



› Terms of Business for FinecoBank Services in the United Kingdom

Contents

The Agreement	3
Definitions	4
SECTION 1 General Terms	6
SECTION 2 Specific Terms	11
SECTION 2A Specific Terms for the Internet Banking and Telephone Banking Service	11
SECTION 2B Specific Terms for the Current Sub-Account and Multicurrency Services	12
SECTION 2C Specific Terms for Payment Services	13
SECTION 2D Specific Terms for Debit Card Services	16
SECTION 2E Specific Terms for Custody	18
SECTION 2F Specific Terms regarding Investment Services	20
SECTION 2G Specific Terms regarding the Interest-bearing portfolio service	24
SECTION 2H Specific Terms regarding to the Investment Funds Platform	26
SECTION 3 Data Protection Provisions	27
Annex I Order Execution Policy	31
Annex II Managing Conflicts of Interest Policy	38
Annex III Understanding Financial Instruments and Associated risks	39
Annex IV Client Classification	58
Annex V Depositor Information Template	59

The Agreement

These Terms of Business together with the Fact sheet, as well as any relevant attachment set out the agreement ("**Agreement**") between you, the Accountholder, and us, FinecoBank S.p.A. (the "**Bank**").

The Bank provides services ("**Services**"), which are subject to the general terms set out in Section 1 ("**General Terms**"). Terms specific to particular services ("**Specific Terms**") are set out in Sections 2A to 2G. In the event of conflict between these General Terms and any Specific Terms, the Specific Terms will prevail.

The General Terms, the Specific Terms and the Bank's Data Protection Provisions (included in Section 3) (together the "**Terms of Business**") along with documents provided with these Terms of Business apply to all new and existing Bank clients from the date set out on the front cover and, replace any previous terms agreed between you and the Bank. Any changes agreed between you and the Bank to previous:

- (a) general terms, will apply to these General Terms; and
- (b) specific terms, will apply to the relevant Specific Terms.

The Terms of Business and all communications the Bank sends to you will be in English. You must communicate with the Bank in English.

Who regulates the Bank

The Bank is authorised by the Bank of Italy and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulatory Authority in the UK. Details of the extent of the Bank's regulation are available from the Bank on request.

The Bank is registered with the Bank Registry of the Bank of Italy (www.bancaditalia.it) and is the Parent Company of the FinecoBank Banking Group – registered in the Register of Banking Groups (the "**Group**"). The Bank has been authorised by the Bank of Italy (via Nazionale 91, 00184 Rome) to provide investment services (authorisation n 039839 December 13th, 1999).

As the Bank is regulated by the Bank of Italy the regulatory system applying to it will be different from that of the United Kingdom. In particular, the Services will be subject to the Italian rules dealing with custody and compensation.

Definitions

“Account” means a cash account that you hold with the Bank. Each Account includes a Current Sub-Account and Multicurrency Sub-Accounts.

“Account Activity Statement” means the statement provided by the Bank in accordance with Clause 10 which summarises the Financial Instruments and cash held in your Accounts.

“Accountholder” means the person or persons in whose name the Account is held.

“Assets” means any investments or assets held in your Custody Account and any rights or benefits relating to those investments or assets (including any income derived on those investments or assets). This includes, but is not limited to, cash, Accounts, contract rights, all documents, instruments, and certificates relating to investments and securities, and all related interest, redemptions and distributions and all income, proceeds and products of the above.

“Bank Statement” means the statement provided to you by the Bank in accordance with Clause 34 setting out the payments made to and from your Account.

“Bank Transfer” means any of the following which is not an International Bank Transfer:

<i>Payments to/from accounts in:</i>		
Sterling (£)	Euro (€)	Other currencies
carried out via BACS, SWIFT or Faster Payments	carried out via SEPA and SWIFT	are carried out via SWIFT

“Base Account Currency” means the currency of your Current Sub-Account, and for a Current Sub-Account held by clients resident in the UK this will be Sterling. For a Multi-Currency Sub-Account this will be either Euro, US Dollars or Swiss Francs or all of these currencies and any other currency that may be notified to you by the Bank, from time to time.

“Collateral” means cash in currency acceptable to the Bank and if the Bank agrees any investments, securities, bonds, or any other financial instrument the Bank determines is acceptable.

“Current Sub-Account” means a sub-account with the Bank in Sterling which can be used by you to make deposits and make and receive payments from third parties.

“Custody Account” means an account either with the Bank or with a nominee named for your benefit (including anything held by the Bank’s agents, depository or custodian or on a clearing system).

“Debit Card” means the debit card provided by the Bank allowing you to make payments from your Current Sub-Account and withdraw cash from you Current Sub-Account.

“Card PIN” means the personal identification number provided by the Bank for use with a Debit Card.

“EEA” means the European Economic Area.

“Execution Venue” includes a regulated market, an MTF, an OTF, a systematic internalizer, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

“Fact Sheet” means a document provided by the Bank which sets out information in relation to certain Services offered by the Bank.

“Fee Schedule” means the schedule of fees that applies to your Account.

“Financial Instruments” means those products you are permitted to trade using your Account including, for example, shares, bonds, options, futures and units or shares in Investment Funds.

“General Terms” means the terms and conditions in Section 1 of the Terms of Business.

“Group” means the FincoBank Banking Group registered in the Italian Register of Banking Groups.

“Joint Account” means an Account where there is more than one Accountholder.

“Inducement” means a fee, commission or other non-monetary benefit.

“Instant Bank Transfer” means a transfer in Euro, executed between payment service providers in the Single European Payment Area (SEPA) and in accordance with the rules in the SEPA Instant Credit Transfer Rulebook (SCT Inst) as approved by the European Payment Council, from time to time.

“International Bank Transfer” means a payment to or from an account in a non-EEA country or in a non-EEA currency.

“Internet Banking” means using the secure section of the Bank’s website or the Bank’s app to manage your Account and to deal in Financial Instruments.

“Investment Funds” means units or shares in collective investment undertakings which are made available from time to time to buy and sell by the Bank through its Investment Funds Platform.

“Investment Funds Platform” means the facility that the Bank provides that facilitates the purchase and sale of Investment Funds.

“MiFID” means the Markets in Financial Instruments Directive II 2014/65/EU as supplemented and amended.

“Multicurrency Service” means the service provided with your Account which allows you to hold cash, make and

receive payments, and trade Financial Instruments in Euro, US Dollars, or Swiss Francs or in any other currencies as notified to you by the Bank, from time to time.

“Multicurrency Sub-Account” means an account which is provided by the Bank as part of the Multicurrency Service as set out in Section 2B.

“Multilateral Trading Facility” or “MTF” means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of MiFID.

“Order Execution Policy” means the Bank’s Order Execution Policy which can be found in the Annex I to these Terms of Business.

“Organized Trading Facility” or “OTF” means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with the provisions of Title II of MiFID.

“Password” means the password set by you following activation of your Account, for use with Internet Banking and/or Telephone Banking.

“Payment Order” means any instruction given by you to make a payment from your Account.

“PIN” means the personal identification number set by you following activation of your Account, for use with Internet Banking and/or Telephone Banking.

“Regulated Market” means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

“Representative” means a person authorised to operate your Account on your behalf.

“Retail Client” means a customer who is neither a professional client nor an eligible counterparty as set out in Annex IV of these Terms of Business.

“SDD” means the SEPA Direct Debit Core Scheme.

“SDD B2B” means the SEPA Direct Debit Business to Business Scheme.

“Security Details” means your Card PIN or any other security code associated with your Debit Card and any Password, PIN or User ID associated with your Account.

“SEPA Direct Debit” means a direct debit carried out in accordance with the European Payment Council’s Rulebook on SDD and/or SDD B2B.

“Services” means the services provided by the Bank set out in Sections 2A to 2H of the Terms of Business.

“Specific Terms” means the terms applying to the Services set out in Sections 2A to 2H of the Terms of Business.

“Telephone Banking” means the service provided by the Bank which enables you to manage your Account and to deal in Financial Instruments by telephone.

“Unique Identifier” means a combination of letters, numbers and/or symbols used to identify a bank account.

“Systematic Internalizer” means an investment firm which, on an organized, frequent systematic and substantial basis, deals on own account when executing client orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system. The frequent and systematic basis shall be measured by the number of OTC trades in the financial instrument carried out by the investment firm on own account when executing client orders. The substantial basis shall be measured either by the size of the OTC trading carried out by the investment firm in relation to the total trading of the investment firm in a specific financial instrument or by the size of the OTC trading carried out by the investment firm in relation to the total trading in the Union in a specific financial instrument. The definition of a systematic internaliser shall apply only where the pre-set limits for a frequent and systematic basis and for a substantial basis are both crossed or where an investment firm chooses to opt-in under the systematic internaliser regime.

“TPP” means a third party provider who will provide certain online services to its clients so that they can have access to view and to manage their money being involved in the payment transaction. Account Information Service Providers and Payment Initiation Service Providers are two types of TPP that are authorized by law and by the Financial Conduct Authority (FCA) or another European Regulator to carry out these activities. An Account Information Service Provider provides online account information services consolidated information on one or more payment accounts held by the payment service user and if you have granted permission to them they will be able to access online transaction information from multiple providers in one place. A Payment Initiation Service can give payment instructions as if you are making a payment through them rather than the underlying payment provider.

“Trading Venue” means a Regulated Market, or Multilateral Trading Facility, or Organised Trading Facility.

“US Person” means someone who falls under the definition of “U.S. Person” under FATCA, including, but not limited to, citizens or residents of the United States and any person who meets the substantial presence test.

“User ID” means the user ID provided by the Bank for use with Internet Banking and/or Telephone Banking.

“Working Day” means any day other than a Saturday or Sunday or bank holiday in either the UK or in Italy.

SECTION 1 General Terms

1. The Services

- 1.1. The Bank offers the Services using distance communications such as post, email, Internet Banking and Telephone Banking.
- 1.2. To receive Services from the Bank you are required to:
 - (a) provide the Bank with a valid email address as evidence of your internet access;
 - (b) consent to the Bank contacting you using distance communications;
 - (c) be resident in the UK;
 - (d) be 18 years of age or older;
 - (e) and not be a US Person.
- 1.3. Any new services provided by the Bank will be subject to these General Terms and additional Specific Terms.

2. When the Terms of Business become legally binding on you

- 2.1. These Terms of Business will become binding on you and the Bank:
 - (a) for new clients when you receive a copy of these Terms of Business that have been signed by the Bank (for the avoidance of doubt, you are deemed to receive these Terms of Business at your email address, and the agreement between you and the Bank is deemed to be concluded in the UK); or
 - (b) for existing clients, when the notice period referred to in Clause 19.3 has expired and you have not notified the Bank that you wish to terminate your Agreement with the Bank.

3. Choosing which services you receive

- 3.1. You can choose which Services you wish the Bank to provide you with during the account opening process. If you subscribe for one Service you are not obliged to subscribe for any additional Services. However, you must subscribe for a Current Sub-Account for Payment Services, a Multicurrency Sub-Account for Multicurrency Services and Debit Card Services.
- 3.2. You may subscribe for additional Services once your Account with the Bank has been opened by notifying the Bank in accordance with Clause 11.
- 3.3. Additional services will be activated by digital signature of the relevant contract. For this purpose You, or your Representative, must request a qualified certificate ("**Certificate**") issued by the Accredited Certification Authority In.Te.S.A. S.p.A. ("**Certifier**"), according to the Operations Manual, a copy of which expressly refers to the conditions of use and is available on the Bank's website. An electronic document signed with a digital signature, in compliance with the technical rules referred to in the relevant regulations, meets the requirements of a hard copy signed document. According to Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, a qualified electronic signature, based on a qualified certificate issued in one Member State, shall be recognised as a qualified electronic signature in all other Member States. The Certificate is valid for 12 (twelve) months from

date of issue and will be renewed automatically for another two years. The Certificate is based on the Client's identification data provided by the Bank on Certifier's mandate. Certifier must comply with the security measures for personal data processing under Privacy Code. All documents signed are available on Bank's website ("*Contracts Archive*"). The dissolution of these Terms of Business for any reason whatsoever determines the revocation of its Certificate.

4. Appointing someone to operate your Account on your behalf

- 4.1. If you wish to appoint a Representative you must complete the Power of Attorney Form available on the Bank's website and return it to the Bank. In the form, you will be asked to provide the Bank with an example of the Representative's signature and notify the Bank of any limitations imposed on the Representative's authority in relation to your Account.
- 4.2. If you want to amend or terminate your Representative's authorisation in relation to your Account, you must notify the Bank in accordance with Clause 11. The amendment or termination will become valid from 00:00h on the Working Day following the Working Day on which the notification was received by the Bank.
- 4.3. The Bank is not liable for any action taken by the Representative before the notification in Clause 4.2 becomes valid.

5. Identification requirements

- 5.1. As part of the account opening process and on the Bank's request during the term of the Agreement, you must provide the Bank with details of your, and where relevant your Representative's, identity (which may include your signature and address) to allow the Bank to comply with its obligations under applicable anti-money laundering legislation.

6. Overdrafts

- 6.1. The Bank does not intend to allow an overdraft for your Account.
- 6.2. You must ensure that your Account is always in credit and does not go overdrawn. If your Account goes overdrawn the Bank will notify you that you need to pay cash into your Account within 15 Working Days and the Bank will cease to make any payments from your Account until the Account has been restored to a credit balance.
- 6.3. If you fail to restore your Account to a credit balance the Bank may restrict access and operation of the Account and may exercise its right of set off or its right to sell Financial Instruments as set out in Clause 7.

7. Rights the Bank has over your Account and Custody Account

- 7.1. If you owe the Bank money which is due for payment, the Bank can either:
 - (a) use the money in any of your Accounts to reduce or repay the amount you owe the Bank. This is the Bank's right of set-off; or
 - (b) sell any Financial Instruments the Bank holds for you in your Custody Account to reduce or repay the amount you owe the Bank. This is the Bank's right to sell Financial Instruments.
- 7.2. The Bank can use its right of set-off or its right

to sell Financial Instruments where you have Accounts in your sole name or where you hold a Joint Account with another person as explained in the table below:

Account held by	Right of set-off can be applied against amounts owed on Accounts held by
A	A
A	A and B
A and B	A and B
A and B	A
A and B	B

- 7.3. Before the Bank exercises its right of set-off or its right to sell Financial Instruments, the Bank will send you a warning notice which:
- sets out that the Bank intends to exercise its right of set-off or sell Financial Instruments; and
 - gives you an additional 10 Working Days to pay the outstanding amount to the Bank.
- 7.4. Where the Bank exercises its right to sell Financial Instruments, it will deduct the amount you owe it from the money it receives from selling your Financial Instruments, net of any fees or expenses, and pay any remaining balance into your Account.

8. Giving the Bank Orders and Instructions

- 8.1. You may submit orders and instructions in relation to Financial Instruments and cash in your Account by any of the following:
- Telephone Banking;
 - Internet Banking;
 - any other method approved by the Bank.
- 8.2. If you submit an order for Financial Instruments with no additional instructions, the Bank will determine how to execute the order in accordance with its Order Execution Policy.
- 8.3. You may cancel any orders or instructions relating to Financial Instruments so long as the orders have not been executed or the instructions have not been acted on. If you have given the Bank instructions to repeat an order on a regular basis, you may cancel these instructions at any time, but this cancellation will not affect any orders currently being processed.
- 8.4. The Bank is not liable for failing to carry out any orders or instructions in relation to your Account as a result of circumstances beyond the Bank's control, for example if there is:
- A major suspension or other interruption to public services or electrical power;
 - A strike;
 - A failure of the postal service;
 - A delay or other malfunction in the Bank's communications systems (including phone), IT systems, or the internet.
- 8.5. You acknowledge that it may be possible to give orders or instructions in relation to your Account by Telephone Banking if there is a delay or malfunction in the Bank's IT systems or internet.
- 8.6. If the Bank is unable to carry out your orders or instructions for a reason set out in Clause 8.4, the Bank will immediately warn you and unless you cancel the order or the instruction, it will be executed on the next Working Day.

9. Making or receiving payments in a currency other than a Base Account Currency

- 9.1. Payments made from your Account will be made in a Base Account Currency and then converted into the relevant foreign currency after they have been debited from your Account according to the exchange rate applicable on the date that they have been debited. You can obtain details of the exchange rates that will be used from www.finecobank.com.
- 9.2. Payments made into your Account will be credited to your Account in a Base Account Currency after being converted from the relevant foreign currency according to the exchange rate applicable for the day they have been credited.
- 9.3. You will be subject to additional fees for currency conversions. These are set out in the Fee Schedule and are available on www.finecobank.com.

10. Account Activity Statements

- 10.1. The Bank will provide you with an Account Activity Statement on a quarterly basis. This will be sent to your email address. You may also request the Bank to send you an Account Activity Statement on a monthly basis. The Bank may charge you an additional fee for providing you with an Account Activity Statement more frequently than every quarter.
- 10.2. The Account Activity Statement will include:
- a summary of all of the payments into and out of your Accounts during the past year;
 - a record of the orders in Financial Instruments executed for you by the Bank and all of the Financial Instruments currently held in your Account and their market value as at the date of the Account Activity Statement;
 - the current balance of your Accounts; and
 - a Fact Sheet which includes any changes made to the Fee Schedule for your Accounts. If no changes have been made to the Fee Schedule since the last Account Activity Statement was sent to you by the Bank, a copy of the Fact Sheet will not be included with the Account Activity Statement. (Please note that you can access a copy of the current Fee Schedule on the Bank's website, www.finecobank.com).
- 10.3. Where you hold more than one Account with the Bank, the Bank will send you an Account Activity Statement for each Account. The Account Activity Statement will be sent to you within 30 Working Days of the end of the relevant period.
- 10.4. If you notice any errors including calculation errors, unauthorised payments, omitted payments or duplicate payments in the Account Activity Statement, you must notify the Bank within 60 days who will correct these errors and pay you compensation for any unauthorised, omitted or duplicate payments.

11. Communications from you to the Bank

- 11.1. You may communicate with the Bank in relation to your Account by:
- Telephone Banking;
 - email;
 - Internet Banking;
 - any other method approved by the Bank.
- 11.2. The contact details for the Bank are: FinecoBank S.p.A. Via Rivoluzione d'Ottobre, 16, Reggio Emil-

ia Italy Telephone number: 0800 640 6667 (from UK); +44 (0)20 7065 7555 (from abroad). Email address: info@finecobank.com

- 11.3. If you send the Bank a notification by:
- (a) post: it will be deemed received 20 Working Days after you posted it;
 - (b) Telephone Banking: it will be deemed to be received on the same day provided it was received before 5 p.m. on a Working Day and all verification codes and procedures have been complied with, or if it is received after 5 p.m. or on a day that is not a Working Day, on the next Working Day, unless otherwise specified;
 - (c) email: it will be deemed received 48 hours after the time and date on which it was sent or if that day that is not a Working Day, on the next Working Day;
 - (d) Internet Banking: it will be deemed received on the same day provided it is received before 5 p.m. and all verification codes and procedures have been complied with, or if it is received after 5 p.m. or on a day that is not a Working Day, on the next Working Day.

12. Communications from the Bank to you

- 12.1. The Bank will send all communications (including the Account Activity Statement or any other notice, account statement or report) to you either by:
- (a) post, to the address specified by you in the account opening document or as subsequently notified to the Bank in accordance with Clause 11;
 - (b) email, to the email address specified by you in the account opening document or as subsequently notified to the Bank in accordance with Clause 11; or
 - (c) Internet Banking.
- 12.2. Unless otherwise specified, all communications sent to you by the Bank will be considered to be approved by you unless, within 60 days of receipt by you of the communication, you notify the Bank that you dispute its contents.
- 12.3. For Joint Accounts, a communication given to one Accountholder will be deemed to have been received by all Accountholders.
- 12.4. You must promptly notify the Bank of any change in your contact details.

13. Fees and other expenses

- 13.1. All fees payable by you to the Bank in connection with this Agreement are set out in the Fee Schedule, available on www.finecobank.com.
- 13.2. Unless otherwise specified, the Bank will debit all fees referred to in Clause 13.1 from your Current Sub-Account. If you have multiple Accounts with the Bank, and there are insufficient funds in the Account that has incurred the fees, the Bank will debit such fees from any other Account (including any Joint Account) that you hold with the Bank.
- 13.3. Subject to applicable law, in addition to the fees set out in the Fee Schedule, you will be liable for all taxes, costs, and other expenses incurred by the Bank in relation to your Account. The Bank may deduct any such taxes, costs and other expenses from your Account or, if you have multiple Accounts with the Bank, and there are in-

sufficient funds in the Account that has incurred the taxes, costs, and other expenses, the Bank will debit such taxes, costs, and other expenses from any other Account that you hold with the Bank.

14. Joint Accounts

- 14.1. For Joint Accounts, each Accountholder can give orders and instructions in relation to the Account, except in the following situations when the consent of all the Accountholders is required:
- (a) to appoint the Representative in accordance with Clause 4.1;
 - (b) to give instructions in relation to an Account where the Bank has been notified of a dispute in accordance with Clause 14.3.
- 14.2. The Accountholders' obligations are joint and several. This means that the Accountholders are all responsible individually and together for complying with the obligations under the Terms of Business.
- 14.3. If there is a dispute between any of the Accountholders, or if one Accountholder opposes the action taken by another Accountholder, the Accountholders must notify the Bank. The Bank will not be liable for any actions taken by any Accountholder until 15 Working Days after the notification has been received by the Bank.
- 14.4. Upon the death of an Accountholder, the Assets held in the Account that belonged to the deceased will be subject to any Italian tax law rules that may apply. If an Accountholder dies, the Account may be suspended pending ascertaining the remaining Accountholder's right to it which would be subject to any rights that any person (for example a beneficiary under the will of the Accountholder that has died) may have in respect of the Account. If an Accountholder has become mentally incapable, provided the Bank has received a valid power of attorney, the Representative will be able to exercise that Accountholder's rights in relation to the Joint Account.
- 14.5. In the event of death of an accountholder, the Account may be subject to fiscal and/or administrative requirements.

15. Recording Conversations

- 15.1. You authorise the Bank to record all telephone calls and other electronic communications (such as email) between you and the Bank.

16. Limited Liability

- 16.1. The Bank is not liable for any and all losses:
- (a) that were not foreseeable by you or the Bank when the Agreement was formed;
 - (b) caused by events outside the Banks control, for example:
 - i. changes in UK, EU or Italian legislation;
 - ii. a major suspension or interruption of public services or electrical power;
 - iii. strikes;
 - iv. failure of the postal service;
 - v. delays or other malfunctions in the Bank's communications systems (including phone and email), IT systems, or the internet; and
 - (c) caused as a result of its compliance with applicable UK, EU or Italian law.

17. Cancelling this Agreement

- 17.1. For 14 days from the date on which this Agreement becomes binding on you, in accordance with Clause 2.1 (a), you have the right to cancel this Agreement without incurring any penalties or giving any reasons, by giving the Bank notice by Internet Banking.
- 17.2. If you exercise your right to cancel this Agreement:
- (a) the Agreement will be terminated and Clause 18 will apply; and
 - (b) you will only be charged for those Services that the Bank has provided you with in accordance with the Agreement.
- 17.3. The cancellation right does not apply to Investment Services:
- (a) relating to Financial Instruments whose price depends on fluctuations in the financial market outside the Bank's control, such as:
 - i. foreign exchange;
 - ii. money market instruments;
 - iii. transferable securities;
 - iv. units in collective investment undertakings;
 - v. financial-futures contracts, including equivalent cash-settled instruments;
 - vi. forward interest rate agreements;
 - vii. interest rate, currency and equity swaps; or
 - viii. options to acquire or dispose of any instruments referred to above including cash-settled instruments and options on currency and on interest rates.
 - (b) Whose performance has been fully completed by both you and the Bank at your express request before you exercise your right to cancel.

18. How long the Agreement lasts and how to end it

- 18.1. This Agreement will continue until it is cancelled in accordance with Clause 17 or terminated by you or the Bank.
- 18.2. You may terminate an individual Service or the whole Agreement at any time by giving the Bank 1 Working Day's written notice to the address set out in Clause 11.
- 18.3. The Bank may terminate an individual Service or the whole Agreement by giving you 7 Working Days' written notice in accordance with Clause 12.
- 18.4. The Bank may terminate the whole Agreement and stop providing Services and close your Account immediately if:
- (a) you have seriously and/or persistently breached the Terms of Business;
 - (b) you become insolvent or are subject to bankruptcy or insolvency proceedings;
 - (c) you give the Bank false information;
 - (d) you commit or attempt to commit fraud against the Bank or someone else;
 - (e) you use or allow someone else to use your Account illegally or for criminal activity;
 - (f) you use your Debit Card when it has been blocked or suspended by the Bank; or
 - (g) it is necessary to comply with applicable law.
- 18.5. Where you have a Joint Account, an individual Account holder can terminate an individual Service or the whole Agreement. That Account holder must then notify the other Account holders of the termination.

- 18.6. On termination, the Bank will execute any unexecuted orders or instructions in relation to your Account or the particular Service. The Bank may suspend any such unexecuted orders or instructions if it has a valid reason, including if you do not have sufficient funds in your Account.
- 18.7. If you terminate the whole Agreement the Bank will ask you for instructions in relation to any money or Financial Instruments in your Account or Custody Account. If you fail to give the Bank such instructions the Bank will transfer any money or Financial Instruments into a separate account and hold them until it receives instructions from you.
- 18.8. You will not be charged any penalties or exit fees if you or the Bank terminate an individual Service or the Agreement.
- 18.9. The Bank will be unable to close your Account or Custody Account until you have paid the Bank any money that you owe it under the Agreement. The Bank will notify you in accordance with Clause 12 when your Account has been closed.
- 18.10. If you or the Bank terminate the whole Agreement you must send the Bank any Debit Cards associated with the Account. You must destroy the Debit Card by cutting it into at least six pieces before returning the card to the Bank. The Bank will block the Debit Card once the Account has been closed.

19. When the Bank can change the Agreement

- 19.1. The Bank may change this Agreement for any justified reason, for example to:
- (a) comply with new legislation, regulatory provisions or surveillance requirements;
 - (b) adapt to technological developments;
 - (c) allow an existing Service to be provided in a different way;
 - (d) vary interest rates to reflect changing conditions in the financial markets;
 - (e) reflect changes to the Bank's corporate structure; or
 - (f) reflect a rise in costs related to a particular Service.
- 19.2. Where aspects of this Agreement relate to interest rates which are based on a reference rate, those interest rates may change immediately to reflect changes to reference rates. The Bank will notify you of any such change in interest rates as soon as possible.
- 19.3. The Bank will give you at least 2 months' advance written notice of any change to this Agreement, except for the Investment Services, which will have a 30 days' advance written notice.
- 19.4. If you do not want to accept a change to the Agreement you can terminate the Agreement in accordance with Clause 18 and the Bank will not charge you any penalties or exit fees. If you do not terminate the Agreement before the changes come into effect you will be treated as accepting the change.
- 19.5. You can contact the Bank at any time to request an up to date copy of this Agreement in either a paper or electronic format.

20. Access to your Account

- 20.1. The Bank may block access to your Account using Internet Banking and/or Telephone Banking where it knows or suspects:

- (a) there are issues with the security of your User ID, Password and/or PIN;
 - (b) that your User ID, Password and/or PIN has been subject to unauthorised or fraudulent use; or
 - (c) there is a high risk of you not complying with your payment obligations to the Bank.
- Subject to applicable law, the Bank will notify you of any block before or immediately after access to your Account using Internet Banking and/or Telephone Banking has been blocked or suspended. Once the issue which causes access to your Current Sub-Account using Internet Banking and/ or Telephone Banking to be blocked has been resolved, the Bank will remove the block.

- 20.2. You can authorize a TPP to access information on your Account and to make payments from your Account, provided that the TPP is appropriately authorized by a relevant European regulator and you have given clear consent. If you instruct a not authorized TPP, we will assume that you are authorizing us to permit TPP to have access to information about your accounts. You will be responsible for any payments made in result. The TPPs must act in accordance with relevant regulatory requirements and be transparent about its identity, so we can identify who they are. Where we grant access to a TPP, the Bank will treat any instruction from the TPP as if it was from you, whereby all the terms and conditions of this Agreement will still apply.
- 20.3. The Bank may refuse a TPP access to your account or to accept payment instructions sent on your behalf if it reasonably considers that there has been any unauthorised or fraudulent access to your account by a TPP.
- 20.4. If you have given consent to a TPP to view and initiate payments on your Account you are allowing the Bank to share your personal information with the TPP as required for them to provide their service to you. You have the right to withdraw consent to the TPP if you no longer want them to access your Account to view and initiate payments on your behalf. Should you wish to terminate your authority you will need to inform the Bank and the TPP.

21. Governing Law and Jurisdiction

- 21.1. This Agreement and any non-contractual obligations arising from or connected with it shall be governed by English law and this Agreement shall be construed in accordance with English law.
- 21.2. Any dispute which arises in relation to this Agreement shall be dealt with by any court in the UK which is able to hear the case.

22. What to do if you have a complaint

- 22.1. If you have a complaint about the service provided by the Bank, you should send a written notice giving details of the complaint by post or email to the Bank using the details below:
 Email: complaints@finecobank.com
 Address: Complaints Office, FinecoBank S.p.A., Piazza Durante 11, 20131 Milan (MI), Italy
- 22.2. Complaints with regard to Joint Accounts will require a complaint to be filed by at least one of the Joint Account Accountholders.

- 22.3. The Bank will always aim to resolve your complaint as soon as possible. If your complaint or relates to a payments service issue (including but not limited to complaints about money remittance, payment charges and fees, access to payment and account data, payment authentication and payment orders and transactions) the Bank will write to you with a final response within 15 Working Days of receipt of your complaint or an explanation as to why the Bank needs more time to address the complaint in which case, in the event that the circumstances are exceptional the Bank shall have up to 35 Working Days to respond to your complaint. For all other complaints the Bank will provide you with a response within 8 weeks of receiving the complaint.

- 22.4. If the Bank has not been able to resolve any complaint you make about its products and services within the applicable timeframe in clause 22.3, or if you are not satisfied by the Bank's response, you can refer your complaint to the Financial Ombudsman Service. If you want to contact the Financial Ombudsman Service, you will need to do this within six months from receipt of the Bank's final response to you. The Bank has joined the voluntary jurisdiction of the Financial Ombudsman Service in the UK.

To find out more about the service, you can:

- (a) visit: www.financial-ombudsman.org.uk; or
- (b) write to:
 The Financial Ombudsman Service Exchange
 Tower London E14 9SR; or
- (c) phone them on: 0800 0234 567 or 0300 1239 123; or
- (d) fax them on : 020 7964 1001; or
- (e) email them at: complaint.info@financial-ombudsman.org.uk.

