



**Diagram Capital Ltd**  
**(the “Firm”)**

**TERMS OF BUSINESS**  
**For Professional and Eligible Counterparties**

**1. General Information**

- 1.1. The following document contains, to the exclusion of all other such terms, the terms of business (**Terms of Business**) on which Diagram Capital Ltd (**we, us** or **DIAGRAM**) agrees to provide you (**you** or the **Client**) with certain services. This document supersedes any previous documents between you and us on the same subject matter. This document shall apply to all transactions contemplated under Terms of Business.
- 1.2. These Terms of Business are legally binding and shall take effect after receipt by you of the same and/or upon you beginning or continuing to undertake business with us. Any reference in any documentation between you and us to an earlier version of these Terms of Business, shall, from the date these Terms of Business take effect, be read as a reference to these Terms of Business or to the relevant or corresponding part thereof.
- 1.3. DIAGRAM's registered office is 1st Floor, Cheyne House, 2 Crown Court, London EC2V 6JP, United Kingdom. DIAGRAM's Legal Entity Identifier (“LEI”) is 213800VPHCFKYC7UU423.
- 1.4. Diagram Capital Ltd Website: [www.Diagramcapital.co.uk](http://www.Diagramcapital.co.uk)
- 1.5. The definitions for the terms herein defined can be located at: [www.Diagramcapital.co.uk](http://www.Diagramcapital.co.uk).
- 1.6. Our business with you is subject to the provisions of the Financial Services and Markets Act 2000 and successor legislation (“**FSMA**”), [Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018](#) (“**MiFIR 2018 (EU Exit)**”), the relevant provisions of the Financial Conduct Authority (FCA) Handbook of rules and guidance (“**FCA Handbook**”), including Conduct of Business Sourcebook (“**COBS**”). Without prejudice to FSMA, MiFIR 2018 (EU Exit) or the FCA Handbook, all Transactions effected with or by us on your behalf are subject to:
  - 1.6.1. the rules of a relevant regulatory authority as applicable;
  - 1.6.2. the rules and policies of any relevant trading venue, trading platform, clearing house, regulatory or self-regulatory organisation;
  - 1.6.3. all other laws, statutes, bylaws, rules, regulations, orders and rulings of all applicable government bodies and regulatory agencies, including but not limited to the Proceeds of Crime Act 2002 (as amended), the Money Laundering, Terrorist Financing and Transfer of

Funds (Information on the Payer) Regulations 2017, the Terrorism Act 2000 (as amended), the Bribery Act 2010 and the Criminal Finances Act 2017; and

1.6.4. any trade, financial or other sanctions regime which applies in relation to your business including, without limitation, sanctions and embargoes imposed by: (i) the United Nations, European Union, United Kingdom or United States (including regimes administered by the United States Department of the Treasury, the Office of Foreign Assets Control of the United States Department of the Treasury and Her Majesty's Treasury); and (ii) any other such regime which applies in relation to your business,

collectively, as amended or restated from time to time, "**Applicable Regulations**", and which you undertake to comply with.

## **2. Capacity**

2.1. DIAGRAM is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA) with registration number 766786.

2.2. Unless agreed otherwise in writing, the Client acts as a principal and not as an agent (or trustee) on behalf of someone else.

## **3. Client categorisation**

3.1. For the purposes of the COBS, based on the information you provide to us, DIAGRAM will categorise you either as a "professional client" (either a per se professional client or an elective professional client) or an "eligible counterparty" (either a per se eligible counterparty or an elective eligible counterparty). This categorisation will apply to all services provided to you by DIAGRAM. You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation as the Professional Client or as the Eligible Counterparty. If you request to be categorised as a Retail Client, we shall not be able to provide our services to you.

For the avoidance of confusion, when we refer to Eligible Counterparty, we are specifically addressing our clients to whom we provide services, and not our partners with whom we maintain business relations.

### **3.2. Eligible Counterparties**

Where we have notified you that we shall treat you as the Eligible Counterparty for the purposes of the COBS, you have the right to request a different client categorisation - as a Retail or Professional Client, meaning that certain additional rights and protections will be afforded to you. If you request to be categorised as a Professional Client, we may require you to enter into an updated agreement as a condition to any such re-categorisation, in order to reflect (among other things) such additional rights and protections. Similarly, if you request to be categorised as an Eligible Counterparty but would otherwise be categorised as a Professional Client, we will only categorise you as an Eligible Counterparty if we are satisfied in our sole discretion that you meet the relevant criteria in COBS. If at any time we are not satisfied that you meet the relevant criteria, we may not be able to provide our services to you.

