Security to each individual fund managed by the same fund manager in respect of trades in such China Connect Security on the same Trading Day.

"**Cash**" means all cash or cash equivalents in Renminbi received and held by J.P. Morgan.

"**CCASS**" means the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on The Stock Exchange of Hong Kong Limited and/ or any system established for the purpose of China Connect.

"**CCASS China Connect Rules**" means the general rules of CCASS, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.

"**China Connect**" means a securities trading and clearing links programme developed or to be developed by the SEHK, SSE, HKSCC and CSDCC for the establishment of mutual market access between the SEHK and SSE.

"**China Connect Authorities**" means the exchanges, clearing systems and regulators which provide services in relation to and/or regulate China Connect and activities relating to China Connect, including without limitation the SEHK, HKSCC, SEHK Subsidiary, SSE, CSDCC, CSRC, PBOC, SAFE, SFC, HKMA and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect and "**China Connect Authority**" means any one of them.

"**China Connect Market**" means SSE.

"**China Connect Market System**" means the system used for the trading of China Connect Securities on SSE, as operated by the SSE.

"**China Connect Rules**" means any laws, rules, regulations, policies or guidelines published or applied by any China Connect Authority from time to time in respect of China Connect or any **activities arising from China Connect**.

"**China Connect Securities**" means any securities listed on SSE which may be eligible for trading by Hong Kong and international investors under China Connect.

"**China Connect Service**" means the order-routing service through which Northbound orders placed by the Exchange Participant may be transmitted by the SEHK Subsidiary to SSE for the buying and selling of China Connect Securities and any related supporting services.

"**China Connect Terms**" means these China Connect Terms (including the Risk Disclosures Statement) governing the terms on which J.P. Morgan provides you with China Connect Services and which is supplemental to the General Terms and Conditions as amended, supplemented, modified and/or varied from time to time.

"**Clearing Participant**" has the meaning given to such term in the rules of the Central Clearing and Settlement System of Hong Kong.

"**Client Identity Rules**" means the SFC's client identity rules in the Code of Conduct and Client Identity Rule Policy.

"**Client Securities Rules**" means the Securities and Futures (Client Securities) Rules (Cap 571H of the Laws of Hong Kong).

"**Code of Conduct**" means the SFC's Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

"**CSC**" means the China Stock Connect System for receiving and routing China Connect orders to a China Connect Market System for automatic matching and execution.

"**CSDCC**" means China Securities Depository and Clearing Corporation.

"**CSDCC China Connect Rules**" means the rules of CSDCC, including without limitation, the rules published by CSDCC for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"**CSRC**" means China Securities Regulatory Commission.

"**Exchange Participant**" means J.P. Morgan Broking (Hong Kong) Limited which is a person registered as a China Connect Exchange Participant by the SEHK and is also a Clearing Participant.

"**Forced-sale Notice**" has the meaning given to such term in Clause 7.1.

"**General Terms and Conditions**" means any applicable existing terms, client account agreement and/or other relevant notices and disclosures between you and J.P. Morgan.

"**H Shares**" means any securities issued by companies incorporated in the PRC and listed on the SEHK.

"**HK Dealer**" means J.P. Morgan Securities (Asia Pacific) Limited (as agent for J.P. Morgan).

"**HKEx**" means the Hong Kong Exchanges and Clearing Limited.

"**HKMA**" means the Hong Kong Monetary Authority.

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx.

"**J.P. Morgan**" means J.P. Morgan Securities plc.

"**Northbound**" denotes the trading of China Connect Securities by Hong Kong and international investors through China Connect.

"**PBOC**" means the People's Bank of China.

"**PRC**" means, for the purposes of these China Connect Terms, the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"**PRC Listco**" has the meaning given to such term in paragraph 5 of the Risk Disclosures Statement.

"**QFII**" means a Qualified Foreign Institutional Investor.

"**Related Person**" means (i) the HK Dealer; (ii) the Exchange Participant; and (iii) any other Affiliate of J.P. Morgan through which your transactions in China Connect Securities may be effected.

"**Renminbi**" or "**RMB**" means the lawful currency of the PRC, deliverable in Hong Kong.

"**RQFII**" means a RMB Qualified Foreign Institutional Investor.

"**Risk Disclosures Statement**" means the China Connect Risk Disclosures Statement (as amended, supplemented, modified and/or varied from time to time), the latest version of which is available at www.jpmorgan.com/directdoc/disclosures/markets/ChinaConnectRiskDisclosures.pdf and which is hereby incorporated by reference within these China Connect Terms.

"**SAFE**" means the State Administration of Foreign Exchange of the PRC.

"**SEHK**" means The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEx.

"**SEHK China Connect Rules**" means the rules of HKEx, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.

"**SEHK Subsidiary**" means the wholly-owned subsidiary of the SEHK duly authorised as an automated trading service provider under the SFO and licensed under applicable laws in the PRC to provide the order-routing service under China Connect.

"**SFC**" means the Securities and Futures Commission of Hong Kong.

"**SFO**" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

"**Special China Connect Securities**" means any securities listed on SSE which SEHK (after consulting with SSE) from time to time accepts or designates as eligible only for China Connect sell orders and not for China Connect buy orders.

"**SSE**" means the Shanghai Stock Exchange.

"**SSE China Connect Rules**" means the SSE Regulations on the Shanghai-Hong Kong Stock Connect Pilot Programme which have been published by SSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"**SSE Listing Rules**" means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange as amended, supplemented, modified and/or varied from time to time.

"**SSE Rules**" means the SSE China Connect Rules and the business and trading rules and regulations of SSE as amended, supplemented, modified or varied from time to time.

"**Taxes**" means all taxes, duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under these China Connect Terms or (iii) you.

"**Trading Day**" means a day on which SEHK is open for Northbound trading where "**T day**" denotes (as the case may be) the day on which a transaction is executed; "**T+1 day**" denotes (as the case may be) the day which is one Trading Day or, in the context of settlement of funds, the business day (on which banks in Hong Kong and Shanghai are generally open for business) after T day; and "**T-1 day**" denotes (as the case may be) the day which is one Trading Day or, in the context of settlement of funds, the business day (on which banks in Hong Kong and Shanghai are generally open for business) prior to T day.

"**you**" means you and, if applicable, the principal(s) on whose behalf you act.

CHINA CONNECT RISK DISCLOSURES STATEMENT

This Risk Disclosures Statement describes some of the key risk disclosures and other rules, requirements and features of China Connect and Applicable China Connect Laws. This Risk Disclosures

Statement does not disclose all the risks and other significant aspects of Northbound trading through China Connect. You should ensure that you understand the nature and risks of China Connect and Northbound trading and you should consider carefully (and consult your own advisers where necessary) whether trading in China Connect Securities is suitable for you in light of your circumstances. The decision to trade in China Connect Securities is yours, but you should not trade in China Connect Securities unless you fully understand and are willing to assume the risks associated with China Connect. You acknowledge the risks, and agree to the terms, set out in this Risk Disclosures Statement.

Neither J.P. Morgan nor any Related Person represents that the information set out in this Risk Disclosures Statement is up to date or comprehensive, and does not undertake to update the information set out in this Risk Disclosures Statement. Neither J.P. Morgan nor any Related Person is liable for any inaccuracies or misstatements in the information set out in this Risk Disclosures Statement.

Unless otherwise defined herein, capitalised terms used in this Risk Disclosures Statement will have the meanings given to such terms in the China Connect Terms applicable to you and available at: www.jpmorgan.com/pages/disclosures/markets/ChinaConnect

1. Pre-Trade Checking

Under PRC law, SSE may reject a sell order if an investor does not have sufficient available China Connect Securities. The SEHK will apply similar checking on all Northbound sell orders at the exchange participant level to ensure there is no overselling by any individual exchange participant ("**Pre-Trade Checking**"). Accordingly, you will ensure that you hold sufficient available China Connect Securities held with the Exchange Participant to cover any proposed sell order and you will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities. If J.P. Morgan considers that you do not have sufficient available China Connect Securities held with the Exchange Participant to settle a sell order by the applicable cut-off time (as notified to you by J.P. Morgan from time to time), J.P. Morgan may (but shall not be obliged to) in its absolute discretion: (a) reject your sell order (in whole or in part); where appropriate arrangements are in place and as permitted by Applicable China Connect Laws, use any China Connect Securities in the Exchange Participant's (or any other exchange participant's) designated CCASS stock account(s) which J.P. Morgan holds for itself or on behalf of its other customers to fulfil the Pre-Trade Checking requirement in respect of your sell order, in which case you shall reimburse J.P. Morgan for any costs, losses or expenses which J.P. Morgan incurs as a result of buying in or otherwise sourcing the amount of China Connect Securities which you have failed to deliver in respect of your sell order, on such terms and at such price (including any associated fees and expenses) and at such time as J.P. Morgan shall determine in its absolute discretion; or (c) perform any other act which J.P. Morgan considers necessary or desirable to comply with Pre-Trade Checking and/or relevant Applicable China Connect Laws and to cover your shortfall (including but not limited to applying any other China Connect Securities available to J.P. Morgan) from other sources. In addition, J.P. Morgan may in its absolute discretion reject your sell order (in whole or in part) if for any other reason J.P. Morgan considers that there is or may be non-compliance with any Applicable China Connect Laws. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or the relevant Applicable China Connect Laws shall be borne by you.

If J.P. Morgan considers that you have not (by the commencement of trading on the Trading Day on which you wish to execute a sell order or any other cut-off time specified by J.P. Morgan from time to time) transferred sufficient available China Connect Securities to the Exchange Participant's designated CCASS stock account(s) to cover a proposed sell order, J.P. Morgan may (but shall not be obliged to) in its absolute discretion: (a) reject your sell order; or (b) perform any other act which J.P. Morgan considers necessary or desirable to comply with Pre-Trade Checking and/or relevant Applicable China Connect Laws and to cover your shortfall (including but not limited to applying any other China Connect Securities available to J.P. Morgan) from any stock borrowing arrangements (to the extent permitted by Applicable China Connect Laws and available to J.P. Morgan) or other sources.

In addition, J.P. Morgan may in its absolute discretion reject your sell order if for any other reason J.P. Morgan considers that there is or may be non-compliance with any Applicable China Connect Laws. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or any relevant Applicable China Connect Laws shall be borne by you.

2. Settlement

J.P. Morgan has established cut-off times. If you do not provide your trade allocations by J.P. Morgan's applicable cut-off time as notified to you from time to time then your trade may fail. Where you are an agent and you have not, in relation to your transactions in China Connect Securities accepted by J.P. Morgan, provided J.P. Morgan with your trade allocations to your applicable principals by J.P. Morgan's applicable cut-off time, J.P. Morgan will, unless expressly agreed otherwise, allocate such transactions on a pro-rata basis amongst your applicable principals. Where such pro-rata allocation results in odd lots, J.P. Morgan shall allocate such odd lots to the principal(s) with the largest allocation(s).

Northbound trades will follow the A Share settlement cycle. For settlement of China Connect Securities trades, CSDCC will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment. J.P. Morgan may have settlement arrangements in place different from the CSDCC settlement arrangements. Unless J.P. Morgan agrees to prefund, settlement of funds relating to such trading will be effected on T+1 day. In the event J.P. Morgan agrees to prefund the settlement of China Connect Securities trades, (a) J.P. Morgan shall retain the funds received from the HKSCC on T+1 day; and (b) you shall reimburse J.P. Morgan with respect to any pre-funding provided by J.P. Morgan.

Although the transfer of the China Connect Securities precedes the transfer of cash, under the China Connect Service, the title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for purposes of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or where the purchase was prefunded, the settlement date would be the date on which the China Connect Securities are released from hold.

3. Quota Restrictions

Purchases of China Connect Securities through China Connect are subject to certain quota controls. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a quota limiting the maximum net value of all Northbound buy trades that can be executed by exchange participants while China Connect is in operation ("**Aggregate Quota**"). There is also a daily quota limiting the maximum value of all Northbound buy trades that can be executed by exchange participants on each Trading Day ("**Daily Quota**"). The Aggregate Quota and/or the Daily Quota may change from time to time without prior notice and investors are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information.

Under the China Connect Rules, investors may sell their China Connect Securities regardless of whether there is a breach of the provisions relating to Aggregate Quota or Daily Quota. If there is a restriction, rejection or suspension of Northbound buying as a result of (a) the Daily Quota being fully utilised, or (b) the balance of the Aggregate Quota falling below the Daily Quota, no further buy orders can be carried out.

J.P. Morgan will handle client orders fairly. J.P. Morgan may aggregate your Northbound orders with the Northbound orders of any other client or of its affiliates when it processes such orders. This may, because of the quota restrictions, result in your order only being partially executed or not at all.

In the continuous trading session J.P. Morgan will take reasonable steps to handle client orders and transactions to be undertaken for clients (including delta one hedge transactions arising from client swap orders) ("**Client Orders**") promptly in accordance with clients' instructions and in the sequence in which they are received.

All Client Orders which are for submission to the applicable open auction or start of continuous trading session (the "Open") shall be handled by J.P. Morgan in a way that seeks to ensure that all such Client Orders have fair and equal opportunity to participate in the Open. J.P. Morgan will regard all such Client Orders as having been received by it only at the point at which it takes any action for the purposes of submitting Client Orders into the Open.

4. Restriction on Day Trading

Day (turnaround) trading is not permitted on the PRC A Share market. If you buy China Connect Securities on T day, you may be able to sell the shares only on or after T+1 day. Due to Pre-Trade Checking requirements, sell orders in relation to China Connect Securities bought on T day may only be accepted on or after the applicable cut-off time (as notified to you by the J.P. Morgan from time to time) on T+1 day.