The European Commission has established an online dispute resolution platform (**ODR platform**). This is specifically designed to help customers resident in the European Union who have bought goods and services online from traders established in the European Union but were unable to get their complaint resolved to their satisfaction. As discussed above, if you are not satisfied by the Bank's resolution of your complaint and you have signed up for services online, you can submit your complaint online through the ODR platform in any of the official languages of the European Union. The platform will then send your complaint to the Financial Ombudsman Service for an independent review within 90 days. However, as discussed above, you may also contact the Financial Ombudsman Service directly.

For more information, you can access the platform directly at: <http://ec.europa.eu/odr>.

As the Bank's customer, you may use this service if you are still resident in the European Union and you purchased your product or service with the Bank online.

You will need the following information: The Bank's name: FinecoBank S.p.A..

The Bank's email: complaints@finecobank.com
 The Bank's website address: www.finecobank.com.

The country the Bank is based in: Italy.

The Bank's address: Via Marco D'Aviano 5, 20131, Milan (MI), Italy.

22.5. The decision of the Financial Ombudsman is not legally binding on you or the Bank. If you do not accept the decision of the Financial Ombudsman Service, you can still go to court (although the statute of limitations will still apply). You will also be able to inform the Financial Ombudsman Service if you do not wish to take your complaint any further with them.

23. Compensation

23.1. The Bank has signed up to the Interbank Fund for Protecting Deposits. The Interbank Fund for Protecting Deposits is a compulsory union regulated by Private Law, recognised by the Bank of Italy and whose activity is disciplined by the Statute and Regulations. The purpose of the Interbank Fund for Protecting Deposits is to act as guarantor of depositors belonging to Banks which are part of the consortium. They are under the obligation to provide financial resources necessary for the purposes of the Interbank Fund for Protecting Deposits. The maximum amount of cover per depositor is €100,000.

23.2. The Bank has signed up to the National Guarantee Fund. The National Guarantee Fund provides an indemnity for investors, subject to certain terms and conditions, for all credits consequential to Financial Instruments or cash related to investment transactions with operators who have signed up to the National Guarantee Fund.

24. "Tax Declaration Regime" Option

24.1. Please be informed that Option of the "Tax Declaration Regime" - pursuant to Article 5 of legislative decree No. 461 of 21 November 1997 - is applicable; note that by making this election you elect to withdraw from the default Administrative Tax Regime pursuant to Article 6 of legislative decree No. 461 of 21 November 1997, becoming obliged to disclose any capital gains, net of capital losses, in an annual tax return. As a consequence of this election the clients confirm to be aware that the Bank will not apply any tax on capital gains arising from all transactions relating to securities deposited into the deposit account. Clients are invited to consult their own tax advisors and seek advice on the tax treatment of their investments pursuant to the Bank home State legislation.

SECTION 2 Specific Terms

SECTION 2A Specific Terms for the Internet Banking and Telephone Banking Service

25. Internet Banking and Telephone Banking

25.1. The Bank allows you to manage your Accounts using Internet Banking and Telephone Banking.

25.2. Internet Banking and Telephone Banking are only available for certain Services. The Bank's website sets out which Services can be accessed using Internet Banking or Telephone Banking.

26. How to Access Internet Banking and Telephone Banking

26.1. You may access Internet Banking by using a personal computer with internet access or any other device capable of accessing the internet.

26.2. You can carry out Telephone Banking using the phone number set out in Clause 11 of the General Terms.

27. Strong Authentication

27.1. In accordance with applicable law, the Bank will use a strong customer authentication procedure in order to protect your data and the security of the transactions that you execute through the Internet Banking service.

28. User ID, Password and PIN

28.1. The Bank will provide you with a User ID, Password and PIN to access Internet Banking and Telephone Banking.

28.2. You can only access Internet Banking or Telephone Banking by using your User ID, Password and PIN.

28.3. You must take all reasonable steps to keep the User ID and Password secret and must not share them with anyone else for any reason, including Bank employees. You must never write your User ID, Password and PIN down in the same document or on documents that you keep together. If you think that someone else knows your User ID, Password and PIN you must notify the Bank who will reset them for you.

29. Security credentials

29.1. In order to increase the quality of security over your Account and your transactions, you must use, in accordance with the modalities specified by the Bank, one of the following security credentials:

(a) an SMS PIN, which is a one-off code that we will send to your mobile phone number and should be used in addition to the PIN confirmation for your transactions. You can find further information about this on the Bank's website.

(b) a Mobile Code, which is a software based PIN-protected code generator application which is available via the Bank's app. This will generate authorisation codes for your Internet Banking service.

30. Biometrical Recognition

30.1. Alternatively to the procedures described in previous clauses, if you have a mobile phone with the biometrical recognition technology, you can - using your biometrical data - identify yourself on the Bank's app and carry out certain transactions.

30.2. The Bank will not have access to the biometrical data relating to you, nor will the Bank store or share information related to them on its own servers.

30.3. You are responsible for the registration of your biometric data. You are also responsible for the custody and the correct use of your mobile phone. You shall adopt every appropriate and precautionary measure to protect the security of your biometric data.

30.4. The Bank reserves the right, subject to prior notification to you, to introduce new modalities to identify you biometrically for accessing the Internet Banking or the Telephone Banking services and/or for the authorisation of transactions.

31. Your responsibilities

- 31.1. You are responsible for using the Internet Banking and Telephone Banking services in accordance with these Terms of Business.
- 31.2. You must follow the Bank's instructions in relation to the use of Internet Banking and Telephone Banking. You are liable for any damages that the Bank and / or any third party may suffer as a result of your failing to follow these instructions.
- 31.3. You are responsible for all transactions carried out in connection with your Account by Internet Banking or Telephone Banking using your User ID, Password, Pin and security credentials.
- 31.4. If your User ID, Password, Pin and/or security credentials is lost or stolen, you must notify the Bank, using the telephone number set out below. The Bank will then block access to your Account through Internet Banking and Telephone Banking. If your User ID, Password, Pin and/or security credentials has been stolen you may be asked to provide the Bank with additional information. Helpline numbers:
Toll free from the UK: 0800 640 6667
From abroad: +44 020 7065 7557
- 31.5. The Bank has the right to suspend or terminate the Internet Banking service, at any time and even without prior notice, for safety/security reason or due to potential fraudulent or unauthorised use of the service.
Unless otherwise provided by applicable law, the Bank shall notify you of the suspension of the Internet Banking service by SMS, phone, or e-mail, in advance, where possible, or immediately afterwards. The Bank is not liable for such temporary suspensions, if any, or for the termination of the service.

32. Excluding Services from Internet Banking and Telephone Banking

- 32.1. If you no longer wish to access a Service using Internet Banking or Telephone Banking you must notify the Bank. Where you have a Joint Account, only one Accountholder needs to notify the Bank.

SECTION 2B Specific Terms for the Current Sub-Account and Multicurrency Services

33. Payments into your Current Sub-Account

- 33.1. Payments may be made into your Current Sub-Account by Bank Transfers.
Any cash received into your Account from third parties (such as payments related to sale of Financial Instruments) will be placed into your Current Sub-Account.
- 33.2. Section 2C of these Terms of Business sets out when a payment made into your Current Sub-Account by Bank Transfer will be credited to your Current Sub-Account.

34. Bank Statements

- 34.1. The Bank will provide you with Bank Statements. If your Account is inactive for more than 1 year and the balance is less than £250, the Bank will stop providing Bank Statements.
- 34.2. If you terminate your Account the Bank will provide you with a final Bank Statement 30 Working Days from the date of the last transaction con-

nected to your Account.

- 34.3. You may request more frequent Bank Statements but this may incur additional cost.

35. Multicurrency Service

- 35.1. The Multicurrency Service will be provided as part of your Account.
- 35.2. The Multicurrency Service allows you, through a Multicurrency Sub-Account, to hold cash, and make and receive payments for Financial Instruments where these payments are denominated in the currencies (other than in Sterling) available for the Multicurrency Service. The Multicurrency Service will also allow you to trade Financial Instruments that are denominated in currencies (other than in Sterling) available for the Multicurrency Service.
- 35.3. The currencies available for the Multicurrency Service are Euro, US Dollars, and Swiss Francs.
- 35.4. From time to time, the Bank may notify you that new currencies are available for use under the Multicurrency Service. You can select the new currencies by accessing the specific section of the reserved area on the Bank's website and accepting all the relevant terms and conditions.
- 35.5. For Joint-Accounts, each Accountholder can select a new additional currency. In this instance, Accountholder must notify all the other Accountholder of this decision. The Bank will notify all Accountholders when the new additional currency has been activated on the Account.
- 35.6. Any interest or additional fees associated with a particular Multicurrency Sub-Account (for example interest on any balance or fees in relation to payments) will be calculated only in relation to the balance and transactions for that Multicurrency Sub-Account. The Bank will apply any such interest and fees to that Multicurrency Sub-Account in the relevant currency for that Multicurrency Sub-Account.
- 35.7. If you make a payment from a Multicurrency Sub-Account it will be made in the chosen currency of that Multicurrency Sub-Account, if you receive a payment into your Account which is in a currency of one of your Multicurrency Sub-Account it will automatically be credited in the same currency to Multicurrency Sub-Account.

36. Money Map Service

- 36.1. The Money Map Service allows you to view, organise and manage transactions made to and from your Current Sub-Account by placing each transaction to or from your Account into transaction categories that have been set up by you or the Bank.
- 36.2. Using the information transmitted with a transaction, the Money Map Service automatically places each transaction to or from your Current Sub-Account into a specific transaction category. If the Money Map Service is unable to categorise a transaction it will be placed into the "other" transaction category. If you disagree with the category that the Money Map Service has placed a transaction in, you may always move a particular transaction to a different transaction category.
- 36.3. The Money Map Service does not include transactions related to trading Financial Instruments or transfers and transactions related to the Multicurrency Sub-Account.

36.4. The Bank can suspend or terminate the Money Map Service at any time. The Bank will notify you of any such suspension or termination by email or text message.

37. How to end the Current Sub-Account Service

37.1. If you terminate the Current Sub-Account Service in accordance with Clause 18 of these Terms of Business you will also terminate any other Services provided in connection with the Current Sub-Account such as the Money Map Service, the Payment Services and the Card Services.

SECTION 2C Specific Terms for Payment Service

These Specific Terms apply to Bank Transfers including:

- (a) payments in Sterling;
- (b) payments in Euro carried out between bank accounts held in countries that are SEPA Scheme Countries;
- (c) payments in Euro other than payments described in paragraph (b) above;
- (d) payments in an EEA currency other than Euro payments where the accounts of both payer and payee are held in the EEA;
- (e) payments in a non-EEA currency.

Additional terms as set out in Section 2D will apply to payments made by using a Debit Card.

38. Making payments from your Account.

- 38.1. You can make payments from your Account by placing a Payment Order in accordance with Clause 39.
- 38.2. The Bank will carry out a payment provided you have authorised it in accordance with Clause 39 and you have sufficient funds in your Account in the relevant currency.
- 38.3. The Bank may refuse to carry out a payment, and will not be liable for any losses to you as a result of such refusal, if:-
- (a) it does not contain the required information as set out in Clauses 52, 54, 56, 57, 58, 66;
 - (b) the Payee's Bank does not comply with any required interbank protocols;
 - (c) the payment is contrary to applicable law;
 - (d) you do not have sufficient funds in your Account in the relevant Currency;
 - (e) you fail to produce additional identification as requested by the Bank or prevent the Bank carrying out the transaction (for example, if it is for more than the maximum amount the Bank sets at any point in time) – the Bank will let you know if it stops a payment for this reason;
 - (f) the payment seems unusual compared with the way you normally use your Account, in which case the Bank may investigate further, for example by calling you;
 - (g) the Bank reasonably believes that someone else (other than a TPP) may have rights over money in your account (in this case the Bank can also ask – or require you to ask – a court what to do, or do anything else the Bank reasonably needs to do to protect itself);
 - (h) the Bank considers there is a fraud risk;
 - (i) the Bank is ordered to do so by a Court;
 - (j) the Bank is not able to send the payment (for example if the payee's bank does not accept

the types of payment the Bank can make); or (k) the Bank considers that your Account has been or is likely to be misused.

- 38.4. The limits applicable to payments made from your Account are set out on the Bank's website.
- 38.5. The Bank may refuse to accept a payment into your Account or make a payment from it if it reasonably believes that doing so may cause the Bank (or another company in the Group) to breach a legal requirement, or expose the Bank (or another company in the Group) to action from any government or regulator.
- 38.6. If the Bank refuses to carry out a payment it will, subject to applicable law, notify you of:
- (a) the refusal;
 - (b) the reasons for the refusal; and
 - (c) if applicable, the procedure for remedying any issues that led to the refusal.

39. Payment Orders

- 39.1. The time of receipt of a Payment Order is when it is actually received by the Bank. Cut-off times for various types of Payment Orders are specified on the Bank's web-site.
- 39.2. If you request that a payment is to be carried out in the future, for example, on a specific day, the Payment Order will be deemed received on that specific day (providing it is a Working Day).
- 39.3. Payment Orders sent using Internet Banking or Telephone Banking are deemed to be received at the time specified on the Bank's website if ordered within the prescribed cut-off times.

40. Incoming Payments

- 40.1. Payments in Sterling can be made into your Current Sub-Account by direct transfer from another account or direct transfer from international accounts in other currencies. Cut-off times for each type of payment are specified on the Bank's web-site or in the documents attached.
- 40.2. Payments in Multicurrency Services currencies will be credited to the relevant Multicurrency Sub-Account.
- 40.3. Payment in currencies other than Sterling or in the Multicurrency Services currencies will be converted into Sterling in accordance with the foreign currency conversion terms and times specified in the reserved area on the Bank's website before being deposited to your Current Sub-Account.
- 40.4. If the Bank is notified that money has been paid in to your Current Sub-Account by mistake, the Bank can take an amount up to the mistaken payment amount from your Current Sub-Account. The Bank does not have to ask you to agree to this, but will let you know if it happens. The Bank will act reasonably and try to minimise any inconvenience to you.

41. Information we need to credit a Bank Transfer

- 41.1. In order to Credit a Bank Transfer to your account, the Bank will need the unique ID IBAN or bank account code and sort code relating to the bank and the account the transfer is coming from.

42. Execution times

- 42.1. For SEPA (i.e. Euro to Euro) payments, 1 Working Day.

- 42.2. For Swift payments:
- (a) Sterling to Sterling, 1 Working Day;
 - (b) from Euro account, 2 Working Days;
 - (c) in all other cases, 3 Working Days.
- 42.3. The above execution times refer to the Payment Orders confirmed within the daily cut-off times, available in the reserved area on the Bank's website.
- 43. Giving your consent to payments**
- 43.1. You must give your consent to a payment by Internet Banking or Telephone Banking. You will be deemed to have given your consent to a payment from your Current Sub-Account using Internet Banking or Telephone Banking if you provide the Bank with the security information the Bank asks for and the relevant payment details.
- 43.2. You may withdraw your consent for Payment Orders via the Internet Banking service or Telephone Banking service at any point before the Bank's daily cut-off times as specified in the reserved area on the Bank's website or in the documents attached.
- 44. The Bank's liability to you**
- 44.1. The Bank is responsible for carrying out payments using the Unique Identifier provided by you.
- 44.2. The Bank is not liable for failing to carry out, or carrying out incorrectly, payments where you have failed to use the correct Unique Identifier notwithstanding any other information provided by you to the Bank.
- 44.3. If the Bank fails to carry out, or carries out incorrectly, a payment where you have failed to use the correct Unique Identifier, you can request the Bank to find out where the payment was deposited.
- 45. Your liability for operations directed at specific countries – exclusion of Bank's liability**
- 45.1. If the Bank incorrectly transfers funds into your Current Sub-Account it has the right to deduct the amount of the incorrect transfer from your Account.
- 45.2. You are responsible for all costs and expenses incurred by the Bank (as set out in the Fee Schedule) or the payee's bank imposed on you in connection with an International Bank Transfer.
- 46. Bank's Liability for improper or failed execution**
- 46.1. If the Bank failed to carry out your payment or carried it out incorrectly, the Bank is liable, unless it can show that the payee's bank failed to carry out the payment or carried it out incorrectly.
- 46.2. If the Bank failed to carry out your payment, or carried it out incorrectly, you must notify the Bank in accordance with Clause 11 in the General Terms. The Bank will immediately refund your Current Sub-Account with the amount of the non-executed or incorrectly executed payment and any charges that you have paid as a result of that payment.
- 46.3. In the case of improper execution, you may choose not to claim a refund but to keep or rectify the payment, by informing the Bank of your choice in writing.
- 47. Notice of unauthorised payments or incorrect payments**
- 47.1. If you notice an unauthorised payment or an incorrect payment from your Account you must promptly, and within 13 months of the payment in question, give the Bank written notice.
- 47.2. Upon receiving such notice, the Bank will immediately refund your Account with the amount of the unauthorised payment and restore your Account to the position it would have been in had the unauthorised payment not occurred.
- 47.3. If the Bank suspects fraud or believes that you did in fact authorise the payment, the Bank has the right to not refund your Current Sub-Account until its investigations are complete. Subject to applicable law, the Bank will notify you of this in accordance with Clause 12 of the General Terms.
- 47.4. If the Bank makes the refund in accordance with Clause 47.2 but subsequently obtains evidence that the payment had been authorised by you, it may demand you repay the refunded amount.
- 48. Fees**
- 48.1. You authorise the Bank to debit your Account with any fees (as set out in the Fact Sheet) associated with payments. In addition, you authorise the Bank to bill your Account with the following fees, details of which are set out in the Fact Sheet:
- (a) fees associated with the recovery of a payment where the wrong Unique Identifier has been used; and
 - (b) all other commissions and fees associated with payments made to or from your Account.
- 48.2. Subject to Clause 48.3, the Bank apportions any fees associated with a payment in accordance with one of the following protocols:
- (a) you will pay the Fees charged by the Bank and the payee will pay the fees charged by their bank (SHA protocol);
 - (b) all Fees will be paid by the payee (BEN protocol);
 - (c) all Fees will be paid by you (OUR protocol).
- 48.3. The Bank will automatically apportion fees using the SHA protocol unless:
- (a) you requested the Bank to use either the BEN or the OUR protocol for international payments that involves currency conversion; or
 - (b) you requested the Bank to use either the BEN or the OUR protocol for the payments other than Sterling or Euro to EEA countries (SEPA payments included).
- 49. Bank Communications**
- 49.1. The Bank will provide you with details of the maximum execution time and costs imposed on you for each payment that you ask the Bank to execute before the relevant payment from your Account is ordered from.
- 49.2. The Bank will make information concerning each payment and transaction into and out of your Account and all applicable charges available to you through Internet Banking.
- 49.3. Information related to payments is provided by the Bank to you in accordance with Clause 10 of the General Terms.
- 49.4. You may ask the Bank to provide you with more

frequent information or to use a communication method not set out in these Terms of Business. If the Bank agrees to your request, it may charge you additional fees.

50. How to end Payment Services

50.1. You and the Bank can terminate the Payment Service in accordance with Clause 18 of the General Terms. Subject to Clause 18.4, the Bank is required to give you 60 days' notice if it intends to terminate the Payment Services.

51. Liability for unauthorised use of your User ID, Password, PIN and/or security credentials

51.1. Unless you have acted fraudulently, you will not be liable for any losses connected with payments using your User ID, Password, PIN and/or security credentials after you have notified the Bank of their loss, theft, misuse or suspected misuse in accordance with Clause 31.

51.2. If you have acted fraudulently or with gross negligence in failing to promptly notify the Bank of the loss, theft, misuse or suspected misuse of your User ID, Password, PIN and/or security credentials in accordance with Clause 31, you will be liable for all losses associated with such loss, theft, misuse or suspected misuse.

Part A. Specific Terms for payments in Sterling.

52. Information required to make a Bank Transfer in Sterling

52.1. To make a Sterling Bank Transfer from your Current Sub-Account you must provide the Bank with the following details:

- (a) name, surname or legal name of the payee;
- (b) account number and sort code
- (c) currency;
- (d) amount; and
- (e) any different details that the Bank may require.

Part B. Specific Terms for SEPA payments.

53. Specific Terms for SEPA Bank Transfers Limits

53.1. You can make the Single Euro Payments Area (SEPA) transfers from a Multicurrency Sub-Account in Euros.

53.2. You may receive SEPA Bank Transfers for any amount.

54. Information required to make a SEPA Bank Transfer

54.1. To make a SEPA Bank Transfer you must provide the Bank with the following details:

- (a) name, surname or legal name of the payee;
- (b) payee's IBAN code;
- (c) amount;
- (d) date of payment; and
- (e) reason for the payment.

Part C. Payments other than payments described in Part B above.

55. Euro payments to countries other than Sepa countries

55.1. You can make the Bank transfers in Euro from a Multicurrency Sub-Account in Euros to countries other than SEPA countries.

56. Information required to make a NON SEPA Bank Transfer in Euro

56.1. You must provide the Bank with the following details:

- (a) name, surname or legal name of the payee;
- (b) payee's IBAN code or account number;
- (c) payee's bank;
- (d) country;
- (e) currency;
- (f) amount;
- (g) BIC; and
- (h) other information based on an individual country's specific requirements.

Part D. Specific Terms for payments in an EEA currency other than Euro where the accounts of both payer and payee are held in the EEA.

57. Information required to make a EEA Bank Transfer

57.1. To make a EEA Bank Transfer from your Current and Multicurrency Sub-Account you must provide the Bank with the following details:

- (a) name, surname or legal name of the payee;
- (b) payee's IBAN and BIC code;
- (c) name of payee's bank;
- (d) country of payee's bank;
- (e) currency;
- (f) amount; and
- (g) any different details that the Bank may require.

Part E. Specific Terms for payments in non- EEA currencies

58. Information required to make a non- EEA currency Bank Transfer

58.1. To make payments in a currency other than EEA Member State from your Current and Multicurrency Sub-Account you must provide the Bank with the following details:

- (a) name, surname or legal name of the payee;
- (b) payee's IBAN code or account number;
- (c) payee's bank;
- (d) country;
- (e) currency;
- (f) amount;
- (g) BIC; and
- (h) other information based on an individual country's specific requirements.

Part F. Specific Terms for SEPA Direct Debit

59. SEPA Direct Debit

59.1. The SEPA Direct Debit is a payment service that allows for the transfer of funds in Euros from your Account (both on a one-off and recurring basis), initiated by a payee, on the basis of a mandate from you giving pre-authorisation to debit your Account in favour of the payee ("Mandate"). In order to participate in this service, both you and the payee must each hold an account with a participant located within SEPA.

The SEPA Direct Debit consists of two schemes: (a) SEPA Core Direct Debit (SDD); and (b) the SEPA Direct Debit Business to Business (SDD B2B). The SDD B2B is only available for business to business transfers.

You can sign up to the SDD.

You have the right to instruct the Bank not to per-

mit or enable SDD and/or SDD B2B transfers to be made from your Account. In addition, in relation to the SDD, you can instruct the Bank not to permit transfers: (a) initiated by certain payees, (b) for amounts over a certain threshold; or (c) from payees from certain countries.

Where you are a business (not a customer or a micro-enterprise), you will be able to sign up to the SDD B2B. You shall provide the Bank with details of all Mandates, and each amendment or revocation of such Mandates. Further information is available on request.

You can revoke any transfers at the end of the business day preceding the day agreed for the debiting of funds from your Account.

The time of receipt of a transfer transmitted to the Bank is the expiry date indicated in the order. The order is executed on the expiry date where it is a Working Day or the next Working Day if the expiry date is not a Working Day.

The transfer request will be executed on the date indicated in the order and Your Account will be debited on that day.

You may request a refund of the debited amount within eight weeks from the date on which the funds were debited. You cannot request a refund of the debited amount when you have given a specific Mandate for such debiting. You can request a refund through our website at www.finecobank.com or by contacting our customer care team on 0800 640 6667. You will be required to provide certain information to the Bank including the amount of the refund, the expiry date and the mandate number.

The Bank shall reimburse the entire amount of the amount debited or provide a properly justified refusal within ten Working Days from the receipt of your request.

Part G. Specific Terms for Instant Bank Transfer

60. Instant Bank Transfer in Euros

60.1. Instant Bank Transfer service is always available. You can activate the Instant Bank Transfer service by accessing the Bank's website or through the Bank's app.

You can make an Instant Bank Transfer through the reserved area of the Bank's website, through the Bank's app, as well as through any other channels made available to you by the Bank from time to time.

You may deactivate the Instant Bank Transfer service at any time.

For the execution of the transfer, You must provide the following information to the Bank:

- name;
- name of the payee;
- amount of the order;
- IBAN code (International Bank Account Number) of the payee, which is considered as the Unique Identifier.

In addition, You can provide the following information:

- the reason for the payment;
- any optional information as foreseen on the Bank's website or on the Bank's app.

In accordance with the "Maximum Amount for Instructions under the SCT Instant Scheme Rulebook - EPC023-16", Instant Bank Transfer orders

may not exceed the maximum amount of Euro 100,000 or a different amount from time to time as specified in the SCT Instance Scheme Rulebook. However, the Bank may specify different maximum amount limits, even less than 100,000 Euro, by giving notice to you in the reserved area of the Bank's website. You can specify lower limits than those envisaged by the Bank.

You cannot indicate an execution date, nor the currency, which is always Euro.

You cannot revoke an Instant Bank Transfer order once it has been received by the Bank.

The Bank will immediately give you confirmation of the payment/transfer.

The Bank may refuse to execute your transfer/Payment Order due to a failure by the payee's service provider to execute the SEPA Instant transfers Credit Transfer (SCT Inst) and/or if the amount of the Bank Transfer exceeds the amount limit as notified to you from time to time.

Your Account will be debited in Euro on the date of the execution of the transfer.

The Instant Bank Transfer is performed instantly, with accreditation to the payee in a maximum time of 25 seconds.

The Bank shall credit Instant Bank Transfers in your favor exclusively on the basis of the Unique Identifier (IBAN). The Bank will credit your Account as soon as the funds are credited to the Bank itself.

The Bank may refuse to credit funds if the amount of the transfer exceeds the limit applicable and notified to you from time to time.

SECTION 2D Specific Terms for Debit Card Services

61. Card

61.1. Each Debit Card issued by the Bank allows you to access your Account subject to these Specific Terms. You may request a Debit Card denominated in Sterling or in Euro (or both).

61.2. Unless otherwise specified in the relevant Fact Sheet, if you use a Sterling Debit Card to make a payment or cash withdrawal, the relevant amount will be deducted from your Current Sub-Account. Where you use a Euro Debit Card to make a payment or cash withdrawal, the relevant amount will be deducted from your Euro Multicurrency Sub-Account. All other applicable fees and costs relating to your Debit Card will be deducted from your Current Sub-Account. If the Bank provides you with a Fineco Visa Debit Card you will be able to withdraw cash at VISA ATMs featuring the VISA logo and make payments to both physical and on-line merchants which accept VISA payments. The Bank will not charge any fee for any withdrawals in currency of your Debit Card for transactions in the relevant countries. However, a number of ATM providers may charge a transaction fee. Subject to availability in the retailer concerned, you will also be able to use your Debit Card to make contactless payments up to the limit applicable in the country where the Debit Card is being used.

61.3. You can register your Debit Card for an e-wallet.

61.4. The Bank is also not liable if any retailer refuses to accept your Debit Card.

62. Terms of Use

- 62.1. You will be deemed to have authorised a payment from your Account using your Debit Card:
- at a retailer's premises, by entering your Card PIN into the card keypad, or providing a signature that matches the signature on the Debit Card or, if it is a contactless payment, by tapping the card against the retailer's terminal. You must provide evidence of your identity if asked to do so;
 - online or over the phone, by providing some of your personal and Debit Card details along with the 3-digit security number on the back of the Debit Card. The Bank can also send you a one-time password for you to confirm that you authorise the payment where Verified by Visa procedure apply; or
 - at an ATM, by entering your Card PIN.
- 62.2. Once you have authorised a payment from your Account using your Debit Card in accordance with Clause 62.1, you cannot cancel that payment.
- 62.3. The Bank may impose spending limits on the amount that you can spend on your Debit Card, irrespective of the cleared funds in your Account. The Bank will confirm these limits when it sends you your Debit Card. ATM cash withdrawal limits are also to apply.
- 62.4. The Bank will carry out a payment made using your Debit Card provided you have authorised it in accordance with Clause 62.1, you have sufficient cleared funds in your Account and you would not exceed any spending limits imposed by the Bank.
- 62.5. The Bank may refuse to carry out a payment, and will not be liable for any losses to you, if:
- you do not have sufficient funds in your Account;
 - you would exceed any spending limits set by the Bank; or
 - the Bank considers there is a fraud risk.
- If the Bank refuses to carry out a payment it will, subject to applicable law, notify you of:
- the refusal;
 - the reasons for the refusal; and
 - if applicable, the procedure for remedying any issues that led to the refusal.
- 62.6. For security reasons and fraud prevention, the Bank may impose spending limits on the use of your Debit Card for payments taking place overseas or via a website registered overseas. The Bank may change the relevant spending limits at any time and will notify you of such changes.
- 62.7. To increase safety of internet payment, your Debit Card will be automatically registered for Verified by Visa. You may be asked to provide additional information relating to your Debit Card when making payments with your Debit Card online.
- 62.8. The Bank may authorise third parties to perform its obligations in respect of the Debit Card. The Bank has no liability for the actions of third parties which it has not authorised. The Bank will not be liable for any adverse consequences as a result of such unauthorised third parties' actions (such as the suspension or delay of payments made using the Debit Card that are not as a result of any action/inaction by the Bank).

63. Card Issue

- 63.1. The Bank may refuse your application for a Debit Card.
- 63.2. The Bank will issue you (or in the case of a Joint Account, each Accountholder, unless otherwise agreed with you) a Debit Card and Card PIN linked to your Account. The Debit Card and Card PIN can only be used by the person to whom it has been issued; it may not be used by any other person. You must not disclose your Card PIN to any other person including a Bank employee.
- 63.3. The Bank will send the Fineco Visa Debit Card by post and Card PIN to you by SMS/text.
- 63.4. When you receive your Debit Card you must sign it and activate it using the instructions provided by the Bank. If the Debit Card is not activated, you will still remain responsible for each obligation toward the Bank. The Bank has the right to contact you by phone call, in order to verify the Debit Card correct receipt.
- 63.5. A Debit Card is typically valid for 36 months. Prior to the Debit Card's expiry date, the Bank will issue you a replacement Debit Card by sending it to you by post to the address set out in Clause 12.1 of the General Terms. The replacement Debit Card may:
- operate on a different, but equally widespread, network (e.g., Mastercard instead of VISA);
 - be valid for more or less than 36 months; or
 - feature new and improved technology.
- 63.6. Notwithstanding any other provision herein contained, after the Debit Card is issued, reissued or renewed, and before it is physically delivered to the address set out in Clause 12.1, you can activate the e-wallet services on the Debit Card, through the Bank's website or through the Bank's app, using the instructions provided by the Bank, which would immediately allow you to use the Debit Card for online purchases and payments through the mobile payments services enabled from time to time by the Bank (e.g. Apple Pay, Google Pay, Garmin Pay, Fitbit Pay). Once the Debit Card is activated, you will see the Debit Card data (PAN, CVV2, expiry date), on the Bank's website and Bank's app, that are necessary to enable e-wallet services. Upon receipt of the physical Debit Card at the address set out in Clause 12.1, you can also activate all other withdrawal and payment services (e.g. payments by inserting the Debit Card in the POS).