### **3.3. Professional Clients**

Where we have notified you that we shall treat you as a Professional Client for the purposes of the COBS, you have the right to request a different client categorisation. If you request categorisation as an Eligible Counterparty and we agree to such categorisation, we would no longer be required by regulatory rules to provide certain protections granted to Professional Clients. However,

notwithstanding the absence of applicable regulatory rules, we would endeavour to provide a service which is overall effective and commercially reasonable. The regulatory protections concerned include formal requirements in the following areas: (a) to act in accordance with your best interests; (b) not to give or receive inducements other than those fees, commissions or non-monetary benefits paid, provided or received in accordance with the COBS on inducements; (c) to achieve best execution in respect of your orders; (d) to execute orders subject to other constraints as regards timing and handling relative to other clients' orders; and (e) to ensure that marketing information is clearly identifiable as such.

As a Professional Client you are deemed to have the necessary knowledge and experience to understand the risks involved in any investment or service provided or offered to you under these Terms of Business. Unless you advise us that you do not consider that you do have the necessary knowledge and experience prior to the provision by us of such investment or service, the investment or services that we provide to you under these Terms of Business will be deemed appropriate for you, when we are required by the FCA Rules to assess appropriateness for you, the client.

#### 3.4. Retail Clients

If you request to be categorised as a Retail Client, thereby requiring a higher level of regulatory protection, we will not be able to provide our services to you. Similarly, if you request to be categorised as a Professional Client but would otherwise be categorised as a Retail Client, we will only categorise you as a Professional Client if we are satisfied in our sole discretion that you meet the relevant criteria in COBS. If at any time we are not satisfied that you meet the relevant criteria, we will not be able to provide our services to you. You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation as a Professional Client.

If you believe that you have been incorrectly classified, please contact DIAGRAM as soon as possible. You have a right to request a different client categorisation which may offer greater or lesser levels of regulatory protection, however, DIAGRAM does not do business with retail clients and if such a classification is requested, then we will decline to deal with you. Pending the acceptance of any re-categorisation request you will be continued to be treated as a professional client. It is your responsibility to promptly inform DIAGRAM of any information that may affect your categorisation.

- 3.5. If you are categorised as an Eligible Counterparty, you will not have the protection afforded by certain rules (as defined by COBS 3.7- Providing clients with a higher level of protection).
- 3.6. Legal Entity Identifier ("LEI") means a validated and issued legal entity identifier, the length and construction of which are compliant with the ISO 17442 standard and which is included in the Global LEI database maintained by the Central Operating Unit appointed by the Legal Entity Identifier Regulatory Oversight Committee. We are not permitted to deal with you unless you have obtained and continue to maintain a valid LEI that pertains to you and, if you are acting on behalf of one or more Underlying Clients, each Underlying Client on whose behalf you are acting.

#### 4. The Services

- 4.1. DIAGRAM, pursuant to the respective agreement entered into by and between you and us, shall provide you one or more of the following services:
  - (A) brokerage services on a matched principal basis;
  - (B) investment advisory services; and/or

(C) non-discretionary portfolio services,  
(the “**Services**”).

- 4.2. You agree that along with the respective agreement entered into by and between you and us, the provisions of these Terms of Business shall govern the provision of Services.
- 4.3. In providing Services to you where you are a “Professional Client” or an “Eligible Counterparty” (as those terms are used in the Financial Conduct Authority Rules) you enter into Transactions with the necessary knowledge and experience in order to understand the risks involved and in reliance of your own judgement.
- 4.4. Any generic information, market commentary, trading recommendation (whether oral or written) that may be given by us shall be incidental to the provision of the Services and be given without representation, warranty or guarantees as to the accuracy or completeness of such information.
- 4.5. All correspondence and other papers held by us in relation to any matter undertaken for you shall be our sole property with the exception of original contracts, share certificates and other documents of title held to your order and any documents the return of which you have stipulated on or prior to their dispatch.
- 4.6. DIAGRAM is authorised by the Client to do anything which DIAGRAM considers necessary or appropriate either to provide the Services to mitigate any Loss incurred in the provision of the Services or to comply with any Applicable Law in relation thereto.
- 4.7. Unless we have agreed to provide you with investment advisory services governed by these Terms of Business, we will not provide you with any specific investment advice. Consequently, trade ideas, research, other communications, market information, advice, or recommendations that you may receive from us from time to time are not, unless explicitly state otherwise, presented as being suitable to your specific circumstances and will not have been prepared or distributed in consideration of your particular circumstances. You therefore acknowledge that you enter into any transaction solely on the basis of your own judgment.
- 4.8. We will not be responsible for the provision of any tax, legal, regulatory, accounting or other advice in relation to the Services.

## **5. Fees, commission, and payment**

- 5.1. Unless otherwise agreed and where we are not acting as principal, you will be responsible for our charges, which will be charged in accordance with our rates in effect at the time the charges are incurred or as otherwise notified to you, verbally or in writing prior to our provision of the services.
- 5.2. Any alteration to these charges will be notified to you in writing at or before the time of the change.
- 5.3. We may pay or receive fees, commissions or other benefits, and may share charges in respect of the Services with intermediaries introducing business to us, associated companies or other third parties. The amount or basis of any fee, commission or other benefit received by us from such a third party or paid by us to such a third party in connection with the Services with or for you, and the amount or basis of any charges shared with a third party, where required under the Applicable Regulations, will be disclosed to you prior to the Services being carried out. Such disclosure may be in a summary form only with further details available upon request.
- 5.4. Unless otherwise agreed in writing, you will be responsible for the payment of any brokerage fees, transfer fees, registration fees, stamp duty and any other applicable taxes, and all other liabilities,

charges, costs and expenses payable in connection with transactions effected or services provided by us on your behalf.