5. Disclosure of Interests

Under PRC laws, rules and regulations, if you hold or control shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same PRC Listco (as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a PRC incorporated company which is listed on a PRC stock exchange (a "PRC Listco") up to a certain threshold as may be specified from time to time by the relevant China Connect Authorities, you must disclose such interest within the period specified by the relevant China Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant China Connect Authority. You must also disclose any substantial change in your holding as required by the relevant China Connect Authority.

Under Hong Kong law, where a PRC incorporated company has both H Shares listed on the SEHK and A Shares listed on the SSE, if an investor is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A Shares purchased through China Connect) in such PRC incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the SFO. Part XV of the SFO does not apply where the PRC incorporated company has not listed any shares on the SEHK. It shall be your responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant China Connect Authorities and to arrange for any relevant filings.

6. Short Swing Profit Rule

Under PRC laws, rules and regulations, if the "short swing profit rule" requires you to give up or return any profits made from purchases and sales in respect of China Connect Securities of a particular PRC Listco if (a) your shareholding in such PRC Listco exceeds the threshold prescribed by the relevant China Connect Authority from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. You (and you alone) must comply with the "short swing profit rule".

7. Foreign Ownership Limits

Under PRC laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC Listco, and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels). It shall be your responsibility to comply with all foreign ownership limits from time to time imposed by Applicable China Connect Laws. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, you may suffer losses through your trading or investments in China Connect Securities.

If J.P. Morgan and/or any Related Person becomes aware that you have breached (or reasonably believes that you may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if J.P. Morgan and/or any Related Person is so required by any China Connect Authority, including without limitation to , as a result of any Forced-sale Notice issued by the SSE, J.P. Morgan will sell any China Connect Securities pursuant to the China Connect Terms in order to ensure compliance with all Applicable China Connect Laws. In such case, no China Connect Securities buy orders for the relevant China Connect Securities will be accepted until SSE informs the SEHK Subsidiary or the SEHK that the aggregate foreign shareholding has fallen below a certain percentage. The SEHK may determine in its absolute discretion which exchange participants and what quantity of China Connect Securities should be subject to a Forced-sale Notice (this is generally likely to be on a "last-in, first-out" basis), and the SEHK's (or the SEHK Subsidiary's) own records shall be final and conclusive.

Moreover, under PRC laws, where the aggregate holding of foreign investors exceeds a specified percentage (the "Cautionary Level") of the issued shares of a single PRC Listco, upon notification by the SSE to the SEHK Subsidiary, the SEHK and the SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting China Connect Securities buy orders in respect of the relevant China Connect Securities. In such circumstances, your buy orders may be rejected until the aggregate shareholding of foreign investors has fallen below a specified percentage (the "Permitted Level") as advised by SSE from time to time.

Currently, the single foreign investor limit is set at 10% of the total issued shares of a PRC Listco and the aggregate foreign investor limit is set at 30% of the total issued shares of a PRC Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the total issued shares of a PRC Listco). Such limits and levels are subject to change from time to time. Neither J.P. Morgan nor the any Related Person shall be under any obligation to inform you of any such changes relating to foreign ownership limits.

8. SSE-listed Shares Eligible for Northbound Trading

The SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria under the China Connect Rules, any adjustments made to the SSE 180 Index and SSE 380 Index, any relevant A Shares and H Shares being listed on or delisted from SSE and/or the SEHK, and any relevant A Shares being placed under or released from risk alert. You should refer to the HKEx website and other information published by the HKEx for up-to-date information. Neither J.P. Morgan nor any Related Person shall be under any obligation to inform you of any changes to the eligibility of share for Northbound trading.

According to the SSE Listing Rules, if any SSE-listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, the SSE-listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. If a China Connect Security which is eligible for China Connect trading at launch of the programme is subsequently moved to the risk alert board, investors under China Connect will be allowed only to sell the relevant China Connect Security and are prohibited from further buying. For details concerning the risk alert board, please refer to the SSE Listing Rules and SSE Risk Alert Board Provisional Trading Arrangement and any other relevant sources from time to time.

9. Special China Connect Securities

The SEHK will accept or designate securities which cease to meet the eligibility criteria for China Connect Securities as Special China Connect Securities (provided that they remain listed on SSE). In addition, any securities or options (which are not eligible for China Connect trading) received by you as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by the SEHK as Special China Connect Securities. You will be able only to sell, but not to buy, any Special China Connect Securities.

10. No Off-exchange Trading and Transfers

You, J.P. Morgan and any Related Person shall not trade or provide services to facilitate trading of any China Connect Securities otherwise than through the China Connect Market System, and J.P. Morgan shall not match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from you or effect any Non-trade Transfer (as defined below in paragraph 26) or settlement of instructions in respect of any China Connect Securities in any manner other than through China Connect in accordance with the China Connect Rules, except in the following circumstances or as otherwise provided by a relevant China Connect Authority:

- (a) stock borrowing and lending of China Connect Securities which are eligible for covered short selling and with a tenor of no more than one month;
- (b) stock borrowing and lending of China Connect Securities which are eligible for satisfying the Pre-trade Checking requirement, with a tenor of one day (and which is not renewable);
- (c) post-trade allocation of China Connect Securities by a fund manager or an asset manager across the funds and/or sub-funds or clients it manages; and
- (d) any other situations specified by SSE and CSDCC, including but not limited to any Non-trade Transfer as a result or for the purpose of (i) succession, (ii) divorce, (iii) dissolution, liquidation or winding-up of any company or corporation, (iv) donation to a charitable foundation; and (v) assisting in any enforcement action or proceedings of any court, prosecutor or law enforcement agency.

11. Placing Orders

Only limit orders with a specified price are allowed pursuant to Applicable China Connect Laws, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

12. Price Limits

China Connect Securities are subject to a general price limit of $\pm 10\%$ based on the previous Trading Day's closing price (and a price limit of $\pm 5\%$ where the China Connect Securities are on risk alert). The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit will be rejected by SSE. Additionally, the SEHK has put in place a dynamic price checking for buy orders. Buy orders with input prices lower than the current best bid (or last traded price in the absence of current best bid, or previous closing price in the absence of both current best bid and last traded price) beyond a prescribed percentage will be rejected by China Connect Market System. The price checking percentage, which is currently set at 3%, may be adjusted by the SEHK from time to time.

13. Taxation

China Connect Securities traded under China Connect currently enjoy a temporary exemption from PRC "income" tax and PRC business tax. It is uncertain when such exemptions will expire and whether other PRC taxes will be applicable to trading of China Connect Securities under China Connect. Dividends derived from China Connect Securities are subject to PRC withholding tax. PRC stamp duty is also payable for transactions in China Connect Securities under China Connect. You will be fully responsible for any Taxes in respect of China Connect Securities. Neither J.P. Morgan nor any Related Person assumes any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will any of them provide any service or assistance in this regard. Prior to investing in China Connect Securities, you are strongly urged to consult your own tax advisers and counsel with respect to the possible tax consequences to you of such investment since such tax consequences may differ in respect of different investors.

In addition and without prejudice to any other right or remedy which J.P. Morgan may have, J.P. Morgan shall be entitled in its absolute discretion, without further notice or demand, forthwith, to satisfy any obligation or potential obligation of J.P. Morgan or any Related Person or you to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with, in such manner as J.P. Morgan in its absolute discretion may determine, all or part of any property held by J.P. Morgan or any Related Person for any purpose in any of your accounts held with J.P. Morgan or any Related Person, and to apply the proceeds in reduction of all or part of your liability to J.P. Morgan or any Related Person. Neither J.P. Morgan nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by J.P. Morgan or any Related Person in respect of the foregoing.

14. Client Securities Rules

By way of brief background, the Client Securities Rules prescribe how client assets are to be dealt with by all intermediaries and their associated entities. However, as the China Connect Securities traded through China Connect are not listed or traded on the SEHK, you will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant China Connect Authority.

15. Investor Compensation Fund

Trading in China Connect Securities does not enjoy the protection afforded by the Investor Compensation Fund established under the Securities and Futures Ordinance. Accordingly, unlike the trading of SEHK-listed securities, you will not be covered by the Investor Compensation Fund in respect of any loss you may sustain by reason of a default by any SFC licensed or registered intermediaries.

16. Ownership of China Connect Securities

China Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and China Connect Securities acquired by investors through Northbound trading will be:

- (a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such China Connect Securities; and
- (b) held in custody under the depository of CSDCC and registered in the shareholders' register of the relevant PRC Listco.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant HKSCC Clearing Participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner of such China Connect Securities and will be regarded as holding the beneficial entitlement to the China Connect Securities on behalf of the relevant Clearing Participant(s). Depending on the custody arrangements between a Clearing Participant and its Hong Kong or overseas clients, such Clearing Participant will in turn generally be regarded as holding the beneficial entitlement for such Hong Kong or overseas clients.

Under current PRC regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with CSDCC and Northbound investors have rights and interests in China Connect Securities acquired through China Connect according to the applicable laws. The CSRC Securities Registration and Settlement Measures, CSDCC Securities Registration Rules and Administrative Rules on Securities Accounts, the CSDCC China Connect Rules and SSE China Connect Rules generally provide for the concept of a "nominee holder" and recognise the Northbound investors as the "ultimate owners" of China Connect Securities.

Northbound investors shall exercise their rights in relation to China Connect Securities through HKSCC as the nominee holder. As Northbound investors will have actual control over voting rights in respect of such China Connect Securities (either individually or acting in concert with others), Northbound investors are responsible for

complying with disclosure obligations under PRC laws and regulations in relation to China Connect Securities acquired through Northbound trading.

However, the precise nature and rights of a Northbound investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases in the PRC courts concerning a nominee account structure. Therefore the exact nature and methods of enforcement of the rights and interests of Northbound investors under PRC law are not free from doubt.

HKEx has published materials explaining the ownership rights of Northbound investors in China Connect Securities and may publish further information from time to time. In summary, the HKEx published materials state that:

(a) it is the Hong Kong and overseas investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the China Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the China Connect Securities;

(b) as key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant China Connect Securities. However, under the CCASS China Connect Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of China Connect Securities in the PRC or elsewhere; and

(c) on the insolvency of HKSCC, the China Connect Securities will not be regarded as the general assets of HKSCC under Hong Kong and PRC law and will not be available to the general creditors of HKSCC. CSDCC and the PRC courts will recognise the liquidator of HKSCC, duly appointed pursuant to Hong Kong law, as the rightful person to deal with China Connect Securities in the place of HKSCC.

You should conduct your own review of the HKEx published materials and the applicable China Connect Rules from time to time. You should also consult your own legal advisers to make your own assessment of your rights as a Northbound investor in China Connect Securities.

17. No Manual Trade or Block Trade

There will be no manual trade facility or block trade facility for Northbound trading under China Connect.

18. Amendment of Orders and Loss of Priority

Consistent with the current practice in the PRC, if an investor engaged in Northbound trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the Daily Quota and Aggregate Quota restrictions (see paragraph 3 above), the subsequent order may not be filled on the same Trading Day.

19. Risk of CSDCC Default

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. If CSDCC (as the host central counterparty) defaults, HKSCC may (but shall have no obligation) to take any legal action or court proceeding to seek recovery of the outstanding China Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. As CSDCC does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of CSDCC's positions. HKSCC will in turn distribute China Connect Securities and/or monies recovered to clearing participants on a pro-

rata basis as prescribed by the relevant China Connect Authorities. J.P. Morgan in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

20. Risk of HKSCC Default

The provision of services pursuant to the China Connect Terms also depends upon the performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and you may suffer losses as a result. Neither J.P. Morgan nor any Related Person shall have any responsibility or liability for any such losses.

21. Scripless Securities

China Connect Securities are traded in scripless form and accordingly, China Connect Securities may not be physically deposited into and/or withdrawn from CCASS.

22. Company Announcements on Corporate Actions

Neither J.P. Morgan nor any Related Person shall be responsible for any corporate actions. Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website and certain officially appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the SSE website and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web-page from time to time) for corporate actions in respect of China Connect Securities issued on the previous trading day. Investors should note that SSE-listed issuers publish corporate documents in Chinese and English translations may not be available.

In addition, HKSCC will endeavour to collect and distribute cash dividends relating to China Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will to the extent practicable arrange to distribute to relevant clearing participants on the same day.

Following existing market practice in the PRC, investors engaged in Northbound trading will not be able to attend shareholder meetings by proxy or in person, unlike the current practice in Hong Kong in respect of SEHK-listed shares.

Neither J.P. Morgan nor any Related Person can ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and they accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. J.P. Morgan and Related Persons expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

23. Average Pricing across Funds for Fund Managers

Where Average Pricing applies, you will be allocated China Connect Securities (or their proceeds) at the same averaged price across your orders, which may be higher or lower than the price which you would have paid or received had the orders been processed individually and in the order submitted. Neither J.P. Morgan nor any Related Person will be responsible for any such difference in pricing or any loss or risk arising from the application of Average Pricing.

24. Disclosure of Information and Publication of Trade Information

The SEHK may require J.P. Morgan to provide information on your profile, and the type and value of your orders in relation to Northbound trading of China Connect Securities and the trades which J.P. Morgan handled for you at such intervals and in such form as the SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data.

25. Retention of Information

You acknowledge and accept that J.P. Morgan and any Related Person may in accordance with the China Connect Rules keep records for a period of not less than 20 years of (a) all orders and trades executed on your behalf; (b) any instructions received from you; (c) your account information in relation to Northbound trading; and (d) all relevant information concerning margin trading and stock borrowing and lending of any China Connect Securities (including, without limitation, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided).

