

Supplemental terms applicable to the provision of MiFID II Services



1. Application

- 1.1** These Supplemental Terms (**Supplemental Terms**) shall be added to, and shall form part of, the Client's Terms & Conditions with Argentex pursuant to Clause 26.2 of those Terms & Conditions.
- 1.2** The provisions of these Supplemental Terms shall be incorporated into the provisions of the Terms & Conditions to the extent possible without conflict, inconsistency or ambiguity.
- 1.3** These Supplemental Terms only apply to where Argentex provides MiFID II Services (as defined below) for and on behalf of the Client.
- 1.4** Unless expressly stated otherwise below, capitalised terms in these Supplemental Terms shall have the meaning given to it in the Terms & Conditions:

"Applicable Investment Regulations" means any laws, rules, procedures, guidance, codes, standards and regulations (including, without limitation, accounting rules and anti-money laundering or sanctions legislation) in force from time to time, applicable to MiFID II Services and shall include the FCA Handbook, the rules of any other relevant regulatory authority or exchange and, where these Supplemental Terms conflict with Applicable Regulations or Applicable Investment Regulations, the latter shall prevail;

"Complex Financial Instruments" means financial instruments that are not Non-complex Financial Instruments, such as warrants, options, futures, contracts for differences and certain structured products;

"FCA" means the UK Financial Conduct Authority;

"FCA Handbook" can be found at <https://www.handbook.fca.org.uk/handbook/>;

"MiFID II" means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, which can be found at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0065>;

"MiFID II Investment" means the purchase of any of the financial instruments listed in Annex 1 of MiFID II, which may or may not be packaged within a product, service or transaction or bundled;

"MiFID II Services" means any MiFID II Investment services and Investment activities, which includes, for example, the execution of orders for transferable securities, such as shares in companies and bonds. A full list of such services and activities is contained in Annex 1 of MiFID II;

"Non-complex Financial Instruments" include:

- (a) shares admitted to trading on certain markets (except those that embed a derivative and units in collective investment undertakings that are not UCITS funds);
- (b) bonds or other forms of securitised debt traded on certain markets (except those that embed a derivative or incorporate a structure which makes it difficult to understand the risk involved);
- (c) money market instruments (except those that embed a derivative or incorporate a structure which makes it difficult to understand the risk involved); and
- (d) structured deposits (excluding those that incorporate a structure which makes it difficult to understand the risk of return or the cost of exiting the product before term); and

"Trading Venue" means any regulated market, organised trading facility or multilateral trading facility (each as defined in the FCA Handbook).

- 1.5** Any rules of interpretation contained in the Terms & Conditions shall apply equally and in the same way to these Supplemental Terms.
- 1.6** Where Argentex enter into or have entered into supplementary or separate terms, or a separate agreement with the Client in respect of transactions and/or the provision of services in relation to such transactions and the contents of those terms conflict with the contents of these Supplemental Terms, then the contents of the supplementary or separate terms or agreements shall prevail in respect of such transactions save to the extent that such terms are not permitted under any Applicable Regulations.
- 1.7** In the event of any conflict or inconsistency between the Terms & Conditions and these Supplemental Terms, the provisions of these Supplemental Terms shall prevail to the extent of such conflict or inconsistency. For the avoidance of doubt, an omission, whether deliberate or inadvertent, is not by itself to be construed as giving rise to a conflict or inconsistency.

2. Regulatory information

- 2.1** For the avoidance of doubt, Argentex's obligations under any Applicable Regulations and Applicable Investment Regulations are strictly regulatory and no reference to such obligations in these Supplemental Terms will create any contractual obligation owed by Argentex to the Client with respect to such regulatory obligations.

- 2.2 The Client agrees to provide Argentex with 30 business days' prior written notice if it intends to:
- (a) change its country of incorporation;
 - (b) move its business operations to another country; or
 - (c) transact or attempt to transact products in or from another jurisdiction.
- 2.3 The Client acknowledges that Argentex reserves the right to amend, suspend, replace, add or withdraw any or all MiFID II Services if Argentex determines, in its absolute discretion, that it is unable to provide such MiFID II Services to/in, carry out transactions in, sell products to, or deal with clients in, such jurisdiction for any reason, including, without limitation, due to regulatory or tax requirements, change in its business strategy or its country risk appetite.