## **6. Delegation**

- 6.1. The Client consents to DIAGRAM's delegation of any of its duties, obligations and functions under these Terms of Business to any of its officers, employees or representatives or, any custodian or other person specifically authorised by DIAGRAM (Sub-delegates) and DIAGRAM is empowered to delegate the performance of its duties, discretions, obligations, any powers and authorities hereunder to such Sub-delegates to the extent permitted by the Applicable Laws.

## **7. Conflicts of interest**

- 7.1. We are committed, to the best of our ability, to identifying, managing and preventing any conflicts of interest that may arise between us, DIAGRAM, and a client, or between our clients. To further that end, we have established a conflicts of interest policy ("Conflicts Policy") (a copy of which is available on the website and upon request) and implemented internal procedures to identify and manage conflicts and to prevent potential conflicts from arising.

## **8. Brokerage services**

### **8.1. Instructions and Confirmations**

8.1.1. Instructions may be given by you in a written form, or by means of acceptable electronic services directly or through a third-party service provider ("electronic trading services") specified by us, agreed between you and us from time to time, or made available to you. Instructions so sent are transmitted at your risk. We shall not be liable for any loss suffered on account of any instruction not being received by us. Subject to Applicable Regulations, any electronic communication between us shall be as binding as if it were in writing. Orders or instructions given by you via e-mail or other electronic means will constitute evidence of the orders or instructions given. Investment instructions are accepted with actual delivery contemplated. Once we have received your instructions to transact in investments, you have no right to cancel or amend those instructions after the transaction has been completed. Instructions once received by us, may only be cancelled or amended with our consent. We will not be under any obligation to enter into any particular transaction, to accept and to act in accordance with any instruction:

**8.1.1.1.** if we believe, in our absolute discretion, that to do so may be impracticable; or

**8.1.1.2.** if, in our opinion, to do so would infringe any Applicable Regulations.

8.1.2. You authorise us to rely and act upon, and treat as fully authorised and binding upon you, any instruction which purports to have been given and which is accepted by us in good faith as having been given by you or on your behalf, without further enquiry on our part as to the genuineness, authority or identity of the person giving or purporting to give such instruction and notwithstanding any communication you may have made or may make to us purporting to limit the persons from whom we may accept instructions, unless such limitations have been agreed in writing by us or have been expressly requested by us in writing. Notwithstanding the foregoing, we may require, and you shall provide, evidence of any such authority provided to any person acting, or purporting to act, for you or on your behalf. You will be responsible for and bound by all contracts, obligations, costs and expenses entered into or assumed by us on your behalf in consequence of or in connection with such instructions.

- 8.1.3. You shall promptly (and within any time limit imposed by us) give any instructions we may reasonably request from you in respect of any Services provided hereunder. If you do not do so, we may in our sole discretion take any steps at your cost which we consider appropriate for our or for your protection.
- 8.1.4. If we decline an instruction, we will take reasonable steps to notify you promptly.
- 8.1.5. We will provide you with confirmation of all Transactions carried out on your behalf in accordance with Applicable Regulations (including any terms we have separately agreed with you regarding the extent and nature of such confirmation). Subject to Applicable Regulations, we may send you a single confirmation in respect of a series of Transactions unless agreed in writing otherwise. We will use our reasonable endeavours to provide you with such reports as soon as reasonably practicable. All confirmations and other statements which we send to you will be conclusive and binding on you unless you notify us in writing within two Business Days of receipt by you that you disagree with its contents, or we notify you of an error in the confirmation within the same period.
- 8.1.6. To the extent required by Applicable Regulations, contract notes, confirmations and other notices or communications confirming the details of a Transaction will be dispatched or transmitted to you at your address as shown in our records at the end of the trading day on which a Transaction has been executed. We may provide this confirmation in electronic form; you must notify us in writing if you wish to receive confirmations in hard copy rather than electronically.
- 8.1.7. The Client undertakes to review any Transaction documentation, confirmations, contract notes, notifications and other communication which DIAGRAM gives the Client in writing and any such documentation will be deemed correct, conclusive and binding on the Client unless DIAGRAM receives notice of error, discrepancy or omission from the Client in writing within one Business Day prior to the settlement day for the transaction(s). In the absence of any objection by the Client within this time period, DIAGRAM shall not be liable for any loss or damage with regard to any errors or omissions.
- 8.1.8. DIAGRAM will not be responsible for any Losses which arise from not giving effect to Instructions where the Instructions have not been received due to a technical error outside of DIAGRAM's reasonable control.
- 8.1.9. Where the Client submits an order in an ID Market, the Client agrees to open one or more accounts with the relevant local broker to effect the Transaction(s) and, accordingly, DIAGRAM shall not be liable to the Client for the execution, settlement and/or the clearing of the Transaction(s). The relevant local broker shall execute, settle and clear the Transaction directly with the Client and they will be solely responsible for providing the Client with a formal trade confirmation. An "ID Market" is a market in which a foreign institutional investor is required to have pre-registered and been issued with a local investor identification number to access and effect transactions in the local market either directly or via the relevant local broker.
- 8.1.10. As DIAGRAM will normally settle transactions on a "delivery versus payment" basis, any money or investments received will not usually be eligible to be treated as client money or client assets, as applicable, under the Financial Conduct Authority Client Asset Sourcebook rules and will therefore not usually be eligible to be segregated from DIAGRAM's own accounts.