26. Client Error

Neither J.P. Morgan nor any Related Person shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by you as a result of any trading based on your instructions. J.P. Morgan will not be able to unwind any trade, and investors should take note of the settlement arrangements in respect of China Connect Securities under China Connect, including but not limited to quota restrictions which may affect the ability to mitigate the consequences of any error trades.

The China Connect Rules generally prohibit any off-exchange trading or transfers. However, transfers may be permitted between exchange participants and their clients to rectify an error trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. Exchange participants who perform a transfer of beneficial ownership of China Connect Securities which is not conducted through the China Connect Service and executed on the China Connect Market (a "Non-trade Transfer") to rectify an error trade will be required to submit to the SEHK an error trade report together with supporting documents explaining how the error was made and providing details of the Non-trade Transfer. The SEHK has the power to disallow a particular exchange participant to conduct Non-trade Transfers for error trade rectification if the SEHK has reasonable cause to suspect or to believe that the exchange participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. The SEHK may provide error trade reports and related information to the SFC and SSE. Exchange participants are warned by the SEHK not to misuse this arrangement to effect off-exchange trades or transfers which are otherwise disallowed under the relevant China Connect Rules. J.P. Morgan shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Neither J.P. Morgan nor any Related Person shall have any liability for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to correct an error trade.

27. Operation of China Connect Service/Novelty of China Connect Market System

The SEHK or the SEHK Subsidiary (after consulting with the SEHK) may, under certain circumstances as specified in the SEHK rules and/or whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as the SEHK may consider appropriate. You will not be able to buy or sell China Connect Securities on the SEHK through China Connect during any period in which trading of China Connect Securities is suspended.

In particular, you should note that while trading of China Connect Securities is suspended by the SEHK, trading of such China Connect Securities may continue on SSE. You may remain exposed to fluctuations in the price of China Connect Securities caused by trading on SSE during the period when trading of such China Connect Securities is suspended by the SEHK.

The SEHK has absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, the SEHK or the SEHK Subsidiary (with the agreement of the SEHK) may cease the provision of the China Connect Northbound trading service permanently.

Such suspension, restriction or cessation will affect J.P. Morgan's ability to accept and process your orders and you are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. There can be no assurance that your orders will be accepted or processed, notwithstanding that China Connect Securities may be traded through other channels including, without limitation, by PRC investors on SSE.

Further, the SEHK China Connect Rules state that where any H Shares with corresponding A Shares eligible as China Connect Securities are suspended from trading on the SEHK, but the corresponding A Shares are not suspended from trading on SSE, the service for routing the China Connect sell orders and China Connect buy orders for such A Shares to SSE for execution will normally remain available. However, the SEHK may, in its discretion, restrict or suspend such service without prior notice and your ability to place sell orders and buy orders may be affected.

In addition, the China Connect Market System is a new platform for trading of China Connect Securities under China Connect. Trading services are provided based on the China Connect Market System which is operated by the SSE. Neither J.P. Morgan nor any Related Person is responsible for any delay or failure caused by the China Connect Market System and investors accept all risks arising from trading China Connect Securities through the China Connect Market System. Neither J.P. Morgan nor any Related Person shall be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

- (a) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Connect orders inputted;
- (c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on SSE or through the SEHK;
- (d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
- (e) any delay or failure to route any China Connect orders, or any delay or failure to send any order cancellation requests or to provide the China Connect Service, due to any system, communication or connection failure, power outage, software or hardware malfunction or other event beyond the control of the SEHK, J.P. Morgan or any Related Person;
- (f) any circumstance that a cancellation of a China Connect order which the Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;

(g) any delay, failure or error of any China Connect Market System or any system upon which the SEHK Subsidiary, J.P. Morgan or any Related Person is reliant in providing the China Connect Service; and

(h) any delay or failure to execute, or any error in matching or executing any, China Connect order due to any reason beyond the control of the SEHK, HKEx or the SEHK Subsidiary or J.P. Morgan or any Related Person (including, without limitation, any action or decision taken or made, or not taken or made, by SSE any China Connect Authority or any other relevant governmental or regulatory body).

If there is any delay or failure to send any order cancellation request any circumstance described in paragraph (e) above, you shall, in the event such order is matched and executed, remain responsible to fulfill any settlement obligations in respect of such transaction.

28. Operational Hours

The SEHK has absolute discretion to determine from time to time the operational hours of the China Connect Service, and will have absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice whether on a temporary basis or otherwise. Neither J.P. Morgan nor any Related Person shall be under any obligation to inform you of any such determinations by the SEHK as to the operational hours of the China Connect Service.

Where, for example, there is any price sensitive information relating to a PRC Listco during a time when the China Connect Service is not in operation, the A Shares of the PRC Listco may continue to trade on SSE and the price of such A Shares may move significantly. In such case, Northbound investors will not be able to trade in such shares until the next available Trading Day under China Connect.

29. Margin Trading

Subject to certain conditions prescribed by the China Connect Authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant China Connect Authorities to be eligible for margin trading ("**Eligible Margin Trading Securities**"). The HKEx will from time to time publish a list of Eligible Margin Trading Securities. The SSE may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by SSE and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where the SEHK is notified by SSE that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, the HKEx will disclose such information on its website. In such circumstances, any margin trading (except for margin trading in respect of China Connect Securities buy orders) in the relevant China Connect Security shall be suspended and/or resumed accordingly. SSE has reserved the right to require at some point in time, margin trading orders to be flagged as margin trading orders when routed to China Connect. Neither J.P. Morgan nor any Related Person shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

30. Rights Issuances

Where a Hong Kong or overseas investor receives any form of entitlement security from the issuer of a China Connect Security, if such entitlement security:

(a) is a China Connect Security, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;

(b) is not a China Connect Security but is a RMB-denominated security listed on the SSE, Hong Kong and overseas investors may be

permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;

(c) is an SSE-listed security but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. HKEx has stated that SSE and the SEHK will consult each other to agree on the appropriate treatment of the entitlement security; and

(d) is not listed on SSE, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such arrangements will be provided.

31. Odd Lot Trading

Odd lot trading in China Connect Securities is available only for sell orders and all odd lots must be sold in one single order. A board lot order may be matched with different odd lot sell orders, resulting in odd lot trades. Board lot and odd lot orders are matched on the same platform on China Connect and subject to the same share price. The maximum order size is 1 million shares and the tick size is uniformly set at RMB0.01.

32. Short Selling

Covered short selling of China Connect Securities may become available in due course provided such covered short selling satisfies the requirements specified by the relevant China Connect Authorities. Short selling may be suspended where the volume of short selling in respect of the relevant China Connect Security exceeds the threshold(s) specified by the SEHK, and may be resumed if the SEHK so permit. However, naked short selling of China Connect Securities is prohibited. You shall be fully responsible for understanding and complying with short selling requirements in effect from time to time and for any consequences of non-compliance.

33. Stock Borrowing and Lending

Stock borrowing and lending are permitted for eligible China Connect Securities as specified by SSE for the purpose of (a) covered short selling and (b) satisfying the Pre-Trade Checking requirement. Special China Connect Securities are not eligible for stock borrowing and lending for the purpose of covered short selling (but are eligible for the purpose of satisfying the Pre-Trade Checking requirement) SSE will determine a list of eligible China Connect Securities for stock borrowing and lending. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by the SEHK and SSE, including but not limited to the following:

(a) stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;

(b) stock borrowing and lending agreements for the purpose of satisfying the Pre-Trade Checking requirement shall have a duration of not more than one day (and roll-over is not permitted);

(c) stock lending will be restricted to certain types of persons to be determined by SSE; and

(d) stock borrowing and lending activities will be required to be reported to the SEHK.

Only certain persons are eligible to lend China Connect Securities in stock borrowing and lending arrangements concerning China Connect Securities.

J.P. Morgan will be required to file a monthly report to the SEHK providing details of its stock borrowing and lending activities with respect to China Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares

borrowed/lent, amount of shares outstanding and date of borrowing/returning.

Where the prescribed proportion of stock borrowing and lending of any China Connect Security exceeds the limit prescribed by SSE, SSE may suspend stock borrowing and lending of such China Connect Security and require the SEHK Subsidiary to suspend placement of covered short selling orders relating to such China Connect Security. If and when the prescribed proportion of stock borrowing and lending falls below the prescribed limit, SSE may resume stock borrowing and lending of such China Connect Security and notify the SEHK Subsidiary that it may resume acceptance of covered short selling orders relating to such China Connect Security.

You are advised to refer to the relevant provisions from time to time governing stock borrowing and lending of China Connect Securities under the SEHK China Connect Rules and the Applicable China Connect Laws. Neither J.P. Morgan nor any Related Person shall have any obligation to update you in respect of any suspension of stock borrowing and lending or any change to the relevant SEHK China Connect Rules or Applicable China Connect Laws.

34. Risks associated with investing in China Connect Securities

PRC-related risks

Investing in the PRC, an emerging market, involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability.

Market risk

The market value of China Connect Securities and the income from them may go down as well as up. There can be no assurance that you will achieve profits or avoid losses from trading China Connect Securities, significant or otherwise. The return you receive from the China Connect Securities (if any) will fluctuate in response to changes in capital appreciation and/or income relating to such China Connect Securities. Furthermore, China Connect Securities may experience volatility and decline depending on market conditions. Through trading China Connect Securities, you are exposed to various forms of risk, including (for example), interest rate risks (risks of falling China Connect Securities values in a rising interest rate market), income risks (risks of falling incomes from China Connect Securities in a falling interest rate market) and credit risk (risk of a default by an issuer of China Connect Securities).

Possible business failure risk

In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more underlying issuer of China Connect Securities may have an adverse effect on your investment. You may lose money by investing in China Connect Securities.

Equity risk

Investing in China Connect Securities may offer a higher rate of return than investing in short term and longer term debt securities. However, the risks associated with investments in China Connect Securities may also be higher, because the investment performance of China Connect Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Dividend risk

Whether an issuer of China Connect Securities will pay distributions is subject to such underlying issuer's dividend policy. Dividend payment rates in respect of China Connect Securities may depend on factors including general economic conditions and the financial positions of the relevant issuers. There can be no assurance that any dividends or distributions in respect of China Connect Securities will be declared or paid.

Liquidity risks

Although China Connect Securities are listed for trading on SSE and available for trading through the SEHK by China Connect, there can be no assurance that an active trading market for China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect your ability to dispose of China Connect Securities at the desired price. If you need to sell China Connect Securities at a time when no active market for them exists, the price you receive for your China Connect Securities — assuming you are able to sell them — is likely to be lower than the price received if an active market did exist.

General legal and regulatory risk

You must comply with all Applicable China Connect Laws. Furthermore, any change in any Applicable China Connect Laws may have an impact on the market sentiment which may in turn affect the performance of China Connect Securities. It is impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect Securities. In the worst case scenario, you may lose a material part of your investments in China Connect Securities.

Currency risk

RMB is not yet freely convertible in Hong Kong, and is subject to foreign exchange controls and restrictions. Particularly, conversion of RMB through banks in Hong Kong is subject to certain restrictions. It may be difficult for investors to convert RMB into Hong Kong dollars or other currencies or vice versa at any specific time, and conversion will be subject to conversion costs and such costs and timings for conversion may not be of your preference.

In addition, the value of RMB against Hong Kong dollars or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate. A depreciation of RMB may result in a decrease in the market value of RMB denominated securities and the realisation price of the RMB denominated securities. Investors who are trading in RMB denominated securities may also sustain loss in the event that they subsequently convert any RMB proceeds back to Hong Kong dollars or other base currencies.

There are also significant restrictions on the remittance of RMB into and out of the PRC. If the issuer of RMB denominated securities is not able to remit RMB to Hong Kong or make distributions in RMB due to exchange controls or other restrictions, the issuer may make distributions (including dividends and other payments) in other currencies. Investors may therefore be exposed to additional foreign exchange risk and liquidity exposures.

The liquidity and trading price of China Connect Securities may be adversely affected by the limited availability of RMB outside the PRC and restrictions on the conversion of RMB. These factors may affect the liquidity of RMB for investors and accordingly adversely affect the market demand for China Connect Securities.

Americas Addition

This Americas Addition supplements and forms part of the Terms of Business and any additional supplements or notices issued by J.P. Morgan thereto (collectively, the “**Terms**”) which govern all designated investment business (as defined under the FCA Handbook and PRA Handbook, as applicable) and business in relation to other traded products (excluding deposits) which is transacted with or for you by J.P. Morgan.

1. Brazil Addition

Unless otherwise stated, the following additional provisions shall apply where we effect your transaction in securities listed on the Brazilian BM&FBovespa Stock, Mercantile & Futures Exchange (“**BM&FBovespa**”) (each a “**Brazil Transaction**”) through any of our Affiliates and/or a third party locally authorised broker based in Brazil (including J.P. Morgan Corretora de Câmbio e Valores Mobiliários S.A., “**JPMCCVM**” and each such broker, a “**Brazil Broker**”). In the event of any inconsistency between the Terms and this Brazil Addition, this Brazil Addition shall prevail with respect to the Brazil Transactions.

Capitalised terms used in this Brazil Addition shall have the same meanings as defined in the Terms, unless indicated otherwise.

(i) For the purposes of Brazil Transactions, for the avoidance of doubt, “**Applicable Law**” as defined in the Terms shall include the Brazil Broker’s rules and parameters and code of ethics (where JPMCCVM is your Brazil Broker for the Brazil Transaction, these are available at <http://www.jpmorgan.com/pages/jpmorgan/brazil/en/business/ib/cvcm>).