3. Client status and categorisation

- 3.1 Based on the information available to Argentex and as permitted by (and defined under) the FCA Handbook, Argentex has categorised the Client as either a "Retail Client" or "Professional Client" and notified the Client of the relevant category. The Client will therefore benefit from the regulatory protections afforded to that relevant category of client under the FCA Handbook.
- 3.2 The Client has the right to request a different client categorisation either generally, or in respect of a particular MiFID II Investment. If Argentex receives such a request, it will inform the Client of whether or not it accept such request and, if it does accept it, of any such limitations that such re-categorisation will entail. Until such time, Argentex shall deal with the Client on the basis of its original categorisation. The Client agrees and acknowledges that it is responsible for keeping Argentex informed about any change that could affect its categorisation.
- 3.3 The Client acknowledges that where it is an elective Professional Client, it may not under the Applicable Investment Regulations opt itself up to be treated as an Eligible Counterparty (as defined in the FCA Handbook).
- 3.4 If the Client is a legal entity or investment vehicle, including a company, charity or trust, the Client acknowledges and agrees that Argentex cannot execute any MiFID II transaction with or for the Client (or arrange a transaction) unless the Client has first obtained a legal entity identifier (**LEI**) and provided this to Argentex.
- 3.5 Subject to Applicable Investment Regulations, Argentex shall treat the Client alone as its client (as defined by the FCA Handbook). Where the Client is acting as agent in respect of any MiFID II Services offered and provided to it by Argentex, Argentex accepts no responsibility towards the Client's

underlying clients unless Argentex separately agrees different treatment with the Client. The Client undertakes (as the contracting party and not by way of guarantee) to fulfil the obligations of any of its underlying clients and to indemnify Argentex against any loss resulting from default by any such underlying client. The Client undertakes to provide Argentex with evidence of the identity of any of its underlying clients or any other information reasonably required in order for Argentex to comply with any Applicable Investment Regulations.

- 3.6 Where the Client is acting on behalf of underlying clients, it hereby represents, warrants and agrees that:
- (a) each underlying client has the legal capacity to enter into the transactions contemplated under these Supplemental Terms and has appointed the Client to enter into such transactions and to act as agent, on its behalf; and
 - (b) such transactions will only be undertaken for the account of each underlying client when the transaction is appropriate for the underlying client and that the underlying client understands the transaction offered to it by the Client and risks associated with it.

The above statements are deemed to be repeated each time any relevant transaction is entered into as if made at each such time and shall be deemed to be true and correct so long as any transaction is outstanding under these Supplemental Terms.

- 3.7 Provision of MiFID II Services pursuant to these Supplemental Terms will not, unless specifically agreed separately between Argentex and the Client in writing, give rise to any fiduciary or equitable duties on Argentex's part or that of its affiliates. The Client agrees that nothing contained in these Supplemental Terms shall create any fiduciary, trustee, agency, joint venture or partnership relationship between Argentex or any Argentex affiliate, on the one hand, and the Client or any Client affiliate on the other.

4. Argentex's MiFID II Services

- 4.1 Argentex will provide the Client with an execution-only service of dealing or arranging deals in financial instruments and may also provide research, strategy, valuation, securities underwriting or placing services.
- 4.2 Argentex will not provide Retail Clients (but may provide Professional Clients) with advice on the merits of a particular transaction or provide personal recommendations (as defined in the FCA Handbook) in relation to any transaction. Retail Clients should not rely on any opinion, research or analysis expressed or published by Argentex or its affiliates as being a recommendation or advice in relation to any transaction.

- 4.3** Pursuant to Clause 7.1 below, any instruction is transmitted at the Client's own risk and Argentex shall not be liable for any loss suffered on account of any instruction not received by it.
- 4.4** Argentex may in its absolute discretion refuse to accept or act in accordance with any instruction given by the Client. Where Argentex refuses to act on any instruction, Argentex will notify the Client of Argentex's refusal but Argentex will not be under any obligation to give a reason for a refusal to act. Argentex may accept and act upon, without further enquiry, any instructions believed by it in good faith and on reasonable grounds to be genuine. Nothing in these Supplemental Terms shall oblige Argentex to do anything that it believes to be contrary to any Applicable Investment Regulations.
- 4.5** Without prejudice to Clause 8 (*Exclusion of liability & indemnity*), Argentex accepts no liability for the partial or non-completion of or delay in completing any instructions given by the Client or accepted by Argentex where this is caused by systems failure, market closure or other exceptional circumstances, including any instance where there is not a reasonable amount of time available to execute the transaction prior to the closure of the particular market or within any specified time limit. Further, Argentex shall not be held liable for any loss the Client may incur arising from any delay or change in market conditions before such transactions may be effected, whether caused by the inability to communicate with market makers, computer failure, labour dispute or any other reason beyond Argentex's reasonable control.
- 4.6** By continuing to do business with Argentex under these Supplemental Terms, the Client confirms that it agrees and gives its consent to Argentex's Order Execution Policy available at www.argentex.com/about/compliance/rd/oep. Any material changes to its Order Execution Policy will be made available at the same website location. Argentex will consider the placement of orders by the Client to constitute the Client's continued consent to its Order Execution Policy.
- 4.7** The Client agrees that Argentex may execute an order on the Client's behalf outside a Trading Venue.
- 4.8** Argentex has the right (but are not obligated) to set limits and/or parameters to control the Client's ability to place orders at Argentex's absolute discretion. Such limits and/or parameters may be amended, increased, decreased, removed or added to by Argentex at its absolute discretion.
- 4.9** Argentex may require the Client to limit the number of open positions which the Client may have with Argentex at any time and Argentex may in its sole discretion, acting reasonably, close out any one or more transactions in order to ensure that such position limits are maintained.
- 4.10** Argentex may engage in hedging or other positioning activity for its own account before or after the provision of a price to the Client for a transaction in order to manage Argentex's exposure under that transaction, Argentex's

general market risk, or other trading activities. This may require Argentex to execute trades in such instrument and related instruments.