64. Keeping your Debit Card, Card PIN and Account details safe

- 64.1. You must keep your Debit Card safe and must keep your PIN and any other security code associated with the Debit Card and access to your Account secret. You must not disclose it to anyone else including Bank employees. You must take care to ensure that third parties do not use the Debit Card.
- 64.2. If the Debit Card becomes damaged or worn out you must stop using it and return it to the Bank. You must destroy the Debit Card by cutting it into at least six pieces before returning it to the Bank.
- 64.3. The Bank will replace a Debit Card that is damaged or no longer works. You may be charged a fee for the card replacement.

65. Card/Pin/Security code loss/theft

- 65.1. You must immediately notify the Bank if your Debit Card or any Security Details are lost, stolen, or you think someone knows them or has tried to use them by calling:
0800 640 66 67 (support & H24 from UK)
+44 20 706 57 557 (from abroad)
- 65.2. At the same time as notifying the Bank in accordance with Clause 65.1, or within 48 hours of such notification, you must submit a request to the Bank for a replacement Debit Card. The Bank will charge you the cost of replacing the Debit Card, if provided, as indicated in the Fact Sheet.
- 65.3. The Bank will block your Debit Card and Account access as soon as it receives notification in accordance with Clause 65.1.

66. Bank's Liability for improper or failed execution

- 66.1. If the Bank failed to carry out your payment or carried it out incorrectly, the Bank is liable, unless it can show that the payee's bank failed to carry out the payment or carried it out incorrectly or the failure occurred due to abnormal and unforeseeable circumstances outside the Bank's control.
- 66.2. If the Bank failed to carry out your payment, or carried it out incorrectly, you must notify the Bank in accordance with Clause 11 in the General Terms. The Bank will immediately refund your Account with the amount of the non-executed or incorrectly executed payment and any charges or interest that you have paid as a result of that payment.
- 66.3. In the case of improper execution, the payer may choose not to claim a refund, by informing the Bank of his choice in writing, and may opt to keep or rectify the payment.

67. Notice of Unauthorised Payments or incorrect payments

- 67.1. If you notice an unauthorized payment or incorrect payment from your Account you must promptly, and in any event within 13 months of the payment in question, give the Bank written notice.
- 67.2. Upon receiving such notice, the Bank will immediately (ie by the end of the next Working Day following your notification to the Bank) refund your Account with the amount of the unauthorised payment and restore your Account to the position it would have been in had the unauthorised payment not occurred.
- 67.3. If the Bank suspects fraud or believes that you did in fact authorise the payment, the Bank has the right to not refund your Account until its investigations are complete. Subject to applicable law, the Bank will notify you of this in accordance with Clause 12 of the General Terms.
- 67.4. If the Bank makes the refund in accordance with Clause 67.2 but subsequently receives evidence that the payment had been authorised by you, it may demand you repay the Bank the refunded amount.

68. Cardholder liability for unauthorised use

- 68.1. Unless you have acted fraudulently, you will not be liable for any losses connected with payment using your Debit Card or Security Details after you have notified the Bank of their loss, theft, misuse or suspected misuse in accordance with Clause 65.

- 68.2. Subject to Clause 68.3, if you fail to promptly notify the Bank of the loss, theft, misuse or suspected misuse of your Debit Card or Security Details in accordance with Clause 65 you will only be liable for losses up to £35.

- 68.3. If you have acted fraudulently or with gross negligence in failing to promptly notify the Bank of the loss, theft, misuse or suspected misuse of your Debit Card or Security Details in accordance with Clause 65, you will be liable for all losses associated with such loss, theft, misuse or suspected misuse.

69. Card Block

- 69.1. The Bank may block your Debit Card or suspend its use where:
- (a) there are issues with your Debit Card security;
 - (b) it suspects that your Debit Card has been subject to unauthorised or fraudulent use;
 - (c) there is a high risk of you not complying with your payment obligations to the Bank.
- 69.2. Subject to applicable law, the Bank will notify you by post, telephone or text message of any block or suspension before or immediately after your Debit Card has been blocked or suspended.
- 69.3. Once the issue which causes the Debit Card to be blocked or suspended has been resolved, the Bank will remove the block or suspension. If this is not possible the Bank will send you a replacement Card by post to the address set out in Clause 12.1 of the General Terms.
- 69.4. The Bank may report any use of an expired, blocked, lost, stolen, Debit Card or Security Details or any other misuse of your Debit Card or Security Details to the Police.

70. Maximum execution time

- 70.1. If you use your Debit Card to withdraw cash from an ATM or to pay a retailer, the amount of the withdrawal or payment will be authorised by the Bank immediately and debited from your Account straight away subject to any technical issues with your Account, ATM operation or other matters outside control of the Bank. The ATM may withhold the Debit Card if the Bank suspects misuse or for other security reasons. If this happens you must notify the Bank using the contact details set out in Clause 11.2.

71. Fees

- 71.1. Any charges incurred by you in carrying out the payments in Clause 61.2 will be in the local currency of the country in which the payment was made. If you use your Debit Card to make a payment from your Account which requires a currency conversion, the Bank will convert that payment into the currency of the Debit Card using the Visa Payment Scheme Exchange Rate before debiting the amount of the Payment Order from your Account. You will be subject to additional fees for currency conversions. These are set out in the Fact Sheet and are available on www.finecobank.com.

72. How to end the Debit Card Services

- 72.1. You and the Bank can terminate the Debit Card Service in accordance with Clause 18 of the General Terms. Subject to Clause 18.4, the Bank is required to give you 2 months' prior notice if it

intends to terminate the Payment Service.

- 72.2. You are liable for any loss or damages caused by your continued use of the Debit Card after the Card Service has been suspended or terminated.

SECTION 2E Specific Terms for Custody

73. Custody Services

- 73.1. The Bank will hold Assets for you in a Custody Account. By merely holding investments or Assets for you, the Bank is not assuming any duty to advise you as to the merits of buying, selling, hedging or insuring them.
- 73.2. You authorise the Bank to:
- (a) open and operate such Accounts as may be necessary for the Bank to provide you with custody services;
 - (b) safe-keep your investments either in the Bank's own or its sub-custodian's custody in Italy or, in any other country, subject to the laws, regulations and customs of the place where they are kept;
 - (c) use any person selected by the Bank as a sub-custodian, including affiliates of the Bank and third parties;
 - (d) where the Bank holds registrable Assets for you, register or record such Assets in your name or in the name of an eligible nominee; and
 - (e) where the Bank holds registrable Assets for you which are subject to law or market practice which prevents the Bank from registering or recording legal title in the way set out in Clause 73.2(d) above, register or record such Assets in the name of a third party or, if we are prevented from doing so, in the Bank's name.
- 73.3. You are hereby notified that in the event that Assets are registered or recorded in the Bank's name (in accordance with Clause 73.2(e)) we will keep records to separately identify your Assets from the Bank's own Assets and the Bank will make arrangements so as to safeguard your ownership rights to your Assets. However, such Assets may not be segregated from the Bank's own Assets so that in the event of the Bank's insolvency, your Assets may not be as well protected from claims made on behalf of the Bank's general creditors (in comparison to if such Assets had been segregated from the Bank's own Assets).
- 73.4. Notwithstanding any other provision of these Terms of Business, the Bank shall be responsible for the acts or omissions of any nominee controlled by the Bank, or by the Group, to the same extent that the Bank is liable for its own acts and omissions. Any limitations in relation to the Bank's liability under this Agreement (including, but not limited to, the limitations set out in Clause 16) shall apply equally to any nominee controlled by the Bank or the Group.
- 73.5. The Bank will not be held liable for any act or default or negligence by any sub-custodian or any nominee which is not controlled by the Bank or the Group, unless the Bank has failed to exercise due skill, care and diligence in the selection, appointment and periodic review of such persons, or unless the Bank is otherwise in breach of its obligations otherwise imposed on the Bank.
- 73.6. Where the Bank has any rights pursuant to Clause 73.2 against the issuer of securities (or, where holding through a sub-custodian, the relevant sub-custodian) in respect of securities held in your Account, the Bank will hold such rights for your benefit.
- 73.7. You understand and accept that the Bank, and any sub-custodian, may pool your Assets with those of other clients and a sub-custodian may also pool your Assets with those of its own. Where the Bank (or a sub-custodian) does this, your individual client entitlements may not be separately identifiable by separate certificates, other physical documents of title or equivalent electronic record, and, therefore, in the event of an irreconcilable shortfall after the Bank's insolvency or the insolvency of a sub-custodian, clients whose investments have been pooled may share in that shortfall in proportion to their original share of the assets in the pool. Any entitlements or other benefits arising in respect of pooled Assets will be allocated pro rata to each client whose Assets are so pooled.
- 73.8. In the event of the insolvency or any other analogous proceedings of a third party holding your Assets, the Bank may only have an unsecured claim against the third party on your behalf, and you will be exposed to the risk that the securities, cash or any other property received by the Bank from the third party is insufficient to satisfy your claim and the claims of all other relevant clients.
- 73.9. Where your Assets are held outside Italy, different settlement, legal and regulatory requirements, and different practices relating to the segregation and separate identification of those investments, may apply and your rights in the event of a default or insolvency may be different (and may be reduced).
- 73.10. Any sub-custodian referred to in this Clause 73 may have a security interest or lien over, or right of set off in relation to, the Assets held in your Custody Account, to the extent the Bank is permitted to grant such rights. The Bank will inform you if any sub-custodian has an above-described lien or right over your Assets.
- 73.11. You can ask the Bank at any time for a statement of the Assets the Bank holds for you. We may make a charge for the provision of the statement in accordance with these Terms of Business.

74. Authorisation

- 74.1. You authorise the Bank, but the Bank is not obliged, to:
- (a) sign on your behalf and deliver any required endorsements or assignments and guarantees, their signature to transfer Assets, execute all declarations and affidavits and certify ownership of your Assets;
 - (b) exercise, purchase or sell subscription rights to Assets and exchange and collect redeemed Assets;
 - (c) exercise (or leave unexercised) voting, conversion, subscription or other rights (including rights in respect of capital reorganisations, rights issues and takeovers and other offers) and other offers on any Assets and make payment on your behalf for these rights without asking you. Generally, however, the Bank shall have no obligation to, and

- will not, exercise voting rights on any of your Assets;
- (d) collect interest and dividends and other entitlements (or shares or other benefits in lieu of dividend) from your Assets held in your Account;
 - (e) collect entitlements to shares and any other benefits arising from corporate events. Where your Assets have been pooled, such entitlements shall be distributed pro rata, according to the Bank's records of client investments;
 - (f) sell subscription rights and collect redeemed securities;
 - (g) put up margin security or collateral for borrowing or derivative transactions for you with a counterparty, exchange, clearing house or intermediate broker of the Bank's choosing where market practice requires the Bank to do so;
 - (h) lend your Assets to or through a counterparty or intermediate broker of its choosing on terms which are usual in the relevant market (unless you instruct the Bank otherwise); and/or
 - (i) pass entries over your Account for amounts received or paid out from any of the above transactions, unless you instruct the Bank otherwise, which the Bank may do by itself, by its agents or by its or their nominees.

75. Obligations

- 75.1. Unless otherwise agreed with you, or where the Bank is required by law, the Bank shall have no obligation to forward to you any information regarding corporate actions (whether relating to distributions, voting rights, rights arising under a reorganisation, rights issue or takeover, or other corporate events) or any other information received by the Bank in relation to the Assets held by the Bank or any nominee company by you.
- 75.2. In the event that any sub-custodian reverses a payment or allocation of interest or dividends or other entitlement, the Bank shall be entitled to reverse such payment or allocation to the same extent.

SECTION 2F Specific Terms regarding Investment Services

76. General Provisions

- 76.1. The Bank will, acting on your instructions, receive, transmit and execute orders in Financial Instruments (the "Investment Services"). The Bank will also place Financial Instruments without a firm commitment basis.
- 76.2. The Bank does not provide advice in relation to Financial Instruments. The Bank is not able to advise you on any transaction and the Bank will not provide you with any advice or personal recommendations.
- 76.3. Specifically, the Investment Services will include:
- (a) Execution of Orders on Behalf of clients: this Service involves the Bank executing orders relating to Financial Instruments in accordance with your instructions where the Bank has direct access to the relevant Trading Venue. The Bank's Order Execution Policy sets out how the Bank will execute orders

and what trading venues it will use. A copy of the Bank's Order Execution Policy is available on the Bank's website and a copy is included with these Terms of Business. The Bank may act as a counterparty to a transaction with you for the purposes of executing your order where the Bank is acting as a Systematic Internaliser.

- (b) Reception and Transmission of Orders: this Service involves the Bank receiving orders in Financial Instruments from you and transmitting them to an intermediary of the Bank which is authorised to execute client orders. Orders will only be transmitted to an intermediary when the Bank has no direct access to a certain Trading Venue. The intermediaries used by the Bank are listed in the Order Execution Policy.
- (c) The two Services described above, Execution of Orders and Reception and Transmission of Orders, will be collectively referred to as "execution" in these Specific Terms.
- (d) When distributing certain financial products, the Bank needs to comply with conditions and instructions provided by issuers of such products.
- (e) The Bank may provide assistance with on-going running in relation to certain financial products.

- 76.4. When providing Investment Services, by signing this Agreement you expressly authorise the Bank to act on your behalf as your agent.

77. Appropriateness

- 77.1. Before providing you with Investment Services, the Bank will ask for information about your knowledge and experience relevant to specific Financial Instruments to enable it to carry out an appropriateness assessment. If you have a Joint Account the Bank will carry out an appropriateness assessment on all of the Accountholders. An appropriateness assessment is designed to ensure that you are able to understand the terms and risks involved in investing in a particular Financial Instrument.
- 77.2. If you give the Bank an instruction to carry out a transaction which the Bank does not consider to be appropriate for you it will inform you of this. The Bank may require you to provide confirmation that you have been provided with this warning before carrying out your instruction.

78. Execution only

- 78.1. Exclusively for the financial instruments set out below, you may request the Bank to execute these Services in "execution-only" mode:
- (a) shares admitted to trading on a Regulated Market or on an equivalent third country market or on a MTF (excluding shares in non-UCITS collective investment undertakings and shares that embed a derivative);
 - (b) bonds or other form of securitised debt admitted to trading on a Regulated Market or on an equivalent third country market or on a MTF (excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved);
 - (c) money market instruments (excluding those

- that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved);
- (d) shares or units in UCITs (excluding structured UCITS);
 - (e) structured deposits (excluding those that incorporate a structure which makes it difficult for the client to understand the risk of return or the cost of exiting the product before term);
 - (f) and other non-complex financial instruments which the Bank reserves the right to specify on its website.
- 78.2. If you made the election set out in Clause 78.1 above, you are deemed to have immediately acknowledged that:
- (a) the Bank, for these specific financial instruments, does not have to:
 - i. ask you for information concerning knowledge and experience of the investment sector relevant to the financial instrument;
 - ii. evaluate the appropriateness of the your chosen instrument as referred to in Clause 77;
 - (b) the "execution only" service does not include the protection offered by the appropriateness evaluation carried out by the Bank in accordance with Clause 77.
- 78.3. The Bank shall carry out the collection and transmission service in "Execution Only mode" only referring to orders transferred electronically.

79. Client Categorisation

- 79.1. The Bank is required to ensure clients are appropriately categorised prior to doing business with them in order to ensure that regulatory protections are focused on those classes of client which most require it. The three categories of client are Retail Clients, professional clients and eligible counterparties.
- 79.2. For the purposes of these Terms of Business, the Bank will treat you as a Retail Client. As a Retail Client, you are entitled to the highest level of protection, including the obligation of the Bank to provide you with Best Execution, as set out in the Order Execution Policy included with this document. The Bank only deals with Retail Clients. If you do not wish to be treated as a Retail Client, the Bank will be unable to provide you with these Services unless it is able to categorise you as a Professional Client.
- 79.3. The Bank is obliged to provide you in a clear form with all information necessary to correctly understand the nature and the risks of the Investment Services and specific types of financial instruments which is necessary for you to make an appropriate investment decision.
- 79.4. Best Execution is a key component of investor protection and the "best execution" principle means that the Bank must take all reasonable steps to obtain the best possible result for you as its client, taking into account price, costs, speed of execution, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

80. Conflicts of Interest

- 80.1. The Bank complies with laws and regulations

concerning conflicts of interest and has a conflicts of interest policy in place, a copy of which is provided to you with these Terms of Business.

- 80.2. The Bank applies efficient, organizational and administrative measures in order to adopt all reasonable steps to avoid conflicts of interest negatively affect your interests.
- 80.3. If, in providing you with Investment Services or carrying out a transaction in relation to your Account, there is a risk of a conflict of interest between you and the Bank (including the Bank's managers, employees or persons directly or indirectly related to the Bank) or between you and another client, the Bank will clearly warn you, before providing the Service or carrying out the transaction, about the general nature and/or sources of such conflicts of interest and the measures taken to mitigate such risks. It is also your right to request further clarification regarding the Bank's conflict of interest policy.

81. Terms regulating inappropriate operations and conflicts of interest.

- 81.1. If a transaction is not considered appropriate for you in accordance with Clause 77 or would give rise to conflict of interest in accordance with Clause 80, the notifications referred to in Clauses 77.2 and 80.3, respectively, will be given to you by the Bank and the Bank will ask you for confirmation by email or Internet Banking in accordance with Clause 12 of the General Terms before executing the transaction.
- 81.2. If you give an order for a transaction that is not considered appropriate for you or would give rise to conflict of interest, the notifications referred to in Clauses 77.2 and 80.3 will be given to you by the Bank.

82. Joint Accounts

- 82.1. When one Accountholder of a Joint Account places an order for a Financial Instrument, the Bank will conduct appropriateness checks on the Accountholder who is placing the order.

83. Risks of Investing

- 83.1. You will be responsible for bearing the costs and risks of any transactions in Financial Instruments executed by the Bank for you.
- 83.2. The value of your investments and the income from them can go down as well as up and you may not get back the amount you originally invested. The market value of Financial Instruments that are derivatives is subject to significant variations and investing in such instruments involves a high risk of loss, which may exceed the amount of your original investment. You agree and confirm that you have been fully informed and are aware of the inherent risks.
- 78.3. If you ask the Bank to execute an order in Financial Instruments outside a Trading Venue, you confirm that you are aware that:
- (a) those Financial Instruments may not be able to be sold or bought immediately on your instruction due to prevailing market conditions; and/or
 - (b) it may be difficult to obtain reliable information about their value.
- 83.4. If you hold in your Custody Account leveraged financial instruments or contingent liability trans-

actions, the Bank will inform you where the initial value of each instrument depreciates by 10% or more, and thereafter at multiples of 10%. Reporting under this paragraph shall take place no later than the end of the Working Day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-Working Day, the close of the next Working Day.

84. Commissions and Fees

- 84.1. The Bank will charge you the fee and/or negotiated commissions set out in the Fee Schedule for Investment Services.
- 84.2. Any additional expenses incurred by the Bank or its intermediary in providing you with Investment Services will be charged to your account.
- 84.3. Additional information regarding fees or taxes is available on the Bank's website.
- 84.4. The Bank will provide you with information relating to the fees and costs of each Investment Service and each Financial Instrument along with an annual statement setting out fees and commissions that you have been charged.

85. Investment Services in a non-Base Account Currency

- 85.1. If you ask the Bank to execute an order for a Financial Instrument in a currency which is not a Base Account Currency, the Bank will convert the amount of the order into the relevant currency using the exchange rate set by the Bank at the time of order execution.
- 85.2. Commissions for currency conversion will be charged to you by the Bank when you trade in Financial Instruments set in a currency which is not a Base Account Currency.

86. Margin

- 86.1. As a condition of placing an order with the Bank, the Bank may in its sole discretion require the deposit of funds or Collateral acceptable to the Bank to cover your liability to the Bank for any losses which may be incurred in respect of your transaction ("**Initial Margin**"). Initial Margin is due and payable immediately as a condition to executing the relevant transaction and the Bank may decline to execute any transaction if you do not have sufficient available cash or Collateral in your Custody Account to satisfy the Initial Margin required for that transaction at the time the relevant order is placed. If there is an adverse movement in the price of your investment or if the Bank determines in its sole and absolute discretion that there is an increase in the risk of an adverse movement in the price of an investment, the Bank will require additional security from you in the form of cash deposits or other acceptable Collateral to supplement the Initial Margin ("**Variation Margin**").
- 86.2. Margin requirements may be set and varied without prior notice from time to time in the Bank's sole and absolute discretion in order to cover any realised or unrealised losses arising from or in connection with transactions in your Custody Account, including subsequent variation of any margin rates set at the time the transaction is executed.
- 86.3. Margin must be provided by or on behalf of you in cash or other Collateral acceptable to the Bank as determined by the Bank in its sole and abso-

lute discretion. You are obliged to maintain in your Custody Account, at all times, sufficient funds to meet all margin requirements. In addition, the Bank will be entitled to treat any Assets deposited with the Bank by you from time to time (other than assets deposited for safe custody only) as Collateral against your margin requirements. In all cases, the Bank will be entitled in its sole and absolute discretion to determine the value of any Collateral deposited with the Bank. The Bank is entitled to require you to pay your margin requirement by any method of immediate/electronic funds transfer acceptable to the Bank.

- 86.4. In the event that there is insufficient margin in your Custody Account or in the event that the deposited margin is not sufficient to meet the required margin, as determined by the Bank in accordance with Clauses 86.1 and 86.2 of these Terms of Business, the Bank will call upon and request that you deposit additional margin or Collateral to secure your obligations to the Bank.
- 86.5. If you do not respond to any margin call from the Bank, the Bank may in its sole discretion close or liquidate your investments without notice to you immediately and decline to enter into any further transactions with you or accept any further instructions from you if you fail to honour any margin call. The Bank shall not be liable for any losses you may suffer as a result of any failure to respond to a margin call.
- 86.6. *Security interest.* As a continuing security for the performance of all your obligations (whether actual or contingent, present or future) to the Bank pursuant to or in connection with these Terms of Business in relation to your Custody Account you grant to the Bank, with full title guarantee, a first priority fixed charge over, and security interest in, all margin and other Collateral now or in the future provided by you to the Bank or to its order or under its direction or control or that of a trading venue standing to the credit of your Custody Account.
- 86.7. *Negative pledge.* You undertake neither to create nor to have outstanding any security interest whatsoever over, nor to agree to assign or transfer, any of the margin transferred to the Bank, except a lien routinely imposed on all securities in a clearing system in which such securities may be held.
- 86.8. *Power to charge.* You agree that the Bank may, free of any adverse interest of yours or any other person, grant a security interest over margin provided by you to cover any of the Bank's obligations to an affiliate or third party broker or trading venue, including obligations owed by virtue of the positions held by the Bank or another of its customers.
- 86.9. *General lien.* In addition and without prejudice to any rights to which the Bank may be entitled under these Terms of Business or any applicable law, the Bank shall have a general lien on all property held by the Bank or those appointed by the Bank on your behalf until the satisfaction of your obligations (actual or contingent, present or future) to the Bank under these Terms of Business in relation to your Custody Account.
- 86.10. *Further assurance.* You agree to execute all further documents and to take such further steps as the Bank may request from time to time to create, perfect, maintain or protect the Bank's charge and security interest referred to in Clause 86.6, to be

registered as owner of or obtain legal title to all Collateral, to secure further your obligations (actual or contingent, present or future) to the Bank, or to enable the Bank to exercise its rights or satisfy any requirement in relation to your Custody Account.

- 86.11. *Substitution.* You may not withdraw or substitute any property or asset subject to the Bank's charge and security interest referred to in Clause 86.6 without the Bank's prior written consent.

87. Inducements

- 87.1. Subject to applicable law and regulation, the Bank may pay any Inducement to or accept any Inducement from a third party other than you, or a person acting on your behalf, if the payments or benefits:

- (a) are intended to increase the quality of the service provided to you; and
- (b) do not impact compliance of the Bank with its obligations to act honestly, equally and professionally in your best interests;

The existence, nature and amount of any payments or benefits will be clearly disclosed to you in a manner that is comprehensive, accurate and understandable, before the provision of Investment Services.

- 87.2. The Bank will notify you of any Inducements received in accordance with Clause 87.1 when you place an order and before that order is executed by the Bank and will provide you with any additional details at your request.

- 87.3. Some Inducements paid or accepted by the Bank may be calculated as a percentage of:

- (a) the commissions charged to clients, as set by the company issuing or offering an investment product (which would be explained in the contracts or other documents provided to you by the issuing company); or
- (b) the offering price of the investment product (which would be communicated to you by the issuing company).

88. Trade Confirmations and Trading Activity Summaries

- 88.1. The Bank will provide you with a trade confirmation by the next Working Day following your order's execution. The trade confirmation will be made available on Internet Banking and you may print it.

- 88.2. The trade confirmation will include the following information (where appropriate):

- (a) the Bank's name;
- (b) your name and ID details,
- (c) order type (e.g., Limit Order or Market Order);
- (d) sign of trade (buy or sell);
- (e) date and time of execution;
- (f) Execution Venue;
- (g) Financial Instrument identification details;
- (h) quantity and unit price of the Financial Instrument;
- (i) total execution price;
- (j) total commissions and fees; and
- (k) identity of the counterparty.

- 88.3. Where an order is executed in a currency different than the Base Account Currency, the trade confirmation will be sent to you on the first Working Day after the date of the currency conversion, as discussed in Clause 85 above.

- 88.4. The details of your trading account activity will be available using Internet Banking and updated by the next Working Day after an order had been executed. You may print this information.

89. Order Execution

Order placement and cancellation

- 89.1. You may only place (or cancel) orders for Financial Instruments by Internet Banking or Telephone Banking. By entering into this Agreement, you are informed and agree that the Bank may record any relevant phone call. You also acknowledge that these phone record, if any, are kept by the Bank and remains available for 5 (five) years from the recording date, and in that period you may request a copy from the Bank.

- 89.2. You will need to enter your User ID, Password and PIN in order to submit (or cancel) orders electronically. Orders may be submitted (or cancelled) via Internet Banking or other channel chosen by the Bank.

- 89.3. Orders submitted (or cancelled) electronically are given a unique ID number by the Bank and an order (or cancellation) is considered to be received by the Bank when the ID number has been entered by the Bank into the order monitor. You can confirm your order (or cancellation) has been received by the Bank by accessing the order monitor on the Bank's website.

- 89.4. When the Bank receives your order (or cancellation) and it has been entered into the order monitor, the Bank will issue an order (or cancellation) confirmation which includes your name, the date and time the order was received, the details and instructions for the order. You can access this using Internet Banking and may print a copy for your records.

- 89.5. The Bank will retain for 5 years electronic records of the orders (and cancellations) submitted electronically. The Bank may use these electronic records as evidence in court of the Bank's receipt of your order (or cancellation).

- 89.6. The Bank is not liable for any orders (or cancellations) which are not executed due to any action you take which is not in compliance with these Terms of Business.

- 89.7. An order cannot be cancelled once it has been executed by the Bank.

- 89.8. You agree to provide the Bank with any identification code or identifying information that it may require.

For customers which are not natural persons and for individuals acting on a business capacity, the Bank requires the customer's LEI code (*Legal Entity Identifier*). For individuals the Bank requires the customer's NIC (*National Identification Code*).

- 89.9. The Bank may also require NIC and LEI code information in relation to each person you delegate as being entitled to operate on your Account including your legal representative. The Bank may also require you to provide this code and/or the personal data necessary for the determination of the NIC code, and to promptly report any changes.

- 89.10. You are aware and accept that the Bank will not be able to proceed with any order, subject to the reporting obligations, in the absence of the aforementioned identification codes or if the codes or associated information are invalid.

Best Execution and the Bank's Execution Policy

- 89.11. The Bank has put processes in place to ensure quick, correct and efficient execution of client orders and the Bank will act in your best interest when carrying out your orders, in consideration of your instructions ("**Best Execution**").
- 89.12. The Bank's policies and procedures concerning order execution, including Best Execution, are set out in the Bank's "Order Execution Policy" which is included in Annex I to these Terms of Business. Your orders will be executed in line with the Order Execution Policy and as such your orders may be executed outside of a trading venue.
- 89.13. The Bank will notify you of any material changes to its Order Execution Policy.
- 89.14. Where your orders are executed on a trading venue, your orders will be executed in accordance with the rules and regulations of the relevant Trading Venue and all such steps may be taken as may be required or permitted by those rules and regulations. Your orders may be subject to pre- and post-trade monitoring as required by law in order to prevent excessive volume in the order book, to prevent a trading system's capacity from being breached or to constrain or halt trading to maintain an orderly market (to the extent such interruptions are warranted and permitted by the rules of the trading venue). Your order may be automatically blocked or cancelled by the Trading Venue as necessary or required by the trading venue.
- 89.15. The Bank will endeavour to carry out any specific instruction you give as to how to execute an order. Please note that by acting on your specific instruction, the Bank may be prevented from executing your order in accordance with Best Execution. In respect of those parts of the execution which are not covered by the specific instruction, the Bank will process the order in accordance with its Order Execution Policy.

Order Handling

- 89.16. The Bank will promptly, fairly and efficiently process orders as and when they are received unless details of the order or market conditions make it impossible to do so or if acting in your best interest or in accordance with your instructions will require the Bank to take a different approach.
- 89.17. The Bank will inform you as soon as possible if there are any difficulties which may negatively impact the execution of your order or if the Bank is not able to execute your order due to a systems failure, a delay or change in market conditions or other circumstances. The Bank will attempt to execute your order by the end of the next Working Day unless you inform the Bank that you wish to cancel your order.
- 89.18. The Bank may forward your orders to other companies within the Bank's Group or its intermediaries to execute your order.
- 89.19. The Bank may in its sole discretion limit or prohibit you (even if only temporarily) from engaging in certain trading activities or from trading in certain Financial Instruments if there is extreme market volatility or for any other valid reason the Bank may tell you. The Bank will give you notice of this.
- 89.20. Where the Bank acts as the counterparty to your

transaction, the Bank will tell you the price at which it is willing to execute your order and the Bank will execute your order once it has received your consent in accordance with Clause 11.

- 89.21. The Bank may combine your orders with its own orders or orders of other clients. Combining your orders with those of other clients may result in you obtaining on some occasions a more favourable price and on others a less favourable price than if your orders had been executed separately. The Bank will only combine your orders in this way when it reasonably believes that, in doing so, it is unlikely to act against your best interest.
- 89.22. If the Bank can only execute part of your order, the Bank will use reasonable endeavours to achieve the best possible result and execute the order to the fullest extent possible. Where the Bank has combined your orders with its own orders, and the Bank is only able to fill partially the orders, your order will be filled before the Bank's order. However, if the Bank determines that you would have been in a worse position if the orders had not been combined, the orders executed will be allocated proportionally between you and the Bank.