Applicable law shall also include the laws and regulations issued by the National Monetary Council of Brazil, the Brazilian Central Bank, the Brazilian Securities Commission (Comissão de Valores Mobiliários “**CVM**”) and BM&FBovespa, including, with respect to the latter, those established by BM&FBovespa’s bylaws, regulations, manuals, standards and rules in general. Additional disclosures may apply from time to time which will be included on <http://www.jpmorgan.com/pages/disclosures/markets>.

(ii) BM&FBovespa is the self-regulating entity of the Brazilian equity markets and is an auxiliary body of the CVM. BM&FBovespa, in its capacity, is responsible for regulating and supervising the operations and activities carried out by the Brazil Broker in the markets managed by BM&FBovespa and cleared and settled through BM&FBovespa.

(iii) You agree that J.P. Morgan and its Affiliates may disclose information about you (including on behalf of any principal or principals for whom you are acting as agent) to Brazilian regulators, including but not limited to BM&FBovespa, the Brazilian Central Bank and the CVM.

(iv) The Brazil Broker may in its discretion, refuse to receive or execute orders, totally or partially, or cancel any pending order, immediately communicating such refusal or cancellation to you if:

(a) you (and, if applicable your principals) are defaulting on any of your obligations;

(b) the orders to be executed represent excessive risks in relation to your financial capacity; and/ or

(c) the Brazil Broker verifies any irregularity, breach or non-compliance with applicable laws or regulations, in particular those aimed at creating artificial demand, or artificial offer or price conditions, price manipulation, fraudulent transactions, or other non-equitable market practices.

(v) BM&FBovespa requires its members to take action to:

(a) enforce operating and credit limits; and

(b) limit “excessive risks” stemming from market price fluctuations and exceptional market conditions. Such action may affect our ability to execute your Brazil Transaction.

(vi) In order to be able to carry out the Brazil Transactions on the BM&FBovespa, you shall maintain an account with the Brazil Broker (if applicable, on behalf of any principal or principal for whom you are acting as agent), and shall observe the terms established by the Brazil Broker in connection therewith, so as to comply with all of your obligations in connection with the Brazil Transactions and the terms hereof.

(vii) You hereby appoint the applicable Brazil Broker as your agent and representative to the BM&FBovespa, with power on your behalf to: take all necessary steps to carry out Brazil Transactions; receive and deliver cash or securities; enter into agreements; to settle the Brazil Transactions; and assume all obligations and exercise all rights arising under the standards and regulations of BM&FBovespa.

(viii) You and, if applicable, your principals hereby recognise and agree that in the case of insufficient balances in your accounts, lack of payment or delivery, in part or in full, of funds or securities due in connection with the Brazil Transactions, including, but without limitation, any margins required by the Brazil Broker, by 12pm (twelve o’clock) on the day they are due, the Brazil Broker shall be entitled to, without previous notice or any other judicial or extrajudicial measure:

(a) execute, retain and/or transfer any funds or assets which are held for the Customer’s benefit or account and/or held under some form of guarantee; and

(b) sell, at market prices, the securities and/or other assets given as collateral, as well as any other assets which are held for the Customer’s benefit or account and/or held under some form of guarantee, including without limitation, the positions, securities and/or assets in connection with the Brazil Transactions executed on the BM&FBovespa.

(ix) In case of failure to comply with your payment obligations, you and, if applicable, your principals shall have your name included in the BM&FBovespa’s list of defaulted clients and shall not be authorised to trade until full payment of the outstanding debt, in accordance with the rules issued by the BM&FBovespa.

(x) You and, if applicable, your principals shall be deemed compliant with your payment obligations relating to the Brazil Transactions executed on the BM&FBovespa’s markets only upon confirmation of receipt of funds by (a) the Brazil Broker; (b) the Brazil Broker’s clearing member; and (c) the BM&FBovespa. Notwithstanding paragraph (ix) above, any collateral posted by you in connection with Brazil Transactions may be executed (a) by the Brazil Broker’s clearing member if the Brazil Broker fails to transfer the settlement funds corresponding to the Brazil Transactions executed to its clearing member; and (b) by the BM&FBovespa if the Brazil Broker’s clearing member fails to transfer the settlement funds corresponding to the Brazil Transactions executed by you and, if applicable your principals, to the BM&FBovespa.

(xi) You confirm that the representations, warranties and undertakings made by you under the Brazil Addition are made to J.P. Morgan and its Affiliates. You further represent and warrant that you are not a Bound Person as defined by CVM Instruction 505, as amended from time to time.

(xii) You and, if applicable, your principals, undertake to maintain a record of your financial and other information with J.P. Morgan and keep such information accurate and current at all times (including, without limitation, any Corporate Charter, Articles of Incorporation, Memorandum of Association, Articles of Association, Bylaws, Minutes of Election of the Members of the Board of Directors, Minutes of Shareholders’ Meetings, Minutes of Partners’ Meetings, Minutes of Meetings of the Board of Directors, and/or other decision or resolution-taking minutes or equivalent documents or any other corporate documents, documents that qualify and authorise company representatives, attorneys in fact or designees, balance sheets, and financial statements) and will supply such information and/or documents that J.P. Morgan and the Brazil Broker may reasonably request. In addition, you and, if applicable, your principals, agree to (a) promptly respond and provide such information as may be requested by J.P. Morgan, its Affiliates or the Brazil Broker to comply with any

request of any Brazilian regulatory authority; and (b) upon request, provide accurate and current information concerning the identity, address, occupation, contact details, income, net worth and financial situation of you and/or your principal or principals, and any person having ultimate beneficial interest in the Brazil Transaction.

(xiii) All communication (including by telephone, electronic mail, messaging systems or similar) between you and/or J.P. Morgan acting on your behalf and the Brazil Broker, shall be recorded by the Brazil Broker and maintained in its files (the "Recordings") for five (5) years or in the case of regulatory proceedings for such longer period as determined by the CVM or applicable law or regulation, the BM&FBovespa or by the BM&FBovespa Supervisão de Mercados ("BSM"). The Recordings may be used as evidence for clarification of questions arising in connection with your account and/or the Brazil Transactions.

(xiv) Brokerage fees on Brazil Transactions may take into account a variety of factors, possibly including: volume of trades; growth and volume expectations; characteristics of the transactions; and client profile and relationship.

(xv) With respect to Brazil Transactions in derivatives on BM&FBovespa, you and, if applicable your principals, expressly acknowledge and agree that:

(a) the value of your open positions is adjusted daily to reflect the market price fluctuations in accordance with BM&FBovespa rules. Acting as a buyer in the futures market, you and, if applicable your principals, bear the risk of having a negative impact in the value of your adjusted position if market prices go down. Acting as a seller in the futures market, you and, if applicable your principals, bear the risk of having a negative impact in the value of your adjusted position if market prices go up. In either case, you and, if applicable your principals, will be required to pay daily adjustments in cash related to the market value adjustment on the positions related to such Brazil Transactions and, at the discretion of BM&FBovespa and/or the Brazil Broker, comply with margining requirements;

(b) the Brazil Broker may at its own discretion (i) limit the amount of open positions held on your behalf or, if applicable, on behalf of your principals, as well as close them out in case the limit is exceeded; (ii) close out, totally or partially, your positions or, if applicable, the positions you hold on behalf of your principals; (iii) proceed with the enforcement of the collateral held on your behalf or, if applicable, on behalf of your principals; (iv) sell or buy the securities necessary for the settlement of open positions held on your behalf or on behalf of your principals; and (v) request the increase of margins, including for existing positions held on your behalf or, if applicable, on behalf of your principals, anticipation of payment of daily adjustments, additional collateral as the Brazil Broker deems appropriate, as well as the replacement of deposited collateral, including, without limitation, for existing positions for which collateral has been already posted;

(c) you shall post additional collateral and/or replace posted collateral as required and subject to the terms and conditions established by the Brazil Broker;

(d) the risk of carry trade is not eliminated by holding covered or off setting positions, either on the futures or options markets;

(e) Brazil Transactions involving options bear certain risks, including: (i) as buyer of a call option you and, if applicable your principals, may have a loss on the premium paid, or part thereof, in case the intrinsic value of the option (i.e. the difference between the price of the underlying asset and the strike price, if positive) is lower than the amount of the premium paid for such option; (ii) as buyer of a put option you and, if applicable your principals, may have a loss on the premium paid, or part thereof, in case the intrinsic value of the option (i.e. the difference between the strike price and the price of the underlying asset, if positive) is lower than the amount of the premium paid for such option; (iii) as seller of a call option you and, if applicable your principals, may suffer losses directly related to the increase of price of the underlying asset well in excess of the premium received; and (iv) as seller of a put option you and, if applicable your principals,

may suffer losses directly related to the decrease of price of the underlying asset well in excess of the premium received;

(f) despite the fact that open positions in the futures and options market may be off set by entering into an opposite transactions (buy or sell) to realise a profit, stop a loss or avoid the exercise of an option, under certain market liquidity conditions it may be difficult or impossible to liquidate or acquire a position or, in case the position is linked to a stop-loss order, to execute such an order at the stipulated price; and

(g) in case of unforeseen situations related to derivatives traded by you and, if applicable your principals, or of governmental measures or any other extraordinary factors that impact the pricing, its calculation or disclosure, or its discontinuity, BM&FBovespa shall take the measures it deems necessary, at its own discretion, to settle your position or your principals' position or to maintain such position opened on an equivalent basis.

(xvi) Failure to comply with any of the terms of this Brazil Addition may result in J.P. Morgan and/or JPMCCVM being unable to execute your orders relating to Brazil Transactions.

2. Canada Addition

This disclosure is in relation to clients based in Canada.

Reliance on International Dealer Exemption pursuant to subsection 8.18(2) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and Notification to Permitted Clients of the prescribed information under subsection 8.18(4)(b) of NI 31-103.

Please be advised that J.P. Morgan Securities plc ("JPMS plc") has relied on the International Dealer Exemption pursuant to NI 31-103 in Canada. Please note that: (i) JPMS plc is not registered as a dealer in any Canadian province or territory; (ii) the jurisdiction of JPMS plc's head office or principal place of business is in the United Kingdom; (iii) all or substantially all of JPMS plc's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against JPMS plc because of the above; and (v) the name and address of the agent for service of process of JPMS plc in each of the local jurisdictions are listed below.

Alberta

152928 Canada Inc.
c/o Stikeman Elliott LLP
4300 Bankers Hall, 888-3rd Street S.W.
Calgary, Alberta T2P 5C5
Canada
Attention: President
T:(403) 266-9000 F:(403) 266-9034

British Columbia

152928 Canada Inc.
c/o Stikeman Elliott LLP
666 Burrard Street, Suite 1700, Park Place
Vancouver, British Columbia V6C 2X8
Canada
Attention: President
T:(604) 631-1300 F:(604) 681-1825

Manitoba

Aikins, MacAulay & Thorvaldson LLP
30th Floor Commodity Exchange Tower, 3000
360 Main Street
Winnipeg, Manitoba, R3C 4G1
Canada
Attention: Richard L. Yaffe
T:(204) 957-4670 F:(204) 957-4251

New Brunswick

Stewart McKelvey Stirling Scales
Suite 1000, Brunswick House, 44 Chipman Hill,
P.O. Box 7289, Postal Station A, Saint John, NB 2L 4S6
Canada
Attention: C. Paul W. Smith
T:(506) 632-1970 F:(506) 652-1989

Newfoundland & Labrador

Stewart McKelvey Stirling Scales
Suite 1100, Cabot Place
100 New Gower Street, P.O. Box 5038
St. John's, Newfoundland and Labrador A1C 5V3
Canada
Attention: Geoff Brown
T:(709) 722-4270 F:(709) 722-4565

Nova Scotia

Stewart McKelvey Stirling Scales
Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street,
P.O. Box 997, Halifax, Nova Scotia B3J 2X2
Canada
Attention: Gavin Stuttard
T:(902) 420-3200 F:(902) 420-1417

Ontario

152928 Canada Inc.
c/o Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9
Canada
Attention: President
T:(416) 869-5500 F:(416) 947-0866

Prince Edward Island

Stewart McKelvey Stirling Scales
65 Grafton Street
P.O. Box 2140, Stn Central
Charlottetown, Prince Edward Island, C1A 8B9
Canada
Attention: Keith Boswell
T:(902) 892-2485 F:(902) 566-5283

Quebec

152928 Canada Inc.
c/o Stikeman Elliott LLP
1155 Rene-Levesque Blvd., 40th Floor
Montreal, Quebec H3B 3V2
Canada
Attention: Alix d'Anglejan-Chatillon
T:(514) 397-3000 F:(514) 397-3222

Saskatchewan

McDougall Gauley LLP
1500 – 1881 Scarth Street
Regina, Saskatchewan S4P 4K9
Canada
Attention: Michael W. Milani, Q.C.
T:(306) 565-5117 F:(306) 359-0785

3. USA Addition

This disclosure is in relation to clients based in the United States of America.

To the extent that you are a "U.S. Institutional Investor" or a "Major U.S. Institutional Investor" (collectively, "U.S.-Based Clients") as those terms are defined in Rule 15a-6 ("Rule 15a-6") of the U.S. Securities Exchange Act of 1934 (as amended from time to time) you acknowledge that where J.P. Morgan enters into a transaction with you, you acknowledge and understand that we perform such brokerage services with the U.S.-Based Clients pursuant to the terms of Rule 15a-6. Any transactions with U.S.-Based Clients are intermediated in accordance with the terms of Rule 15a-6 by J.P. Morgan's U.S registered broker-dealer affiliate, J.P. Morgan Securities LLC.