- 4.11** Any information Argentex provides to the Client relating to MiFID II Investments is believed, to the best of Argentex's knowledge and belief at the time it is given, to be accurate and reliable, but no further representation is made or warranty given or liability accepted, as to its completeness or accuracy. Such information does not constitute an assurance or a guarantee as to the expected outcome of any such transaction. The Client should also be aware that market conditions and pricing may change between the time Argentex provides the Client with information and the time the Client approaches Argentex with a view to entering into a trade.

5. Suitability & Appropriateness

- 5.1 Execution-only services for Non-complex Financial Instruments:** For Non-complex Financial Instruments, Argentex shall not be responsible for assessing whether an investment is appropriate for the Client in the context of the Client's investment experience, objectives or financial situation and accordingly the Client will not benefit from the protection of the FCA Handbook on appropriateness.
- 5.2 Execution-only services for Complex Financial Instruments:** Where the Client is a Retail Client, Argentex is required to assess whether transactions for Complex Financial Instruments are appropriate for the Client by reference to its knowledge and understanding of the risks involved. The Client confirms that, in this case, the information it has provided to Argentex and will continue to provide from time to time is accurate and complete and is necessary and sufficient in order to allow Argentex to assess the appropriateness (where applicable) of the activities and services it is providing to the Client.

5.3 Inability to make Appropriateness assessment: If the Client elects not to provide Argentex with the information it requests in order to determine whether a particular MiFID II Investment is appropriate, Argentex may not be able to make an appropriateness assessment. Argentex may still proceed on the Client's behalf should the Client request it to do so. Where Argentex does proceed, it will be on the Client's understanding that the applicable MiFID II Investment may not be appropriate for the Client. Alternatively, Argentex may determine, in its absolute discretion, to refuse to purchase a MiFID II Investment for the Client where it determines that that MiFID II Investment in question is not appropriate for the Client. In all cases, the Client should make its own assessment of any MiFID II Investment that the Client is considering and seek independent advice, as required. Above all, when dealing with Argentex, the Client is solely responsible for ensuring that any MiFID II Investment that it purchases (or instructs Argentex to purchase on its behalf) are in accordance with its investment objectives and comply in all respects with any Applicable Regulations and Applicable Investment Regulations.

5.4 Professional Clients' knowledge and experience: Where the Client is a Professional Client:

- (a) it shall provide the necessary information to Argentex regarding:
 - (i) its knowledge and experience in the investment field relevant to the type of MiFID II Investments that Argentex is able to recommend;
 - (ii) its financial situation, including its ability to bear losses; and
 - (iii) its investment objectives, including its risk tolerance;

so as to enable Argentex to recommend MiFID II Investments that are suitable for the Client and, in particular, are in accordance with its risk tolerance and ability to bear losses. The Client acknowledges that any assessment of suitability by Argentex is to enable Argentex to act in the best interests of the Client; and

- (b) Argentex is entitled to assume that the Client has the necessary knowledge and expertise to understand the risks involved in relation to the particular MiFID II Investment for which Argentex has classified the Client as a Professional Client, and, as such Argentex will not determine whether any such MiFID II Investment is appropriate for the Client.

5.5 Suitability report: The Client consents to receiving a suitability report after conclusion of a MiFID II Investment transaction. The Client acknowledges and agrees that Argentex has given it the option of delaying the relevant transaction in order for it to receive the suitability report in advance.

6. Product Governance

6.1 Under the FCA Handbook, Argentex is required to ensure that when it manufactures and/or distributes MiFID II Investments, it complies with certain product governance requirements including, for example, defining a target market for investments (which Argentex does separately from any specific suitability or appropriateness assessment). Unless informed otherwise, Argentex will assume that the Client is acting for its own account and not as a distributor for the purposes of these requirements.

6.2 When Argentex makes different MiFID II Investments available to the Client, Argentex will do so in accordance with the FCA Handbook relating to the promotion, manufacture and distribution of MiFID II Investments. Where certain MiFID II Investments are the subject of restriction or product intervention by the FCA (or other competent authority), Argentex may not be able to make such MiFID II Investments available to the Client, depending on its classification as a client and depending on the service Argentex is providing.

6.3 Any legal, accounting, tax or other adviser retained by Argentex shall be the legal, accounting, tax or other adviser to Argentex alone. The Client shall have sole responsibility for selecting and retaining any legal, accounting, tax or other adviser that may advise the Client and for all expenses and fees incurred in connection therewith.