## **8.2. Order Execution**

8.2.1. We have put in place a Best Execution Policy to ensure that we take all sufficient steps to obtain the best possible result on behalf of our clients when executing orders for trades with financial instruments. Our Best Execution Policy is available on our website [www.Diagramcapital.co.uk](http://www.Diagramcapital.co.uk). Changes to our Best Execution Policy may be notified to you from time to time. By accepting these Terms of Business and placing orders with us, you consent to the terms of our Best Execution Policy. In particular, by placing an order with us you consent to DIAGRAM being able to execute your orders outside a Regulated Market or a Multilateral Trading Facility. DIAGRAM will at all times comply with its Best Execution Policy and in particular will act in the best interests of the Client.

8.2.2. If the Client gives specific Instructions in relation to the execution of orders, this may prevent DIAGRAM from following its Best Execution Policy.

8.2.3. When placing an order, DIAGRAM shall be entitled to assume that the Client is placing such order in compliance with Applicable Law and in particular, where such order is a sell order, DIAGRAM accepts such Instructions on the understanding that the Client owns the securities or that such position is covered to the extent required by Applicable Law. The Client must inform DIAGRAM if the Instruction requires DIAGRAM to sell on the Client's behalf securities which the Client does not own at that time, and DIAGRAM shall have the right in its sole discretion to refuse to accept any such Instruction.

### **8.3. Order aggregation**

8.3.1. DIAGRAM may aggregate the Client's orders with orders from other clients and orders of DIAGRAM's Affiliates or their clients. DIAGRAM will allocate such orders in accordance with its or deallocation policy and Financial Conduct Authority (FCA) Rules. Aggregation of orders in this way may on some occasions operate to the Client's advantage but may on other occasions operate to the Client's disadvantage and in all such cases the Client accepts the impact of such risk in relation to the advantages or disadvantages.

### **8.4. Publication of limit orders**

8.4.1. Where the Client places a limit order with DIAGRAM for securities traded on a regulated market, DIAGRAM will not be required to make that order public where it is not immediately executed.

## **9. Investment Advisory Services**

- 9.1. You shall notify us of your financial and/or investment goals in writing (“**Investment Objectives**”).
- 9.2. We will provide investment advisory services subject to your Investment Objectives and your risk profile.
- 9.3. If you update your Investment Objectives and/or risk profile you should inform us in writing of the updated Investment Objectives as soon as reasonably possible so that our investment advisory services can be suitably updated. If you fail to do so, our investment advisory services will continue to be tailored to your Investment Objectives/risk profile.
- 9.4. We will provide you investment advisory services with respect to your assets notified by you to us and consisting of portfolio (securities) and funds (money) placed on your account with a broker.
- 9.5. Our investment advice is valid only at the time it is made and must not be relied on at any time after we make it, unless we expressly state otherwise.
- 9.6. Our investment advice is based on the information provided by you. We will not verify any such information and will treat it as full and accurate. We will have no responsibility to you if such

information changes or becomes inaccurate unless you have informed us in writing of such change before any advice is provided.

- 9.7. As we have classified you as the Professional Client or the Eligible Counterparty, we offer our advice on the basis that you have the requisite knowledge and experience in the relevant investment field. We do not have any responsibility for making any enquiries or checks as to your ability to bear any related investment risks.
- 9.8. Whilst we take reasonable care in the preparation of investment advice and ensure that it is based on accurate and relevant information in accordance with applicable regulatory requirements, we do not guarantee the performance of, or the tax treatment of, any investment you make as a result of our advice. You acknowledge that the investment advice we provide is subject to market conditions and other external factors beyond our control.
- 9.9. You acknowledge that the investment advice given to our other clients may differ from the advice provided to you and that such advice may, on occasion, be inconsistent with or contrary to investments held by our directors, officers, employees, or agents. Any potential conflicts of interest arising from such situations are managed in accordance with our conflicts of interest policy, a copy of which is available upon request. You retain full discretion to accept, reject, or implement any investment advice provided by us, and we do not undertake to make decisions on your behalf.
- 9.10. We do not guarantee any level of return and/or the success of any our investment recommendations or strategy.
- 9.11. You acknowledge that the performance of your portfolio may vary significantly from your Investment Objectives or risk profile as a result of decisions you have made.
- 9.12. We shall not be liable for any costs, claims, liabilities, expenses or losses which you may suffer as a result of relying on any investment advice provided by us unless we have been negligent or acted in bad faith.