Electronic Services Terms

1. SCOPE AND APPLICATION

1.1. These Terms for Electronic Services (the “**Electronic Services Terms**”) supplement and form part of the Terms of Business and any additional supplements or notices issued by J.P. Morgan thereto (collectively, the “**Terms**”) which govern all designated investment business (as defined under the FCA Handbook and PRA Handbook, as applicable) and business in relation to other traded products (excluding deposits) which is transacted with or for you by J.P. Morgan. In the event of any inconsistency between these Electronic Services Terms and any other provision of the Terms, the Electronic Services Terms shall prevail to the extent of any such inconsistency.

1.2. These Electronic Services Terms set out the basis upon which, at your request and as an accommodation to you, J.P. Morgan is willing to make the Services (as defined below) available to you, subject to whatever additional obligations, conditions and limitations may be contained in your agreement(s), if any, with the Source(s) (as defined below). For the avoidance of doubt, the use by you of any of the Services and all confirmations, agreements, promises of performance, open contractual commitments and guarantees between or among you and us in connection with the same shall constitute your acceptance of Services hereunder.

1.3. Certain electronic services (such as sponsored access) that may be available from J.P. Morgan are specific to certain Markets or are otherwise highly specialised in nature, scope or functionality. Such services will not form part of the Services and will not be provided to you under these Electronic Services Terms. If J.P. Morgan agrees to provide you with such services additional terms and conditions, risk disclosures, procedural guides or similar documents may apply and will be provided to you by J.P. Morgan.

1.4. For information on our e-commerce policies please see E-Commerce Information at www.jpmorgan.com.

2. DEFINITIONS AND INTERPRETATION

2.1. All words and phrases which are defined elsewhere in the Terms shall have the same meanings in these Electronic Services Terms.

2.2. In these Electronic Services Terms:

“**Content**” means any and all research reports and materials, market data, news, documents and other information, reports, analytics, calculators, algorithms, programmes, data, and content;

“**E-mail**” means any form of electronic mail, electronic chat or instant messenger communication, whether transmitted through the internet, a proprietary network, a computer, a pager, a blackberry or another wireless device or otherwise, but not including voice communication;

“**Market**” means any Exchange, Clearing System or CSD;

“**Parameters**” has the meaning given in Clause 10.2;

“**Representative**” means any and all of your officers, directors and employees and any person authorised to act on your behalf, and the officers, directors and employees of such person;

“**Service**” means: (a) software, hardware, applications (including E-mail, internet capability or site) or telecommunications equipment provided by J.P. Morgan or any Source to connect you electronically to J.P. Morgan for order routing and/or direct market access including to J.P. Morgan’s order management and routing system; (b) Content, statements, confirmations and account information received or provided by J.P. Morgan electronically; and/or (c) other capabilities, systems and services provided through any internet capability, site or service or by other electronic means;

“**Source**” means third party licensors, vendors, service providers, subcontractors and sources of any Content, Market, Trading System or other Service, whether the same is provided directly to you by J.P. Morgan or a third party;

“**Trading System**” means any trading, order entry or other communications facility or system that is used to facilitate routing of orders or trading; and

“**User Code**” has the meaning given in Clause 5.1 of these Electronic Services Terms.

3. USE OF SERVICES

3.1. On the terms and subject to the conditions and limitations set forth herein, we hereby grant you a non-exclusive licence to use the Services. The Services provided to you may be used solely by you or your Representatives on your behalf.

3.2. You shall cause your Representatives to comply with these Electronic Services Terms and shall be fully responsible for their acts and omissions. You shall not allow your Representatives access to the Services or any Trading System if they do not have suitable trading experience and familiarity with the rules of the relevant Market(s).

3.3. You shall obtain and be responsible for the expenses, installation and maintenance of all necessary equipment, software, telecommunications and other services for you to use the Service and to fulfil your obligations under or pursuant to these Electronic Services Terms.

3.4. Orders received by J.P. Morgan with a price that does not satisfy the relevant Exchange tick, lot or other size rules may be subject to rounding in accordance with Exchange rules or practice.

3.5. We reserve the right to refuse to accept any order or oral or written instruction (“**Instruction**”). Acceptance of an order or Instruction means only that we have accepted the order or Instruction for processing. It does not mean that the order or Instruction has been, or will be, executed. We may, at any time, and at our sole discretion, accept an order or Instruction and then not execute it or any part of it. In addition, the relevant Market may in certain circumstances cancel or fail to perform an order or Instruction.

3.6. You agree to transmit orders to us strictly in accordance with: (i) the FIX Protocol Specification (available at <http://www.fixprotocol.org>) or other method agreed with us in advance in writing and (ii) the terms set out in these Electronic Services Terms. You acknowledge that if you use File Transfer Protocol (“**FTP**”) to send to, or receive from, J.P. Morgan trading files, instructions, data, information, reports or messages (together “**Files**”) and/or if J.P. Morgan sends, accesses or pulls such Files, to/from your servers, these Files may be sent to you, or accessed by J.P. Morgan, in unencrypted format. When accessing FTP, you agree and acknowledge that J.P. Morgan is not responsible for any loss of confidentiality, delay, failure or corruption of such Files and that J.P. Morgan shall not be liable for executions or any Instructions that are acted upon, or not acted upon, as a result of the above.

3.7. You agree to permit (subject to reasonable confidentiality restrictions and upon reasonable notice) us and any relevant Market or regulator to inspect any equipment and connections used by you in connection with the Service.

3.8. You confirm that you have the ability to immediately disable the electronic trading capabilities of any Representative or all access to the electronic trading capability and upon the request of J.P. Morgan, you agree to immediately disable such capabilities.

3.9. You agree to report immediately to J.P. Morgan any known or suspected failure in communications, orders or instructions that arise at any time during a trading session, including any known or suspected failure to receive trade confirmations, audit trail records or order status information.

4. RESPONSIBILITY FOR ORDERS

You agree to be responsible for, and bound by, all orders, Instructions and transactions that are identified by any of the Services as coming from you or a User Code, and all consequences thereof, whether

entered by you, your Representatives or by any other person. You further agree and acknowledge that the records of any and all such orders, Instructions and transactions generated by any of the Services will be presumed to be accurate.

5. USER CODES

5.1. We and/or the Source(s) may provide you and/or your Representatives with identifiers and/or security devices or prescribe security procedures relating to use or access to some or all of the Services or any Trading System, which may include, but may not be limited to, any digital certificate(s), unique identifiers, user name(s) and/or-password(s) under separate cover which may be required to access or use the Services or any Trading System (collectively, "User Code(s)").

5.2. You agree that: (a) you shall not, nor shall you permit any other person to, remove, modify, exchange, disable, penetrate or otherwise defeat any such security procedures; (b) you will take all necessary actions to preserve the confidentiality of such User Codes; (c) you shall restrict access to the User Codes and the Services or any Trading System to those persons who are duly authorised to have such access on your behalf; (d) you are responsible for ensuring that all information contained in any request for a User Code is complete and correct; (e) you are responsible for all acts or omissions that occur under any User Code; and (f) you shall notify your J.P. Morgan account executive or, where applicable, your J.P. Morgan relationship manager and, where applicable, the Source immediately in writing in the event that you learn that: (i) any such User Code is lost, stolen, or improperly disclosed to a third party; (ii) the authority or employment, as applicable, of any Representative provided with a User Code has been or is about to be terminated (in which case you agree to promptly return to us any security device previously issued to such Representative); (iii) the confidentiality of any User Code has been compromised in any way; (iv) you learn about a possible or actual unauthorised access to and/or use of the Services or any Trading System, or (v) your Exchange membership, regulatory licence or other authorisation required for your use of the Services or any Trading System is revoked or suspended.

6. MODIFYING/TERMINATING YOUR USE OF SERVICES

We and/or the Source(s), at any time: (i) with or without notice, may monitor, modify any aspect of, limit, suspend or terminate your use of or access to any or all of the Services or any capability accessible through any of the Services and (ii) may modify any applicable charges or fees. In addition, you agree that we have a right to amend these Electronic Services Terms by sending you either a notice or amendment in writing or a revised set of Electronic Services Terms. Any amendment will apply in respect of any commitment or transaction entered into by us after notice of the amendment is given, and may take effect either immediately or at such later date as the notice may specify. The Services shall also terminate in accordance with the termination provisions under the Terms.

7. USE OF CONTENT

You shall and shall ensure that your Representatives shall, at all times fully comply with all of the agreements, requirements and restrictions of J.P. Morgan and the applicable Exchanges and other Source(s) relating to such Content and the use, access, storage and redistribution thereof, and all Applicable Law. In order to ensure compliance with contractual restrictions and obligations imposed by Exchanges and other Source(s) regarding such Content, you shall promptly respond to any and all requests for information from us or the Source(s); allow us and/or the Source(s) access to premises and the distribution networks, and shall cooperate with other measures we may take in good faith to fulfil our obligations to the Source(s). If you become aware of any unauthorised use, access to, storage or redistribution of any Content, you shall immediately notify us verbally followed by an immediate written notification.

8. COMPLIANCE WITH APPLICABLE LAW

8.1. Notwithstanding any tools or support we provide to you, you hereby assume full responsibility for, and shall ensure compliance

with any and all "know your customer", suitability, anti-money laundering, supervision, control, registration, credit review, market abuse laws, rules and regulations (including relating to manipulative trades, wash trades and misuse of information) and other requirements and restrictions of Applicable Law, J.P. Morgan or any Source whatsoever, that may apply to: (a) the use of any of the Services or any Trading System by you or any person who accesses any of the Services or Trading System under a User Code; (b) the offer or provision of any Services, Trading System or any other financial services offered or provided by or for you; (c) any communication to or from you; or (d) any transaction executed through, or order or instruction communicated using, any of the Services or any Trading System by you.

8.2. In particular and without limitation, you assume full responsibility for: (a) determining the suitability of all orders, trading and Instructions in or through the Services or any Trading System by you; (b) ensuring that all such orders, transactions and instructions comply with all Applicable Law; (c) setting, monitoring, determining the appropriateness of, communicating to us and enforcing any limits on any and all transactions; and (d) ensuring the adequacy, suitability and appropriateness of any capability provided as part of the Services or any Trading System to assist you in meeting requirements of Applicable Law. You acknowledge and agree that in addition to your obligation to ensure that you and your Representatives remain at all times familiar with the rules of the Markets and the products that you trade, you and your Representatives will have read and understood any specific additional compliance information in relation to electronic access to Markets that we may provide to you from time to time.

8.3. You are solely responsible for any delays, expenses and losses associated with compliance or failure to fulfil any responsibility or comply with any requirement set forth in these Electronic Services Terms. Moreover, at all times you shall and shall ensure that your Representatives provide us with any and all information and assistance necessary for us to comply with Applicable Law or to respond satisfactorily to any query or request from any regulatory authority in relation to your and your Representatives' activities and transactions on any Market or through any Trading System.

9. MARKETS AUTHORISATIONS AND LICENCES; RESPONSIBILITY FOR DIRECTING ORDERS

9.1. You represent to us that: (a) you and your Representatives using any Services or Trading System or directing any order or transaction to any Market have obtained all applicable Market memberships, licences, permits and authorisations required for your use of the Services or any Trading System; and (b) you and your Representatives using any Service or Trading System or directing any order or transaction to any Market are fully trained in the use of the Services and any Non-Sponsored Trading System, are aware of the difficulties, limitations and risks relating to such use, and are familiar with and will abide by all Applicable Law and practices of the Market(s) where your orders are executed and those otherwise applicable to such use. Accordingly, you will be responsible for directing all orders and trading in or through the Services and you do so at your own risk and you shall be wholly responsible for the accurate and compliant placement and execution of orders and for monitoring of your use of the Services and any Trading System or otherwise and all such orders and transactions will be deemed to be unsolicited.

9.2. You acknowledge that: (i) no J.P. Morgan personnel will determine the suitability, legality or regulatory compliance of your orders, transactions or instructions; (ii) any research and other information with respect to investments communicated to you by J.P. Morgan personnel are, unless otherwise expressly agreed in writing by J.P. Morgan, incidental to the conduct of our business and such research and other information will not serve as the primary basis for any decision made by you; and (iii) all your decisions, whether or not utilising any research or advice provided by any J.P. Morgan personnel, are solely within your power and discretion.

9.3. You agree not to (i) transfer, sub-licence, rent, assign, lease, convey, copy, translate, convert to other programming language or to modify or change the Services for any purpose; and/or (ii) except

as may be permitted by Applicable Law, reverse engineer, decompile, disassemble, or use any other means to discover, or attempt to discover, source code contained in any Services. You may make one copy of any software we provide to you for backup purposes only. You agree not to disclose or distribute to any other party, or allow any other party to inspect, copy or use the Services for any information, reports or tools contained in, related to, transmitted to or from, or derived from the Services for any purpose other than compliance with Applicable Law.

10. MANDATORY SYSTEMS CONTROLS

10.1. Before you or any of your Representatives use the Services to direct any order or Instruction to any Trading System, Services or Market you shall implement internal control and supervisory procedures with regard to such Trading System, Services and/or Market, as the case may be. Such procedures shall at a minimum incorporate the following features: (a) controls that limit use of the system to authorised persons; (b) checks for validation of order accuracy; (c) established limits and/or order prohibitors, to prevent orders exceeding preset credit and order size parameters from being transmitted for execution; and (d) controls that monitor for duplication/retransmission of orders, previously transmitted for execution.