6.4 Any valuation is provided solely for the Client's information and is not intended to be used for the benefit of, and must not be relied on by, any other party. Without prejudice to Clause 8 (*Exclusion of liability & indemnity*), Argentex assumes no liability for the valuations (including, without limitation, for any errors in or arising directly or indirectly from the valuations) and specifically disclaims liability for any use the Client may make of this valuation including, without limitation, any use of this valuation in the preparation of the Client's financial books and records or for any other use whatsoever. Such valuations do not constitute investment advice or a recommendation to the Client.

6.5 Argentex produces valuations as of a particular time and date (information in respect of which will be confirmed in each valuation) on the basis of, among other items, its proprietary valuation models or those of third party providers, the assumptions made therein, relevant market data (including data from third party sources) and its assessment (in its sole discretion) of the factors relevant to the valuation. Valuations may be changed at any time at Argentex's sole discretion without notice to the Client. The basis of the provision of valuations shall be set out in each valuation and (unless otherwise stated) does not constitute either a bid or an offer to open or unwind a transaction. If Argentex agrees to quote a live price to open or unwind a transaction, such live price is likely to differ from the most recent valuation, and may be more unfavourable to the Client. Valuations and quotations may differ materially between dealers.

7. Communications

- 7.1 General communications:** Argentex may communicate with the Client by post, telephone, electronic communication or (in accordance with the Client's specific consent that has been separately provided) through Argentex's website at www.argentex.com.
- 7.2 Client instructions:** Argentex accepts instructions to deal in writing, via electronic communication or by telephone.
- 7.3 Language:** Save as otherwise agreed or where Applicable Investment Regulations require otherwise, the parties shall communicate with each other in English and provide any documents and other information to the other party in English.
- 7.4 Communication channels:** The Client agrees to Argentex's representatives or employees making, to the extent permitted by Applicable Regulations, unsolicited telephone calls, sending electronic communications to the Client (whether by facsimile, electronic mail or otherwise) or making personal visits to the Client from time to time, in order to provide the Client with dealing services or for any other related purpose. The Client shall notify Argentex accordingly if it no longer wishes to receive such communications.
- 7.5 Electronic channels:** From time to time Argentex may receive from the Client, or send to the Client, communications or instructions through an electronic channel, such as an electronic trading platform (**Electronic Channel**), including instructions relating to transactions. The Client shall comply with any terms and conditions imposed by the provider of the applicable Electronic Channel. The Client agrees to be bound by any communication or instruction (including any resulting transaction) originating from or purported to have originated from it over any Electronic Channel that is accompanied by a valid user identification or other authentication details. Argentex does not give any warranty or representation as to the performance or fitness for purpose of any Electronic Channel. The Client acknowledges and agrees that Electronic Channels may be subject to interruptions, errors (including errors in any data generated thereby), malfunctions and/or delays and that Argentex is not liable for such issues. Transaction requests that the Client sends to Argentex over Electronic Channels may be subject to review by Argentex and may be rejected. These Supplemental Terms do not oblige Argentex to enter into transactions with the Client over any Electronic Channel and Argentex may suspend or terminate Argentex's trading with the Client over any such channel at any time, with or without notice.
- 7.6 Monitoring and recording:** Electronic communications and telephone conversations between Argentex and the Client may be monitored and/or recorded for training purposes, internal investigations, to check instructions, for legal reasons or to meet regulatory requirements in accordance with Applicable Investment Regulation. Those recordings may be

used by Argentex in evidence in the event of a dispute with the Client. A copy of the recordings of such conversations and communications between Argentex and the Client will be available to the Client upon request for a period of 5 years and in some cases, where requested by the FCA or another relevant regulatory authority, for a period of up to 7 years.

8. Client's commitments

The Client hereby represents, undertakes and warrants to Argentex on the date of these Supplemental Terms and on a continuing basis that:

- 8.1** the Client has and will maintain in effect all necessary consents, authorisations, approvals and (if the Client is not an individual) powers in the Client's constitution in relation to all MiFID II Investments and that the Client has complied with and will comply with all Applicable Investment Regulations, including where it is acting as agent;
- 8.2** the Client has full capacity and authority to enter into these Supplemental Terms and each MiFID II Investment;
- 8.3** the Client's execution, delivery and performance of these Supplemental Terms and each MiFID II Investment do not and will not violate, contravene, conflict with or constitute a default under any provision of the Client's constitutional documents (where applicable) or any Applicable Investment Regulations;
- 8.4** all MiFID II Investments which the Client instructs Argentex to sell will be and are free from any charges, liens or encumbrances;
- 8.5** the Client will provide to Argentex on request such information regarding the Client's financial or business affairs as Argentex may reasonably require in order to comply with Argentex's obligations under the FCA Handbook and to comply with Argentex's regulatory reporting obligations;
- 8.6** all information supplied to Argentex will be true and accurate in all material respects and that the Client will not omit or withhold any information which would render the information so supplied to be false or inaccurate in any material respect and that it will keep any information so provided updated during the term of these Supplemental Terms; and
- 8.7** the Client will notify Argentex of any changes to the Client's business which may impact Argentex's ability to continue to provide the MiFID II Investments to the Client under these Supplemental Terms, including moving the Client's registered office to another jurisdiction.