SECTION 2G Specific Terms regarding the Interest-bearing portfolio service

90. Client's authorisation

You hereby expressly authorise the Bank to conclude individual agreements to lend transferable securities held in your Custody Account (referred to henceforth as the "**Stock**") to the Bank as counterparty, each such transaction to start on the start date specified in the Loan Confirmation, and as described more fully in Clauses 91 to 98.

Ways of performing the Interest-bearing portfolio service

- 90.1. Within the limits envisaged specifically by these contractual conditions and in light of the client's best interests, the Bank has full discretion and autonomy to perform the individual transactions for the loan of transferable securities and may operate freely without any need to obtain, on each occasion, your prior permission and without any obligation to act on specific requests from you regarding the terms and conditions of carrying out those loan transactions.
- 90.2. The Bank may perform any and all acts regarding the loan transactions and has full power, in any case, to assess whether to proceed or not to conclude those transactions and to decide on the type and/or quantities of transferable securities to use. The Bank does not accept in relation to you any obligation to enter into specific loan agreements with respect to Stock, even if you give specific instructions to the Bank.
- 90.3. The Bank shall ensure that each of the security lending transactions carried out under this section is properly performed, as provided in this Agreement. For this purpose, the Bank shall deposit bonds with a minimum Moody's rating of "Baa1" or equivalent grade of other primary rating agencies, for an amount at least equal to the value of the securities loaned, from time to time, by all of the clients of the Bank. Those financial instruments shall be deposited in a dedicated account held with Societè Generale

Securities Services S.p.A. ("SGSS SPA"), a bank with a registered office at Via Benigno Crespi, no. 19/A – MAC 2, Milan, and entered in the Banking Register maintained by the Bank of Italy (registration number 5622). Such account shall be a dedicated account to support the security lending transactions under this Agreement for the benefit of all the clients of the Bank carrying out these securities lending transactions.

91. Object and duration of the individual loans

- 91.1. Each loan transaction will last no longer than one (1) Working Day.
- 91.2. Every loan transaction will be carried out in respect of Stock and each such loan transaction will be treated as having been made when the Bank collects and transfers the financial instruments from custody on your behalf to the custody of the Bank itself (the "**Borrower**"). By the tenth Working Day after the end of the month when the loan was made, the Bank will provide to you, in the reserved area on the Bank's website, a confirmation of the transaction (the "**Loan Confirmation**"). The confirmation will specify the essential features of the transaction: the type and quantity of transferable securities which have been borrowed, the start date and duration of the loan, the transaction date, the loan rate applied and the commission due to you.
- 91.3. The Bank may also borrow transferable securities which allow for coupon cashing or the payment of dividends. In those situations, the Bank will make to you a replacement payment of the dividend or coupon, net of any sum required to be withheld, if necessary, according to applicable law at the time.
- 91.4. The Bank cannot borrow transferable securities if their transfer will create an obligation to report to CONSOB (Italian Securities and Exchange Commission), or, as the case may be, to any other relevant Authorities, a significant change in the stakes held in those financial instruments.

92. Delivery of the financial instruments

- 92.1. You authorise the Bank to transfer the securities from your Custody Account which are the subject of a loan transaction on the start date of such loan transaction specified in the Loan Confirmation.
- 92.2. You authorise the Bank to carry out all the formalities required for the transfer of the securities.

93. Effects of the loan. Distribution of proceeds and rights inherent in the financial instruments

- 93.1. Notwithstanding the use of expressions such as "loan", "lend" and "borrow" etc. which are used to reflect terminology used in the market for transactions of the kind provided for in this Section 2G, title to transferable securities "borrowed" or "lent" shall pass from one party to the other in accordance with the provisions of this section 2G. Title and risk in transferable securities which are the subject of a loan transaction shall pass from you to the Borrower upon the transfer of such transferable securities from your Custody Account.
- 93.2. The voting rights, the proceeds from the transferable securities which are loaned, and other supplementary rights and obligations inherent in the financial instruments belong, for the entire

duration of the loan, to the Borrower.

- 93.3. If the date by reference to which holders of transferable securities are identified as entitled to the proceeds from such transferable securities occurs during the term of a loan, then on the date such proceeds are paid by the issuer, the Bank shall credit your Account with an amount equivalent to such proceeds that would have been received by you in respect of the transferable securities if they had not been lent, net of any withholdings made in accordance with applicable tax law.

94. Fee

- 94.1. For each loan transaction concluded, the Client is due a fee. This is calculated according to the actual duration of the loan, the annual rate published from time to time in the reserved area on the Bank's website and given in the Loan Confirmation and the price of the financial instrument which appears in the official exchange price lists (the "**Market Value**") on the delivery date.
- 94.2. That fee will be paid to you in the first 15 days of the month after the month of accrual, with a value date equal to the last day in the calendar month in which it became due, based on the loans made in the period, under the conditions notified from time to time in the Loan Confirmations.
- 94.3. The Bank does not charge you for any expenditure on the individual loan agreements concluded in line with this section 2G.

95. Return of equivalent transferable securities

- 95.1. The Bank undertakes, including on the Borrower's behalf, to return to you, at the end of each loan transaction, transferable securities of the same kind and in the same quantity as those borrowed.
- 95.2. You recognise and accept that the Bank – including on the Borrower's behalf – to whom the ownership of the borrowed securities was transferred – may find it impossible to return the securities if the trading of the securities happens to be suspended, interrupted and/or excluded. In such cases, the Bank will pay you, on termination of the loan, not only the remuneration mentioned in Clause 95 but also a sum of money equivalent to the market value of the financial instruments which are the subject matter of the loan, fixed by mutual agreement with you, based on the last quote available and/or the likely market value.
- 95.3. You also recognise that, for the purposes of the assessment of the counterparty risk you accept with respect to a securities loan transaction, it is a relevant fact that the security given by the Bank in respect of the successful completion of the transactions mentioned in Clause 90.3 consists of bonds with a minimum Moody's rating of "Baa1" or equivalent grade of other primary rating agencies, the value of which is likely to be adversely correlated with the credit quality of the Bank (this is sometimes known as "wrong-way risk").

96. Termination

- 96.1. Each current loan transaction will terminate automatically if the Bank fails to return equivalent transferable securities by the time the individual loan transaction expires or if either party fails to

perform any of its obligations under this Section 2(G).

- 96.2. Upon such termination, each loan transaction shall expire and the Bank shall immediately return equivalent transferable securities in respect of each individual loan transaction.

97. Withdrawal

- 97.1. Both you and the Bank may withdraw from the interest-bearing portfolio service, in compliance with the terms and conditions envisaged by the General Terms which govern the relations and services with the Bank found in Clause 18.2.
- 97.2. Withdrawal does not prejudice the validity and performance of the individual loan transactions already in place or the parties' obligations and rights which arise from them.
- 97.3. Withdrawal from the "deposit of securities or financial instruments for custody and management" also causes the withdrawal from the interest-bearing portfolio service.

98. Terms which apply

- 98.1. The General Terms and the specific rules and conditions which govern the service for the custody in Clause 18.2 apply to all matters not covered expressly by the contractual provision contained/ specified in this section 2G.

SECTION 2H Specific Terms regarding to the Investment Funds Platform

99. The Investment Funds Platform

- 99.1. The Bank will only process your orders to buy and sell Investment Funds which are made available by the Bank through the Investment Funds Platform. Orders of Investment Funds on the Investment Funds Platform may be subject to limitation according to the taxation applicable to you.
- 99.2. The Bank may alter the range of Investment Funds available through the Investment Funds Platform at any time and may require the sale or transfer of Investment Funds which have been removed from the Bank's range of Investment Funds.
- 99.3. The Bank cannot guarantee that access to the Investment Funds Platform will be available at all times without delay and you acknowledge that access to the Investment Funds Platform may become unavailable due to reasons outside the Bank's control.
- 99.4. The Bank may delegate certain administrative activities to third parties, such as the collection of the subscription orders and the submission to the Investment Fund.
- 99.5. The Bank will not provide you with advice or personal recommendations in relation to any Investment Funds.

100. Charges

- 100.1. In addition to the fees payable directly by you to the Bank when dealing in the Investment Funds in accordance with the Fee Schedule, the Investment Funds themselves, in which you invest, will include, if any, initial charges and ongoing charges, which are imposed by each Investment Fund's manager. It is your responsibility to ensure that you are aware of these charges. These

charges, which can have a significant impact on any overall return, will be set out in the information relating to the relevant Investment Fund on the Investment Fund Platform but the Bank accepts no liability for the accuracy of this information, which has been provided to the Bank by each relevant Investment Fund's manager.

101. Key Investor Information Documents

A Key Investor Information Document which has been created by the relevant Investment Fund's manager and which is the responsibility of the relevant Investment Fund's manager is available on the Investment Funds Platform in relation to each Investment Fund. You must read the Key Investor Information Document prior to deciding whether or not to deal.

102. Dealing in Investment Funds and Application of Section 2F (Specific Terms Relating to Investment Services)

- 102.1. The Bank will, subject to your Account having sufficient funds at all times, deal in Investment Funds on your behalf in accordance with your instructions and will deal directly or indirectly with the relevant fund manager of the relevant Investment Fund on your behalf. The fund manager is responsible for the price at which all deals are transacted and the Bank does not accept any liability for any errors made by the fund manager or its agents.
- 102.2. In addition to the provisions set forth in Section 1 (General Terms), the following provisions, in Section 2F of these Terms of Business will also apply (as relevant) namely:
- (a) clause 77 (Appropriateness)
 - (b) clause 78 (Execution Only)
 - (c) clause 79 (Client Categorisation)
 - (d) clause 80 (Conflicts of Interest)
 - (e) clause 81 (Terms regulating inappropriate operations and conflicts of interest)
 - (f) clause 82 (Joint Accounts)
 - (g) clause 83 (Risks of Investing)
 - (h) clause 87 (Inducements)
 - (i) clause 89 (Order Execution)
- shall apply to these Specific Terms and to your dealing through the Investment Funds Platform.
- 102.3. The Bank will provide you with a trade confirmation for each transaction that is executed on your behalf no later than one business day after the Bank has received the confirmation from the fund manager. The trade confirmation will include the following information (where appropriate):
- (a) your name and Portfolio number;
 - (b) order type;
 - (c) sign of trade (buy, sell or switch);
 - (d) date and time of execution;
 - (e) order number;
 - (f) unit or share identification details;
 - (g) quantity and unit price of the unit or shares;
 - (h) total execution price;
 - (i) total commissions and fees.
- 102.4. The Bank may at its discretion accept or reject any instruction to carry out any transaction.
- 102.5. The Bank accepts no liability for the non-completion or delay in completing any order to deal in any Investment Fund caused by a closure of a relevant market; a suspension of trading; an

inability to obtain a price quotation; a system failure; or any other exceptional circumstance beyond the Bank's reasonable control.

102.6 Details of when deals in Investment Funds are normally placed can be found in the relevant section of the Bank's website.

102.7 The quoted value of the Investment Fund will be the net asset value as determined by the Investment Fund's manager on the day specified on the reserved area of the Bank's website.

Switching Investment Funds

102.8 Where you request that the Bank switches your units in an Investment Fund to another different Investment Fund within the same family, as described in the prospectus of the relevant Investment Fund, details of when the switch will normally be placed are set out in the relevant section of the Bank's website. The switch confirmation will follow the same provisions contained as per clause 102.3. A subscription fee may be incurred in relation to such transaction in accordance with the rules of the Investment Fund.

Regular Instructions

102.9 You may set up regular instructions to invest into Investment Funds in which case your payment will be taken by the Bank. The Bank will use all reasonable efforts to carry out monthly dealing in accordance with your instructions. Details of when deals in Investment Funds are normally placed can be found in the relevant section of the Bank's website.

Settlement

102.10 The Bank is not liable for any delay in the settlement of a deal in Investment Funds resulting from circumstances beyond the Bank's control or the failure of any person to perform all necessary steps to enable completion.

103. Custody of your Investment Funds

Section 2E of these Terms of Business shall apply to the holding by the Bank of units or shares in Investment Funds for you.

104. Interest on cash held in your Account

All cash will be held by the Bank for less than one day. No interest will be paid on such cash.

105. Dividends and Income from Investment Funds

Subject to the offering documentation of a relevant Investment Fund, any dividends or income can be paid into your Account with the Bank or automatically reinvested into Investment Funds.

106. Corporate Actions

106.1 It is your responsibility to identify any upcoming actions by fund managers relating to the relevant Investment Funds and you should refer to the information made available on the Investment Funds Platform relating to the relevant Investment Funds.

106.2 If there is an action being taken by a fund manager which may result in a material change to your holding we will try to inform you in advance but if we are not notified by the fund manager we may be unable to inform you and in such circumstances we will not be liable to you for losses suffered.

107. Conduct

You agree that you will not take part in any activity which might amount to market abuse or fraud. You acknowledge that if the Bank has any suspicion that you are attempting to engage in market abuse or fraud the Bank may take any action that it considers to be appropriate. This could include refusing to act on your instruction to deal in Investment Funds.

SECTION 3 Data Protection Provisions

Data Protection Information ("Privacy Code")

Index

1. Data Controller and Data Protection Officer
2. Purpose and legal basis of the processing
3. Categories of data handled
4. Receivers or categories of receivers of data
5. Rights of the Data Subjects
 - a. Dispensations to the exercise of the rights
 - b. Procedure for exercising rights
6. Period for retention of data
7. Transfer of data to other countries
8. Information note on the processing of data with the transfer activity of funds carried out by S.W.I.F.T
9. Information note on the processing of data for navigation, cookies and data referring to the use of the Call Centre
10. Claim or report to the guarantor for the protection of personal data
11. Change to this privacy policy

Privacy Code

1. Data Controller and Data Protection Officer

The **Data Controller** is FinecoBank S.p.A. - holding Company of the FinecoBank Banking Group with registered office at Piazza Durante no. 11, 20131 Milan (the "Bank" or "Fineco").

The **Data Protection Officer** may be contacted at Fineco, Data Protection Office, Piazza Durante no. 11, 20131 Milan, E-mail: compliance@fineco.it, PEC: finecobankspa.pec@actaliscertymail.it

2. Purpose and legal basis of the processing

Fineco processes personal data of natural or legal persons, individual companies and / or self-employed professionals ("Data Subjects") for the following purposes:

- a. to execute a contract to which the Data Subject is a party or to carry out pre-contractual activities on the Data Subject's request. Fineco shall process any data as required by contract. The provision of the data necessary for these purposes represents, according to the cases, a contractual obligation or a necessary requirement for conclusion of the contract or carry out the pre-contractual activities requested by the Data Subject: in the absence of these, the Bank will find it impossible to set up the relationship or to execute it;
- b. to fulfil Fineco's legal obligations (for example, obligations set out under the money laundering regulations, provisions imposed by Supervisory Authorities, the Judiciary, etc.). Fineco shall process this information to comply with any common law or statutory obliga-

tion. The provision of the data necessary for these purposes represents a legal obligation; in the absence of them the Bank will find it impossible to set up relationships and may be subject to reporting requirements;

- c. promote products and services of the Bank, of other companies in the Group or of third-party companies, including market research. Fineco shall only process data for this purpose if the relevant Data Subject has given his/her free consent and that he/she may revoke at any time. The provision of the data necessary for these purposes is not obligatory and refusal to provide it shall not have any negative consequence, other than the impossibility of receiving commercial communications;
- d. promote the sale of "dedicated" products/services of the Bank, companies in the Group or third party companies, specifically identified through the profiling and analysis, including through the use of automated techniques and systems (for example big data), of information relating to preferences, habits, consumer choices, aimed at subdividing the Data Subjects into homogenous groups by behaviour or specific characteristics (client profiling) updated through the inclusion of data with information obtained from third parties (enhancement). Fineco shall only process data for profiling purposes if the relevant Data Subject has given his/her free consent and that he/she may revoke at any time. The provision of the data necessary for these purposes is not obligatory and refusal to provide it shall not have any negative consequence, other than the impossibility of receiving dedicated commercial communications.

3. Categories of data handled

Fineco processes personal data collected directly from the data subject or from third parties, which includes, by way of example, **identification data** (for example, surname, forename, address, date and place of birth), data **relating to image** (for example, identity card photo) and **voice recording** (i.e. Registration of telephone orders, registration of telephone conversations with the data subject, also to safeguard the rights in the event of litigations or for quality control purposes) and other data attributable to the above-mentioned categories. The Bank does not request and does not process on its own initiative any **special categories of data** of Data Subjects (for example, data which reveals the racial or ethnic origin, political opinions, and religious or philosophical convictions, trade union membership, genetic data, biometric data aimed at identifying in an unequivocal way a physical person, data relating to health or to sexual activity or sexual orientation of the person). However, it is possible that, in order to execute specific requests for services and operations inherent in the relationship with the client (for example payment of dues to parties or unions, subscriptions to associations, etc.) it **has to process this data**. Because the Bank cannot intercept or refuse these requests, the contract proposal can only be accepted if the Data Subject has given their written consent to the above-mentioned

processing. **The data in question will be exclusively processed to execute the request from the client.**

4. Receivers or categories of receivers of data

The data subject's personal data may **become available to natural or legal persons with the title of controllers and to natural persons that process data to carry out the tasks assigned to them**, including: Fineco employees, secondees, temporary workers, interns, consultants and contractors.

The Bank - **without the consent from the data subject being necessary** - may communicate the personal data in its possession:

- to those organisations to whom this communication must be made in compliance with an obligation set out under the law, a regulation or community rules;
- to financial intermediaries to which personal data can be communicated, on the basis of the provisions of the money laundering regulation (see Article 39, paragraph 3 and 5 of Legislative Decree no. 231/2007) which provide for the possibility of proceeding with communication of personal data relating to suspicious transactions, of additional information requested by Italy's Financial Intelligence Unit (FIU) or of the existence or likelihood of investigations or in-depth requests with regard to Anti Money Laundering or terrorist financing, both between intermediaries part of the same Group and among intermediaries not belonging to the same Group, but involved in cases related to the same customer or the same transaction;
- to companies belonging to the Group or controlled by it or linked to it pursuant to article 2359 of the Italian Civil Code (even if located abroad), when this communication is allowed as a consequence of a regulation from the Privacy Guarantor or of a legal provision; and
- in the other cases set out under the current regulations on data protection including, in particular, companies on behalf of whom the Bank carries out the activities of an intermediary for the sale of their products / services.

The detailed list of the entities to whom the data may be communicated can be consulted at the "Privacy" section of the website www.fineco-bank.com.

5. Rights of the Data Subjects

The current regulations on data protection give specific rights to the Data Subject who, to exercise those rights, may address themselves directly and at any time to the Data Controller.

The rights that may be exercised by the Data Subject are described below:

- Right of access;
- Right to rectification;
- Right to erasure;
- Right to restrict processing;
- Right to data portability; and
- Right to object.

The Data Subject may at any time amend their optional consent preferences.

Right of access

The right to access sets out the possibility for the Data Subject to know what personal data concerning him or her are being processed by the Bank and to receive a copy of it (in the case of further copies being requested a contribution based on the costs incurred may be debited). The information provided include: the purposes of the processing, the categories of personal data concerned, where possible, the envisaged period for which the personal data will be stored, or, if not possible, the criteria used to determine that period, as well as the guarantees applied in the case of transfer of data to a third country and the rights that may be exercised by the Data Subject will be detailed.

Right to rectification

The right to correction allows the Data Subject to update or correct inaccurate or incomplete data held by the Bank relating to them.

Right to erasure (so-called "right to be forgotten") The right to be forgotten, allows the Data Subject to require the erasure of personal data concerning him or her in the following special cases:

- personal data which are no longer necessary for the purposes for which they were collected and processed;
- the Data Subject withdraws the consent on which the processing is based, if there is no other legal basis for the processing;
- the Data Subject objects to the processing and there are no further legitimate ground for the processing carried out by the Data Controller;
- to pursue a legitimate interest of its own or third parties and there is no prevailing legal basis of the Data controller to proceed with the processing,
- for direct marketing purposes, including the profiling connected with that;
- the personal data of the Data Subject has been processed illegally; and
- the personal data have to be erased for compliance with a legal obligation.

This right may be exercised even after withdrawal of consent.

Right of restriction

A Data Subject may request the Bank to limit the way their data are processed under certain circumstances. The right of restriction of processing may be exercised by the Data Subject in the case of:

- the processing is unlawful, as an alternative to erasure of the data; or
- request for correction of the data (pending verification of the request);
- When an individual has objected to processing (pending verification by the Bank of the objection);
- When the Bank has no further need for the data but the Data Subject requires the personal data to establish, exercise, or defend legal claims.

With the exception of storage, where processing has been restricted any processing of the personal data is prohibited.

Right to portability

The right to portability allows the Data Subject to receive the personal data concerning him or her, which he or she has provided to the Bank, for other purposes. Each Data Subject may ask to receive the personal data relating to them or to request their transfer to another data controller, in a structured format, in common use and legible.

Note, data portability only relates to personal data (for example, surname, forename, address, date and place of birth, residence), as well as a set of data generated by the transaction activity that the Bank has defined for each macro-category of product / service (for example, current or extinguished relationships, current account transactions). This right does not apply to non-automated processing (for example, paper files or records).

Right to object

The right to object allows the Data Subject to object to the processing of their personal data in certain circumstances.

a. Exceptions to the exercise of the rights

The regulations on data protection recognise specific exceptions in relation to the exercise of the Data Subject's rights.

The Bank may continue to process personal data despite an Data Subject's exercise of their rights if one or more of the following applicable conditions applies:

- execution of a legal obligation applicable to the Bank;
- resolution of litigation and / or disputes (own or of third parties);
- internal and / or external investigations / inspections;
- requests from Italian and / or foreign public authorities;
- reasons of relevant public interest;
- execution of a contract in force between the bank and a third party; and/or
- any further blocking conditions / status of a technical nature identified by the Bank.

b. Procedure for exercising rights

In order to exercise his/her rights, a data subject may contact the Bank

- at the email address privacy@finecobank.com or
- make the request in writing to FinecoBank, Via Rivoluzione d'Ottobre 16, 42123 Reggio Emilia.

The period for the response is one (1) month, extended to two (2) months in cases of particular complexity; in these cases, the Bank shall provide at least one interim communication within one (1) month. In principle, the exercise of the rights is free; having assessed the complexity of dealing with the request and, in the case of clearly unfounded or excessive requests (including repeated requests) the Bank reserves the right to ask for a contribution. **The Bank has the right to ask for further information necessary for the purposes of identifying the requesting party.**

6. Personal data storage periods

Fineco processes and keeps the personal data

of the Data Subject throughout the period of the contractual relationship and for period after the contract is at an end, for the execution of the obligations inherent and consequent upon it, to respect the applicable legal and regulatory obligations, as well as for its own or third-party defence purposes, up to expiry of the period for storage of data. In particular, the period of storage of personal data of the Data Subject runs:

- for **products / services included in the multi-contract: from extinction of the current account**, independently of closure over time of other connected products / services; and / or
- for all other **products / services regulated by specific contracts** (for example, credit cards, loans): **from the date of closure of the contractual relationship relating to the specific product / service.**

Fineco has the obligation to communicate the request for erasure to other data controllers who process personal data for which the Data Subject has requested erasure.

At the end of the storage period, the personal data referring to the Data Subject will be erased or kept in a form that does not allow the identification of the Data Subject, unless its further processing is necessary for one or more of the following purposes:

- resolution of disputes and / or litigation commenced prior to expiry of the storage period;
- to follow up investigations / inspections by the functions of internal monitoring and or external authorities commenced before expiry of the preservation period; and
- to comply with requests from Italian and / or foreign public authorities sent / notified to the Bank prior to expiry of the preservation period.

7. Transfer of data to other countries

Personal data may also be transferred to countries not belonging to the European Union or to the European Economic Area (so-called "Third-Party Countries") recognised by the European Commission as having an adequate level of protection of personal data. Fineco shall only transfer data to other Third-Party Countries if such countries have an adequate level of protection of personal data compared to that of the European Union (for example, through the signing of the standard contractual clauses set out by the European Commission) and the Fineco suppliers located in the third-party country have agreed to appropriate measures so that the exercise of the rights of the Data Subject is protected.

8. Information note on the processing of data within the transfer activity of funds carried out by S.W.I.F.T.

To support international financial transactions (for example bank transfers abroad) and any specific operations in the national area (for example transfers in foreign currency and / or with a non-resident counterparty), requested by the Data Subject, it is necessary to **use international messaging service handled by S.W.I.F.T.** (Society for Worldwide Interbank Financial Telecommu-

nication), with registered office in Belgium (www.swift.com).

The Bank informs S.W.I.F.T. (Controller of the S.W.I.F.T. Net Fin system) of the data necessary for execution of the transactions (for example, the names of the payee, the beneficiary and the respective banks, the bank details, the amount and, if stated, the reason for the payment).

The normal functioning of the service includes a continuous and massive transborder data flow, due to the location of the SWIFT operating centres. The store-and-forward capability of the two SWIFT operating centres in Europe and in the US operates as follows: the messages are decrypted automatically in the operating centres to store and forward the information in a few milliseconds. This "store-and-forward" process is intended to validate (control the correctness or the presence of letters/numbers in the mandatory message fields) the information (for instance make sure that the correct currency code of the transfer is filled in, e.g. "EUR") on the basis of contents that is standardized. During this process, the information is also stored for 124 days in both operating centres for security (back-up) reasons which then act as perfect "mirrors". This ensures that the data storage is parallel and the data are identical.

As a consequence of the TFTP ("Terrorist Finance Tracking Program"), SWIFT is subject to legally binding requests to provide the U.S. Treasury Department (UST) with data located in its US operating centre, which is necessary for the purpose of the prevention, investigation, detection or prosecution of terrorism or terrorist financing. The Bank recalls that the Data Subject retains the rights indicated in paragraph "Rights of the data subjects" of this privacy notice.

9. Information note on the processing of data for navigation on web site, cookies and data referring to the use of the Call Centre)

This section describes the FinecoBank S.p.A. website function, with reference to the processing of personal data of users who consult it. The information is provided only for the websites of FinecoBank S.p.A. and not for other websites that may be consulted by the user through links.

The information also considers Recommendation no. 2/2001 that the European Authority for the protection of personal data, gathered in the Group established by art. 29 of directive no. 95/46 / CE, adopted on May 17, 2001 to identify minimum requirements for collection of personal data online and, in particular, the methods, times and nature of the information provided to users when they link to web pages.

Place of data processing

The processing of data connected to the web services takes place at the aforementioned Registered Office and is handled only by FinecoBank S.p.A. personnel, persons authorized to process personal data or by authorized persons of FinecoBank S.p.A. No personal data deriving from the web service is disclosed. The personal data provided by users are used for the sole purpose of performing the service requested and

are communicated to third parties only if this is necessary for this purpose.

Navigation data

The IT systems and software procedures used to operate this website acquire some personal data whose transmission is implicit in the use of the Internet, which is based on the TCP / IP protocol. This information that is not collected to be associated with identified interested parties, but which by its very nature could, through processing and association with data held by third parties, allow users to be identified as navigators. This category of data includes the "IP addresses" or domain names of the computers used by users who connect to the site, the addresses in URI (Uniform Resource Identifier) of the requested resources, the time of the request, the method used submitting the request to the web server, the size of the file obtained in response, the numeric code indicating the status of the response given by the web server (successful, error, etc.) and other parameters relating to the operating system and the IT environment user. These data are used for the sole purpose of obtaining anonymous statistical information on the use of the site and to check its correct functioning on the FinecoBank S.p.A. website. It should be noted that the aforementioned data could be used to ascertain responsibility in the event of computer crimes against the FinecoBank S.p.A. website or to other sites connected to it. In other case, the navigation data are deleted immediately after the relative statistical processing and in any case are kept for 24 months from the time of collection.

Data provided by the user on voluntarily basis

Some particular services requested by the interested party (e.g. chat, contact forms, etc.) involve the subsequent acquisition of some personal data of the applicant, including the e-mail address, necessary to respond to requests. Specific summary information will be progressively reported or displayed on the pages of the site prepared for these particular services on request.

Call center

The systems and procedures of Bank's Call Center acquire some data referring to customer calls. This category includes the remote number of the caller (where not hidden), the navigation data in the IVR mast (i.e. the actions / keystrokes that the customer performs to access the various services), the duration of the call, as well as only in cases expressly provided and with prior notice to the interested party, audio recording of the call. The aforementioned data are processed in order to obtain statistical information on the use of the Call Center, to check its correct functioning and ensure its safety, as well as to ascertain responsibility in the event of any offenses, to the detriment of the Bank or of the customers of the same.

Optional personal data

The user is free to provide personal data contained in the specific electronic request forms, in the sections of the website set up for particular services on request, excluding for those regarding navigation data. It should be noted that the refuse to provide such data make impossible to

obtain what is requested.

Processing methods and security measures

Personal data are processed with automated and non-automated tools, for the time strictly necessary to achieve the purposes for which they were collected. Specific security measures are observed to prevent the loss of data, illicit or incorrect use and unauthorized access.

To find out more, you can consult the section of the web site dedicated to safety

Cookie

Identification of the consumer habits and propensities of the Data Subject will be analysed by means of the use of cookies and other similar technologies, in the respect of the appropriate safeguards and necessary measures, according to the applicable regulation.

The full Cookie policy is available at the dedicated area on the website www.finecobank.com.

Underage

FinecoBank S.p.A. does not use its website to request data from persons under the age of 18.

10. Claim or report to the Italian data protection authority (Garante per la protezione dei dati personali)

Where the Data Subject believes he/she has suffered a breach of their rights they may make a claim or a report to the Italian data protection authority or contact the relevant legal authorities in his/her own jurisdiction. Contact details of the Information Commissioners Office can be found at www.garanteprivacy.it.

11. Changes to this Privacy Policy

Fineco reserves the right to make changes to this policy from time to time. Please check back on the website to be aware of any updates.

Annex I

ORDER EXECUTION POLICY

This document identifies, for each category of instruments, the trading venues which, in the opinion of the Bank, will enable you to achieve the best possible long-lasting result.

The execution policy will only be represented in the event of significant changes and you can always recover it from the website page dedicated to MiFID regulations.