10.2. Where you use the Services, you will define and or input appropriate trading limits, authorised products and types, access levels and order types ("**Parameters**"). In addition, J.P. Morgan may establish trading limits including credit limits, profit and loss limits, product limits and position limits that may or may not be aggregated for a particular time frame. Where Exchange rules do not permit J.P. Morgan to prevent you from trading over limits established by J.P. Morgan you agree to establish and maintain Parameters commensurate with your trading requirements and imposed by or agreed with J.P. Morgan. Where J.P. Morgan accepts, inputs or updates Parameters for a particular Service, J.P. Morgan is not responsible for establishing such Parameters or monitoring your activity against the Parameters or for any failure of the Service to enforce the Parameters. Any request to establish or amend Parameters shall be granted at J.P. Morgan's sole discretion. For the avoidance of any doubt, J.P. Morgan shall not be responsible for the rejection of any order by a Market because it has exceeded such Market's position limits.

11. MONITORING

You acknowledge that you are subject to potential prosecution or regulatory censure under Applicable Law for any illegal securities activity conducted by you and that a Market, regulatory authority or J.P. Morgan may monitor your trading activity so as to detect any such improper activity. You further acknowledge that if such monitoring party detects improper trading activity through your use of Services or if activity by you harmful to the integrity of a Market or its system is detected, our link to such Market may be terminated.

12. DISCLAIMER OF WARRANTIES

You understand that we will provide the Services using a number of systems and networks, including the internet, to carry data. Data transmission on any electronic system or network may be subject to delay, interruption, interference, blackout, failure, malfunction and interception. The Services are provided to you "as is". We hereby expressly disclaims any and all warranties, guarantees, conditions, covenants and representations relating to the Services or any Trading System, including, but not limited to, any relating to merchantability, quality, accuracy, fitness for a particular purpose, title, non-infringement, timeliness, availability, latency, capacity, currency, absence of viruses or damaging or disabling code, any warranties or representations that any Services or access to any portion of it will be: (a) uninterrupted or error-free; or (b) that defects in such Services will be correctable or corrected, or other attributes, whether express or implied (in law or in fact), oral or written, or from a course of dealing or usage of trade. We have no responsibility to inform you of any difficulties it or other third parties experience concerning use of the Services for our accounts or other accounts or to take any action in

connection with those difficulties. We also will have no duty or obligation to verify, correct, complete or update any information displayed in or available through the Services. The Services are being provided with all faults and the entire risk as to satisfactory quality, performance, accuracy and effort regarding the Services or any Trading System is with you and you agree to release and discharge J.P. Morgan and the applicable Source(s) from any and all responsibility and liability for any loss, cost, claim or damage (including, but not limited to, direct, indirect or consequential damages or lost profits) arising out of or otherwise relating to your or your Representatives access to any of the Services or any Trading System or any use of any of the Services or any Trading System under a User Code or any malfunction, delay, interruption, omission or failure of any of the Services or any Trading System.

13. INDEMNIFICATION OBLIGATIONS

You (or, where you are acting on behalf of an underlying principal or principals, your underlying principal or principals) agree to indemnify and hold harmless J.P. Morgan, its Affiliates and the applicable Source(s) against any and all costs, expenses, losses, liabilities, obligations, damages, penalties and fines to which J.P. Morgan, its Affiliates or the applicable Source(s) may become subject, including, but not limited to, legal and other professional fees reasonably incurred in investigating, defending or appealing pending or threatened claims, actions, suits, proceedings, arbitrations, amounts paid in settlement thereof and amounts awarded thereunder (all of the foregoing collectively, "**Expenses**"), directly or indirectly arising out of or relating to these Electronic Services Terms, any breach hereof or failure by you to carry out any obligation or responsibility hereunder, any provision of any of the Services or access to any Services or any Trading System by you or any use of any of the Services or any Trading System under a User Code or any violation by you, any affiliate or any of your or their Representatives of any agreement, requirement or restriction of J.P. Morgan, its Affiliates or any Source or Applicable Law, unless caused by J.P. Morgan's fraud, gross negligence or wilful default except to the extent a court of applicable jurisdiction finds that such Expenses resulted directly and primarily from J.P. Morgan's fraud, gross negligence or wilful default.

14. CONSENT TO RECORDING

You consent to the recording, retention and use by us of all information and data that you input or otherwise communicate during your access to and/or use of any Services or any Trading System or through any E-mail to or from us or cookies placed on your computer and any other electronic communication means and the transmittal of the same to any J.P. Morgan entity and third parties for execution, processing, database maintenance, record keeping or any other use in accordance with data protection and other Applicable Law applicable to us.

15. ELECTRONIC DOCUMENTS

You consent to the delivery of confirmations, statements, any other required or optional communication or agreement under any applicable law or regulation and any agreements or changes in the terms and conditions on any Services, by E-mail, web site or other electronic means, subject to compliance with Applicable Law. Any such documents that are delivered to you electronically are deemed to be in writing. If your signature, agreement, consent or acknowledgment is required or requested with respect to any such document or otherwise by any Services and such signature, agreement, consent or acknowledgment is communicated under a User Code (by a "click" in the appropriate space or such other action as may be indicated on the Services), you will be deemed to have signed or acknowledged, the document to the same extent and with the same effect as if you had signed the document manually. You have the right to withdraw your consent to the electronic delivery and signature of documents at any time by providing prior written notice to us. However, if you revoke your consent, your access to or use of the Services may be restricted or terminated.

16. USE OF E-MAIL

You acknowledge that if we use E-mail to communicate with you we will only do so as an accommodation to you. Use of E-mail necessarily

involves certain risks, including, but not necessarily limited to those referred to below. By using E-mail to communicate with J.P. Morgan personnel you are agreeing to assume all such risks. E-mail may not be secure, and communications through E-mail may not be confidential. In addition, we assume no responsibility to update any information communicated through E-mail. Furthermore, even though a J.P. Morgan person has communicated with you through E-mail recently, the J.P. Morgan person may not (and we assume no obligation to) timely see, process, act on or respond to any message from you through E-mail. We recommend against any use of E-mail for sending or executing orders, trades, instructions or cancellations. If you choose to use E-mail for any such purpose, you are agreeing that we are responsible for honouring such orders, trades, instructions or cancellations only if, as and when we have confirmed our receipt and processing of the same, and that you will be responsible for and at risk for all such orders, trades, instructions or cancellations as and when processed by us.

17. DATA

17.1. Where you use the Services to access a Trading System or Market, you understand that you may require additional licences and consents, and may be required to pay fees imposed by the Trading System or Market, in relation to the use of Market data. You agree that you will be responsible for making all payments as may be required to Trading Systems, Markets and third parties, unless we expressly agree in writing to make such payments on your behalf.

17.2. Unless otherwise expressly agreed in writing, you shall not remove or modify any disclaimer or copyright or trademark notice contained in any Service or Trading System or in anything copied or downloaded from the use thereof. The Services are commercially valuable proprietary products and trade secrets of J.P. Morgan and/or the Sources and shall remain the sole property of J.P. Morgan and/or the Sources and title and full ownership rights in the Services are reserved and shall remain with J.P. Morgan and/or Sources and may not be disclosed or distributed to any third party.

17.3. Neither we nor you grant the other intellectual property rights in any software, documentation, data, design, materials or any other item except those specifically set forth herein.

18. FURTHER DISCLOSURES

18.1. Specific additional provisions which apply when trading on certain Markets will be included on <http://www.jpmorgan.com/pages/disclosures/markets> from time to time. For Asian and Australasian Exchanges, the laws and rules that apply to Asian Transactions can be found at <http://www.jpmorgan.com/pages/disclosures/asiantransactions>.

18.2. Each of us agrees that the other is not obliged to maintain any equipment nor the FIX protocol. In relation to FIX:

- (a) Unless otherwise agreed, orders placed in accordance with the FIX Protocol Specification may only be accepted, amended or terminated in accordance with the FIX Protocol Specification;
- (b) A message delivered in accordance with the FIX Protocol Specification to amend or terminate your order can be accepted at J.P. Morgan's sole discretion;
- (c) Orders and Instructions may only be accepted during certain Market hours. Availability can be changed at any time (without notice) but J.P. Morgan will attempt to notify you of any permanent changes (continuity not guaranteed);
- (d) If the FIX Protocol Specification is interrupted, order placed in accordance with the FIX Protocol Specification prior to such interruption will remain valid for execution;

- (e) You and J.P. Morgan agree that the FIX Protocol Organisation, a committee structure comprised of fund managers, brokers and other industry participants, presently maintains and amends the FIX Protocol Specification and that neither you nor J.P. Morgan is responsible for any action or inaction by the FIX Protocol Organisation.

Schedule of Product and Service Risk Disclosures

PART I: INTRODUCTION

This Schedule of Product and Service Risk Disclosures is for use by professional clients of the following J.P. Morgan companies only and must not be relied on by anyone else. The companies are: J.P. Morgan Europe Limited, JPMorgan Chase Bank, National Association, J.P. Morgan Limited, J.P. Morgan Securities plc ("**JPMS plc**") and J.P. Morgan Markets Limited, these companies being referred to collectively or, as the context may require, individually, as "**J.P. Morgan**" and to any "**Affiliate**" of J.P. Morgan being, whether in the UK or otherwise, direct or indirect subsidiaries of J.P. Morgan and the direct or indirect subsidiaries of J.P. Morgan's direct or indirect holding companies from time to time, any entity directly or indirectly controlled by J.P. Morgan and any entity directly or indirectly under common control with J.P. Morgan and any other connected or associated person, whether or not any such subsidiary, holding company, entity or person exists as at the date of the Terms of Business (the "**Terms**") or is established or acquired after. It cannot disclose all the risks and other significant aspects of the products you may purchase, sell or subscribe for from or through us ("**products**"), but is intended to give you information on and a warning of the risks associated with them so that you are reasonably able to understand the nature and risks of the services and of the specific types of investment being offered and, consequently, to take investment decisions on an informed basis. You should also read any product/transaction specific disclosures that may be included in any product/transaction specific documentation provided to you.

All defined terms used herein shall have the meaning given in the Terms, unless specified otherwise.

You must not rely on the guidance contained in this Schedule of Product and Service Risk Disclosures as investment advice based on your personal circumstances, nor as a recommendation to enter into any of the services or invest in any of the products listed below. Where you are unclear as to the meaning of any of the disclosures or warnings described below, we would strongly recommend that you seek independent legal or financial advice.

You should not deal in these or any other products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the product and/or service is suitable for you in light of your circumstances and financial position and, where necessary, you should seek appropriate independent advice in advance of any investment decisions.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any investment. In any of the situations described below, the use of leverage (which has the effect of magnifying potential positive or negative outcomes) may significantly increase the impact on you of any of the risks described.

All financial products carry a certain degree of risk and even low risk investment strategies contain an element of uncertainty. The types of risk that might be of concern will depend on various matters, including how the instrument is created, structured or drafted. The specific risks of a particular product or transaction will depend upon the terms of the product or transaction and the particular circumstances of, and relationships between, the relevant parties involved in such product or transaction. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments or become involved in any financial products you should be aware of the guidance set out below:

PART II: PRODUCTS AND INVESTMENTS

Set out below is an outline of the major categories of risk that may be associated with certain generic types of Financial Instruments, which should be read in conjunction with Parts III and IV.

1. SHARES AND OTHER TYPES OF EQUITY INSTRUMENTS

1.1. General

A risk with an equity investment is that the company must both grow in value and, if it elects to pay dividends to its shareholders, make adequate dividend payments, or the share price may fall. If the share price falls, the company, if listed or traded on-exchange, may then find it difficult to raise further capital to finance the business, and the company's performance may deteriorate vis à vis its competitors, leading to further reductions in the share price. Ultimately the company may become vulnerable to a takeover or may fail.

Shares have exposure to all the major risk types referred to in Part III below. In addition, there is a risk that there could be volatility or problems in the sector that the company is in. If the company is private, i.e. not listed or traded on an exchange, or is listed but only traded infrequently, there may also be liquidity risk, whereby shares could become very difficult to dispose of.

1.2. Ordinary shares

Ordinary shares are issued by limited liability companies as the primary means of raising risk capital. The issuer has no obligation to repay the original cost of the share, or the capital, to the shareholder until the issuer is wound up (in other words, the issuer company ceases to exist). In return for the capital investment in the share, the issuer may make discretionary dividend payments to shareholders which could take the form of cash or additional shares.

Ordinary shares usually carry a right to vote at general meetings of the issuer.

There is no guaranteed return on an investment in ordinary shares for the reasons set out in 1.1 above, and in a liquidation of the issuer, ordinary shareholders are amongst the last with a right to repayment of capital and any surplus funds of the issuer, which could lead to a loss of a substantial proportion, or all, of the original investment.

1.3. Preference shares

Unlike ordinary shares, preference shares give shareholders the right to a fixed dividend the calculation of which is not based on the success of the issuer company. They therefore tend to be a less risky form of investment than ordinary shares.

Preference shares do not usually give shareholders the right to vote at general meetings of the issuer, but shareholders will have a greater preference to any surplus funds of the issuer than ordinary shareholders, should the issuer go into liquidation. There is still a risk that you may lose all or part of your capital.