9. Exclusion of liability & indemnity

- 9.1** Nothing in these Supplemental Terms will exclude or restrict any liability that Argentex owes to the Client under Applicable Investment Regulations. Except to the extent that the same results from gross negligence, wilful default or fraud, Argentex, its directors, officers, employees and agents shall not be liable for any loss resulting from any act or omission made under or in relation to or in connection with these Supplemental Terms or the solvency, acts or omissions of any third party with whom it deals or transacts business or who it appoints in good faith. Argentex will make available to the Client, when and to the extent reasonably so requested and at its expense, details of any rights that Argentex may have against such person.
- 9.2** If any action or proceeding is brought by or against Argentex, against or by a third party, in relation to any transaction with or for the Client, the Client shall co-operate with Argentex to the fullest extent possible in the prosecution or defence of such action or proceeding. Except to the extent that the same results from gross negligence, wilful default or fraud, the Client shall indemnify Argentex on demand and hold it harmless together with its affiliates and directors, officers, employees or agents, on a full indemnity basis from and against all actions, claims, liabilities, losses, damages and expenses of any nature arising from Argentex dealing with the Client pursuant to these Supplemental Terms.
- 9.3** To the extent possible under Applicable Investment Regulations, Argentex does not accept liability for any adverse tax implications of any transaction whatsoever.

10. Argentex's MiFID II Services' charges, costs and expenses

- 10.1** Argentex does not generally impose any charges, costs or expenses in relation to the provision of its MiFID II Services.
- 10.2** Where applicable, however, any charges, costs and expenses incurred by Argentex pursuant to these Supplemental Terms (including but not limited to applicable taxes and duties) are payable by the Client and pursuant to the payment arrangements that Argentex may determine.
- 10.3** Information on any applicable charges, costs and expenses is published on Argentex's website at www.argentex.com/about/compliance/rd/chg.
- 10.4** The Client may request an itemised breakdown of any charges, costs and expenses, which Argentex will only provide where it is required to do so by Applicable Investment Regulations or otherwise at Argentex's discretion.
- 10.5** If the Client is a Professional Client, the Client agrees that Argentex may, as permitted under Applicable Investment

Regulations, provide it with a more limited disclosure regarding any applicable charges and costs which may be less detailed than Argentex would be required to provide to other Clients. In particular, this limited disclosure will not include:

- (a) information on applicable currency conversion rates and costs, where any part of the total charges and costs is to be paid in, or represents an amount of foreign currency; or
 - (b) an illustration showing the cumulative effect of costs on return.
- 10.6** Before Argentex provides the Client with its MiFID II Services it will disclose to the Client information on payments and benefits, which will include a generic description of any applicable minor non-monetary benefits. Other non-minor benefits will be priced and disclosed separately. If Argentex cannot ascertain in advance the amount of any payment or benefit to be received or paid, Argentex can disclose to the Client the method of calculating that amount and Argentex will provide the Client with information on the exact amount of the payment or the benefit after it has been paid or received. Argentex will also inform the Client at least once a year about the actual amount of on-going payments or benefits received in connection with the MiFID II Services that Argentex provides to the Client.

11. Cancellation, close out and restructuring

- 11.1** Where requested to do so by the Client, Argentex is under no obligation to cancel, close out or restructure a MiFID II Investment that it has purchased on behalf of the Client. Argentex may impose a charge where it agrees to do so. Such charge will be calculated based on prevailing market conditions by reference to current market levels and market expectations of future performance and future obligations under the transaction and may include associated costs such as credit charges and Argentex's costs of funding and may be substantial. Illustrations will be provided to the Client separately, as necessary, when specific products are discussed.
- 11.2** In the event of any dispute regarding any transaction, Argentex may in its absolute discretion cancel, terminate, reverse or close out the whole or part of any position resulting from and/or relating to such transaction.
- 11.3** If a transaction is terminated, following a default by either the Client or Argentex or otherwise in accordance with the terms of the transaction, the early termination value of such transaction will be determined by reference to the early termination provisions set out in the contract between the Client and Argentex with respect to such transaction. The early termination value will be likely to differ from the most recent valuation and may be more unfavourable to the Client.

- 11.4** Without prejudice to Argentex's other rights, Argentex reserves the right, at its cost and expense, to sell or realise investments which it holds for the Client or is entitled to receive from the Client, to purchase investments, to make delivery on its behalf and to cancel, close or hedge any outstanding transactions or positions without prior notice and at whatever price and in whatever manner it thinks fit, if:
- (a) the Client has failed for any reason to settle a transaction or the Client is otherwise in breach of these Terms;
 - (b) we otherwise become entitled to terminate these Terms forthwith without notice; or
 - (c) we consider, in Argentex's absolute discretion, that such action is necessary to protect Argentex's interests or those of any Affiliate(s).
- 11.5** Any proceeds arising from such actions or disposals will be applied to reduce or discharge the Client's liabilities or indebtedness to Argentex. The Client will be liable to Argentex and shall indemnify Argentex on demand against all liabilities, costs, losses, claims and expenses incurred by Argentex in respect of any action taken pursuant to this clause.