Execution Policy

Index

1	Foreword
1.1	Introduction
1.2	Customer classification
1.3	Asset classes and Investment Services offered
1.4	Scope
1.5	Execution venues
1.6	Assigning newly issued financial instruments
1.7	Aggregation of orders
2	Execution of orders
2.1	General aspects
2.2	Individuation of the Execution Venue

2.2.1	Identification of possible Execution Venues	
2.2.1.1	Direct execution by the Bank on Regulated Markets and/or MTF and/or OTF	
2.2.1.2	Indirect execution through an intermediary	
2.2.2	Evaluating criteria of the Execution Venues for executing orders	
2.2.2.1	Price	
2.2.2.2	Costs	
2.2.2.2.1	Direct execution of the order by the Bank on a market	
2.2.2.2.2	Transmission of the order to a negotiating intermediary	
2.2.2.3	Speed of execution	
2.2.2.4	Likelihood of execution	
2.2.2.5	Likelihood of settlement	
2.2.2.6	Other criteria	
3	Execution Venues	
3.1	Definition of homogeneous groups of orders	
3.1.1	Definition of the financial instrument classes (Asset Classes)	
3.2	Evaluation of Execution Venues	
3.3	Equities and similar securities	
3.3.1	Domestic equities (UK) and similar securities	
3.3.2	Foreign equities and similar securities	
3.4	Rights of option and warrants	
3.5	Bond securities	
3.5.1	Italian government bonds	
3.5.2	Other debt securities listed on regulated markets and/or MTF and/or OTF to which the Bank has direct access (interconnected markets)	
3.5.3	Bonds not listed on interconnected markets	
3.6	Covered warrants	
3.7	Certificates	
3.8	Repurchase agreements and Securities loan	
3.9	Derivatives	
3.9.1	Domestic regulated derivatives	
3.9.2	Foreign regulated derivatives	
3.9.3	OTC Derivatives	
4	Final provisions	
5	Attachment 1	
5.1	Regulated, MTF and OTF interconnected markets	
5.2	Intermediaries	
5.3	Classes of financial instruments	

1. Foreword

1.1. Introduction

Intermediaries must adopt an “order execution strategy” (hereinafter also **“Execution Policy”**) in order to obtain the best possible result (hereinafter also **“Best Execution”**) for their customers. Identifying an Execution Venue for orders (hereinafter the **“Venue”** or **“Market”**) as the “best” is not, however, a guarantee of obtaining the best possible result for each individually executed order but for the whole of the orders handled. Current legislation also requires that all customers should be classified in one of the following categories: retail customers, professional cus-

tomers and eligible counterparties. The intermediary must apply the adopted Execution Policy to retail and professional customers. Its application may also be extended to those eligible counterparties who have explicitly requested treatment as professional customers.

1.2. Customer classification

FinecoBank S.p.A. (hereinafter also **“FinecoBank”** or the **“Bank”**) operates in respect of retail clients, professional clients and eligible counterparties. The classification made by the Bank is communicated to each customer prior to providing investment services together with the warning concerning the possibility of asking the Bank for a different type of classification. In accordance with the above relevant legislation, the Execution Policy does not apply to eligible counterparties, unless these should request to be treated as professional customers.

1.3. Asset classes and Investment Services offered

The Bank has defined the financial instrument classes (**“Asset Classes”**) based on the characteristics of the instruments themselves. Each financial instrument belonging to a certain class is subject to the provisions contained in this Execution Policy for its Asset Class on a differentiated basis according to the investment service offered.

1.4. Scope

The Execution Policy applies to the execution of all orders given by customers to the Bank for purchasing or selling financial instruments. The Bank performs, according to its own free choice, discretionary orders (e.g. automatic stoploss orders) whilst respecting the best interests of the customer. Moreover, should the customer indicate in his instructions a different Execution Venue, in any case included among those made available by FinecoBank, the Bank will follow these instructions. In such cases, the Execution Policy will only apply to aspects other than the identification of the Execution Venue, thereby considering the commitment to provide the best possible result to the customer as fulfilled.

1.5. Execution venues

In drawing up this Execution Policy, the Bank examined various Trading Venues (Regulated Markets - MR, Multilateral Trading Facilities - MTF, Organised Trading Facility - OTF, Systematic Internalisers - SI, Market Makers and other liquidity providers) in order to assess their potential in relation to providing the best possible result for the customer on a lasting basis.

When the Bank has no direct access to an Execution Venue, it uses other intermediaries for executing an order. In this regard, the Bank has developed relationships with several intermediaries who, over time, have offered timely and reliable execution services, without significant quality differences. In accordance with the principle of seeking the best possible result in the interest of the customer, the Bank carries out regular periodic reviews of the intermediaries selected for this purpose. The Bank reserves the right to also execute orders on its own behalf, acting as a direct counterparty of the customer; usually this happens:

- In general, in order to allow the customer the possibility of placing orders for low-liquidity financial instruments, especially during par-

tical market conditions and / or to reduce settlement risks;

- Specifically, for certain equity instruments listed on a Trading Venue, the Bank may execute the order by internalising it on its own Systematic Internaliser; in any case the Bank guarantees a price at least equal to the best one offered by the relevant market to the customer.

The customer authorises the Bank to assess, at its own discretion, in the case of an order placed with a price limit concerning shares traded on a Trading Venue, which cannot be executed immediately under prevailing market conditions, whether it is appropriate to make public, in whole or in part, the order at issue so that it may be easily accessed by other market participants. In giving such authorisation, the Customer acknowledges the implication that his order may not be visible to the market.

1.6. Assigning newly issued financial instruments

The allocation of newly issued financial instruments as part of Initial Public Offering transactions (IPO's), should the retail customers' applications for subscription be higher than the availability of financial instruments offered to the public, is carried out by random draw, according to specific procedures (generally defined in the Offer Document) designed to uphold the principles of equity and fairness in their allocation.

Although the rules of Best Execution do not apply in the case of these transactions, the paragraph has been included in this Execution Policy in order to illustrate the rules of conduct followed by the Bank when placing financial instruments as part of IPO operations.

1.7. Aggregation of orders

The Bank may place an order made by a customer together with other customers' orders. Aggregation of orders will be carried out in order to minimise the risk of penalising any one of the customers whose orders are aggregated.

In the event that the regulations of the individual Execution Venues used by FinecoBank (Regulated Markets, Multilateral Trading Facilities, etc.) should envisage minimum lot size (e.g. based on volume or equivalent value), the Bank may proceed with the aggregation of orders to meet the minimum lot size. Specifically:

- Orders received by the Bank at market price for a quantity equal or multiple to that of the minimum lot size will be sent to the trading markets;
- Orders received by the Bank at market price for a lower or different quantity than the minimum lot size or its multiples will remain valid until cancelled and may be aggregated to achieve the minimum lot size.

Should the process of order aggregation enable achieving the minimum lot or its multiples, the aggregate orders will be sent to the market for execution during the closing auction of the same day of receipt of the orders; should the aggregate orders received during the day not achieve the minimum lot size (or its multiples), or should the aggregate orders sent to the market in the closing auction not be executed, the orders will be sent to the market during the following days in the manner described above. In case of partial execution, the allocation of the executed quan-

ties will be carried out in accordance with the time priority principle of order receipt.

2. Execution of orders

2.1 General aspects

This Execution Policy constitutes an integral part of the general conditions applied to investment services provided by FinecoBank.

The Execution Policy includes, in respect of each class of financial instruments and investment service provided, information concerning the Execution Venues where the intermediary will execute customer orders and the selection criteria of the selected Locations.

These Venues enable the Bank to obtain, in a lasting manner, the Best Execution for customer orders. This does not mean that the Bank takes responsibility for achieving the best possible outcome for each individual order; rather that the Bank must apply its Execution Policy to each order so as to obtain the best possible result in accordance with the terms of its declared execution policy strategy. To that effect, it is necessary and sufficient that the use of the procedure laid down in the Execution Policy should determine, in most cases, the achievement of the best possible result for the customer.

In any case, the customer has the right to give specific instructions regarding the Execution Venue where the order must be executed, in any case among those made available by FinecoBank, for each single order. In this case the Bank is obliged to follow the customer's instructions and will apply this Execution Policy only to aspects other than the identification of the Execution Venue, thereby considering the commitment to provide the best possible result to the customer as fulfilled.

Note: customers that provide specific instructions for the execution of an order on a Venue other than the one defined by the Bank in accordance with this Execution Policy, do it at their own risk; the Bank will not provide any further specific warnings on this matter for each single order performed according to specific instructions from the customer.

FinecoBank applies a static type of Execution Policy. This means that the Bank has established rules in order to obtain the Best Execution of an order, according to which orders with the same characteristics will always be routed to the same Execution Venue, without prejudice to cases in which the Bank makes use of the option to execute orders as the customer's direct counterparty (see 1.5). The chosen static method excludes the current price quoted on the various possible Execution Venues when placing an order, as an option factor for the Execution Venue of said order. Therefore, neither real-time monitoring of existing prices on the various markets, nor of the actual costs for the specific executed order will be carried out.

2.2 Individuation of the Execution Venue

Within the guidelines laid down by regulations, the Bank defines its Execution Policy independently and at its own discretion, following a procedure which involves the following steps:

- Definition of the Asset Classes;
- For each Asset Class, definition of homo-

geneous groups in which to classify orders according to the following variables: type of customer (retail/professional), type of order (limit, market or “at the market” orders), size of the order, the liquidity of the financial instrument;

- Identification of Execution Venues on which it is possible to execute orders concerning financial instruments belonging to a particular Asset Class;
- Definition of the criteria on which to assess the “quality of execution” that FinecoBank is able to offer for each Venue;
- Definition of the weights to be assigned to each evaluation criterion in order to assess the “quality of execution” for each homogeneous group of orders;
- Enhancement of the evaluation criteria concerning “quality of execution” for each identified Venue;
- Determination of the Execution Venue for each homogeneous group of orders based on the ranking of the Venues according to the weighted values assigned to each evaluation criterion of the “quality of execution”. The Venue with the best “quality of execution” is the one chosen to channel the individual orders belonging to the same group.

The above analysis will be reviewed at least annually and whenever there are significant variations in the elements considered (such as defining new classes of financial instruments, defining new investment services offered, availability of new Execution Venues with important operating volumes, changes in the evaluation criteria concerning the “quality of execution” considered sufficient to alter the Venue ranking).

2.2.1. Identification of possible Execution Venues

The Bank has considered the Execution Venues which have a significant trading volume in relation to the different Asset Classes, taking into account the direct or indirect (through another intermediary) access possibilities. Among the examined Venues, the possibility that the Bank itself should act as a direct counterpart to the customer when executing the order has also been taken into consideration.

2.2.1.1 Direct execution by the Bank on Regulated Markets and/or MTF and/or OTF

Direct connections to Regulated Markets and/or to MTF and/or to OTF created by FinecoBank are specified in Attachment 1, par. 5.1.

2.2.1.2 Indirect execution through an intermediary

If the Bank does not have a direct connection to the Market, it uses an intermediary to whom it transmits the order to be executed. In this case costs will also include those charged by the negotiating intermediary. The Bank chooses its negotiating intermediaries among the major international brokers on the basis of criteria such as: direct access to the markets of interest, availability of electronic platforms for transmitting orders via dedicated lines, reliability of the counterparty also as concerns transaction settlement activities. The list of intermediaries currently used by the Bank is given in Attachment 1, paragraph 5.2.

2.2.2 Evaluating criteria of the Execution Venues for executing orders

The “quality of execution” evaluation criteria, for

each homogeneous group of orders, are, in order of priority, as follows:

- The price of the financial instrument;
- The costs associated with the order processing;
- The speed of execution of the order;
- The likelihood of execution and settlement of the order;
- Any other relevant factor to the execution of the order.

For retail customers the main component in order to deliver the best possible result is the “**Total Consideration**”, consisting of the price of the financial instrument and of the costs related to the order execution.

2.2.2.1 Price

In order to determine the benefits of a Execution Venue with reference to the price criterion, the Bank considers the price-forming mechanisms of the various selected Venues. In particular, the quality of the price is evaluated in relation to the market liquidity, to the average applied spread (bid-ask differential) and to the number of trading participants in the Venue. In general, the Bank prefers Execution Venues which constitute the reference market or which adopt its prices, if they offer a guarantee of liquidity. Specific price formation methods (order driven, quote driven or hybrid models) may be preferred depending on categories of financial instruments.

2.2.2.2 Costs

Costs represent a part of the “Total Consideration” and are evaluated in relation to the following factors:

2.2.2.2.1 Direct execution of the order by the Bank on a market

Costs include, in addition to the trading fees applied by the Bank, the costs of third-party suppliers (e.g. market costs, including those related to transaction settlements).

2.2.2.2.2 Transmission of the order to a negotiating intermediary

The Bank may use a negotiating intermediary to which it transmits the order for its execution. In this case, in addition to the costs mentioned above, it is necessary to add the intermediary’s costs.

2.2.2.3 Speed of execution

The period of time which elapses between the receipt of the customer’s order and confirmation of the order processing by the Execution Venue. The speed of the execution of the order by the Venue essentially depends on its market model.

2.2.2.4 Likelihood of execution

The likelihood of execution of an order is directly related to the liquidity and depth of the Venue.

2.2.2.5 Likelihood of settlement

With regard to the likelihood of settlement, it considers the risk connected to the transaction liquidation and to settlement or the possibility of failing to duly comply with obligations to deliver financial instruments or the related payment flows.

2.2.2.6 Other criteria

The Bank’s Execution Policy also considers others “quality of execution” evaluation criteria such as compensation system, circuit breaks, scheduled auctions or other considerations that could be relevant in order to achieve the best possible result for the client.

3. Execution Venues

The methods for defining homogeneous groups of orders and the evaluations carried out in order to identify the chosen Execution Venue, based on the criteria described in section 2.2.2 and for each defined Asset Class, are given below.

3.1. Definition of homogeneous groups of orders

In order to define homogeneous groups of orders, for each of which the Execution Venue according to the procedure described in the previous paragraph must be identified, the following order characteristics have been taken into account:

- The class of financial instrument subject of the order;
- The class of the customer placing the order (retail or professional);
- The nature of the order (limit, market, "at the market" price);
- The size of the order (lower/equal or greater equivalent value than a predetermined threshold); and
- The liquidity of the financial instrument subject of the order (the thresholds used to define whether the financial instrument is liquid or illiquid have been specified for each Asset Class).

3.1.1 Definition of the financial instrument classes (Asset Classes)

Financial instruments with similar characteristics are grouped into classes. All financial instruments belonging to an Asset Class are subject to the provisions of this Execution Policy for that class. The full list of the above-quoted classes is given in Attachment 1 (paragraph 5.3).

3.2 Evaluation of Execution Venues

Each homogeneous group of orders was assigned a weight for each evaluation criteria used, thereby defining a ranking list of the Execution Venues under consideration, which allowed identifying the chosen Execution Venue under this Execution Policy. The following paragraphs will illustrate the choice made in relation to each type of Asset Class.

3.3 There is counterparty risk when the execution/transmission of orders is provided over-the-counter and the Bank will upon receipt of a specific customer request, supply additional information regarding the consequences of the OTC execution. Equities and similar securities

In addition to equities and similar securities, this Asset Class also includes convertible bonds, equity warrants (as they are tradable in the same segment of the equity securities of reference) and ETFs (Exchange Traded Funds).

3.3.1 Domestic equities (UK) and similar securities

Domestic equities and similar securities are traded on Regulated Markets (London Stock Exchange) or MTFs or OTFs on which these instruments are admitted for trading; should the instrument subject of the order be traded on more than one above-mentioned Trading Venues, the orders will be transmitted to the Regulated Market.

Orders concerning Exchange Traded Funds (ETFs), Exchange Traded Commodities (ETCs) and listed Mutual Funds are normally executed via the electronic trading system of Borsa Italiana called ETF Plus ("Electronic Market for exchange-traded funds and ETFs").

In the event that for a given financial instrument

on the Regulated Market or MTF or OTF, a minimum lot size other than 1 must be given, the Bank may proceed to aggregate the orders as indicated in paragraph 17 "Aggregation of orders".

Orders relating to the financial instruments under consideration, may be executed by the Bank, as the direct counterpart of the customer, outside the regulated market, in the following cases:

- When they concern automatic orders placed for compulsory closure at the end of day concerning a position in intraday margin trading remaining open; the price in this case will correspond to that of the closing auction on the MTA (Electronic Stock Market);
- When they concern orders regarding the financial instruments identified by the Bank which are listed in a specific section of the reserved area of the website, for which the Bank itself, as Systematic Internaliser, lists bid and ask prices, equal to the best offered from time to time by the above-mentioned reference market. In any case, the Bank reserves the right to update its quotes at any time and to withdraw them in the event of exceptional market conditions (e.g. suspension of the title from trading on the reference market). The Bank shall decide the quantity of its quotations.

3.3.2

Foreign equities and similar securities

Generally, the stock exchange of the issuing country of said financial instruments offers the highest liquidity and consequently the greater likelihood of execution and the best prices.

Consequently, the negotiation of foreign securities occurs on Stock Exchanges of the issuers' home country: directly, should the Bank adhere to the market of interest, or through an intermediary in the other cases. Orders for certain securities listed on Equiduct – a section of the Regulated Market of the Berlin Stock Exchange, will be sent to an intermediary who, excluding pre-defined cases, will execute them on that market. The constantly updated list of these securities is published on the FinecoBank website.

Orders relating to the financial instruments under consideration, may be executed by the Bank, as the direct counterpart of the customer, outside the regulated market, in the following cases:

- When they concern automatic orders placed for compulsory closure at the end of day concerning a position in intraday margin trading which has remained open; the price in this case will correspond to that of the closing auction on the reference market;
- When they concern orders regarding the financial instruments identified by the Bank and listed in a specific section of the reserved area of its website, for which the Bank itself, as Systematic Internaliser, lists bid and ask prices, equal to the best offered from time to time by the above-mentioned reference market. In any case, the Bank reserves the right to update its quotes at any time and to withdraw them in the event of exceptional market conditions (e.g. suspension of the title from

- trading on the reference market). The Bank shall decide the quantity of its quotations. In the event that for a given financial instrument on the regulated market or MTF or OTF, a minimum lot size other than 1 must be given, the Bank may proceed to aggregate the orders as indicated in paragraph 1.7 "Aggregation of orders".
- 3.4 Rights of option and warrants
- The same considerations outlined above concerning domestic and foreign equities shall also apply to preemptive rights, as these are financial instruments directly related to the underlying shares. In the interest of customers, in order to limit the direct costs associated with executing sell orders of unexercised options, the Bank reserves the right to group these orders and to send them cumulatively to the market in a manner that ensures equal treatment to all interested customers.
- 3.5 Bond securities
- This category includes debt securities (e.g. Government bonds, supranational organisation bonds, bonds issued by companies).
- 3.5.1 Italian Government bonds
- FinecoBank offers the possibility of subscribing to Italian Government bonds on issue. To this end, the Bank participates in government bond auctions through an authorised intermediary to whom it transmits the requests received from customers.
- On the **secondary market**, FinecoBank offers the possibility of negotiating Italian government bonds on the regulated Borsa Italiana market - MOT segment - and on the MTF EuroTLX. In the absence of any instructions from the customer, the Trading Venue chosen by FinecoBank for this type of financial instrument is MOT which, according to analyses conducted, has shown on average a better quality of performance in terms of total consideration (price + costs of execution), and/or a greater liquidity and, consequently, a greater likelihood of execution compared with EuroTLX. Orders relating to the financial instruments under consideration, may be executed by the Bank, as the direct counterpart of the customer, outside the regulated market, when these concern automatic orders placed for compulsory closure at the end of day of a position in intraday margin trading which has remained open; the price in this case will be equal to the best price offered by MOT, even for quantities greater than those associated with the best price in that market's book.
- 3.5.2 Other debt securities listed on regulated markets and/or on MTFs and/or on OTFs to which the Bank has direct access (interconnected markets). For securities which, in addition to being listed on a regulated market or on an MTF or on an OTF – other than EuroTLX – are accessed directly by the Bank, and which are also listed on the MTF EuroTLX, the chosen Execution Venue is the MTF EuroTLX which, according to analyses conducted, showed on average a better quality of execution in terms of total consideration (price + costs of execution) compared with the MOT. Conversely, securities that are not listed on EuroTLX, but only on a different MTF, OTF or Regulated Market to which the Bank has direct access, the chosen Execution Venue is said different MTF, OTF or Regulated Market. Orders relating to the financial instruments under consideration, may be executed by the Bank, as the direct counterpart of the customer, outside the Trading Venue, when these concern automatic orders placed for compulsory closure at the end of day of a position in intraday margin trading which has remained open; the price in this case will be equal to the best price offered by the MTFs or the OTFs or the Regulated Markets of reference as mentioned in the previous paragraph, even for quantities greater than those associated with the best price in such MTFs, OTFs or markets' books.
- 3.5.3 Bonds not listed on interconnected markets
- Customers' orders concerning bonds not listed on the interconnected markets are generally transmitted to the counterpart identified on the market which offers the best conditions of execution in terms of price, taking into account the likelihood of execution and the size of the order. Should FinecoBank be able to offer its listing on better terms than other market counterparties, orders may be processed by FinecoBank dealing as a principal acting on its own behalf. In this case the Bank does not assume any obligation to conclude the transaction, but merely provides its own price based on the calculation of the fair value of the financial instrument according to prevailing market conditions.
- 3.6 Covered warrants
- Orders for covered warrants are directly executed on the respective domestic Stock Exchanges (if the Bank adheres to that market) or through an intermediary. The best execution price is guaranteed by the execution on the issuing country's market.
- 3.7 Certificates
- Primary Market:** FinecoBank offers the possibility of subscribing to newly issued certificates exclusively in cases where FinecoBank has received a mandate to place such certificates by the relevant issuer. In this case the transaction is carried out over-the-counter with the issuer.
- Secondary Market:** Customers' orders concerning certificates of which the Bank has handled the placement, can be traded by FinecoBank on its own behalf until these instruments are listed on the markets given below.
- In this case the Bank does not assume any obligation to conclude the transaction, but merely provides its own price based on the calculation of the fair value of the financial instrument according to prevailing market conditions.
- From the moment the certificates are listed on the MTF Sedex or on the Cert-x segment of EuroTLX, orders relating to such financial instruments will be carried out at these Trading Venues.
- 3.8 Repurchase agreements and securities loans
- Customers can enter into repurchase agreements (repos) exclusively with FinecoBank as the direct counterpart. The Bank operates dealing as a principal, quoting the rate offered to the customer based on the duration of the operation and of the amount invested. The terms applied are published on the www.finecobank.com website.
- Securities loan operations, offered with reference to a particular selection of equities identified by the Bank, are also always carried out directly between the Bank and the customer at predetermined rate conditions. The list of securi-

ties on which loan operations may be carried out and the related terms applied by the Bank are published on the www.finecobank.com website.

3.9 Derivatives

This Asset Class includes all categories of financial instruments set out in paragraphs from 4 to 10 of Section C of the TUF (Consolidated Finance Act) attachment.

3.9.1 IDEM regulated derivatives

Orders related to IDEM regulated derivatives, traded on the basis of standardised contracts, are executed on IDEM. Operations concerning the following instruments:

- Futures, minifutures and options on the FTSE MIB;
- Futures and options on individual stocks.

In relation to the FTSE MIB options, short sale orders are not accepted (i.e. it is only possible to trade options which are in the personal portfolio). Short sale orders of put options are not allowed in respect of options on equity securities, while the execution of short sale orders of call options is subject to the availability of the underlying shares, which in this case are made unavailable for the entire duration of the transaction (i.e. until the option expires, or until closure of the short position through the option repurchase).

This Venue provides the necessary liquidity thanks to the presence of several market makers. The Clearing House and Guarantee Fund (GCC) which operates as the central counterparty guarantees settlement of all transactions carried out therein.

Orders concerning financial instruments identified by the Bank and listed in a special section of the reserved area of its website, for which the same Bank, in the Systematic Internaliser capacity, publishes ask and bid prices, equal to the best time for time offered by the Market of reference, can be executed by the Bank, as a direct counterparty of the customer, outside of the regulated market.

In any case, the Bank reserves the right to update its price quotations at any time and to withdraw them in the event of exceptional market conditions (eg suspension of the security from trading on the Market of reference). The Bank decides on the quantity of its price quotations. In order to guarantee the settlement of transactions concluded within the Systematic Internaliser capacity, the Bank provides an adequate guarantee to protect the investor by depositing financial instruments with third-party intermediaries.

3.9.2 Other Foreign regulated derivatives

Orders related to foreign regulated derivatives, traded on the basis of standardised contracts, are directly executed on the foreign reference markets (if the Bank adheres to that market) or through an intermediary. These Venues provide both the necessary liquidity thanks to the presence of several market makers and a guarantee of transaction settlement by virtue of the presence of clearing houses.

Orders concerning financial instruments identified by the Bank and listed in a special section of the reserved area of its website, for which the same Bank, in the Systematic Internaliser capacity, publishes ask and bid prices, equal to the best

time for time offered by the Market of reference, can be executed by the Bank, as a direct counterparty of the customer, outside of the regulated market.

In any case, the Bank reserves the right to update its price quotations at any time and to withdraw them in the event of exceptional market conditions (eg suspension of the security from trading on the Market of reference). The Bank decides on the quantity of its price quotations. In order to guarantee the settlement of transactions concluded within the Systematic Internaliser capacity, the Bank provides an adequate guarantee to protect the investor by depositing financial instruments with third-party intermediaries.

3.9.3 OTC Derivatives

Each contract for derivatives unlisted on regulated markets is carried out directly between the Bank and the customer based on an individual negotiation. The Bank guarantees that the applied terms are in line with prevailing market conditions. With reference to CFDs (Contracts for Difference as laid out in Directive 2014/65/UE, Section C of Annex I (9)), the Bank offers the customer its quotes, within the special section of the reserved website area, from the date on which it starts trading these instruments.

4. Final provisions

For those financial instruments which cannot be classified in any of the Asset Classes listed above, the Bank will ask the customer for specific instructions concerning the Execution Venue of the order. Should the Bank, due to holidays or special events affecting the Execution Venue selected or any technical problem, not be able to execute the order upon its receipt in accordance with the requirements of this Execution Policy, said order may be placed on a different Venue provided the interest of the customer is pursued in terms of price, costs, speed of execution, likelihood of execution and settlement. Should the alternative Execution Venue also not be available, the Bank will need to receive the customer's instructions. If an order is received outside the chosen Venue's trading hours, the order will be sent to the Venue on the next trading day. Should the customer wish to place an order on the same day, he will have to indicate a Execution Venue, among those on which the Bank can operate, to which the Bank can still transmit the order. FinecoBank will not transfer to another Venue all those orders which have already been transmitted to the Execution Venue (other than the Bank itself) but have not yet been executed. The Bank will inform the customer within the first working day following the execution of the order. The Bank is obliged to inform the customer in respect of the non-executed order only at said customer's request.

The application of the Execution Policy is essentially based on computer systems; in case of temporary unavailability of the systems, the Bank will select the Execution Venue at its own discretion with the intent of pursuing the customer's interests. This Execution Policy is subject to periodic reviews - at least once a year - and in any case should any events occur which may concretely affect FinecoBank's ability to obtain the best pos-

sible result for the customer. If necessary therefore, it may be varied. Any significant change will be immediately communicated to customers through appropriate means. The updated version of the FinecoBank Execution Policy is available on the www.finecobank.com website.

The Bank summarise and make public on its website on an annual basis, for each class of financial instruments:

- the top five execution venues in terms of trading volumes where they executed client orders in the preceding year; and
- information on the quality of execution obtained.

The Bank, in relation to its Systematic Internaliser activity, makes available to the public on its website on a quarterly basis, data relating to the quality of execution of transactions on that venue; periodic reports include details about price, costs, speed and likelihood of execution for individual financial instruments.

5. Attachment 1

5.1 Regulated Markets, MTFs and OTFs interconnected

Domestic UK Markets

- London Stock Exchange - SETS cash markets

Foreign markets

- Borsa Italiana - cash markets
 - a. MTA - Blue Chip
 - b. MTAStar MTA - Standard 1
 - c. MTA - Standard 2 MTA - Expandi 1
 - d. MTA - Expandi 2
 - e. MTA - Afterhours
 - f. SEDEX
 - g. SEDEX Afterhours
 - h. MOT/EuroMOT
- Deutsche Boerse - Xetra cash markets
- Deutsche Boerse - Eurex derivatives
- Nyse-EuronextAmsterdam - Eurolist cash markets
- Nyse-Euronext Paris - Eurolist cash markets
- Nyse-Euronext Paris - Matif derivatives
- Nyse-Euronext Lisboa - Eurolist cash markets
- OMX Stock Exchange - Nordic list cash markets
- SIX Swiss Exchange - SIX cash markets
- Bolsa de Madrid - Sibe cash markets
- Equiduct Börse Berlin - cash markets
- IDEM - Italian Derivatives
- EUREX - EU Derivatives
- CME - USA Derivatives
- Bloomberg Multilateral Trading Facility
- Tradeweb Europe Limited MTF
- Tradeweb EU B.V.
- MTS S.P.A. - Bond Vision Europe

EuroTLX (limited to the type of instruments mentioned below)

- Government securities
- Supranational Bonds
- Sovereign Bonds
- Corporate Bonds
- Step Up Bonds
- Bank Bonds
- Emerging Market Bonds
- Structured bonds
- Certificates

ExtraMOT (limited to the type of instruments mentioned below)

- Corporate Bonds
- Bank Bonds

Hi MTF (limited to the type of instruments mentioned below)

- Government securities
- Supranational Bonds
- Sovereign Bonds
- Corporate Bonds
- Step Up Bonds
- Bank Bonds
- Emerging Market Bonds
- Structured bonds

5.2 Intermediaries

- Equity instruments
 - KCG
 - Pershing
 - Goldman Sachs
 - Cortal Consors
 - Deutsche Bank
 - Cai Cheuvreux
 - Mandatum
 - Glitnir
 - Bnp Paribas
 - Credit Suisse
 - Merrill Lynch
 - Bear Stearns
 - Nomura
 - NBG
 - State Street
- Debt instruments
 - HSBC
 - UBS
 - Barclays
 - ABN AMRO
 - BNP Paribas
 - CSFB
 - Deutsche Bank
 - Dresdner Bank
 - Goldman Sachs
 - ING
 - JP Morgan
 - Kredietbank LUX
 - Merrill-Lynch
 - Nomura
 - Rabobank
 - RBC
 - Citigroup
 - Toronto Dominion
- Derivatives
 - JP Morgan

5.3 Categories of financial instruments

- Similar shares and titles
 - Domestic
 - Foreign
- Rights of option and warrants
- Bond bonds
 - Italian Government bonds
 - Other debt securities listed on the MOT and EuroTLX
 - Non-listed bonds on the MOT
- Covered warrants listed at Sedex
- Covered warrants listed in other countries
- certificates
- Repo and loan securities

- Derivative Financial Instruments
 - regulated domestic derivatives-regulated derivatives
 - Foreign
 - Derivatives OTC

Annex II

MANAGING CONFLICTS OF INTEREST POLICY - SUMMARY

By way of summary, the FinecoBank Group (the "Group") provides a wide range of investment services and ancillary services to its customers (the "Services"). This situation, together with the many activities carried out by the Group which include, the provision of credit, placing financial instruments and asset management activities, increases the possibility of conflicts between the interests of the Bank and the interests of the Bank's customers.

In compliance with the conflicts of interest provisions in MiFID FinecoBank SpA ("Fineco") holding company of the Group:

1. has identified, with reference to the investment services and activities and ancillary services provided by the Group, the circumstances that generate or could generate a conflict of interest that could adversely affect the interests of one or more customers;
2. defined appropriate measures to identify and prevent or manage such conflicts of interest; and
3. established an appropriate system for registering conflicts of interests.