## **10. Non-Discretionary Portfolio Management Services**

- 10.1. For the purposes of these Terms of Business, Non-Discretionary Portfolio Management Services (“NDPM Services”) will mean us:
  - 10.1.1. providing investment advisory services to you, including providing recommendations based on your Investment Objectives;
  - 10.1.2. placing orders relating to your portfolio in accordance with your written instructions (such as orders for currency exchange, trade orders, orders for securities’ transfer, orders to take part in securities’ corporate actions).
- 10.2. Where you instruct us to provide NPDM Services you will provide us with a written document (a “**Mandate**”) setting out:
  - 10.2.1. your Investment Objectives;
  - 10.2.2. portfolio allocation guidelines;
  - 10.2.3. your risk profile;
  - 10.2.4. the fees payable; and



- 10.2.5. other such matter as agreed between you and us in relation to the management of your assets.

If you want to change the Mandate at any time you may do so by notifying us of the changes in writing.

- 10.3. Where you instruct us to provide NPDM Services, subject to receiving a Mandate from you in accordance with clause 10.3, we will:

10.3.1.subject to any restrictions specified in the Mandate or as provided in the Applicable Regulations in relation to NDPM Services, provide you with investment advisory services in accordance with clause 9 on your written request for such services and provide you with investment recommendations that we reasonably consider are consistent with the Investment Objectives set out in your Mandate; and

10.3.2.we will place orders to (i) invest in, (ii) dispose of or (iii) maintain positions in your portfolio in accordance with your written instructions. In so doing, we shall only be responsible for the accurate and timely transmission of your orders to the designated party for execution of orders in accordance with your written instructions. We shall not be liable for the execution of those orders (including, but not limited to, any delays, errors, or failures in the execution process) by any third party, unless .

Any action we take in relation to (i) investments in, (ii) disposal of or (iii) maintenance of positions in your portfolio will be based solely on your written instructions by e-mail. For the avoidance of doubt, we are not responsible for actively managing your assets investments or exercising our discretion as to actions relating to your portfolio which you have not instructed us to take. The NPDM Services will not constitute a regulated activity of portfolio management under article 37 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

- 10.4. We shall be entitled to rely upon any instructions or notices we believe in good faith to be given by you or a person who is duly authorised by you on your behalf.
- 10.5. You accept that not following our recommendations may reduce the likelihood of achieving the Investment Objectives.
- 10.6. You acknowledge that if any restrictions or preferences are included in your Mandate, this may limit or prevent us from making recommendations that we would otherwise make and may accordingly reduce the likelihood of achieving the Investment Objectives.
- 10.7. We will review the portfolio on an ongoing basis to ensure that your investments remain invested in a manner that is consistent with your chosen Investment Objectives.
- 10.8. We will communicate any investment recommendations by e-mail.
- 10.9. We will not be liable for any losses which arise from not giving effect to your instructions where the investment recommendations or your instructions have not been received due to a technical error outside our reasonable control.
- 10.10. You shall execute and deliver us a power of attorney to enable us to provide the Services.
- 10.11. You understand that nothing contained herein amounts to any warranty or guarantee (express or implied) by us to pay any return of any nature or guarantee any returns or accretions or accruals on the assets and/or funds in any manner whatsoever.

- 10.12. You accept that neither we or our sub-delegates shall be liable for any losses incurred by you or loss of business, goodwill, opportunity, or profit suffered by you with respect to NDP services, unless directly caused by the gross negligence, wilful default or fraud of us.

## **11. Reporting**

- 11.1. With respect to investment advisory services, we will provide you investment reports on a monthly basis.
- 11.2. With respect to NDP services, we will provide you investment reports regarding your assets on a quarterly basis or, where NDP services are provided on a pool basis, on a monthly basis, or as otherwise agreed with you.
- 11.3. With respect to NDP services, we will use our reasonable endeavours to provide you with transaction reports as soon as reasonably practicable.
- 11.4. To avoid any misunderstanding, investment reports referred to above in clause 11.1 and 11.2 will not include, and we will not provide you any trade execution confirmations.
- 11.5. You agree that we may send confirmations and other statements by e-mail to the e-mail address on record for you or as otherwise agreed between us. It is your responsibility to inform us of any change to your e-mail address, the non-receipt of any confirmation, or whether any confirmations are incorrect before settlement.