1.4. Depositary Receipts

Depositary Receipts (ADRs, GDRs, etc.) are negotiable certificates, typically issued by a bank, which represent a specific number of shares in a company, traded on a stock exchange which is local or overseas to the issuer of the receipt. They may facilitate investment in the companies due to the widespread availability of price information, lower transaction costs and timely dividend distributions. The risks involved relate both to the underlying share (see 1.1 - 1.3 above) and to the bank issuing the receipt. In addition, there are important differences between the rights of holders of ADRs and GDRs, (together, "**Depositary Receipts**") and the rights of holders of the shares of the underlying share issuer represented by such Depositary Receipts. The relevant deposit agreement for the Depositary Receipt sets out the rights and responsibilities of the depositary (being the issuer of the Depositary Receipt), the underlying share issuer and holders of the Depositary Receipt which may be different from the rights of holders of the underlying shares. For example, the underlying share issuer may make distributions in respect of its underlying shares that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the underlying shares of the underlying share issuer may be significant and may materially and adversely affect the value of the relevant instruments. Depositary Receipts representing

underlying shares in a foreign jurisdiction (in particular an emerging market jurisdiction) also involve risks associated with the securities markets in such jurisdictions.

1.5. Penny shares

There is an extra risk of losing money when shares are bought in some smaller companies, including penny shares. 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 you paid for them. The price may change quickly and it may go down as well as up.

2. WARRANTS

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security could result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

The right to subscribe for any of the investment products listed in 1 above or 3 or 4 below which a warrant confers, is invariably limited in time, with the consequence that if the investor fails to exercise this right within the pre-determined time-scale, the investment becomes worthless.

If subscription rights are exercised, the warrant holder may be required to pay to the issuer additional sums (which may be at or near the value of the underlying assets). Exercise of the warrant will give the warrant holder all the rights and risks of ownership of the underlying investment product.

A warrant is potentially subject to all of the major risk types referred to in Part III below.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant). For these instruments, see 6.3 below.

3. MONEY-MARKET INSTRUMENTS

A money-market instrument is a borrowing of cash for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see 4 below), money-market instruments may be exposed to the major risk types in Part III below, in particular credit and interest rate risk.

4. DEBT INSTRUMENTS/BONDS/DEBENTURES

All debt instruments are potentially exposed to the major risk types in Part III below, in particular credit risk and interest rate risk.

Debt securities may be subject to the risk of the issuer's inability to meet principal and /or interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity, and other economic factors, amongst other issues. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities/lower coupons tend to be more sensitive to interest rate movements than those with shorter maturities/higher coupons.

5. UNITS IN COLLECTIVE INVESTMENT SCHEMES

Collective investment schemes and their underlying assets are potentially exposed to all of the major risk types referred to in Part III below.

There are many different types of collective investment schemes. Generally, a collective investment scheme will involve an arrangement

that enables a number of investors to 'pool' their assets and have these professionally managed by an independent manager. Investments may typically include gilts, bonds and quoted equities, but depending on the type of scheme, may go wider into derivatives, real estate or any other asset. There may be risks on the underlying assets held by the scheme and investors are advised, therefore, to check whether the scheme holds a number of different assets, thus spreading its risk. Subject to this, investment in such schemes may reduce risk by spreading the investor's investment more widely than may have been possible if he or she was to invest in the assets directly.

The reduction in risk may be achieved because the wide range of investments held in a collective investment scheme can reduce the effect that a change in the value of any one investment may have on the overall performance of the portfolio. Although, therefore, seen as a way to spread risks, the portfolio price can fall as well as rise and, depending on the investment decisions made, a collective investment scheme may be exposed to many different major risk types.

The valuation of a collective investment scheme is generally controlled by the relevant fund manager or the investment adviser (as the case may be) of the collective investment scheme. Valuations are performed in accordance with the terms and conditions governing the collective investment scheme. Such valuations may be based upon the unaudited financial records of the collective investment scheme and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the collective investment schemes and accounts. The collective investment scheme may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the relevant fund manager or the investment adviser may vary certain quotations for such investments held by the collective investment scheme in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the collective investment scheme assets and/or accounts may have an adverse effect on the net asset value of the relevant collective investment scheme where such judgements regarding valuations prove to be incorrect.

A collective investment scheme and any collective investment scheme components in which it may invest may utilise (inter alia) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses. Collective investment schemes, and any collective investment scheme components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. The performance of each collective investment scheme and any collective investment scheme component in which it may invest is dependent on the performance of the collective investment scheme managers in selecting collective investment scheme components and the management of the relevant component in respect of the collective investment scheme components.

In addition, the opportunities to realise an investment in a collective investment scheme is often limited in accordance with the terms and conditions applicable to the scheme and subject to long periods of advance notice (during which the price at which interests may be redeemed may fluctuate or move against you). There may be no secondary market in the collective investment scheme and therefore an investment in such a scheme may be (highly) illiquid.

6. DERIVATIVES, INCLUDING OPTIONS, FUTURES, SWAPS, FORWARD RATE AGREEMENTS, DERIVATIVE INSTRUMENTS FOR THE TRANSFER OF CREDIT RISK, FINANCIAL CONTRACTS FOR DIFFERENCES

The risks set out in 6.1 - 6.5 below may arise in connection with all types of derivative contract, whether it is in the form of a listed instrument, an OTC instrument, or a securitised product such as a note or a certificate.

6.1. Derivatives Generally

A derivative is a financial instrument, the value of which is derived from an underlying asset's value. Rather than trade or exchange the asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the underlying asset. A premium may also be payable to acquire the derivative instrument.

There are many types of derivative, but options, futures and swaps are among the most common. An investor in derivatives often assumes a high level of risk, and therefore investments in derivatives should be made with caution, especially for less experienced investors or investors with a limited amount of capital to invest.

If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated off-exchange derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

On-exchange derivatives are subject, in addition, to the risks of exchange trading generally, including potentially the requirement to provide margin. Off-exchange derivatives may take the form of unlisted transferable securities or bi-lateral "over the counter" contracts ("OTC"). Although these forms of derivatives may be traded differently, both arrangements may be subject to credit risk of the issuer (if transferable securities) or the counterparty (if OTCs) and, like any contract, are subject also to the particular terms of the contract (whether a one-off transferable security or OTC, or a master agreement), as well as the risks identified in Part III below. In particular, with an OTC contract, the counterparty may not be bound to "close out" or liquidate this position, and so it may not be possible to terminate a loss-making contract. Off-exchange derivatives are individually negotiated. As the terms of the transactions are not standardised and no centralised pricing source exists (as exists for exchange traded instruments), the transactions may be difficult to value. Different pricing formulas and financial assumptions may yield different values, and different financial institutions may quote different prices for the same transaction. In addition, the value of an off-exchange derivative will vary over time and is affected by many factors, including the remaining time until maturity, the market price, price volatility and prevailing interest rates.

Derivatives can be used for speculative purposes or as hedges to manage other investment or economic risks. In all cases the suitability of the transaction for the particular investor should be very carefully considered.

You are therefore advised to ask about the terms and conditions of the specific derivatives and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of an underlying asset and, in respect of options, expiration dates and restrictions on the time for 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 asset.

Normal pricing relationships between the underlying asset and the derivative may not exist in all cases. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to assess 'fair' value.

The points set out below in relation to different types of derivative are not only applicable specifically to these derivatives but are also applicable more widely to derivatives generally. All derivatives are potentially subject to the major risk types in Part III below, especially market risk, credit risk and any specific sector risks connected with the underlying asset.

6.2. Futures/Forwards/Forward rate agreements

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures and forwards trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures and forwards transactions have a contingent liability, and you should be aware of the implications of this, in particular margining requirements: these are that, on a daily basis, with all exchange-traded, and most OTC off-exchange, futures and forwards, you will have to pay over in cash losses incurred on a daily basis and if you fail to, the contract may be terminated. See further, 1 and 2 of Part IV below.

6.3. Options

There are many different types of options with different characteristics subject to the following conditions.

Put option: a put option is an option contract that gives the holder (buyer) of the option the right to sell a certain quantity of an underlying security to the writer of the option at a specified price (the strike price) up to a specified date (the expiration date).

Call option: a call option is an option contract that gives the holder (buyer) the right to buy a certain quantity of an underlying security from the writer of the option, at a specified price (the strike price) up to a specified date (the expiration date).

Buying options: Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you must acquire the future. This will expose you to the risks described under 'futures' and 'contingent liability investment transactions'. Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

Writing options: If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position (as explained in 6.2 above) and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price.

If you already own the underlying asset which you have contracted to sell (known as 'covered call options') the risk is reduced. If you do not own the underlying asset (known as 'uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Depending on the type of option entered into, there may be increased exposure to market risk (see Part III: Generic Risk types, paragraph 4 – Market Risk below) when compared to other financial products. There are several option styles including (but not limited to) American-, European- and Bermuda-style. An American-style option may be exercised at any time prior to its expiration. A European-style option may only be exercised on a specific date, its expiration date. A Bermuda-style option may be exercised on certain specified dates during the term of the transaction.

If you buy an American-style call option and the relevant market price of the underlying asset never rises above the strike price on the option (or if you fail to exercise the option while such condition exists), the option will expire unexercised and you will have lost the premium you paid for the option. Similarly, if you buy an American-style put option and the relevant market price for the underlying asset does not fall

below the option strike price (or if you fail to exercise the option while such condition exists), the option will not be exercised and you will have lost the premium you paid for the put option.

Purchasing European-style or Bermuda-style options may carry additional market risk since the option could be "in-the-money" for part or substantially all of the holding period but not on the exercise date(s). A call option is "in-the-money" if the strike price is lower than the relevant market price for the underlying asset. A put option is "in-the-money" if the strike price is higher than the relevant market price for the underlying asset.

It is even possible for the holder of an exercised, "in-the-money" option to lose money on an option transaction. Such a situation exists whenever the value received under the option fails to exceed the purchaser's costs of entering into the option transaction (the premium and any other costs and expenses).

If you are a potential writer of an option, you should consider how the type of option affects the timing of your potential payment and delivery obligations thereunder. As the writer of a European-style option, the timing of any payment and delivery obligations is predictable. Absent early termination, no settlements will be necessary prior to the expiration date. As the writer of an American-style option, however, you must be certain that you are prepared to satisfy your potential payment and delivery obligations at any time during the exercise period (possibly quite soon following the sale of the option).

Traditional options: Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

6.4. Contracts for differences

Certain derivatives are referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index of an exchange, as well as equity, currency and interest rate swaps, amongst others. However, unlike other futures and options (which may, depending on their terms, be settled in cash or by delivery of the underlying asset), these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option as referred to in 6.2 and 6.3 above. Transactions in contracts for differences may also have a contingent liability.

6.5. Swaps

A swap agreement is a derivative where two counterparties exchange one stream of cash flows against another stream, calculated by reference to an "underlying" (such as securities' indices, bonds, currencies, interest rates or commodities, or more intangible items).

A swap agreement may also be combined with an option. Such an option may be structured in two different ways. On the one hand, "swaptions" are transactions that give the purchaser of the swaption the right, against payment of a premium, to exercise or not to exercise, until the agreed maturity date, its right to enter into a pre-agreed swap agreement. On the other hand, "caps", "floors" and "collars" enable a party, against payment or receipt of a premium, to protect itself against, or to take an exposure on, the variation on the value or level of an underlying.

A major risk of off-exchange derivatives, (including swaps) is known as counterparty risk, whereby a party is exposed to the inability of its counterparty to perform its obligations under the relevant Financial Instrument. For example if a party, A, wants a fixed interest rate loan and so swaps a variable rate loan with another party, B, thereby swapping payments, this will synthetically create a fixed rate for A. However, if B goes insolvent, A will lose its fixed rate and will be paying a variable rate again. If interest rates have gone up a lot, it is possible that A will struggle to repay.

The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation to cover swaps trading over a broad range of underlying assets. As a result, the swap market for certain underlying assets has become more liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

7. COMBINED INSTRUMENTS/BASKETS

Any combined instruments, such as a bond with a warrant attached, is exposed to the risk of both those products and so combined products may contain a risk which is greater than those of its components generally, although certain combined instruments may contain risk mitigation features, such as principal protected instruments.

The value of a basket of products (such as shares, indices etc.) may be affected by the number and quality of reference assets included in such basket. Generally, the value of a basket that includes reference assets from a number of reference asset issuers or indices will be less affected by changes in the value of any particular reference asset included therein than a basket that includes fewer reference assets, or that gives greater weight to some reference assets included therein. In addition, if the reference assets included in basket are concentrated in a particular industry, the value of such a basket will be more affected by the economic, financial and other factors affecting that industry than if the reference assets included in the basket are in various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

PART III: GENERIC RISK TYPES

1. GENERAL

The price or value of an investment will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance.

The nature and extent of investment risks varies between countries and from investment to investment. These investment risks will vary with, amongst other things, the type of investment being made, including how the financial products have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the issuer, the diversification or concentration in a portfolio (e.g. the amount invested in any one currency, security, country or issuer), the complexity of the transaction and the use of leverage.

The risk types set out below could have an impact on each type of investment:

2. LIQUIDITY

The liquidity of an instrument is directly affected by the supply and demand for that instrument and also indirectly by other factors, including market disruptions (for example a disruption on the relevant exchange) or infrastructure issues, such as a lack of sophistication or disruption in the securities settlement process. Under certain trading conditions it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to intended amounts, but market conditions may make it impossible to execute such an order at the stipulated price. In addition, unless the contract terms so provide, a party may not have to accept early termination of a contract or buy back or redeem the relevant product and there may therefore be zero liquidity in the product. In other cases, early termination, realisation or redemption may result in you receiving substantially less than you paid for the product or, in some cases, nothing at all.

3. CREDIT RISK

Credit risk is the risk of loss caused by borrowers, bond obligors, guarantors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating. Exposure to the credit risk of one or more reference entities is particularly relevant to any credit linked product such as credit linked notes, and the potential losses which may be sustained, and the frequency and likelihood of such losses occurring, when investing in credit links products may be substantially greater than when investing in an obligation of the reference entity itself.