The main activities and interventions put in place by the Group are summarized below for each of the points indicated above.

In order to identify, prevent or manage conflicts of interest, a series of organizational measures have been established including the:

- establishment of organizational barriers between the Group companies and the Group's divisions even within the same company;
- implementation of internal procedures to regulate the processes for the performance of certain potentially conflicting investment services so as to avoid potential negative effects for customers;
- establishment of hierarchical barriers (separate management of structures that perform conflicting activities) and segregation of functions. In the management of the various types of potential conflicts of interest particular importance has been attributed to the procedures and measures aimed at ensuring that the interests of clients will not be damaged;
- establishment of informational barriers and internal procedures aimed at preventing or controlling the exchange of information which might conflict with our clients' interests.

The Group and the Bank have adopted an organizational model based on a structure that includes companies specializing in different businesses and, moreover, business segments specialized on a specific type of customer.

This approach is reflected both in the hierarchical independence of each manager who takes decisions within predetermined parameters, and in a managerial and informative separation of the various companies and / or divisions of the Group, thus protecting the faculty to assume the autonomous decisions by the parties in-

involved in the provision of the Services.

The Bank, has adopted a Remuneration Policy, approved by the Board of directors and the Shareholders' Meeting, which establishes principles to ensure that the incentive mechanisms for staff are not contrary to the best interest of clients.

In addition, the formation of a specific company responsible for Asset Management meets the need to further improve the separation of functions between the production and distribution of the managed savings products.

As a further organizational measure to handle conflicts of interest, the Compliance department which provides independent guidelines and control – has been given the task of identifying and defining the methods with which to manage potential conflicts of interest within the Group.

The Group have adopted a Code of Conduct, which sets out the legal and ethical standards that the Bank follows in order to protect the interests of customers, mitigate risks, comply with the rules of financial regulators, ensure market transparency, and to safeguard confidential information.

The Bank has adopted specific policies and processes for the provision of services including:

- a process aimed at ensuring consistency with external and internal regulation of products, services and commercial initiatives offered to the Bank's customers, after an assessment of the operational impact, overall risk and reputational implications;
- a Product Governance policy considering the best interests of customers at all stages of the product life cycle, both when the Bank operates as a producer and when the Bank distributes third party products;
- a Pricing Policy aimed at establishing the criteria for determining the prices of the services and products;
- a Execution / Transmission Policy aimed at informing customers on the choices made by the Bank on the methods of trading the various financial instruments;
- a authorization process for Outside Business Interests aimed at identifying and managing personal intersections of employees that could conflict with the interests of the Bank and / or its customers; and
- procedures for assessing the compliance of the incentives received by the Bank in providing investment services.

In cases where the measures taken to manage conflicts of interest are not considered sufficient to ensure, with reasonable certainty, that the risk of harming the interests of customers is avoided, the Bank:

- may decide not to provide the service; or
- may, where permitted under MiFID inform the client of the nature of the conflict and the measures that will be taken to mitigate the conflict so that the customer can make an informed decision about whether to proceed.

The Bank has also allowed for the keeping of a register of situations where a conflict of interests arose or could arise, with the risk of a negative impact on the interests of one or more clients.

At the customer's request, the Bank will be able to provide more details about this conflict of interest policy.

UNDERSTANDING FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

A. Information about the Bank and the investment services it offers.

A.1 Corporate data about the Bank Tradename:

FinecoBank S.p.A. Legal form: Joint Stock Company
Registered office: Piazza Durante, 11, Milan
General Management: Via Rivoluzione d'Ottobre, 16, Reggio Emilia
Entry in Milan Companies Register and Tax Code 01392970404; VAT reg. 12962340159; ABI [Italian Banking Association] 03015.5

The Bank is entered in the Banking Register kept by the Bank of Italy (www.bancaditalia.it) (registered office is at Via Nazionale 91, Rome – CAP postcode 00184 – tel. +39 06 47921) and is the Parent Company of the FinecoBank Banking Group – registered in the Register of Banking Groups (referred to also as the “Group”). The Bank is authorised by the Bank of Italy (Via Nazionale, 91, Rome 00184) to provide investment services (authorisation no. 039839 of 13 December 1999).

A.2 Communications between the Client and the Bank

You may communicate with the Bank in English. The Bank will communicate with you in English. The forms of communication between you and Fineco, in relation to the provision of individual investment services, are regulated in the particular contracts. The information that regulates that aspect, in general, appears below. FinecoBank is a direct bank which offers its own services through remote communication techniques (e.g. the Internet and telephone). Therefore, the types of communication with you prioritise telematics channels (the Internet, e-mail, GSM systems and landline). For this reason, when they start relations with the Bank clients should give their consent to the use of such means of remote communication and provide an e-mail address as evidence that they have regular access to the Internet. As for the ways of sending your orders to the Bank about the investment services and the financial instruments and products, we wish to point out as follows:

1. Your orders about financial instruments and any orders to cancel may be given to the Bank by telephone, via Customer Services;
 - by computer or GSM cellphone connected to the Internet;
 - by accessing the bank's website www.finecobank.com for connections via the GSM system or through other telematics systems made available by the Bank.
2. If the orders are given by telephone, you acknowledge that they will be recorded on magnetic tape or another, similar back-up.
3. In order to send orders using telematics, you will need to have devices and programs which meet the technical specifications established by the Bank and published on the internet site.
4. Once sent, your orders can only be withdrawn if still not acted on. The ways of executing them (or of sending them to another broker for execution) are identical, regardless of the channel which you choose to send the orders.

Any other, different type of communication or request for information may be sent to the following e-mail address: support@finecobank.com.

You can also contact:

Client Service, which can be reached at the following numbers and at the following times: free-phone number 0800 640 66 67 for calls from UK, or +44 20 706 57 557 from abroad.

Operator service

From Monday to Friday, from 08:00 to 21:00 hours.

Operator service to block cards and to block codes: 365 days per year 24h/24

If you are **not a client of the Bank** please call the free-phone number 0800 640 6465, from Monday to Friday, from 08:00 to 21:00 hours

A.3 Complaints.

Any complaints may be sent to the Complaints Office at FinecoBank S.p.A., at Piazza Durante, no. 11, 20131 (MI), fax no. 02.303482643, complaints@finecobank.com or at the certified e-mail address finecobanks.p.a.pec@actalis-certmail.it. Complaints are handled by the Complaints Department. The Bank has adopted suitable procedures to ensure the required handling of complaints made by clients. The procedure for handling complaints is completed, as a rule, within a maximum of 60 days following the receipt of the complaint. The Bank allows for a process in which several structures take part, in order to ensure a clear examination of the issues which emerge from the complaint. The response to the complaint is sent in good time and, at any rate and according to the policy, within the above deadlines, by the same means as used to send the complaint. If you are not satisfied with how your complaint was handled by the Bank, you can refer your complaint to Financial Ombudsman Service in accordance with clause 22.

A.4 Investment services offered

FinecoBank has been authorised by the Bank of Italy to carry out the investments services and activities described in brief below:

- Execution of orders on your behalf (including through negotiations conducted on its own behalf): the service consists in the receipt of your orders geared to financial instruments and their execution in a trading venue to which the Bank has direct access. The ways of performing the service and the trading venue where they are carried out appear in the Execution Policy available on the Bank's website and a copy is included with these Terms of Business. Sometimes FinecoBank negotiates on its own behalf and acts as a direct counterparty of the clients when executing their orders; for example, that happens in the following cases:
 - the trading of financial instruments listed by FinecoBank when acting as a Systematic Internaliser (selection of securities such as, for example, shares, futures and Contracts for Financial Differences - CFD);
 - the trading of securities not listed on the regulated markets or on Multilateral Trading Facilities (MTF) (bond issues and certificates

and repurchase agreements);

- trading in OTC derivatives other than CFD handled as a Systematic Internaliser.
- Collection and sending of orders: the service consists of the receipt of your orders geared to financial instruments and their sending to a dealer qualified to trade on its own account and/or execute orders on the behalf of clients. That occurs when the Bank does not have direct access to the venue where the order is executed. The trading brokers to which the Bank may resort in that case appear in the Execution Policy available on the Bank's website and a copy is included with these Terms of Business.
- The services for the execution of orders on the clients' behalf and the collection and sending of orders are defined henceforth as an "Execution".
- Placement and distribution (referred to henceforth as "**Placement**"): the Bank carries out the service for the placement of financial instruments and investment services and distributes financial products on the authority of Group companies and third companies. The services consist of the presentation and proposal of products, services and financial instruments. Those companies prepare the relevant contractual documents. In addition, for transactions on the primary market the Bank also acts as a placer (without an irrevocable commitment, on the authority of the issuers or other primary placers).
- Supplementary Services: these are services off
- in connection with the provision of the above-mentioned investment services; in particular:
- safekeeping and administration of financial instruments on the clients' behalf and related management services to manage ready cash and collateral guarantees;
- brokerage in exchange, connected to the provision of investment services in exchange.
- In particular, the following are prominent amongst the supplementary services:
- "Interest-bearing portfolio" service: service which allows the client to obtain a reward in exchange for the transfer on loan to the Bank of securities present in its securities deposit. The characteristics of the securities loan transaction and the associated risks are set out in the paragraph D1.5.1 "Securities Lending".

A.5 Documents provided to the investor and statement on the activity carried out

The Bank:

1. when it receives an order, issues a certification to you containing – amongst other things – not only the data which identify the order but also warnings from the Bank about conflicts of interest the inadequacy / inappropriate nature of the transaction associated with the order and bonuses. In the case of orders received over the internet and via the call center, the certification can be found in the area reserved for you on the Bank's website and can be printed.
2. As soon as possible and, at the latest, by the

first working day after the execution of the order or after the Bank received confirmation from the broker to which the execution of the order was sent, provides you with a written notice of confirmation. This will contain the name of the Bank which sent the communication, the name or other means of identifying the client, the information used to identify the executed transaction – such as, for example, the day and time of the execution, the type of order, the identification of the place of execution, the identification of the instrument, an indication if it is a purchase/sale or a different transaction, the quantity, price per unit, total sum of commissions and costs and the information if your counterparty is the Bank, another broker in the Group or another client of the Bank (except where the order is executed through a system which produces an anonymous negotiation).

In the case of a transaction where the financial instrument involves a settlement in a currency different than the settlement account, the above-mentioned notice is sent by the first working day after the fixing of the exchange rate. As a rule, that will be the day after the conclusion of the transaction, subject to any adjustments due to any public holidays on the exchange market. The notice of confirmation can be found in the area reserved for you on the Bank's website and can be printed.

In the case of orders for quotas or shares issued by collective savings investment organisations, the information is given directly by the asset management companies ICVCs at the frequency envisaged by the legislation and regulations adopted by the companies. On your request, it provides it with information about the status of its order and the make-up of the commissions and costs mentioned in the previous point, broken down into individual items.

3. The Bank will notify you within one business day if you have position in leveraged financial instruments or contingent liability transactions in your Account where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%.
4. Provides you, at quarterly intervals (on 31 March, 30 June, 30 September or 31 December each year), a statement of the financial instruments and available funds held by the Bank, with an itemisation of them at the end of the period covered by the statement; the statement is made available in electronic format in a special reserved area on the Bank's website and can be printed. You can ask for a hard copy to be sent to your address. All transactions in regulated securities and derivatives feature in a daily statement, through a consultation instrument available in a special area reserved on the Bank's website. The information provided can be printed.
5. Provides you, at monthly intervals: - with details of the proceeds which matured for you on securities lending transactions concluded as part of the so-called "Interest-bearing portfolio" service. That information is made available in a special reserved area on the Bank's website and can be printed.
6. La The Bank also provides, on a yearly basis, a personalized annual disclosure regarding the costs and charges incurred with regard to finan-

cial instruments, investment services and ancillary services.

A.6 Information about the indemnity or guarantee systems

The Bank belongs to the Interbank Fund for the Protection of Deposits, covered by the Directive 94/19/EC of 30 May 1994. The Fund is a compulsory consortium regulated by private law and recognised by the Bank of Italy. Its activity is governed by the Statute and by the Regulation. The Fund serves to guarantee depositors of the consortium banks which undertake to provide the fireforces needed to serve the Fund's purpose. The maximum limit of cover per depositor is 100,000 euros.

The Bank belongs to the National Guarantee Fund recognised as a compensation system referred to in art. 62 of the Legislative Decree no. 415 of 23 July 1996 transposing Directive 93/22/EC. The Fund indemnifies investors, within the limits of the amounts and under the conditions envisaged in the Fund's Operating Regulation, with credit, represented by financial instruments and/or money linked to investment transactions, in relation to brokers who belong to the Fund, as defined by the above Regulation and arising from the provision of the main investment services.

A.7 Policy to handle conflicts of interest

The policies to manage conflicts of interest adopted by the Bank are set out in the document "Managing Conflicts of Interest Policy", which is enclosed with this document and is delivered with it, thereby forming an integral part. The document may be consulted on the Bank's website at www.finecobank.com.

The Bank also provides – within the scope of the services for the Placement and distribution of financial instruments and financial banking products - information about any conflicts of interest regarding the financial instrument or product which figures in the instruction.

A.8 Policy for the sending and execution of the orders

An analysis of the Bank's policies for the handling of orders connected to the provision of investment services can be found in the "Execution Policy" section prepared by the Bank. It has been enclosed with this document and is delivered to clients as an attachment to the Agreement.

The document may also be consulted on the Bank's website at www.finecobank.com.

B Information about the safekeeping of the clients' financial instruments and sums of money

B.1 Information about sub-deposits and the Bank's responsibility

As part of the provisions for the securities account and financial instruments for safekeeping and administration, the Bank is expressly authorised by you to sub-deposit the securities and financial instruments (referred to henceforth as "securities"), including via another broker who has joined the central securities depository in accordance and for the purposes of art. 80 and ff. of the Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance) and the regulation to implement it, as well as with any other custodians qualify in

accordance with the current regulation.

The entity with which the securities are sub-deposited is Società Generalé Securities Services S.p.A., which can be abbreviated to "SGSS S.p.A.". Its registered office is in Milan and it is entered in the Banks Register kept by the Bank of Italy under number 5622. The latter has authorised further sub-deposits. Italian securities are deposited with Monte Titoli S.p.A. The Bank informs you of any change of sub-custodian in a specific notice or in a periodic statement given to it. You may allocate part or all of the rights inherent in the sub-deposited securities to other depositors or may ask for the delivery of an equivalent amount of securities of the same type as those sub-deposited, in the forms envisaged by the central securities depository.

The Bank is also authorised to sub-deposit the securities with other centralised deposit agencies other than the central securities depositories who, however, will be allowed to carry out custody and central securities depository. In turn, if necessary, those agencies may entrust the actual custody to third parties.

If the securities mentioned in the above paragraph have characteristics of fungibility or, when otherwise possible, the Bank – without prejudice to your responsibility to ensure the regular nature of the securities – is also authorised to allow them to be grouped together by those organisations and you agree to receive instead other securities of the same type and in the same quantity. In such cases, the sub-deposit is made on "omnibus" accounts, held in the Bank's name on behalf of third parties. Only financial instruments are allowed to enter which belong to multiple clients and so your name is not given. However, the "omnibus" accounts are always separated from the accounts for the financial instruments which belong to the Bank.

For securities issued or circulating abroad, the Bank is authorised to be replaced, in transactions in relation to the service for the safekeeping and administration of securities, by foreign sub-custodian companies established for that purpose. Consequently, it deposits the securities with them. The service is conducted in the form envisaged by those foreign sub-custodian companies. Only in cases where the nature of the financial instruments or the services or activities of investment connected to them means that they have to be deposited with a particular subject may the Bank deposit or sub-deposit your assets with subjects established in Countries whose systems do not have regulations and forms of supervision over subjects involved in the safekeeping and administration of financial instruments and so segregation of those assets is not guaranteed.

As for the securities which are sub-deposited, the Bank remains responsible vis-a-vis you.

B.2 Information about preferential claims and rights to compensation

LEGAL PRIVILEGE:

The Contract with you envisages that:

- if you do not meet its obligations in time and in full, the Bank will warn you about payment and, if you stay in arrears, the Bank may pro-

ceed to exercise its right to compensation or may proceed to sell – directly or through another authorised broker – an adequate quantity of financial instruments it holds;

- before realising the securities, the Bank informs you in a letter sent by recorded delivery of its proposal and will give you a further deadline of 10 days;
- the Bank is content with the net proceeds of the sale and the remainder is available to you.

LEGAL AND VOLUNTARY COMPENSATION:

The Contract contains the rules for legal and voluntary compensation between you and the Bank, in cases where there are several relations in place or several accounts, of any type or nature, including deposit accounts.

B.3 Information about the Bank's use of the Client's financial instruments

The Bank, as part of the services called the "Interest-bearing portfolio", may use the financial instruments held on your behalf. The nature of those services, the obligations and the responsibilities which the Bank accepts to provide them, the conditions for return and the associated risks are summarised in paragraphs A.4 - "Investment services offered" – and D1.5.1 - "Securities Lending" – and illustrated in detail in the rules which regulate those services, contained in the General Conditions of the contract and available on the Bank's website.

C Information about the financial instruments and products

C.1 Types of financial instruments and products handled

The Bank makes available to its clients, in the context of the investment services, the following types of financial products and instruments. Please see the following paragraphs for a description in terms of their nature and risk. Depending on the commercial choices which the Bank may make, from time to time, some of the types of product listed below may not be available:

- Securities which represent the risk capital;
- Debt instruments;
- Derivatives;
- Quotas and shares of collective investment schemes (mutual funds and ICVCs);
- Other products handled by the Bank (including Securities lending).

C1.1. Securities representing the risk capital

The most common security representing the risk capital is the share. It is the minimum unit of participation in the share capital of a joint stock company. A shareholder becomes, for all purposes, a member of the company which issued the security on the market. It participates (unless the articles of association provide to the contrary), along with the other members and in proportion to the number of shares held, in the issuer's economic risk. Any remuneration connected to the possession of an equity instrument is based on the economic progress of the company which issued it and depends on the decision of the shareholders' meeting to distribute part or all of the profits. If the issuing company becomes bankrupt, the shareholder will be remunerated on a residual basis. In other words, the shareholders' claims will only be

satisfied after the claims of the other stakeholders (subordination). All shares in a company have the same nominal value and all those which belong to the same category give the holders equal rights. Our system recognises different types of shares, differentiated according to:

- (a) the rights they give. Each type of share gives the holder different specific rights: administrative (voting right, right to contest the resolutions of the shareholders' meeting, right of withdrawal, preemptive right) and economic-patrimonial (right to the dividend, right to reimbursement). The shares are differentiated, for example, between:
 - ordinary: type of share which does not give the holder any privilege in terms of the distribution of dividends or the distribution of assets during the winding-up of the company (subordination);
 - Savings: type of share without a voting right but which enjoys patrimonial privileges compared to ordinary shares (pre-dating);
 - preferential: type of shares which gives its holders a right of preference compared to the ordinary shareholders during the distribution of profits and the reimbursement of the capital if the company is wound up but which involve the limitation of some or all administrative rights (right to vote, right to contest the resolutions of the shareholders' meeting, right of withdrawal, pre-emptive right).
- (b) legal regime of circulation. The shares may be registered or to-bearer. The former supposes the compulsory registration of all the share holdings. An exception is made for savings shares, which may be issued to the bearer. To-bearer shares are transferred with the mere delivery of the security, whereas a registered share may be transferred through authentication by a notary or another subject, according to the provisions of special laws. As for shares and financial instruments traded or destined for trading on the regulated markets, the transfer may proceed through the entry in accounts geared to record the movements of the financial instruments. In that case, if the shares are registered, entry into the account will be equivalent to a transfer.

The risks associated with that type of instrument are the price risk and the risk of the issuer's insolvency (for a detailed description of the risks, please see paragraph C3 - "Main risks associated with the investment in financial instruments and products").

C1.2. Debt instruments

A debt instrument is a debt for the issuer and a credit for the subject who acquires it. Companies issue debt instruments mostly for collection purposes: in that case, the issuer (debtor) gains resources which it returns on a particular expiry date and for which it pays interest (fixed or variable, periodic or just at-term); the investor (creditor) pays a sum which it will regain at-term and receives the interest in the agreed form. Each security represents a fraction of equal nominal value and with equal rights as a single financing

transaction.

The characteristic features of a debt instrument are:

- nominal interest rate, which may be:
- fixed, if calculated according to a pre-fixed return which does not change during the duration of the loan.
- variable, if a variable return over time is envisaged. The amount is fixed periodically by referring to financial or real parameters specified at the time of issue (e.g. Euribor) or linked to the value of an Underlying Asset (shares, index, basket);
- mixed, in other words the combination of a fixed and variable component.
- duration;
- form of paying the interest (coupon or zero coupon);
- form of reimbursement, which may be ordinary (one-off reimbursement on the expiry date or gradual reimbursement on fixed expiry dates) or extraordinary (early reimbursement or re-purchase on the market);
- reimbursement price, which may be fixed or variable.

The coupon, which is periodic and at pre-fixed expiry dates, is one of the most common means by which issuers pay interest to the investor. However, securities without a coupon also exist, as so-called zero coupons, where the interest is paid on the expiry date, with the return of the invested capital, plus the interest which matured during the life of the security.

The issuer has considerable freedom when fixing the content of those characteristic features and to include in the debt instrument some optional features typical of derivative agreements. Depending on the legal entity which issues them, we may distinguish between government bonds, supranational debt instruments and corporate bonds.

C1.2.1. Government Bonds

Government Bonds are financial instruments issued by national governments, either in euros or in a different currency than the euro, which allow for, as a rule, the reimbursement of the nominal value on the expiry date and a coupon-type or zero coupon return. For instance, gilts are UK government Sterling denominated bonds issued by HM Treasury. The term gilt (or gilt-edged) is a reference to the primary characteristic of gilts as an investment - their security.

The risks associated with this type of instrument are the interest risk, the credit spread risk and the issuer insolvency risk, or the sovereign risk in the case of public debt instruments (for a detailed description of the risks, refer to paragraph C3 - "Main risks associated with investment in financial instruments and products").

C1.2.2. Supranational debt instruments

Supranational debt instruments are bonds issued by international institutions (e.g. the European Investment Bank), who collect funds to finance government projects and projects of private enterprises in various parts of the world; they may be nominated in strong currencies (pound sterling, the euro, US dollar, etc.) or in currencies of emerging countries.

The risks associated with this type of instruments

are the interest risk, the credit spread risk and the issuer insolvency risk. However, the credit risk for these instruments is generally modest (for a detailed description of the risks, refer to paragraph C3 - "Main risks associated with investment in financial instruments and products").

C1.2.3. Corporate bonds

Bonds are among the most common debt instruments. Corporate bonds are those in which the issuer, or the debtor, is represented by a company regulated by private law (e.g. banks and industrial companies). They may be distinguished as:

a) Senior bonds - If the issuer is not able to pay the interest or repay the capital, the bearer of the bonds may be satisfied in the same way as envisaged for the issuer's other unsecured and non-preferential creditors. Senior bonds vary between:

- Ordinary (plain vanilla): bonds which give a right to receive, in pre-fixed forms, the interest and, on the expiry date, the repayment of the capital equal to the nominal value. There is no derivative component.

- Structured bonds: bonds broken down into a traditional bond, which gives a right to receive, on the expiry date, the repayment of the capital equal to the nominal value (and an eventual minimum return), and a derivative which allows the subscriber to receive a random return linked to the trend in one or more of the Underlying Assets (e.g. shares and share, merchandise and currency indexes).

- Convertible bonds: bonds which may be converted, at the option of the investor and at pre-fixed times, into shares (so-called "converted shares") of the company which issued the bonds or of a third company. After the conversion, the investor ceases to be the creditor of the subject who issued the bonds and acquires the patrimonial and administrative rights due to the shareholders of the company which issued the converted shares.

b) Subordinate bonds which, in the event of the liquidation of the issuer, are repaid through capital and interest only after all the issuer's other, not equally subordinate, creditors have been satisfied. In any case, such bonds will be repaid ahead of the issuer's shares and the other capital instruments characterised by a greater degree of subordination.

In particular, if the issuer is a bank, the bonds are distinguished between:

- "Upper TIER II" subordinate bonds;
- "Lower TIER II" subordinate bonds;
- "TIER III" subordinate bonds.

We will summarise some of the characteristics of subordinate bonds issued by banks. "Upper TIER II" subordinate bonds are irredeemable or redeemable bonds (non-repayable and repayable, respectively), with an expiry date equal to or greater than 10 years. They are characterised by clauses which:

- Make the repayment on the expiry date of the bonds dependent on the prior au-

thorisation of the Bank of Italy;

- Allow for the ability to suspend the right to remuneration to the degree necessary to avoid or restrict as much as possible the emergence of losses, if there are negative trends in the operating result (so-called interest deferral option);
- Make it possible for the issuer to use capital and interest to cover negative operating results, in the event of losses in the balance sheet which cause a reduction in the paid-up capital and the reserves below the minimum level of capital envisaged for authorisation for the banking activity (so-called loss absorption clause). That is to enable the issuer to continue to operate.

“Lower TIER II” subordinate bonds are bonds with a duration of 5 or more years (if the expiry date is not fixed, prior notice of repayment of at least 5 years is anticipated). There may be clauses for early repayment, which can occur only on the issuer’s initiative, after authorisation from the Bank of Italy. “TIER II” subordinate bonds may allow for clauses which provide an automatic review of the remuneration rate, connected to the early repayment option (so-called step-up), provided they can be exercised no earlier than in the 5th year of the loan and the sum of the step-up does not exceed, alternatively, 100 basis points or 50 per cent of the spread compared to the reference base, net of the differential between the initial reference base and that used to calculate the increased rate.

“TIER III” subordinate bonds are bonds with a duration of equal to or longer than 2 years (if the expiry date is not fixed, early notice of repayment of at least 2 years is envisaged), subject to the so-called “lock-in clause”, by which the capital and the interest cannot be repaid if the repayment reduces the overall amount of the issuer’s patrimonial funds to a level below 100% of the overall capital requirements.

The risks associated with this sort of instrument are the interest risk, the credit spread risk and the issuer insolvency risk. Generally speaking, the latter are linked to the Rating given to the issuer (cf. paragraph C4 - Classification criteria adopted by the Bank and risk indicators).

Apart from the above risks, convertible bonds are also subject to the price risk of the converted share. Apart from the risks of the traditional bond, structured bonds suffer from the sort of risk(s) associated with the derivative included in the bond. Apart from the risks of the traditional bond, subordinate bonds are prone to the risk associated with the type of subordination (for a detailed description of the risks, see paragraph C3 - “Main risks associated with investment in financial instruments and products”).

C1.2.4. Covered bond (or guaranteed bonds)

The Covered bond is a bank bond with a modest risk profile, as it is guaranteed by assets geared, if the issuer becomes insolvent, to the prioritised satisfaction of the rights of the bond holders and high liquidity. The operating scheme envisages the transfer by a bank to a vehicle company of assets with a high credit quality (mortgage credit

and credit to public authorities) and the issue by a bank, who need not be the assignor, of bonds guaranteed by the vehicle company, to be enforced on the assets gained and formed as separate assets.

The risks associated with this type of instrument are the interest risk, the credit spread risk and the issuer insolvency risk. For these securities, the credit risk is mitigated by the fact that the guarantee of the securitised credit portfolio operates in conjunction with that of the issuer (for a detailed description of the risks, see paragraph D3 - “Main risks associated with investment in financial instruments and products”).

C1.3. Derivatives

Derivatives are financial instruments whose value depends on the trend in an underlying, which can vary in nature: it may be financial (equity securities, indexes, interest and exchange rates) or real (tobacco, coffee, cocoa, oil or gold).

Derivatives may be:

- Transferable securities;
- Contracts.

The risks associated with derivatives are mainly those linked to the Underlying Assets or, potentially, the whole range of financial risks. In order to correctly fix the associated risks, it is important to be aware of the specific characteristics of each derivative. Below we illustrate the main categories of derivatives handled by the Bank. Detailed information about the forms of operation used by the Bank to develop the trading of derivatives is found in the Help section dedicated to Trading on the website www.finecobank.com.

C1.3.1. Derivatives represented by “transferable securities”

This category includes warrants, Exchange Traded Commodities (ETC) and securitised derivatives.

The warrant is a derivative very similar to an option. It gives the holder an option to buy (warrant call) or sell (warrant put), to be exercised on (or by) a certain expiry date (if of the European or American type) on a particular Underlying Asset and at a pre-fixed price. The warrant (call type) is used, in particular, by companies to make its own bonds more appealing (bonds cum warrant) or to gather fresh resources via capital increases.

The warrant is an instrument which can circulate separately from the main security.

ETCs are derivatives issued in light of the issuer’s direct investment in commodities and in contracts, including derivatives on commodities. The value of the ETCs is linked to the course of the prices of the assets which figure in the investment or to the value of the basket indexes for those assets. The price of the ETCs is therefore tied directly or indirectly to the trend in the Underlying Asset.

In practice, the ETCs are securities without an expiry date issued by a Special Purpose Vehicle (SPV) in light of a direct investment in a raw material or in contracts on commodities concluded by the issuer with international operators with a high standing. The range of commodities replicated by the ETCs is particularly broad and is not restricted to individual raw materials. It extends

to their indexes and sub-indexes.

That enables the saver to count on the positive trend in an individual raw material or to diversify the investment through a basket of commodities. The assets gained by the issuer with the proceeds derived from the subscription of the ETCs form separate capital for all purposes from SPV and from that of any other issuers.

Moreover, the assets gained with the proceeds derived from the subscriptions, as well as the proceeds generated by the same assets, are geared exclusively to the satisfaction of the rights included in the financial instruments in question and eventually to cover the operating costs.

Shares from creditors other than the holders of the ETCs are not included in the assets in the separate capital.

In summary, the ETCs:

- are traded on the Exchange, just like shares;
- replicate, in a passive way, the performance of the raw material or the raw material indexes to which they refer.

Securitised derivatives may only be issued by a financial broker by companies or entities with particular capital or supervisory requisites or by counties and international agencies.

To avoid situations of conflicts of interest, the issuer of a securitised derivative must not be the same as the issuer of the Underlying Asset.

At the moment, securitised derivatives are sub-divided into two categories of instruments: covered warrants and certificates.

Both may have as underlying shares and Government Bonds with high liquidity, indexes, interest rates, currencies and commodities.

Covered warrants are financial instruments different from warrants which give the holder the option of buying and/or selling, on (or by the) expiry date a certain quantity of Underlying Assets (financial instruments, precious metals, rates, currencies and indexes) at a pre-fixed price (strike price). The exercise of a covered warrant may involve the physical delivery of the Underlying Assets or the monetary settlement of the difference, if positive, between the price of the Underlying Asset and the strike price (in the case of a covered warrant call) or the difference, if positive, between the strike price and the price of the Underlying Asset (in the case of the covered warrant put). At the moment, all the covered warrants traded on SeDeX envisage the automatic monetary settlement on the expiry date, if there is a positive differential.