12. Margin payments

- 12.1** Where permitted to do so, Argentex may enter into transactions in options, forwards, futures or NDFs which may result in the Client having to provide margin payments, that is to say, a deposit of cash as security for unrealised losses which have occurred or may occur in relation to the Client's transactions. Payments may be required both on entering into a transaction and on a daily basis throughout the life of the transaction if the value of the transaction moves against the Client. The movement in the market price of the Client's transaction will therefore affect the amount of margin payment the Client will be required to make.
- 12.2** Margin shall be provided in the form of cash only.
- 12.3** If the Client fails to provide margin when required to do so Argentex (or any applicable exchange, central clearing house or counterparty) will have the right to close out the Client's positions and exercise the rights described in Clause 15 (Rights over Client's assets) below.

13. Title transfer collateral arrangements

- 13.1** The Client acknowledges that Argentex is prohibited by MiFID II from concluding title transfer financial collateral arrangements (**TTCA**) with Retail Clients for the purpose of securing or covering present or future, actual or contingent or prospective obligations of its clients.

- 13.2** For Professional Clients, any arrangement relating to the transfer of full ownership of a Client's money to Argentex will be subject to the Client's written agreement to such transfer and shall contain the terms of the transfer from the Client to Argentex and vice-versa together with any terms relating to the termination of such arrangement. Argentex shall retain a copy of such agreement for a period of 5 years after the agreement is terminated.

- 13.3** When considering and documenting, the appropriateness of the use of TTCAs, Argentex shall take into account the following factors:
- (a) whether there is only a very weak connection between the Client's obligation to Argentex and the use of TTCAs, including whether the likelihood of a liability arising is low or negligible;
 - (b) the extent by which the amount of money subject to a TTCA is in excess of the Client's obligations (including where the TTCA applies to all money from the point of receipt by Argentex) and whether the Client might have no obligations at all to Argentex; and
 - (c) whether all the Client's money is made subject to TTCAs, without consideration of what obligation the Client has to Argentex.
- 13.4** Where Argentex uses a TTCA in relation to the Client, it shall highlight to the Client the risks involved and the effect of any TTCA on the Client's money.
- 13.5** The Client acknowledges and agrees that money that is subject to a TTCA does not amount to Client Money.

14. Payment

- 14.1 DvP:** Unless Argentex has agreed otherwise in writing, settlement of transactions shall be on a delivery versus payment basis. All payments and all certificates and other documents required to settle the Client's transactions must be delivered by the Client in time to enable Argentex to complete settlement promptly. Where documents and cleared funds are not held by us, Argentex is not obliged to settle any transaction. If the Client defaults in paying any amount when it is due to us, then (unless otherwise agreed) interest will be payable to Argentex at a rate of Argentex's cost of funding plus 1%. Argentex may purchase financial instruments to cover the Client's liability to deliver to Argentex and may debit any of the Client's accounts with any losses Argentex suffer thereby.

14.2 Right to suspend services: Argentex reserves the right to refuse, suspend or delay any payments, orders, instructions or settlements or to withdraw any services, without giving notice, where:

- (a) Argentex reasonably believes that such payment, order, instruction, settlement or service would contravene any Applicable Investment Regulations;
- (b) it is a consequence of checks carried out as part of the proper operation of Argentex's payment processing systems; or in Argentex's reasonable opinion, it is prudent to do so in the interests of complying with sanctions or Applicable Investment Regulations.

14.3 Exclusion of liability for such suspension: Argentex does not accept liability for any such delay, suspension or refusal, in the circumstances outlined in these Supplemental Terms unless such delay, suspension or refusal is caused by its gross negligence, wilful default or fraud.

14.4 Right of set-off: Without prejudice to any other rights to which Argentex may be entitled, Argentex may at any time and without notice to the Client set off any amount (whether actual or contingent, present or future) owed by the Client to Argentex against any amount (whether actual or contingent, present or future) owed by Argentex to the Client. For these purposes, Argentex may ascribe a commercially reasonable value to any amount which is contingent or which for any other reason is unascertained.

14.5 Authority to debit accounts: The Client agrees that Argentex may debit any of the Client's accounts with Argentex in respect of any amount due and payable to Argentex.

15. Confirmations and Periodic Reporting

To the extent required by Applicable Investment Regulations, Argentex will provide the Client with a notice in a durable medium confirming the execution of an order and such of the trade confirmation as is applicable as soon as possible and no later than the end of the first business day following execution or (where Argentex have received the confirmation from a third party) no later than one business day following receipt from the third party. Such confirmation may be provided in electronic format.