## **12. Settlement and taxes**

- 12.1. Unless DIAGRAM agrees otherwise, the Client is responsible for the due performance of every Transaction which DIAGRAM enters into with or for the Client and the Client shall be responsible for any Losses DIAGRAM incurs as a result of the Client's failure to deliver appropriate settlement instructions and/or to ensure appropriate funds or securities.
- 12.2. If the Client has not delivered the appropriate funds or securities to DIAGRAM or its Sub-delegation until the due date for settlement, DIAGRAM reserves the right, as appropriate, to take any of the following actions without prior notice to the Client:
- 12.2.1. exercise a sell-out of the relevant securities or acquire alternative securities by whatever means DIAGRAM determines in its absolute discretion. Where DIAGRAM does, its obligation to deliver the securities to the Client or pay the purchase price due will cease;
- 12.2.2. take any other steps (whether or not similar to the above) DIAGRAM may consider to be necessary to meet any obligations which the Client has to comply under these Terms of Business or otherwise to protect DIAGRAM's position.
- 12.3. The Client shall be responsible for any Losses DIAGRAM incurs arising out of the Client's non-performance or any actions DIAGRAM takes due to Client's non-performance. Where permitted to do so by Applicable Law, DIAGRAM may effect a net settlement with or for the Client or on the Client's behalf.
- 12.4. DIAGRAM's obligation to settle any transaction is conditional upon the receipt by DIAGRAM or DIAGRAM's agents on or before the due date for settlement of all necessary documents, securities or money due to be delivered by the Client or on the Client's behalf including, for the avoidance of doubt, settlement instructions. If, in any Transaction DIAGRAM delivers securities to the Client or to the Client's order at that time or subsequently and, for whatever reason, the Client's obligations are not performed simultaneously with or prior to DIAGRAM's obligations, the Client shall hold on

trust for DIAGRAM any such securities or money received from DIAGRAM until the Client's own obligations are fully performed.

- 12.5. Any restrictions on DIAGRAM's power to sell or otherwise deal with assets of the Client charged to DIAGRAM or held by DIAGRAM, contained in the Law of Property Act 1925 or any other Applicable Law are, to the extent permitted by law, excluded.
- 12.6. The Client shall be responsible for payment of all transaction, transfer and stamp taxes and duties arising out of or in relation to any Transactions or in connection with any Service provided under these Terms of Business and where under Applicable Law such taxes and duties are due to be paid or collected by DIAGRAM then the Client shall on demand pay DIAGRAM an amount equal to such taxes or duties and indemnify DIAGRAM for the same.

### **13. Representations and warranties**

13.1. The Client represents, warrants and/or undertakes that:

- 13.1.1. it is authorised and has capacity to enter into these Terms of Business, and these Terms of Business will be binding on the Client and enforceable against the Client;
- 13.1.2. the person executing these Terms of Business, and any person who gives instructions on the Client's behalf has authority to bind the Client to these Terms of Business;
- 13.1.3. it will comply with any legal requirements applicable to your entering into any arrangements or transaction relating to these Terms of Business;
- 13.1.4. it is willing and financially able to make any payments resulting from any transaction the Client enters into; and
- 13.1.5. the Client is acting as principal and not as agent of any person.

### **14. Limitation of liability and indemnities**

14.1. Subject to clause 14.3, our total liability to you (whether in contract, tort (including negligence), breach of statutory duty or otherwise) under or in relation to any Services provided under this agreement shall not exceed [EX].

14.2. The limitations and exclusions on liability in this clause 14 shall not limit or exclude our liability for:

- 14.2.1. death or personal injury caused by our negligence;
  - 14.2.2. fraud or fraudulent misrepresentation;
  - 14.2.3. gross negligence or wilful default;
  - 14.2.4. a regulatory breach (as defined in the FCA Handbook); or
  - 14.2.5. any other liability which cannot lawfully be excluded or limited by law
- 14.3. We shall not be liable for any damages, losses (including loss of profits, loss of business, loss of reputation, loss of savings and loss of opportunity), fines, expenses and costs (including all interest, penalties, legal costs, or professional costs and expenses incurred by you in the event of any failure, interruption or delay in the performance of our obligations resulting from acts, events or circumstances not reasonably in our control, including, but not limited to, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities, breakdown, failure or malfunction of any telecommunication or computer services.

### **15. Termination**

- 15.1. Either Party may at any time terminate these Terms of Business by giving not less than 30days' written notice of termination to the other Party, provided that any such termination shall:
  - 15.1.1. be without prejudice to all outstanding obligations which shall be settled and which may have been incurred by or on behalf of the Client, including any fees, expenses and other charges of DIAGRAM accrued or incurred up to the date of termination; and
  - 15.1.2. not affect any representations, warranties and indemnities given by the Client, or any confidentiality obligation of the Parties, which shall survive such termination.
- 15.2. DIAGRAM shall be entitled to suspend or terminate these Terms of Business without prior notice, in any of the following circumstances:
  - 15.2.1. the Client has breached these Terms of Business;
  - 15.2.2. the Client has misrepresented facts to DIAGRAM; or
  - 15.2.3. the Client has failed to comply with or observe any provision under these Terms of Business or any other obligation owed to DIAGRAM.