Certificates are financial instruments made up of a combination of options which replicate, with or without a leverage effect, the trend in the Underlying Asset to which they refer. Certificates without a leverage effect (investment certificate) amount, both in terms of the capital invested and in terms of the risk, to an alternative to direct investment in the Underlying Asset. Certificates with leverage (leverage certificate) may be of the bull or bear type.

Based on the classification adopted by ACEPI ("Italian Investment Certificates and Products Association", which includes the main issuers of structured products and promotes in Italy a developed culture of investment products, especially certificates), it is possible to subdivide

the certificates into 4 macro-classes: instruments with protected / guaranteed protection, instruments with conditionally protected capital, instruments with unprotected capital and leveraged instruments. The certificates described in numbers 1), 2) and

3) are commonly called "Investment Certificates" (without a leverage effect).

The certificates mentioned in number 4) are commonly called "Leverage Certificates" (with a leverage effect).

- 1) Protected / guaranteed capital certificates
These are instruments which focus on a rise (or fall) in the Underlying Asset. The invested capital is protected from falls (rises). The level of protection is defined when the product is issued, in order to offer total protection for the invested capital (100%) or partial protection (e.g. 90%, 80% or below).
- 2) Conditionally protected / guaranteed capital certificates
These are instruments which focus on a rise in the Underlying Asset while, at the same time, protecting the invested capital (but only if the Underlying Asset does not reach the protection barrier). For some types of certificates, they allow earnings, if the falls are modest.
- 3) Unprotected / non-guaranteed certificates
These products allow bearers to invest in a particular Underlying Asset and expose themselves to its performance, either to a rise or a fall, to a proportionate or even disproportionate degree. The Underlying Assets for these certificates are usually indexes, commodities, baskets and, more generally speaking, Underlying Assets not easily accessible to an individual saver with a direct investment.
- 4) Leverage Certificates
Among the unprotected capital certificates, leverage instruments offer potentially the highest returns, although they allow exposure to higher risks. A leverage product enables the investor to gain a right to buy (bull) or sell (bear) an Underlying Asset at a price (strike) and on a pre-fixed date. The employment of capital to invest in a product of this type is lower than that needed for a direct investment in the Underlying Asset (so-called leverage effect). The leverage effect allows the performance of the Underlying Asset to multiply. However, the leverage does not only expand earnings but also any losses and the investor is exposed to the risk of the early repayment of the certificate and the total loss of the invested capital, if the Underlying Asset reaches a prefixed barrier (stop loss).

C1.3.2. Derivatives represented by "contracts" Derivatives represented by contracts are divided into regulated derivatives and OTC derivatives.

Regulated derivatives are represented by contracts whose characteristics are standardised and defined by the authority of the market where they are traded. Those characteristics concern the Underlying Asset, the duration, the minimum trading volume, the forms of settlement, etc. The complete list of markets on which such instru-

ments are traded and to which FinecoBank gives access appears in the document called "Execution Policy" available on the Bank's website.

OTC derivatives are traded beyond the regulated markets and directly between the parties. It may prove difficult to liquidate a position or assess the effective value and real exposure to the risk. For this reason, transactions geared to OTC derivatives involve the acceptance of higher risks and / or more difficult to gauge risks. In such transactions, the Bank figures, as a rule, as the counterparty to the investor. The parties are free to establish all the characteristics of the instrument; as a rule, they are swap and forward. Before conducting these types of transactions, the investor should become familiar with all the relevant information about them, the rules which apply and the resulting risks.

The main objectives of trading in derivatives are as follows:

- Cover of positions (hedging): this is to protect the value of a position from unwanted fluctuations in market prices. Using the derivative makes it possible to neutralise adverse trends on the market by balancing the losses / gains on the position to hedge with the gains / losses on the derivatives market;
- Arbitrage: the exploitation of a momentary misalignment between the trend in the price of the derivative and that of the Underlying Asset (designed to coincide with the expiry of the contract), by selling the over-valued instrument and buying the under-valued one and, therefore, making a risk-free profit.
- For example, the more common derivative contracts include:
- Fixed-term contracts (forward and futures);
- Options.

Below we will also set out the characteristics of Contracts for Financial Differences (CFD), as OTC derivatives envisaged as part of Fineco's offer.

Fixed-term contracts (forward and futures)

A fixed-term contract is an agreement between two subjects for the delivery of a particular quantity of a certain Underlying Asset at a price (delivery price) and on a pre-fixed date (maturity date). The Underlying Asset may be of various types:

- Financial assets (shares, bonds, exchange, derivatives, etc.);
- Commodities (oil, gold, grain, etc.).

In the fixed-term contract, the buyer (the one who undertakes to pay, on the maturity date, the delivery price to receive the Underlying Asset) opens a long position, while the seller (the one who undertakes to deliver, on the maturity date, the Underlying Asset and to receive in exchange the delivery price) opens a short position.

Fixed-term contracts are generally structured in such a way that, when they are concluded, the two services are equivalent. Naturally, if, at the start, the at-term price matches the delivery price, later – during the course of the contract – it will be amended to reflect, essentially, fluctuations in the current price of the Underlying Asset. On the maturity date, the contract may be executed as follows:

- With the actual delivery of the Underlying Asset asset by the seller to the buyer, in return

for the payment of the delivery price. In this case, we speak of physical delivery;

- With the payment of the monetary difference between the current price of the Underlying Asset, on the maturity date, and the delivery price given in the contract. The difference, if positive, will be due from the seller to the buyer or viceversa, if negative. In this case, we speak of a delivery for the difference or a cash settlement.

The main types of fixed-term contracts are forward and future contracts.

Future contracts differ from forwards by being standardised contracts, negotiated on the regulated markets.

The future is a fixed-term contract where the counterparty accepts the obligation to buy or sell a given quantity of a specific Underlying Asset on a fixed date in the future and at a pre-fixed price (so-called future price).

The future price reflects the delivery price of the forward contracts but, as it is listed, it is not strictly speaking contracted by the parties because, like all securities traded on the regulated markets, it results from the combination of the proposed buying and selling. It is usually given in "index points". Depending on the Underlying Asset, the future contract has various names: commodity future, if a commodity, and financial future, if a financial asset. The standardisation of the contracts and the possibility of trading them on regulated markets has significant repercussions:

- The possibility of an early closure of a future position without waiting for the maturity date, by its trading;
- Significant earnings in terms of the liquidity of the trades and, consequently, reduced costs for the traders.

A further aspect which distinguishes the future from the forward, connected to its trading on regulated markets, is the presence of a single counterparty for all the transactions, i.e. the clearing house which, for the Italian market, is the Clearing and Guarantee House (referred to henceforth as CC&G). Its job is to ensure the successful outcome of transactions and the daily settlement (understood as a calculation) and clearing of the profit and losses made by the parties. The clearing house fin all the transactions concluded on the futures market: when two subjects buy and sell a contract, they immediately inform the clearing house, which proceeds to buy the future from the party which sold it and to sell it to the party who bought it. In that way, if one of the party defaults, the clearing house takes over its obligations and guarantees a successful outcome to the transactions. It will then take action against the party in breach.

In order to carry out its tasks systematically and continuously and to ensure the efficiency of the system, the clearing house adopts a series of measures, including the margins system, which envisages the payment by the counterparties of an initial margin and variation margins during the course of the contract.

When the contract is bought and sold, the two parties – the buyer and seller – should pay to CC&G the opening margins, which will be returned on the maturity date.

During the course of the contract, the CC&G calculates on a daily basis the difference between the value of the contract on the day and that of the previous day and asks for the payment of the difference, the so-called variation margin, to the party who, compared to the previous day, sustained the loss. The margin will be credited to the party who achieved the profit.

This calculation mechanism will continue on a daily basis until the maturity date, when the last variation margin will be settled and the initial margin paid by the parties will be returned.

It is important to note that the margins system involves the payment of daily calculation and clearing of profits and losses which accrued for the counterparties, unlike with the forward, where the profits and losses made are calculated and paid only on the maturity date.

Consequently, in the case of future contracts, there are cash flows at the time when the contract is concluded (initial margin), during its course (variation margins) and on the maturity date (liquidation of the contract). Futures involve a high degree of risk. The sum of the initial margin (also known as the guarantee margin) is lower than the value of the contracts and that produces the so-called "leverage effect". This means that a relatively small fluctuation in the market prices will have a proportionately higher impact on the guarantee margin. That effect may be either favourable or unfavourable to the investor. So, the initial margin paid could be lost completely.

In order to mitigate that risk, FinecoBank has introduced a system to monitor the positions. It allows for the activation of automatic orders to close them when a fluctuation in the market price unfavourable to the client reaches a certain pre-fixed threshold (so-called stop-loss).

FinecoBank allows you to customise the level of guarantee margins in place and the positioning of the related stop-loss closing position.

Options

An option is a contract which gives a right, but not an obligation, to buy (option call) or sell (option put) a given quantity of an asset (the Underlying Asset) at a pre-fixed price (strike price or exercise price) by a certain date (maturity date) or when it is reached. Such contracts may be negotiated either on the regulated markets or OTC.

The characteristic features of an option are:

- The Underlying Asset. It may be a share, an index, a foreign currency (or exchange rate), a future contract, a commodity or any financial instrument or real asset. All options written on the same Underlying Asset amount to a "series";
- The faculty. The options which give the holder the faculty to buy the Underlying Asset on a future date are called the call options. The options which give the holder the faculty to sell the Underlying Asset are called put options. All options of the same type (call or put) amount to a "class";
- Maturity date. The options which give the holder the right to exercise the faculty only on the day which coincides with the maturity date of the contract are called European options, while the options which give the holder

the right to exercise the faculty by the maturity date of the contract are called American options;

- The exercise price (basis or strike price). This is the price at which the holder of the call or put option may buy or sell the Underlying Asset.
- The asset which underlies the option contract may be:
- a fiasset, such as shares, bonds, currencies, derivatives, etc.;
- A commodity, such as oil, gold, grain, etc.;
- An event, of a diff nature.

In any case, the Underlying Asset should be exchanged on a market with offi or publicly recognised listings or, if an event, should be objectively traceable.

The two parties in the option contract are called the buyer (holder) and seller (writer) of the option. The buyer, after paying a sum of money, called the premium, gains the right to buy or sell the Underlying Asset. The seller receives the premium and, in exchange, is obliged to buy or sell the Underlying Asset, when requested by the buyer. Following the terminology used by the traders, the buyer opens a long position, while the seller opens a short position.

When the buyer of the option exercises its right, it decides to buy (call) or sell (put), the following situations arise:

- in the case of the call option, the buyer of the call option will receive from the seller the diff between the current price of the Underlying Asset (so-called spot price) and the exercise price;
- In the case of the put, the buyer of the option will receive the diff between the exercise price and the spot price. The diff between the spot price and the exercise, in the case of the call, and the exercise price and the spot price, in the case of the put, is commonly known as the intrinsic value. The intrinsic value cannot be negative, as the bearer has a right, but not an obligation, to buy or sell. Therefore, if the current price of the Underlying Asset at the time of the exercise is lower than the exercise price of the call (or viceversa, for the put), it will simply avoid exercising the right and the loss will be restricted to the sums paid for the premium.
- For some types of options, execution of the contract may proceed as follows:
- With the actual delivery of the Underlying Asset, when we speak of a physical delivery;
- With the delivery of the cash diff between the current price of the Underlying Asset and the exercise price (cash settlement).

Purchasing an option is a highly volatile investment and the likelihood that the option may reach maturity without any value is very high. If that happens, the investor will have lost the entire sum used to buy the premium, plus the commissions.

Following the purchase of an option, the investor may maintain the position until the maturity date or carry out a transaction in the opposite direction or, for "American" type options, exercise it before the maturity date. The exercise of the option may involve a cash settlement of the difference or the buying or selling of the Un-

derlying Asset. If the option is geared to future contracts, the exercise may cause the taking of a position in futures and related obligations concerning the adjustment of guarantee margins.

An investor tempted to buy an option for an asset whose market price is far removed from the price at which it would be convenient to exercise the option should consider that it is unlikely that the exercise of the option will ever be profitable.

The sale of an option involves, as a rule, a much higher risk than its purchase.

In fact, even if the premium received for the sold option is fixed, the losses which the seller of the option may sustain may be potentially unlimited. For this reason, it is not a type of transaction which the Bank usually offers to its own clients.

Contracts for Financial Difference (CFD)

A CFD is a derivative, as its value is linked directly to that Underlying Asset and therefore follows its exact course. In particular, a CFD envisages the cash payment of the price Difference recorded, on a particular underlying, between the moment of the opening and the closing of the CFD contract, without that involving any physical exchange of the Underlying Asset.

The Underlying Asset may comprise, for example, an index, another financial instrument (e.g. a share) or an exchange between currencies or commodities (so-called CFD on indexes, CFD on shares, CFD forex, CFD on commodities).

To enter into a CFD, only the payment of the minimum portion of its counter-value is required (so-called Guarantee Margin), while the Difference is compared to the entire counter-value, the CFD is characterised by a strong leverage effect.

The purpose of concluding a CFD is to benefit from the economic effects of a price variation in the Underlying Asset but without gaining ownership and without having to employ to that end the entire counter-value of the instrument.

Consequently, the purpose of a CFD is speculative and, as such, it is highly risky. In particular, if there are unfavourable fluctuations in the price of the CFD, the losses sustained may exceed the Guarantee Margin. That risk is mitigated through the Stop Loss mechanism which, under normal market conditions, causes the closure of the position before the loss can exceed the Margin.

C1.4. Quotas and shares of OEIC (mutual funds and ICVCs)

Mutual funds and ICVCs (Variable Capital Investment Companies) belong to the category of OEIC (Open-Ended Investment Company).

These are portfolios of instruments where the associated risks concern the instruments which comprise them, potentially the whole range of financial risks. In order to correctly identify the associated risks, it is important to be familiar with the specific characteristics of each fund (for a detailed description of the risks, refer to paragraph C3 - "Main risks associated with investment in financial instruments and products").

C1.4.1. Mutual fund and ICVCs

The mutual fund is an autonomous asset which belongs to multiple participants. It is divided into quotas and is managed from above by an Asset Management Company. The managed assets

are "autonomous" and separate from that of the individual participants. That separation of assets, which serves mainly as a guarantee, means that the fund's assets are not influenced by the creditors of the management company. In the event of individual actions to protect the credit or if the company becomes bankrupt, they may satisfy their credit claims only from the company's assets and not also from the assets of the fund which belongs to the subscribers.

The subscription of the shares is the vehicle for participating in a mutual fund. Such shares, all of an equal value, are represented by registered or to-bearer certificates which incorporate equal rights. Each participant gains a right over a portion of the assets, proportionate to its cash contribution. In that way, it also accepts the risk arising from the investments made by the manager. The value of each individual share, calculated each day, derives from the ratio between the net value of the entire assets, divided by the number of shares in circulation.

Among the various types of mutual funds on the market we find the real estate type, which invest solely or predominantly in real estate and in stakes in real estate companies, and those of the securities type, which invest in instruments on the securities market (equity securities, debt instruments, derivatives, etc.). While those of the real estate type, owing to the type of investment which characterises them, are always closed-end, the securities type can be open or closed:

- Open funds, including ICVCs, under which the number of units or shares are not fixed. New units can be created for new investors and units belonging to investors wishing to sell will be cancelled.
- Closed funds, which issue a fixed number of shares which are not redeemable from the fund. Unlike open-end funds, new shares in a closed-end fund are not created by managers to meet demand from investors.
- Investment in mutual funds and ICVCs allows:
- The entrustment of savings management to subjects who carry out that task professionally;
- A diversification of investments difficult to obtain from individual investors, as their savings flow into large-volume assets.

For mutual funds and ICVCs, the Bank provides the client with information about the management company and the make-up of the assets. Clients are also informed about the categories to which they belong and the rating according to the classification criteria used by the independent financial research company called Morningstar.

C1.4.2. Alternative investment funds (AIFs)

Non-harmonized funds (AIFs) are not subject to the same rules for containing and splitting risks which UCITS funds are subject to. As a result, AIFs are riskier instruments than UCITS mutual funds.

The most prominent types of AIFs include hedge funds, private equity funds (which include venture capital funds), real estate funds, infrastructure funds and commodity funds.

Speculative funds (hedge funds) are mutual funds in which the assets can be invested in different Assets, which can be even riskier than those en-

visaged for the open funds, as a derogation from the prohibitions and prudent rules to contain and divide the risk established by the Bank of Italy. It is also possible to apply the distinction between open and closed-end funds to speculative funds. Shares in speculative funds can be subscribed at any time, while repayment can occur monthly (or every quarter in some cases). Speculative funds cannot be subject to public offers.

C1.4.3. Exchange Traded Fund

Exchange Traded Funds (ETF) are a particular type of OEIC with two main characteristics:

- They are traded on the Exchange as a share;
- Their only investment objective is to replicate the index to which they refer (benchmark) through a totally passive management. Therefore, an ETF combines the characteristics of a fund and a share. It allows investors to enjoy the strong points of both instruments: the diversification and reduction of risk found in funds; the flexibility and the transparency of information about the trading in real time found in shares, which allow an immediate valuation of the shares and allows the investor to use them for mid to long-term, short-term or extremely short-term investments.

One of the principal advantages of an ETF is the presence of restricted costs, in terms of the management commissions paid by the investor. That typically arises from the passive management, which is geared to replicate exactly the benchmark index. This calls for minimum intervention by the asset manager and a low rate of rotation for the investments.

A particular type of ETF is the structured ETF, that is to say OEIC negotiated as shares and managed with techniques geared to pursue returns which depend not only on the trend in the benchmark index but also to sometimes protect the value of the portfolio, while participating in any increases in the market in question, or to take part in a more than proportionate degree in the trend in an index ("leverage ETF").

C1.5. Other products handled by the Bank C1.5.1. Securities lending

Securities lending is a contract by which a subject (the borrower) gains the ownership and the availability of a certain amount of financial instruments from another subject (the lender) for a pre-fixed period of time and on the maturity date or, if the contract allows, on the lender's request, undertakes to return to it securities of the same type and quality and to pay the fee agreed as remuneration.

The "Interest-bearing portfolio" service proposed by FinecoBank is based on the securities lending contract and envisages the granting by you to the Bank of a mandate to conclude with the Bank individual loan agreements equal to one Working Day by using part or all of the financial instruments, dematerialised from time to time, registered in the securities deposit in its name. The service allows you to achieve a further remuneration over and above any distributions arising from the financial instruments (interest, dividends and other distributions), if the Bank takes the securities on loan. In fact, the Bank, for each trans-

action carried out, acknowledges to you a return calculated according to the effective duration of the loan, the annual rate published from time to time in the area reserved on the Bank's website and stated in the securities lending confirmation and the price of the financial instrument given in the official price lists on their delivery date.

In relation to each loan transaction and until the subscription of the contract for the service, you authorise the Bank to transfer the financial instruments identified at the discretion of the Bank from its securities deposit to the deposit which belongs to the Bank and to carry out all the formalities required for that purpose. On the maturity date of the transaction, the Bank returns to you financial instruments of the same type and quantity as those taken on loan, together with any supplementary rights which have matured (interest, dividends and/or other distributions) on the loaned financial instruments during the course of the loan, by crediting them to the current account linked to the securities deposit, net of any withholdings, in line with current tax provisions.

The Bank has unrestricted authority to consider from time to time whether to proceed (or not) to conclude the securities lending transactions. It will decide independently, within the limits defined in the context of the "Specific Terms regarding the Interest-bearing portfolio service", on the type and quantity of financial instruments to use. It accepts no obligation to you to execute specific loans, even if you give instructions to the Bank.

By the tenth Working Day after the end of the month when the loan was made, the Bank will provide the client, in the area reserved on the website finecobank.com, the confirmation of the transaction, with its essential features.

When the individual contracts are concluded, you will be debited no commission or charge.

The risk associated with this type of transaction is the counterparty insolvency risk, resulting from the transfer of the ownership of the financial instruments from you to the Bank. In particular, the Bank might find it impossible to face up to its own contractual commitments vis-à-vis the client (return of the financial instruments or their counter-value, the payment of the remuneration and/or the fruits arising from the financial instruments).

The Bank is committed to returning the securities to you at the maturity of the loan. In any case, the Bank guarantees each loan transaction, providing, as collateral, listed and/or unlisted bonds with a minimum Moody's rating of "Baa1" or equivalent grade of other primary rating agencies. The financial instruments provided as collateral are deposited in cumulative form in a specific account with Société Générale Securities Services S.p.A., for an amount that guarantees the total amount of loan contracts, from time to time, with all customers. For the purposes of assessing counterparty risk, it is important to note that the guarantee provided by the Bank are represented by financial instruments issued by third parties and, therefore, in the event of the insolvency of such parties, this guarantee may not operate.

C2. Places where orders received from the client

tele are traded

The clients' orders may be executed on a regulated market, on a Multilateral Trading Facility (MTF) or "over the counter" (OTC).

C2.1. Regulated market

A regulated market is a multilateral system which enables or facilitates the coming together, within it and based on non-discretionary rules, of multiple interests of third parties to buy and sell financial instruments accepted for trading in line with the rules of the market, in order to pave the way for contracts. The regulated market is managed by stock exchange companies.

C2.2. Multilateral Trading Facility

Multilateral trading facilities are similar to regulated markets, with the difference that they may be managed not only by regulated market management companies but also by an Italian investment company and banks authorised to provide that service. The management of multilateral trading facilities is an investment service that can bring together, on the basis of pre-fixed rules, offers to buy and sell coming from multiple traders. Authorised subjects should comply with certain requisites and rules to ensure a fair, orderly and transparent trading procedure for users and notify to the relevant Supervisory Authority a series of information about the subjects and instruments allowed for trading, the operating rules of the system and the supervisory rules adopted to ensure the orderly course of trading.

C2.3. Over the counter market

The "over the counter" (OTC) market is a market not subject to a specific regulation over the organisation and operation of the market where financial instruments are exchanged, placed and repaid. The lack of regulation is demonstrated by the fact that the functioning of that market, the securities and the traders allowed are not subject to the specific controls and authorisation of the Financial Market Supervisory Authority and are not entered in the specific association. The forms of contracting are not standardised and it is possible to conclude "atypical" contracts. Generally speaking, securities handled on an OTC market are less liquid than those handled on official markets.

C2.4. Systematic Internaliser

Systematic Internalisers amount to trading systems – alternatives to regulated markets – of a bilateral nature, as a direct counterpart of the broker with the client. Exercise is reserved for investment companies, banks and regulated market managers.

To start the activity of systematic internalisation, no further authorisation is needed beyond that required for trading on one's own behalf, but the subject is expected to notify to CONSOB a series of information about the activity of internalisation and the instruments handled and that it complies with rules for transparency similar to those allowed for the regulated markets and the multilateral trading facilities. At the moment, FinecoBank is the Systematic Internaliser of certain shares, futures, Daily Options and CFDs (an updated list is published on the website finecobank.com).

C3. Main risks associated with the investment in financial instruments and products

The following account, which is geared to identify and provide a concise analysis of the main risks usually associated with investments in financial products and instruments, does not claim to be either complete or exhaustive. It is designed to provide the clients with a supplementary support when choosing the best investment possible, bearing in mind the personal degree of exposure to the risk and the economic possibilities.

C3.1. Main risks

Market risk

When we speak of market risk, we are referring in general to the risk that the market value of the instruments on portfolio may fall as the result of changes in market conditions (share prices, interest rates, credit spread, exchange rates and their volatility).

The market risk may be divided into different categories. The influence of each on the trend in the price of the investment may differ.

1. Price risk: the risk of fluctuation in the price of a financial instrument whose value is reflected, in fact, in the market price. In general, we speak of price risk in a strict sense when it is not possible to precisely identify other risk factors which influence the price of an instrument. In addition, a distinction is made between the "generic" price risk, which takes into account the whole market in question (e.g. share market), and the "specific" one, which refers to the individual security (e.g. a company share). Let us consider an investor who holds shares on portfolio. The market value of its investment is sensitive to the trend in the quotes (prices) for the securities held. However, in the case of an investment in derivatives (or instruments with a derivative component), the price risk is expressed indirectly as a potential reduction to the market value of the investment following variations in the quote (price) of the Underlying Asset security. A covered warrant investor, for example, bears the risk arising from possible adverse fluctuations in the price of the security which figures in the covered warrant.
2. Interest risk: this concerns bonds and all securities, including derivatives, which as a rule are sensitive to variations in interest rates. Imagine an investor who holds a bond on portfolio. The price of the instrument on the maturity date is equal to the repayment value, which generally coincides with the nominal value. Ahead of the maturity date, a rise in interest rates means a reduction to the price of the bond. The further away the maturity date of the security is, the greater the risk. The interest rate may act as the Underlying Asset in certain derivatives.
3. Exchange risk: this emerges when the market value of the investment is sensitive to fluctuations in exchange rates. Let us consider the purchase of American shares or covered warrants on those shares by a Euro Area investor. In both cases, the value of the investment is influenced by the possibility of adverse fluctuations in the Euro – US dollar exchange rate. The exchange risk may also contribute to the fixing of the value of certain

derivatives.

4. Volatility fluctuation risk (prices, interest rates and exchange rates): concerns investments in derivatives (or those with a derivative component) and it emerges when the market value of the instruments on portfolio is sensitive to fluctuations in the anticipated volatility (and not historic volatility) of other market variables such as interest rates, exchange rates and share prices. That risk is typically associated with options or warrants. Let us consider the purchase of a covered warrant on the S&P/MIB index: the investor bears, amongst others, the risk associated with unexpected fluctuations in the index during the remaining life of the warrant.
5. Liquidity risk: this emerges when a financial instrument is not converted quickly into currency without that involving a loss of value. The liquidity risk depends, first of all, on the characteristics of the market where the instrument is handled. In general, all other things being equal, instruments handled on organised markets are more liquid than those not handled on those markets, as the supply and demand for securities originating from numerous traders flows mostly into those markets and leads to the formation of more reliable prices, as they reflect the result of numerous exchanges (or proposed exchanges). However, it is necessary to consider that the divestment of financial instruments handled on organised markets to which access may be difficult may create, for the investor, difficulties in liquidating its own investments and the need to tolerate extra costs. As for subordinate bonds, you are reminded that the issuer may proceed to freely repurchase them for an amount of no more than 10% of the issue value. Any repurchase of a sum which exceeds that threshold requires authorisation from the Bank of Italy. The existence of that constraint could make it difficult for bond-holders to supplement their investment in the liquidation. In other words, the liquidity risk might rise.
6. The liquidity risk is potentially associated with all instruments and depends on the characteristics of the market where the various instruments are traded (provided that they are negotiable).
7. The exchange risk concerns the currency in which the instruments were issued and not their intrinsic characteristics (apart from derivatives on exchange).
8. Credit risk
9. When we speak of the credit risk, we are referring to the risk that the market value on an instrument on portfolio falls owing to unexpected changes in the issuer's solvency or financial situation. In general, it is possible to classify two categories of credit risk, which are jointly reflected by the credit spread: the risk of variation in the spread itself and the future insolvency risk. An issuer's credit risk may constitute the Underlying Asset reference in certain derivatives.
10. Credit spread risk or credit spread: contributes to the formation of the market risk for listed instruments. It emerges when fluctuations

in the price of a bond cannot be explained by movements in the general conditions on the market (interest rates, exchange rates, etc.) but concern the issuer's particular situation. "Credit spread" means the difference in the return between bonds issued by issuers with different credit ratings, all other market conditions being equal and with the same issue characteristics. The measurement of the spread depends on the degree of subordination of the security: for subordinate bonds, the required spread will be higher than for ordinary (so-called senior) bonds. To measure the credit spread of a bond, the return on bonds issued by subjects with an excellent credit rating (often defined as risk free or similar) is usually used as a reference for comparison. As a rule, the credit spread falls with the remaining life of the security.

11. Issuer insolvency risk: this is when the issuer may not be able in the future to face up to the obligations to pay entered into (as payments of warrants or capital repayments) on the fixed dates.
12. Sovereign risk: this occurs when a national government does not manage to face up to its own debt commitments. In other words, it concerns the credit risk of a sovereign issuer. Just like a company which issues financial instruments runs the risk, owing to meagre liquidity or a temporary crisis, of not being able to meet its own contractual obligations, a State, in conditions of substantial indebtedness, may not be able or may not wish to meet its own commitment to pay (Government bonds and similar) on the agreed expiry dates. In that situation, the sovereign debtor could also amend its own contractual commitments to the creditors.
13. Subordination risk: in the event of the liquidation / insolvency of the issuer, the subordinate investor may incur a loss – possibly a total loss – of the invested capital, probably worse than that of an ordinary creditor. In fact, subordinate bonds will only be repaid after all the other preferential and unsecured creditors have been satisfied. For that reason, the remaining available funds of the issuer may not be adequate to repay – even partially – the subordinate creditors. However, subordinate bonds will be repaid at an equal pace and with precedence over the issuer's shares and other capital instruments characterised by a higher degree of subordination than the above bonds.

C4. Classification criteria of the financial instruments adopted by the Bank and risk indicators **Time Span**

The recommended Time Span is the minimum time recommended for the holding of the investment. It is calculated according to the liquidity of the instrument and the time required to amortise the costs of subscribing the investment made. It is determined by specific methods identified and ratified by the Bank. One of the following values may be adopted:

- SHORT-TERM: up to 18 months;
- MID-TERM: over 18 months and up to 60

- months;
- LONG-TERM: over 60 months.

Rating

The rating is the valuation of an issuer / guarantor or an issue made by a specialist agency (therating agency) and shown in abbreviated form by using letters or figures. Over time, the rating may change owing to circumstances which induce the rating agency to reconsider its previous assessment. The award of a rating is also helpful to issuers in the procedure for the pricing and placement of the securities issued. Rating is a useful tool for an investor because it allows it to assess the credit risk associated with the investment in a particular financial instrument. The rating of an issuer / guarantor provides a global valuation of the solvency of a particular subject, in other words its general suitability to honour its financial commitments on the due date. The rating given to subordinate debt is lower than that given to ordinary debt (so-called senior debt). A rating may also be given to an individual issue: in that case, the valuation also concerns the specific characteristics of the financial instrument in question. The rating of an issue reflects the issuer's ability to repay the capital and pay the interest on the fixed date.

Issuer R.	A	AA	A	A	A	A	-	BBB	B	BB
	A	+	A	A-	+	A	-	+	B	B-
Issue R.	A	AA	A	A	A	A	-	BBB	B	BB
	A	+	A	A-	+	A	-	+	B	B-
	A								B	
Investment Category (investment grade)										

Issuer R.	BB	B	B	B	B	-	CCC	CC	CC	C	S	D
	+	B	B-	B+	B-	-	+	C	C-	C	D	
Issue R.	BB	B	B	B	B	-	CCC	CC	CC	C	S	D
	+	B	B-	B+	B-	-	+	C	C-	C	D	
Speculative Category (non-investment grade)												

Speculative Category (non-investment grade)

The shift from AAA to D reflects a gradually decreasing likelihood of repayment.