16. Regulatory Reporting

16.1 Argentex may be obliged to make information about certain transactions public and/or available to a regulatory authority or third party where it is required to do so in order to comply with any Applicable Investment Regulation, regulatory reporting requirement, or the order of any court or

pursuant to any request or requirement of any governmental or regulatory authority, bank examiner or statutory auditor, whether it is disclosed by Argentex or a third party. Argentex may also provide such information to and between its affiliates, or any persons or entities who provide services to its group of companies, including its head office, branches or affiliates. The Client agrees and consents to Argentex providing information about the Client's MiFID II Investments in such circumstances and acknowledge that any and all proprietary rights in such transaction information are owned by Argentex and the Client waive any duty of confidentiality attaching to the information which Argentex reasonably discloses. The Client also represents that it has obtained all necessary consents from its employees, beneficial owners and associated persons to Argentex's use and disclosure of their information as provided for in this clause.

16.2 Unless otherwise agreed by Argentex, where the Client is an EEA MiFID II Investment Services firm;

- (a) Argentex executes a MiFID II Investment for the Client outside of a Trading Venue; and
- (b) that transaction is subject to publication in accordance with Applicable Investment Regulations;

the Client agrees that the party acting as seller shall make public the information regarding the transaction in accordance with the requirements of Applicable Investment Regulations, unless only one of the Client or Argentex is a systematic internaliser in the given financial instrument and is also acting as the buyer, in which case the buyer will make the relevant transaction information public in accordance with the requirements of Applicable Investment Regulations.

17. Conflicts of interest

17.1 Argentex has in place a Conflicts of Interest Policy which sets out how Argentex will identify, prevent or appropriately manage actual and potential conflicts of interest that may arise through the provision of services to the Client.

17.2 Argentex cannot guarantee that its organisational and administrative arrangements to manage conflicts of interests are sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Client, will be prevented.

17.3 A summary of the policy and the policy itself are available at www.argentex.com/about/compliance/rd/coi

18. Client Money

- 18.1** If the Client is a Professional Client, Argentex will not hold Client Money (as defined by the FCA Handbook) in the normal course of its business. Money held by Argentex in an account on the Client's behalf will be held by Argentex as agent and not as trustee.
- 18.2** In the normal course of business, money received or arising as a result of MiFID II related business will be used to issue Electronic Money which will be considered Relevant Funds and safeguarded in accordance with the provisions set out in Electronic Money Regulations 2011
- 18.3** In the absence of issuance of Electronic Money by Argentex, and unless the Client is a Retail Client, the Client hereby acknowledges and agrees that, in respect of money held in connection with MiFID II related business:
- (a) such money will not be held in accordance with the Client Money rules of the FCA (**Client Money Rules**) nor will be subject to its protections;
 - (b) such money will not be segregated from the money of Argentex and will be used by Argentex in the course of its business;
 - (c) the Client will rank only as a general creditor of Argentex; and
 - (d) in the event that Argentex fails or becomes insolvent, the Client Money Distribution and Transfer Rules (as defined by the FCA Handbook) will not apply to such money and the Client will not be entitled to share any distribution under those rules.
- 18.4** Where Argentex is required by the Applicable Investment Regulations to hold money for the Client as Client Money, such money will be held:
- (a) in a segregated account separate from Argentex's own funds with a central bank, an EEA credit institution or a bank authorised in a non-EEA state in which Client Money is placed (**Client Bank Account**) in accordance with the Client Money Rules; and
 - (b) in general Client Bank Accounts on an omnibus basis for all clients.

This means that in the event of the failure of Argentex or its affiliates, any shortfall would be borne by all clients rateably in accordance with their entitlements in respect of the Client Money held for such clients on such basis. Argentex has no responsibility or liability for any insolvency, acts or omission of any bank, credit institution or other third party to whom Argentex may pass Client Money received from the Client.

- 18.5** Argentex may transfer client money to a third party such as (but not limited to) an exchange, clearing house or intermediate broker for the purpose of a transaction for the

Client with or through that third party or to meet the Client's obligation to provide collateral.