## **16. Confidentiality and publicity**

- 16.1. Information concerning you and your client classification status with DIAGRAM will be held on file at DIAGRAM's registered office and may be shared with other companies within the DIAGRAM group of companies for legal, audit or compliance purposes.
- 16.2. DIAGRAM may record telephone conversations, without use of any warning, to ensure that the contents of any communication between us are properly recorded. DIAGRAM may use recordings and/or transcripts thereof for any purpose which we deem desirable. Any such records will be DIAGRAM's property and will be accepted by the Client as evidence of the content of such communication.
- 16.3. The provisions of this clause 16.3 shall survive the termination of these Terms of Business.

## **17. Use of the Client's Personal Data**

- 17.1. We process your personal data as set out in our privacy policy which can be found on our website <https://www.diagramcapital.co.uk/legal/>.
- 17.2. We are a data controller for the purpose of the UK GDPR, EU GDPR, and other relevant data protection legislation, such as the Data Protection Act 2018. You can contact our Data Protection Officer via email at [dataprotectionofficer@diagramcapital.co.uk](mailto:dataprotectionofficer@diagramcapital.co.uk) or by post to DPO, Diagram Capital Ltd, 1<sup>st</sup> Floor, Cheyne House, 2 Crown Court, EC2V 6JP.
- 17.3. Where you share personal data relating to others with us, you confirm that you have complied with your obligations under the UK GDPR to share such personal data for our processing of the personal data in accordance with these Terms of Business including obtaining, where necessary, the relevant consents for such sharing.
- 17.4. Unless you inform us that you do not wish us to do so, we and our affiliates may, from time to time, contact you (by post, email, or telephone) to give you information about additional services offered.
- 17.5. Recording of telephone and electronic communication
  - 17.5.1. Due to regulatory requirements, we are obliged to record the content of telephone conversations or electronic communications (including Bloomberg terminal communication), if this communication is related to own account trading or to the provision

of services relating to the acceptance, transmission and execution of client orders. For this purpose, personal data will be collected, processed and used.

- 17.5.2. Please notify us in writing if you have any objections to this recording. In such event, we will not be able to provide you with the investment service of reception and transmission of client orders via telephone conversation or electronic communication.
- 17.5.3. In cases where you may have appointed a representative (power of attorney), the same requirements will apply, both for phone and electronic communication.
- 17.5.4. Please note that we will keep records of telephone conversation and electronic communications for a period of 5 years to comply with Applicable Regulations.

## 18. Miscellaneous

18.1. You shall provide us with such information as we require in relation to these Terms of Business, including all information required to comply with all Applicable Regulations, including all applicable anti-money laundering rules and regulations. You warrant that, to the best of your knowledge, any information provided to us by you is complete, accurate and not misleading in any material respect and you agree to notify us should such information change in any material respect.

18.2. All correspondence, notices, certificates and statements of account (Notices) may be provided to the Client by whatever means unless otherwise required by Applicable Law. Any written notice required to be given under the Agreement shall be given by post or fax or email using the details below (as amended from time to time) in respect of DIAGRAM and the details the Client has most recently provided to DIAGRAM in respect of the Client.

For the attention of: Diagram Capital Ltd

Address: 1st Floor, Cheyne House, 2 Crown Court, London EC2V 6JP, United Kingdom.

Email address: [info@Diagramcapital.co.uk](mailto:info@Diagramcapital.co.uk)

Phone: +44 (0) 203 750 5503

18.3. DIAGRAM is entitled to rely upon any communications or notices it believes in good faith to be communicated or sent by the Client or an Authorised Person.

18.4. The Client shall not be entitled to assign any of the Client's rights, obligations or benefits under these Terms of Business without the prior written consent of DIAGRAM.

18.5. To the fullest extent permitted by the Applicable Laws, DIAGRAM shall be entitled to assign its rights, obligations and benefits under these Terms of Business to any successor entity, Affiliate or to any other third party entity at its discretion, provided that:

18.5.1. DIAGRAM reasonably considers the transferee is capable of performing its obligations under these Terms of Business; and

18.5.2. DIAGRAM has given the Client notice of the transfer (unless that is impracticable in the circumstances). For the purposes of giving the Client notice under this clause, if DIAGRAM is not reasonably able to serve written notice on the Client personally, DIAGRAM may instead give the Client notice through any print or Electronic media in accordance with Applicable Laws and such notice will be deemed to be notified to the Client on the date of publication or broadcast.

18.6. These Terms of Business including any schedules and any current Instructions constitutes the entire agreement between DIAGRAM and the Client with respect to the Services. The Agreement

supersedes all prior understandings, arrangements, agreements, representations, proposals or communications between the Parties, whether written or oral.