Classes of Liquidity

Based on pre-determined criteria and requisites, the Bank identifies the liquidity class of the financial instruments. If it is not possible to attribute to an instrument a liquidity class owing to a lack of the necessary data, the Bank will put in the relevant form the value 0. Consequently, the values given by the Bank are as follows:

- 1: illiquidity
- 2: low liquidity
- 3: mid-low liquidity
- 4: average liquidity
- 5: mid-high liquidity
- 6: high liquidity
- 0: not calculated

Each value from 1 upwards to 6 reflects a higher degree of liquidity of the financial instrument, understood as the possibility of disposing of it within a reasonable period of time and at significant price conditions.

Market risk

Financial instruments / products are classified by the

Bank, for the purposes of measuring the market risk through VaR2, according to the following classes of risk:

VaR2 is a statistical measure (estimate) of the risk of financial investments adopted by the Bank, summarised in a number from 0 to 1,000, applicable to all types of financial instrument and portfolios of instruments. VaR2 measures the market risk, including the fluctuation in the credit spread, but does not take into account either the issuer's insolvency risk or the liquidity risk of the financial instruments.

VaR2 is calculated according to historic simulations: a biannual historic series of market prices or risk factors is employed which determine the prices of the financial instruments to estimate the maximum weekly potential loss which an instrument or a portfolio may sustain in 95% of cases (e.g. VaR2 16 represents the maximum estimated weekly loss on an investment of €1,000 or €16 for every € 1,000 invested). VaR2 is recalculated every day to reflect developments on the financial markets and credit.

	Instruments risk	VAR2 of the instrument
LOW	Up to 7	Up to 7
MID-LOW	From 8 to 15	From 8 to 15
MID-HIGH	From 16 to 27	From 16 to 27
HIGH	From 28	From 28

C5. Particular product categories

C5.1 Complex Products

i)	financial products arising from securitization of credits and other assets (for example Asset Back Securities)
ii)	Financial products where on the initiative of the issuer, conversion into shares is envisaged for example to enable the issuer to meet regulatory capital requirements
iii)	Credit-linked financial products (exposed to the credit risk of third parties)
iv)	Derivative financial instruments not traded in trading venues entered into for purposes other than hedging purposes.
v)	Structured financial products not traded in trading venues, which do not guarantee full repayment at maturity of the capital invested by the customer.
vi)	Derivative financial instruments other than those referred to in point IV.
vii)	Financial products with payments linked to indices that do not comply with the ESMA guidelines for ETFs
viii)	Perpetual bonds.
ix)	Alternative funds

x)	Structured financial products, traded in trading venues, which do not guarantee the full return on the capital invested by the customer.
xi)	Financial products with leverage greater than 1.
xii)	UCITS pursuant to art. 36 of EU Regulation no. 583/2010 and class III or V policies with similar characteristics

The products listed from I. to V. (the so-called Black List) are not normally suitable for retail customers and therefore can neither be recommended nor distributed directly to retail customers.

In the case of recommendation / distribution of the other types of instruments with very high complexity from VI. to XII. (c.d. Gray List), the intermediary must inform the customer about the nature of the product as well as provide for controls. C5.2 = Products subject to Bail in The Banking Resolution and Recovery Directive, "BRRD", establishes a harmonized regime within the European Union for crisis prevention and management of banks and investment firms.

When the conditions for launching the intermediary "crisis" management procedures are in place, the Bank of Italy has:

- a) the reduction or conversion of shares, other equity investments and equity instruments issued by the institution to remedy the potential bankruptcy or risk of failure of the intermediary;
- b) when the measures in (a) above do not remedy the failure or risk of failure, the adoption of measures for termination of the intermediary or compulsory administrative liquidation.

The resolution measures include internal bail-in, a tool that allows the reduction of the value of the shares and of some credits or their conversion into shares to absorb losses and recapitalize the institution which is in difficulty sufficiently to restore adequate capitalization and maintain market confidence; or in case of sale, to reduce the nominal value of the transferred liabilities or to convert these liabilities into capital.

The bail-in is applied by the authorities broadly following a hierarchy where those who invest in riskier financial instruments sustain losses before others who invested into less risky instruments.

After having exhausted all the resources of the most risky category is the next category. First, the interests of the "owners" of institutions, ie of existing shareholders, are sacrificed, reducing or eliminating the value of their shares. Secondly, certain categories of creditors, whose assets can be transformed into shares - in order to recapitalize the institution- and / or reduced in value, in the event that the zeroing of the value of the shares is not sufficient to cover losses.

The order of implementation of the bail-in is as follows:

- a) ordinary shares, retained earnings and reserves (net of goodwill);
- b) convertible bonds;
- c) subordinated debt, ie medium / long-term subordinated debt (5 years) and any excess of value adjustments with respect to expected losses (eg Tier I and Tier II bonds);
- d) other subordinated debts (eg Tier III bonds);
- e) other eligible liabilities (eg ordinary bonds and deposits for the amount exceeding € 100,000).

For example, in the event of a bail-in, those with a

bank bond could see their shares converted and / or reduced (in whole or in part), but only if the resources of shareholders and those with subordinated debt (ie riskier instruments) have proved insufficient to cover losses and recapitalize the bank, and provided that the relevant regulator does not decide to exclude such credits on a discretionary basis, in order to avoid the risk of contagion and to preserve financial stability. There are some exclusions from the application of the bail-in. Among these are:

- a) deposits up to € 100,000, ie those protected by the Italian Deposit Guarantee Fund. This protection concerns, for example, the amounts held in the current account, in deposit accounts (such as time deposits), in deposit books and in registered certificates of deposit covered by the Guarantee Fund; however, it does not concern other forms of use of savings such as bonds issued by banks. Even for the part exceeding 100,000 euros, deposits of natural persons and small and medium-sized enterprises receive preferential treatment. In particular, they would bear a sacrifice only if the bail-in of all instruments with a lower degree of protection in the bankruptcy hierarchy was not sufficient to cover losses and restore an adequate level of capital.
- b) guaranteed liabilities, including guaranteed bank bonds, liabilities deriving from derivative contracts hedging the risks of receivables and securities sold as collateral for the obligations, within the limits of the value of the assets pledged as collateral, as well as liabilities towards of the tax administration and social security institutions, if the relative credits are assisted by a privilege or other legitimate right of pre-emption;
- c) any obligation arising from the holding by the entity subject to resolution of customer availability, including the availability held in the provision of services and investment and ancillary activities or from or on behalf of collective investment undertakings or alternative investment funds , provided that these customers are protected in the applicable bankruptcy proceedings;
- d) any obligation arising as a result of a fiduciary relationship between the institution under resolution and a third party, as a beneficiary, provided that the latter is protected in the applicable insolvency proceedings.

D Information about costs and charges associated with the provision of services

INFORMATION CONCERNING THE EVALUATION OF APPROPRIATENESS CARRIED OUT BY THE BANK IN THE PERFORMANCE OF INVESTMENT SERVICES

Depending on the services provided to customers, the Bank is required to assess appropriateness.

The assessment of appropriateness is carried out in order to allow the Bank to act according to the best interests of the client. For this reason it is essential that the customer provides complete and accurate information when completing the Bank's questionnaire.

In particular, when the Bank provides investment services, it is required to assess whether the level of knowledge and experience of the client is "appropriate" with regard to the specific type of instrument or service proposed or requested. If

the Bank deems that the instrument and / or service is not appropriate, it warns the customer of this situation.

In the case of services rendered to a professional client, the Bank may assume that with reference to the products and services for which it has been classified as a professional client, it has the level of knowledge and experience such as to understand and risks and the characteristics of such products / services.

The following is a summary of the information that the Bank uses to perform the assessment of appropriateness:

- 1) Level of knowledge of the client: it is determined taking into account both the qualification obtained by the client, his profession (current or previous) and his interest in keeping up-to-date on financial market trends, and through questions related to basic concepts on investments in financial instruments such as:
 - the risk / return ratio linked to each financial instrument,
 - the impact of diversification on the level of risk.
 - currency risk
 - liquidity risk.
- 2) Level of customer experience: the customer is asked to provide data on the transactions conducted in the last year with other financial intermediaries (number of transactions carried out, total value and the instruments on which they operated).

Further information on the investment experience is recorded automatically by the Bank based on the customer's.

E Summary of the main clauses concerning the investment services and the "general contractual conditions" which contain the regulations over the banking, financial and investment services provided by the bank to its own clients

E.1 Characteristics of the services

The Bank carries out activities related to services for the receipt and sending of orders, the execution of orders on the behalf of clients, including through the negotiation on its own behalf of financial instruments, the placement and distribution of financial instruments, investment services and financial insurance products.

When performing the Services, the Bank is authorised to act on your behalf and also in its own name.

E.2 Giving and withdrawal of orders (as part of the Service for the receipt and sending of orders and the execution of orders on the clients' behalf, including through trading on own account)

Orders are given in writing, by telephone or via telematics.

Upon receipt of an order the Bank will issue to the Client a paper certificate containing the name of the Customer, the time and date of receipt, the essential elements of the order and any ancillary detail. If orders are given by telephone, the Bank records them on magnetic tape or on another, equivalent back-up. These

records remain available for at least 5 (five) years from the date of the order. Orders are sent to the Bank via telematics (Internet, GSM system and other telematic channels which the Bank feels it would be appropriate to use) after the typing of a User ID, a Password and a PIN issued to you after the signing of the contract. The Bank, in order to preserve the security of information, may replace those codes only after notifying the client in good time. All orders placed through telematics are given a unique identification by the Bank through a number. The entry of that number on the Orders screen confirms the order received. You may keep a copy of the confirmation by printing the relevant page. All orders are recorded by the Bank on informational back-up and are duly filed. The Bank's recordings prove the giving of orders via the telematic service.

In order to send orders via telematics, you need to have equipment and programs which meet the technical specifications fixed by the Bank and which are published on its Internet site.

Once given, your orders may only be withdrawn if they have still not been executed.

The Bank is not responsible for the non-execution of orders due to your failure to meet obligations arising from the Contract.

The terms of this point also apply to withdrawals of orders placed by you.

The Bank is required to report transactions to relevant regulators and as part of those reports must specify the identification codes of those who have arranged them. For the purposes of these reports, the Bank requires a corporate Customer's Legal Entity Identifier (LEI) code and for natural persons their NIC (National Identification Code) code. The Bank also requires the LEI and NIC codes of every person entitled to operate on the account by virtue of a delegation granted by the Client as well as by the legal representative of a natural person operating as a consumer. The Client is required to provide the Bank with these codes (LEI / NIC) and / or the personal data necessary for the determination of the NIC codes, and to promptly report any changes to it. The Customer is aware and accepts that the Bank will not be able to follow up an order subject to the reporting obligations in the event that the same does not have the aforementioned identification codes or said codes are invalid. In the event of a change in the aforementioned legislation, the provisions will be applied from time to time.

E.3 Handling orders

The Bank applies measures which ensure a quick, correct and efficient handling of your orders compared to your other orders and the Bank's trading interests. When executing orders, the Bank acts in your best interests, in compliance with regulations in place at the time concerning the service rendered. This is without prejudice, in any case, to compliance with any specific instructions given by you and what is stated in point E.4 below. The Bank handles equivalent orders in order and promptly, unless the characteristics of the order or the prevailing market conditions make that impossible or your interests require a different approach. The Bank will inform you about any significant difficulties that could influ-

ence the correct execution of the orders, as soon as it becomes aware of them. When performing the service for the receipt and sending of orders, the Bank sends in good time your orders to other brokers authorised to perform the service of the execution of orders on your behalf, trading on own account or placement. You expressly authorise the Bank to send the orders to brokers belonging to the same Group as its own. The Bank has authority to not send your order and will notify you immediately. You recognise that the Bank reserves the right, including in order to protect its own clients, to restrict and/or exclude in general, including just temporarily, the possibility of the purchase of certain securities or particular types of financial instruments. Such restrictions will be made known in the form indicated from time to time by the Bank. In general, the Bank is authorised to arrange for its replacement, for the execution of orders received, by sub-custodian subjects or other qualified and equivalent brokers.

If the Bank, when executing an order, becomes your counterparty – without prejudice to the option to not execute the order and to notify you immediately – it will inform you, when it receives the order, of the price at which it is prepared to buy or sell the financial instruments, while observing the current obligations in terms of the execution of orders under the most favourable conditions, and carries out the trading with your consent.

The Bank may aggregate your orders with an order from another client, thereby minimizing the risk that could follow. It distributes correctly the aggregated orders and transactions according to its own allocation strategy. In any case, you recognise that the aggregation of the order could be to its detriment. The Bank may also aggregate transactions on its own account with one or more of your orders, provided that the allocation of the relevant transactions cannot harm you in any way. In the case of the partial execution of aggregated orders with transactions on its own account, the Bank allocates the executed transactions to you before the Bank. The transactions carried out may be allocated proportionately to the Bank if, according to the strategy employed for the allocation of orders, without aggregation the order could not have been executed in similarly advantageous conditions or it could not have been executed at all. The prohibition against clearing orders in the opposite direction remains. In any case, the Bank is not obliged to send or execute orders received in all instances where it would be impossible to operate owing to causes for which it is not responsible or, in any case, to delays due to malfunctioning of the markets, a lack of or irregular sending of information or causes beyond its control, including (but not limited to) delays or faults in the system line, other problems caused by interruptions, suspensions, defects, malfunctioning or the non-operation of telephone or electronic systems, trade union disputes, Acts of God or strikes. Without prejudice to the fact that, in such situations, the Bank will not be responsible for the harmful consequences you might suffer, it will immediately inform the latter that it is impossible to send or execute

orders and, unless you have withdrawn them in time, it will send or execute them by the day when operations resume. In addition, the Bank is not compelled to execute orders received in all cases where it is impossible to operate owing to the Exchange filters. In such cases, the Bank will inform you of the irregularity found in the order and, then, if it receives confirmation from you, will decide whether or not to execute.

E.4 Strategies for the sending and execution of orders

An analysis of the strategies employed by the Bank for the sending and execution of orders can be found in the section "Strategies for the sending and execution of orders" (so-called Execution Policy) delivered / made available by the Bank to you. By signing the Contract, you give your consent to the content of that document and give your express consent, in general, to the fact that the orders it has given can be executed outside a Trading Venue. The Bank makes you aware of any significant changes to the above-mentioned strategies. If the orders sent by the Bank are executed on a Trading Venue, the rules observed therein will be followed. You recognise that the rules of such venues, in order to allow the orderly course of trading, allow the broker entrusted with the trading to control the prices and the quantities and frequency of the orders received. So, orders may be blocked if there are provisions which bring to light irregularities in terms of the profiles given. You recognise and are aware of the fact that any specific instructions it gives about the execution of the orders (in particular, about the Execution Venue to which to forward them) may compromise the measures envisaged and applied by the Bank and by the brokers - to which the latter resorts to execute the orders - to obtain the best possible result when they are executed.

E.5 Inappropriate transactions – conflicts of interest

The Bank observes the rules found in current laws and regulations in terms of the assessment of the appropriateness of the transactions made with or on your behalf during the performance of the services to receive and send orders, the execution of orders on the clients' behalf, including through the trading on its own account of financial instruments, the placement and distribution of financial instruments, investment services and financial insurance products. If the Bank receives from you instructions for a transaction which is not appropriate, in light of the information it provided about its knowledge and experience of investments in financial instruments, the Bank will inform it of that fact. It is understood that, if you have not provided such information, the Bank will tell you that it cannot assess the appropriateness.

The Bank observes the rules in laws and regulations in force at the time over conflict of interest in the provision of investment and supplementary services. The Bank is required to adopt all appropriate measures to identify and prevent or manage conflicts of interest that may arise between the Bank itself (including executives, employees and connected agents or persons directly or indirectly connected) and its Custom-

ers or between two Customers at the time of the provision of investment and accessory services or a combination of these services. The Bank maintains and applies effective organizational and administrative provisions in order to take all reasonable steps to avoid that conflicts of interest negatively affect the interests of its Customers.

When the measures taken to tackle the conflict of interest do not prove sufficient to ensure, with a reasonable degree of certainty, that the risk of harming the clients' interests can be avoided, The Bank clearly informs Customers, before acting on their behalf, of the general nature and / or sources of such conflicts of interest and of the measures taken to mitigate such risks.

It is also the Customer's right to request further clarifications regarding the Bank's conflict management policy. The Bank reserves the right, if a transaction proves not to be appropriate or is characterised by a conflict of interests about which you should be informed, to ask the client to give its express confirmation or authorisation in order to proceed with the transaction.

If you gave the order by telephone, the information about inappropriate transactions, conflict of interest and the confirmation and authorisation will be recorded on magnetic tape or on an equivalent back-up. You acknowledge such forms and specifically accept them in accordance with current regulations.

If you sent the order by a computer connected to the Internet or via other telematics, that information and the related confirmation and authorisation will also be online, owing to a telematics procedure. You acknowledge those forms and specifically accept them in accordance with current regulations.

E.6 Transaction risks and the variable nature of the value of the investments made

You acknowledge that each transaction it arranges in line with the Contract is carried out on its behalf, at its expense and at its own risk. It declares that it has been fully informed and is fully aware, including in relation to what is set out in the information document which it received, about the inherent risks in investments in financial instruments. You acknowledge that there is no guarantee that the value of the investments made will remain constant.

With regard to orders concerning financial instruments not traded on a Trading Venue, other than Government stocks or securities guaranteed by the State, you recognise that such investments may involve:

- a risk that it may be difficult to liquidate them;
- a lack of appropriate information which would make it possible to easily ascertain the current value.

E.7 Transactions geared to derivatives

As for the derivatives mentioned in Directive 2014/65/EU, Section C of Annex I (4-10), you recognise that:

- The market value of such instruments is subject to market fluctuations;
- Investments made on such instruments involve the acceptance of a high risk of losses, the scale of which can even exceed the

original outlay. Consequently, it cannot be quantified before-hand.

In order to carry out transactions with the financial instruments mentioned in this point, the parties should conclude a specific additional contract, for which the Contract is a necessary pre-condition. The provision of this point does not apply, in any case, to transactions geared to warrants and covered warrants, which can proceed by virtue of the Contract. In accordance with current provisions, in the case of transactions which could trigger actual or potential losses which exceed the purchase price of the financial instruments, the contract indicates and regulates, in relations to execute, receive and send orders, the threshold for the losses beyond which a specific notice needs to be sent to you.

E.8 Transaction documents required

When performing the services for the receipt and sending of orders, the execution of orders, including through trading on its own account, as well as the placement and distribution of financial instruments, investment services and financial insurance products, the Bank will provide you by the next Working Day after the execution of the order or after the Bank received confirmation from the broker instructed to execute the order, with a specific notice of written confirmation. That notice will contain the name of the Bank which is sending the communication, the name or other particulars that can identify you and information able to identify the transaction carried out envisaged by current regulations. Amongst other things, the notice will give the following information, if relevant: the type (e.g. an order with a price limit or market price) and the nature of the order; the day, time and place of execution; the identity of the instrument, whether it is a purchase / sale or a different transaction, the quantity and price per unit of the financial instrument; the total reward; the total sum of commissions and expenses charged; information if your counterparty is the Bank, another client of the bank or another broker who belongs to the same Group as the Bank (except where the order was executed via a system which carries out anonymous trading). In the case of a transaction where the financial instrument involves settlement in a currency other than the settlement account, the above notice will be sent within the first working day after the exchange rate has been fixed. The confirmation notice is made available in the special area reserved for the client on the Bank's website and the former may print it out. The documents mentioned in this point may also be sent via telematics, using remote communication techniques, and in the form and ways allowed for by the current provisions of laws and regulations and, at any rate, by using technical resources which will enable you to obtain a hard copy. The provisions of the above paragraph do not apply to quotas or shares issued by Open-ended investment companies if the notices in question are sent to you directly by asset management companies or by ICVCs. In relation to insurance products, the insurance

companies will directly provide periodic information in accordance with the terms of the insurance products. On your request, the Bank provides you with information about the status of your order and the make-up, divided into individual items, of the commissions and expenses mentioned in point E8.

The Bank makes available to you, every quarter (on 31 March, 30 June or 30 September and 31 December each year) or, if you choose, each month, a statement of the financial instruments and available funds held by the Bank. The statement will contain an itemisation of them at the end of the period covered by it. The statement is available in electronic format in the special reserved area on the Bank's website and it can be printed. You can also ask for a hard copy to be sent to its address. Moreover, all transactions in securities and derivatives appear in a daily statement, according to the value date, through a consultation document available in the special reserved area on the Bank's website. The information given can be printed out. Every month, the Bank provides you with the following:- an itemisation of the bonuses which the client earned by taking part in active financing transactions through securities (securities lending service, so-called "Interest-bearing portfolio"). That information is available in electronic format in the special area reserved on the Bank's website. The information given can be printed out. On your written request and expense, the Bank promptly makes available the documents and records in its possession which concern you.

E.9 Bonuses

The Bank, may receive or pay compensation or commissions or provide or receive non-monetary benefits (incentives) from any person other than the Customer or a person acting on their behalf, where payments or the benefits:

- a) have the purpose of increasing the quality of the service provided to the Customer;
- b) do not prejudice the fulfillment of the obligation to act honestly, fairly and professionally, in the best interests of the Client.

The existence, nature and amount of the payments or benefits or, if the amount can not be ascertained, the method of calculating this amount, will be clearly communicated to the Customer, in a complete, accurate and understandable way, before provision of services governed by this contract.

Any incentives that must be legitimately received or paid by the Bank in connection with the assistance provided to the Customer subsequent to the placement of financial instruments and the distribution of insurance financial products will be notified in advance by the Bank to the Client in general or at the time of conferment of orders and / or completion of individual operations.

E.10 Placement service

The placement service is geared to the Bank's activity to offer investment services and financial instruments, financial insurance products, issued by Group companies and third companies to you.

When performing that service, the Bank heeds the instructions of the issuer, the offeror and

the subject responsible for the placement and, based on the terms of applicable regulations and those instructions, provides to you and/or makes available to you the relevant documents of the offer. To accept each placement, you should sign the specific form prepared by the issuer, offeror or subject responsible for the placement.

You recognise that acceptance of the placement involves the application of the economic Conditions envisaged in the information prospectus about the financial instrument placed.

A list of the main types of financial instruments placed appears in point C.1 above.

As part of the placement service, the Bank may perform on your behalf continuous activity after the placement. In accordance with the provisions of the agreements with the issuer and offeror companies, the Bank receives and forwards requests from you, even for transactions after the subscription, such as for example new contributions, repayments or switch, and provides assistance to you in that connection. The other provisions of Section I of the General Conditions of the Contract apply to the placement service, as long as they are compatible with the relevant regulatory rules and with the instructions given by the issuer and the subject responsible for the placement.

E.11 The terms of point F10 above apply to any bonuses received by the Bank in connection with the performance of the placement service.

Distribuzione di prodotti finanziari assicurativi
The Bank distributes financial-insurance products. When carrying out that activity, the Bank observes the provisions found in article 84 of the CONSOB Regulation on Intermediaries. In particular, it checks the appropriateness and observes the provisions in terms of conflicts of interest mentioned in point E.5 above.

You recognise that the subscription of financial insurance products distributed by the Bank involves the application of the economic conditions given in the documents prepared by the company which issued the financial products. The list of the main types of financial products distributed appears in point C.1 above. As part of the distribution activity, the Bank – in compliance with the terms of the agreements with the issuer companies – receives and forwards requests from you, including in relation to transactions after the subscription – for example, new contributions, repayments or switch – by providing assistance to you in that connection.

The provisions in point E.10 above apply to any bonuses which the Bank may receive for the distribution of financial insurance products.

Annex IV

CLIENT CLASSIFICATION

Information about the classification of the clients

1. **Information about the classification categories and the consequent level of protection** According to the European Community provisions (Directive 2004/39/EC, so-called MiFID Directive), the Bank will classify Clients into the following categories:
 - Retail client;

- Professional client.
- Eligible counterparty.

Each category is afforded a different level of protection which influences, in particular, the obligations which every broker is expected to satisfy. Professional clients are subjects with particular experience, skills and knowledge, so it is assumed they are in a position to make conscious decisions about investments and to correctly assess the risks they accept. As a result, for such clients, the regulation in question allows for a lower degree of protection in terms of the assessments of adequacy and appropriateness and the obligations to provide information and the written form of contracts. The rules which apply have identified categories of subjects who, by their very nature, should be regarded as professional clients: for example, banks, investment companies, insurance companies, asset management companies, pension funds, institutional investors, foreign exchange brokers and large undertakings meeting two of the following size requirements on a company basis:

- a) Balance sheet total not less than EUR 20,000,000
- b) Net turnover not less than EUR 40,000,000;
- c) Own funds not less than EUR 2,000,000.

Retail clients – whether natural persons or legal entities – who meet certain requirements may apply to be treated as professional clients (so-called “professionals on request”).

Eligible counterparties are a sub-set of the category of professional clients. It appears only with regard to the provision of services for the execution of orders, trading on their own account and the receipt / sending of orders and supplementary, related services. The rules of conduct envisaged for the other categories of investors do not apply to that client’s category.

Retail clients are all those clients not classified as eligible counterparties and as professional clients.

Retail clients are afforded the maximum protection with regard, in particular, to the fullness of information which the Bank should give to them, the carrying out of “suitability” and “appropriateness” checks on the services to be provided to them, and the execution of orders in financial instruments under the most favourable conditions (so-called best execution).

2. Initial classification

The Bank, when it sends the notice about the opening of the current account and before it starts to provide the investment services, will notify the classification given to the client and inform it, at the same time, of any right to ask for a different classification and any limits arising from the protection awarded. Retail clients represent the majority of FinecoBank clients which, therefore, allows for a general application of the protections and compliance arising from that maximum level of protection. However, it is anticipated that, if a Professional Client expresses a clear intention to act as such when it enters into relations with the Bank, the latter will classify it as such.

3. Changes to the classification

The regulation allows the classification originally given to clients to be changed, on either the

Bank’s initiative or the client’s.

The client, using a procedure illustrated on the website www.finecobank.com in the reserved area on the clients’ profiles, may ask the Bank to move on to a more protected category (from Professional Client to Retail Client) or to a less protected category (from Retail Client to Professional Client on request).

In particular, in order to be recognised as a Professional Client on request, a Retail Client should be able to prove that it meets at least two of the following requirements:

- 1) That it carried out significant transactions on the relevant market at an average frequency of 10 transactions per quarter over the previous four quarters;
- 2) Holds a portfolio of financial instruments with a value which exceeds 500,000 euros;
- 3) Works or has worked in the financial sector for at least one year in a professional position, which assumes knowledge of the transactions or services envisaged.

In the case of legal entities, the above assessment is made in relation to the person authorised to carry out transactions on their behalf and/or by the legal entity itself.

If a request is made to change the classification made by the client, the Bank will assess it and is able to accept it or otherwise. In the case of legal entities, the assessment is made with regard to the person authorised to carry out transactions on their behalf and/or the legal entity. The Bank will notify the client of the outcome of its assessment. In any case, professional clients are expected to inform the Bank about any change which could affect their current categorisation.

Annex V

DEPOSITOR INFORMATION TEMPLATE

Depositor Information Template

Basic information about the protection of deposit

Deposits in FinecoBank S.p.A. are protected by:	F.I.T.D. - Fondo Interbancario di Tutela dei Depositi ⁽¹⁾
Limit of protection:	EUR 100 000 per depositor per credit institution ⁽²⁾
If you have more deposits at the same credit institution:	All your deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of EUR 100 000 ⁽²⁾
If you have a joint account with other person(s):	The limit of EUR 100 000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution’s failure:	20 working days ⁽⁴⁾
Currency of reimbursement:	Euro or Pound sterling (GBP, £)
Contact:	Fondo Interbancario di Tutela dei Depositi Via del Plebiscito, 102 - Roma - Tel. 06-699861 / Fax 06-6798916 infotid@fitt.it .

More information:	http://www.fitd.it
Acknowledgement of receipt by the depositor:	See Account Application Form

Additional information (all or some of the below)

- (1) Scheme responsible for the protection of your deposit
Your deposit is covered by a statutory Deposit Guarantee Scheme. In addition, your credit institution is part of an Institutional Protection Scheme in which all members mutually support each other in order to avoid insolvency. If insolvency should occur, your deposits would be repaid up to EUR 100 000 by the Deposit Guarantee Scheme.
- (2) General limit of protection
If a deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers at maximum EUR 100 000 per credit institution. This means that all deposits at the same credit institution are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with EUR 90 000 and a current account with EUR 20 000, he or she will only be repaid EUR 100 000.
- (3) Limit of protection for joint accounts
In case of joint accounts, the limit of EUR 100 000 applies to each depositor.
However, deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of EUR 100 000.
In some cases eligible deposits which are categorized as 'temporary high balance' are protected above EUR 100 000 for nine months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits connected with certain events including:
 - a) certain transactions relating to the depositor's current or prospective only or main resi-

- dence or dwelling;
- b) a death, or the depositor's marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
- c) the payment to the depositor of insurance benefits or compensation for criminal injuries or wrongful conviction.
More information can be obtained under <http://www.fitd.it>.

- (4) Reimbursement
The responsible Deposit Guarantee Scheme is Fondo Interbancario di Tutela dei Depositi Via del Plebiscito, 102 - Roma - Tel. 06-699861 / Fax 06-6798916 infofitd@fitd.it <http://www.fitd.it>. It will repay your eligible deposits (up to EUR 100 000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 working days from 1 January 2024 onwards, save where specific exceptions apply.
Where the Deposit Guarantee Scheme cannot make the repayable amount within 7 working days, it will, from 1 June 2016 until 31 December 2023, ensure that you have access to an appropriate amount of your covered deposits to cover the cost of living (in the case of a depositor which is an individual) or to cover necessary business expenses or operating costs (in the case of a depositor which is not an individual or a large company) within 5 working days of a request. Again, there are specific exceptions to this obligation.
If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under <http://www.fitd.it>.

Other important information

In general, all retail depositors and businesses are covered by Deposit Guarantee Schemes. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are covered, the credit institution shall also confirm this on the statement of account.



FinecoBank S.p.A. - Registered Office Piazza Durante 11, Milan 20131 – Headquarters Via Rivoluzione d'Ottobre 16, Reggio Emilia 42123 – Share capital € 201.152.834,19, fully subscribed and paid-in – Bank enrolled in the Register of Banks and Parent Company of the FinecoBank Banking Group – enrolled in the Register of Banking Groups at No. 3015 – VAT No. 12962340159 - Tax ID No. and Milan-Monza-Brianza-Lodi Companies Register No. 01392970404 – Economic and Administrative Index (REA) No. 1598155 – Member of the National Compensation Fund and the National Interbank Deposit Guarantee Fund. - PEC: finecobankspa.pec@actaliscertymail.it. Authorised by the Bank of Italy and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request

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