- 18.6** Client Money will be subject to internal control mechanisms and proper accounting procedures in accordance with the Client Money Rules. The legal and regulatory regime applying to any such Client Bank Account or third party outside the EEA will be different from that applying within the EEA, and the Client's rights in relation to that Client Money may differ accordingly. A list of the Client Bank Accounts that Argentex use from time to time is available on request.
- 18.7** In the event of the insolvency or any other analogous proceedings in relation to a Client Money bank or third party under a Client Money arrangement, any shortfall caused by the insolvency of such Client Money bank or third party would also be borne by all such clients rateably in accordance with their entitlement and not just those whose Client Money was held with the relevant bank or other third party. The likelihood of any shortfall may be affected by whose rights have priority upon insolvency and the operations of any local compensation scheme. Argentex would not be liable for any shortfall in respect of a third party insolvency unless Argentex had failed to comply with any duty of care or fiduciary obligation to which Argentex was subject. Argentex will only have an unsecured claim against the third party on behalf of the Client and Argentex's other clients, and the Client will be exposed to the risk that the money received by Argentex from the third party is insufficient to satisfy the claims of the Client and all other clients with claims in respect of the relevant account with that third party.
- 18.8** Argentex will not pay interest on balances held as Client Money unless otherwise agreed.
- 18.9** In the event that Argentex sells or otherwise transfers all or part of its business, the Client consents to the transfer of any Client Money (as each defined by the FCA Handbook) balances held for the Client and relating to the business being transferred to a third party. Any Client Money sums transferred will be held by the transferee on terms which require the transferee to return such sums or balances to the Client, as soon as practicable at the Client's request, and in accordance with the Client Asset Rules (as defined in the FCA Handbook) or if not held in accordance with the Client Asset Rules, Argentex will exercise all due skill, care and diligence in assessing whether the person to whom the Client Money are transferred will apply adequate measures to protect these balances. In such an event, the Client will be notified no later than seven days after the transfer takes place.

19. Client Money statements

- 19.1** Argentex will provide the Client with statements in respect of any Client Money sums held for the Client at least quarterly. The Client is entitled to request at any time a statement of the Client Money held for the Client under these Supplemental Terms.
- 19.2** Argentex will not provide the Client with a quarterly statement where Argentex provide the Client with access to an online system through which the Client can access up-to-date statements of the Client's Client Money. However, if the Client does not access valuations through such online system at least once per quarter, Argentex will revert to providing the Client with quarterly statements.

20. Dormant Accounts

In the event that there has been no movement other than in respect of payment or receipt of interest, charges or similar items on the Client's account in respect of Client Money, and Argentex can demonstrate that it has taken reasonable steps to trace the Client and return the Client's Client Money, Argentex may cease to treat such sums as Client Money and shall pay away the balances to charity as permitted by Applicable Investment Regulations. The prescribed period is 6 years for Client Money. Prior to paying any such sums away, Argentex will have made all reasonable steps to trace the Client and return the Client's Client Money, as required by the FCA. Argentex unconditionally undertakes that should the Client subsequently submit a valid claim to the Client's Client Money, Argentex will pay to the Client a sum equal to the value of the Client Money at the time Argentex liquidated or paid away (as applicable) the Client Money.

21. Assignment and Transfer of business

- 21.1** The Client shall not be entitled to assign or transfer any of its rights or obligations under these Supplemental Terms without Argentex's prior written consent. The Client agrees that Argentex shall be permitted to assign all of Argentex's rights under these Terms to any of Argentex's affiliates without the Client's consent. If Argentex's business, in whole or in part, is consolidated or amalgamated with, or merged into, or all or substantially all Argentex's assets are transferred to, another entity, the Client agrees that Argentex may assign or transfer Argentex's rights and, upon written notice to the Client, Argentex's obligations under these Supplemental Terms to that entity.

- 21.2** In the event that Argentex sell or otherwise transfer all or part of Argentex's business with the Client, the Client consent to the transfer of any Client Money sums and Custody Asset (as defined by the FCA Rules) balances held for the Client and relating to the business being transferred to a third party. Any Client Money sums and Custody Asset balances transferred will be held by the transferee on terms which require the transferee to return such sums or balances to the Client as soon as practicable at the Client's request, and in accordance with the Client Money Rules or if not held in accordance with the Custody Rules, Argentex will exercise all due skill, care and diligence in assessing whether the person to whom the Client Money are transferred will apply adequate measures to protect these balances. In such an event, the Client will be notified no later than seven days after the transfer takes place.

22. Complaints and Compensation

- 22.1** A copy of Argentex's internal complaints handling procedure is available on Argentex's website at www.argentex.com/about/compliance/rd/cp. If the Client has a complaint about Argentex's MIFID II Services the Client should raise it in the first instance with the Client's usual Argentex contact. If the Client is not satisfied with the response given (or if the Client prefers not to raise the matter with the Client's usual contact) the Client may raise the matter with Argentex's Client Complaint Team using the following details: Compliance@argentex.com.
- 22.2** If the Client is still not satisfied after following Argentex's complaints handling procedure, the Client may subsequently be entitled to complain directly to the Financial Ombudsman Service. The Client can find out more about the Financial Ombudsman Service in a leaflet available from Argentex Conduct Advisory Department. Alternatively, the Client can write to: Financial Ombudsman Service, Exchange Tower, London E14 9SR or telephone 020 7964 1000.
- 22.3** The Client may have the right to claim through the Financial Services Compensation Scheme for losses resulting from any default in relation to obligations owed under the FCA Rules. Payments under the Scheme to clients in the United Kingdom are limited to a maximum of £85,000 for deposits, £170,000 for joint account deposits, and £50,000 for investment business. Further details are available on request and further information can be obtained from the Financial Services Compensation Scheme at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or by telephone on 0800 0234567 or 020 7741 4100.