- 18.7. Neither Party has relied on any statements or representations during the negotiations other than those expressly incorporated in these Terms of Business.
- 18.8. No forbearance, failure or delay by DIAGRAM in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right, power or privilege preclude any other further exercise thereof or the exercise of any other right.
- 18.9. All rights and remedies provided in these Terms of Business are cumulative and not exclusive of any other rights or remedies that may be available to the Parties, whether provided by Applicable Law, in equity otherwise.
- 18.10. The invalidity or unenforceability of any provision of these Terms of Business in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of these Terms of Business in such jurisdiction, it being intended that all rights and obligations of the Parties hereunder shall be enforceable to the fullest extent permitted by law.
- 18.11. DIAGRAM will notify the Client of any material changes to these Terms of Business by posting updated versions of the Terms of its official website and unless DIAGRAM notifies the Client otherwise or the Applicable regulations otherwise require, any such amendment shall take effect after three (3) Business Days from the date of notification, provided that no variation shall affect Transactions executed prior to the time of such variation.
- 18.12. A Person who is not a Party to these Terms of Business shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of these Terms of Business. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 18.13. The rights of the Parties to terminate, rescind or agree any variation, waiver or settlement under these Terms of Business are not subject to the consent of any other person.
- 18.14. These Terms of Business shall be governed by the laws of England and Wales, and any amendments made thereto from time to time. The Parties agree that any dispute (including any disputes related to non-contractual obligations) arising out of them will be subject to the exclusive jurisdiction of the English courts.
- 18.15. DIAGRAM shall not be required or entitled to render the Services in a manner that is contrary to the Applicable Laws in force at the relevant time.

## Schedule 1

### Risk Disclosure Statements

This notice summarises the nature of, and principal risks associated with financial products which DIAGRAM may provide as part of its Services under this Agreement. These disclosures cannot disclose all risks inherent in the financial instruments. You should not deal in these products unless you fully understand the nature and extent of your exposure to risk. You should also be satisfied that the product is suitable and appropriate for you in light of your circumstances and financial position.

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.

#### GENERIC RISK TYPES:

##### 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.

##### 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.

## **MARKET RISK**

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.

## **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.

## **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.

## **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).

## **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.

### **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.

### **REGULATORY/LEGAL 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.

### **SYSTEMIC RISK**

This is the risk of collapse of the entire market or the entire financial system. It refers to the risks imposed by interdependencies in a system or market, where the failure of a single entity or cluster of entities can cause a cascading failure, which could potentially bring down the entire system or market.

## **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.

## **POLITICAL RISK**

The risk that an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control.

## **PRODUCTS AND INVESTMENTS RISKS:**

### **CASH EQUITIES**

Cash equities represent ownership in the share capital of a company. Investors are exposed to all major investment risks outlined above and in particular to market risk. It must be emphasised that there are no guarantees when it comes to individual stocks. Some companies pay out dividends, but many others do not. Without dividends, an investor can make profit on a stock only through its price appreciation in the open market. On the downside, in case of the company's insolvency, the investor may lose the entire value of his investment.

### **CASH BONDS**

All debt instruments are potentially exposed to the market risk types, 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.

### **STRUCTURED PRODUCTS**

These products are designed to provide you with an agreed level of income or growth over a specified investment period. The return of the capital you initially invested may be linked to the performance of an index, a "basket" of selected stocks or other factors. If the product has performed within specified limits, you will be repaid the capital you initially invested but if not, you could lose some or all of your initial capital. Investing in these products can put the capital you initially invested at risk. These products are not 100% protected.

The range of products may include those where the return is linked to an index or indices, a basket of securities or other specified factors which relate to one or more of the following: equity or debt securities, interest rates, currency exchange rates or commodities.

Some of the products include an element of principal protection, at a level which is stated at the time of the initial investment, so that on maturity of the investment you are assured of the return, at a minimum, of the stated proportion of your initial capital invested (subject always to the credit of the issuer of the product). In respect of some products which include an element of principal protection, the return of the stated proportion of your initial capital invested may depend on a pre-agreed level of performance being achieved or

the product being held to maturity. If the performance is not attained or the product is not held to maturity the element of principal protection will not apply. Different products involve different levels of exposure to risk (and reward) and in deciding whether to trade in such products you should be aware of the following points:

- a) There is no guarantee that all of the initial capital invested by you will be returned to you on maturity of the investment. You may therefore get back a lesser amount than you originally invested.
- b) These investments may involve a degree of gearing or leverage, so that a relatively small movement in the relevant index/indices, basket or other specified factor(s) results in a disproportionately large movement, unfavourable or favourable, in the amount paid out to you on maturity of the investment.
- c) Investments linked to the performance of an index do not include an allowance for any return or reinvestment of dividend income from the underlying constituents of the index.
- d) If you decide to redeem or sell the investment before its stated maturity, you may not gain the maximum benefit of the investment and may receive a poor return or less than the initial capital invested. Early redemption penalties may be applicable in some circumstances.
- e) The initial capital you invest may be placed into high risk investments such as non-investment grade bonds/instruments linked to commodities or indices on commodities.
- f) The stated rate of growth or income in relation to an investment may depend on specified conditions being met, including the performance of the relevant index/indices, basket of selected stocks or other specified factor(s).
- g) You should not deal in these investments unless you are prepared to sustain a loss of the money you have invested (a loss which may be total or may be partial as specified in the relevant terms and conditions) plus any commission or other transaction charges.