4. MARKET RISK

4.1. General

The price of investments goes up and down depending on market supply and demand, investor perception and the prices of any underlying or allied investments or, indeed, sector, political and economic factors. These can be totally unpredictable.

4.2. Overseas markets

Any overseas investment or investment with an overseas element can be subject to the risks of overseas markets which may involve different risks from those of the home market of the investor. In some cases the risks will be greater. The potential for profit or loss from transactions on foreign markets or in overseas denominated contracts will be affected by fluctuations in overseas exchange rates.

4.3. Emerging Markets

Price volatility in emerging markets, in particular, can be extreme. Price discrepancies, low trading volumes and wide pricing spreads can be common and unpredictable movements in the market not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure, legal certainty and regulation found in more developed markets. For example, these markets might not have regulations governing market or price manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by sector, economic and political risk. It may be difficult to employ certain risk and legal uncertainty management practices for emerging markets investments, such as forward currency exchange contracts or derivatives. The impact of the imposition or removal of foreign exchange controls at any time should be considered, as well as potential difficulties in repatriation of assets. The risks associated with nationalisation or expropriation of assets, the imposition of confiscatory or punitive taxation, restrictions on investments by foreigners in an emerging market, sanctions, war and revolution should also be considered.

5. CLEARING HOUSE PROTECTIONS/SETTLEMENT RISK

On many exchanges, the performance of a transaction may be "guaranteed" by the exchange or clearing house. However, this guarantee is usually in favour of the exchange or clearing house member and cannot be enforced by the client who may, therefore, be subject to the credit and insolvency risks of the firm through whom the transaction was executed. There is, typically, no clearing house for off-exchange OTC instruments which are not traded under the rules of an exchange (although unlisted transferable securities may be cleared through a clearing house).

Settlement risk is the risk that a counterparty does not deliver the security (or its value) in accordance with the agreed terms after the other counterparty has already fulfilled its part of the agreement to so deliver. Settlement risk increases where different legs of the transaction settle in different time zones or in different settlement systems where netting is not possible. This risk is particularly acute in foreign exchange transactions and currency swap transactions.

6. INSOLVENCY

The insolvency or default of the firm with whom you are dealing, or of any brokers involved with your transaction, may lead to positions being

liquidated or closed out without your consent or, indeed, investments not being returned to you. There is also insolvency risk in relation to the investment itself, for example of the company that issued a bond or of the counterparty to off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

7. CURRENCY RISK

In respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a currency other than that in which your account is denominated, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions.

The weakening of a country's currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

8. INTEREST RATE RISK

Interest rates can rise as well as fall. A risk with interest rates is that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other products. There are additional interest rate related risks in relation to floating rate instruments and fixed rate instruments; interest income on floating rate instruments cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate instruments at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the relevant instruments provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon bonds can suffer higher price losses than other bonds having the same maturity and credit rating.

9. COMMODITY RISK

The prices of commodities may be volatile, and, for example, may fluctuate substantially if natural disasters or catastrophes, such as hurricanes, fires or earthquakes, affect the supply or production of such commodities. The prices of commodities may also fluctuate substantially if conflict or war affects the supply or production of such commodities. If any interest and/or the redemption amount payable in respect of any product is linked to the price of a commodity, any change in the price of such commodity may result in the reduction of the amount of interest and/or the redemption amount payable. The reduction in the amount payable on the redemption of an investment may result, in some cases, in you receiving a smaller sum on redemption of a product than the amount originally invested in such product.

10. REGULATORY/LEGAL/STRUCTURAL RISK

All investments could be exposed to regulatory, legal or structural risk.

Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors.

For this reason, this risk is greater in emerging markets but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

The type of laws and regulations with which investors are familiar in the EEA may not exist in some places, and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that an overseas investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in overseas courts.

In the case of many products, there will be no legal or beneficial interest in the obligations or securities of the underlying reference entity but rather an investor will have a contractual relationship with the counterparty only and its rights will therefore be limited to contractual remedies against the counterparty in accordance with the terms of the relevant product.

In all cases the legal terms and conditions of a product may contain provisions which could operate against your interests. For example, they may permit early redemption or termination at a time which is unfavourable to you, or they may give wide discretion to the issuer of securities to revise the terms applicable to securities. In other cases there may be limits on the amounts in relation to which rights attaching to securities may be exercised and in the event that you hold too many (or too few) securities, your interests may be prejudiced and should scrutinise these carefully. In some cases, the exercise of rights by others may impact on your investment. For example, a product such as a bond or note may contain provisions for calling meetings of holders of those bonds or notes to consider matters affecting their interests generally (including yours) and may permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Further, in some cases amendments may be made to the terms and conditions of bonds or notes without the consent of any of the holders in circumstances set out in general conditions attaching to such bonds or notes.

11. OPERATIONAL RISK

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products. Business risk, especially the risk that the business is run incompetently or poorly, could also impact on shareholders of, or investors in, such a business. Personnel and organisational changes can severely affect such risks and, in general, operational risk may not be apparent from outside the organisation.

12. CONFLICTS

In the ordinary course of their respective businesses, the individual companies defined above as "J.P. Morgan", and any of its or their Affiliates, will be subject to various actual and potential conflicts of interest which may operate against your interests.

PART IV: TRANSACTION AND SERVICE RISKS

1. CONTINGENT LIABILITY INVESTMENT TRANSACTIONS

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you

may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you must be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

2. COLLATERAL

If you deposit collateral as security with a firm, the way in which it will be treated will vary according to the type of transaction and where it is traded and the terms of any Product Contract you have entered into with us. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a regulated market (see 4 below), with the rules of that exchange (and the associated clearing house) applying, or trading on another exchange or, indeed, off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain from the firm how your collateral will be dealt with.

2.1. Effect of absolute title transfer

Where your collateral is subject to total title transfer to us, you should note that:

- (a) The assets cease to be your assets and you will no longer have a proprietary claim over them. They will not be held subject to the rules of the FCA's Client Assets Sourcebook or of another applicable regulator in safe custody (where they are financial instruments) or subject to FCA's Client Money Rules or other applicable client money protection (where they are cash). The assets become our assets and we can deal with them in our own right;
- (b) You will have an unsecured contractual claim against us for re-transfer of equivalent assets; and
- (c) As a result, the assets will not be subject to a trust or otherwise insulated in our insolvency. And, in such event, you may not receive back everything so transferred to us and you will only rank as a general creditor. The FCA's Client Money Distribution Rules which are set out in the CASS 7A of the FCA Handbook ("**Client Money Distribution Rules**") will not apply to these assets where they are cash and you will not be entitled to share in any distribution under the Client Money Distribution Rules.

3. SHORT SALES

Selling "short" means to sell financial instruments that you do not own at the time of the sale. The seller has an obligation to deliver the product sold at the settlement date which will generally be a few days later than the trade date, so he will either go into the market to buy the relevant financial instruments for delivery or he will "borrow" the relevant financial instruments under a stock lending arrangement (for further detail on this see 11 below).

Short selling is a technique used by investors who want to try to profit from the falling price of a financial instrument. If the price of the financial instrument drops after the investor has sold short (in other words at the time when he is buying or borrowing the relevant financial instruments for delivery), the investor will make a profit. If however the price of the financial instrument rises after the investor has sold short, the investor will have automatically made a loss, and the loss has the potential to get bigger and bigger if the price of the financial instrument continues to rise before the investor has gone into the market to buy or borrow the financial instrument to settle the short sale.

4. OFF-EXCHANGE TRANSACTIONS

FCA has categorised certain exchanges as recognised or designated investment exchanges. A list of these exchanges can be found on the

FCA website. Transactions which are traded elsewhere may be exposed to substantially greater risks.

5. LIMITED LIABILITY TRANSACTIONS

Before entering into a limited liability transaction, you should obtain from the firm a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

6. COMMISSIONS/TRANSACTION COSTS

Before you begin to trade, you should obtain details of all commissions and other charges for which you must be liable.

When products are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the products. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional domestic or foreign parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, you must take into account that you may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of products (direct costs), you must also take into account any follow-up costs (such as custody fees). You should inform yourself about any additional costs incurred in connection with the purchase, custody or sale of an investment before investing. The effect of transaction costs (for example on a new issue of securities) may result in the issue price of such securities falling below the market value when trading starts.

7. CORPORATE ACCESS SERVICES

If you are an investment management firm authorised and regulated by the UK Financial Conduct Authority (FCA), in your consideration and compliance with the rules applicable to you regarding the use of dealing commissions, you may determine that you need to make a payment from your own funds for corporate access or ancillary services (henceforth the **Services**) provided to you by J.P. Morgan Securities plc ("**JPMS plc**"). When making this determination, the nature, value and appropriate compensation to be ascribed to such services should be considered.

For the avoidance of doubt, where JPMS plc is providing you with Services which have been originated on behalf of a corporate client, JPMS plc does not require payment in relation to such Services. In the instances where JPMS plc is not acting on behalf of a corporate client, please note there is a cost associated with the provision of such Services (including those that occur as part of a conference).

JPMS plc is itself regulated by the FCA and must comply with its obligations under the FCA's rules, including the rules on inducements. Accordingly, where you determine you need to make a direct payment for Services, that payment should be a realistic reflection of the costs incurred in arranging the Services. JPMS plc would be happy to discuss the Services you receive and provide additional information as necessary in order for you to determine the invoice amounts.

8. SUSPENSIONS OF TRADING AND GREY MARKET INVESTMENTS

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such

an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Transactions may not be entered into in:

- (a) A security whose listing on an exchange is suspended, or the listing of or dealings in which have been discontinued, or which is subject to an exchange announcement suspending or prohibiting dealings; or
- (b) A grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the security is not already listed or admitted to dealings on another exchange.

There may be insufficient published information on which to base a decision to buy or sell such securities.

9. CASH AND PROPERTY

You should familiarise yourself with the protections accorded to you in respect of money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy.

Where we provide safe custody services for you or where we hold money for you as client money, your securities or client money may be held by a third party on our behalf, including banks, OTC counterparties, settlement agents, intermediate brokers, Exchanges, Clearing Systems, sub-custodians, CSDs, depositories, agents and nominees (each a "**Third Party**"). Except as specifically provided in the Terms, J.P. Morgan will not be liable for any acts or omissions of any Third Party.

Where your property or client money is held overseas, there may be different legal and regulatory requirements from those applying in the UK and your rights to the property or money may differ from those you would have in the UK.

In the event of insolvency or default of a Third Party, you may not recover all of your property or money. In some jurisdictions compensation schemes may offer protections in connection with investments to certain types of claimants in the event that they suffer a financial loss as a consequence of a person being unable to meet its liabilities. The protections available may be different from the protections afforded to clients under the UK's Financial Services Compensation Scheme and the compensation schemes may also have different rules governing qualification for compensation, limits to the level of protection provided and procedures and time limits for making claims for compensation. In some cases overseas compensation schemes may prioritise local investors over non-local investors.

We will, where possible, direct that your property that is deposited with a Third Party is identifiable separately from our property and from those belonging to that Third Party (for instance, by differently titled accounts or other equivalent measures that achieve the same level of protection). However, in some jurisdictions it may not be possible under national law for your property to be separately identifiable from our assets or those of the Third Party. In these circumstances, there is a risk that your property could be withdrawn or used to meet the obligations of the Third Party or lost altogether if the Third Party fails. On our failure (i.e. the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, or any equivalent procedure in any relevant jurisdiction), your property may not be protected from claims made on behalf of our general creditors, the Third Party may challenge your rights to any property and you may need to share in a shortfall.

Although property will ordinarily be registered in the name of a nominee, we may from time to time (if the property is subject to the law

or market practice of a jurisdiction outside the UK and it is in your best interests to register in that way or it is not feasible to do otherwise because of the nature of the applicable law or market practice) register or record securities in the name of a Third Party or in our own name. If property is registered in our name, the property in question may not be segregated from our property and in the event of our failure (i.e. the appointment of a liquidator, receiver or administrator or trustee in bankruptcy, or any equivalent procedure in the jurisdiction in question), your property may not be protected from claims made on behalf of our general creditors.

Your property may be held in an omnibus account by a Third Party. Property that is held in an omnibus account may be pooled or commingled with property belonging to our other clients or clients of the Third Party. There is a risk that the property could be withdrawn to meet the obligations of other clients, or that the balance of property does not reconcile with the quantity that we or the Third Party is required to hold. In the event of a shortfall, you may share in that shortfall and as a result may not receive your full entitlement of property.

10. STABILISATION

Transactions may be carried out in securities where the price may have been influenced by measures taken to stabilise it.

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Regulations allow stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

- (a) Limit the period when a stabilising manager may stabilise a new issue;
- (b) Fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (c) Require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

11. NON-READILY REALISABLE INVESTMENTS

Both exchange listed and traded and off-exchange investments may be non-readily realisable. These are investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate your position.

12. STOCK LENDING/REPOS

The effect of lending (or 'repo'ing) securities to a third party is to transfer title to them to the borrower (or repo purchaser) for the period that they are lent (or 'repo'ed). At the end of the period, subject to default of the borrower (or 'repo' purchaser), the lender (or 'repo' seller) receives back securities of the same issuer and type. The borrower's (or 'repo' purchaser's) obligation to transfer equivalent securities is secured against collateral (which is usually transferred by a title transfer mechanism pursuant to market standard agreements). There is, accordingly, credit risk. Lending (or 'repo'ing) securities may affect your tax position.

13. STRATEGIES

Particular investment strategies will carry their own particular risks. For example, certain strategies, such as 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position.