CITIC Securities (UK) Terms of Business —REGULATORY DISCLOSURES MODULE

This Module to the Terms of Business forms an integral part of, and must be read with, the General Terms of Business and the other Modules. Capitalised terms used but not defined in this Module have the meanings given to them in the General Terms of Business. This Module sets out regulatory disclosures and other information about us. It is provided for information and, to the extent of any inconsistency between this Module and the General Terms of Business, the order of priority set out in the introduction to the Terms of Business applies.

1. ABOUT US

1.1 **Our identity: CITIC Securities** (UK) is a company incorporated in England and Wales with company number 01008262 and its registered office at Level 34, 8 Bishopsgate, London EC2N 4BQ. In this Module, "we", "us" and "our" refer to CITIC Securities (UK).

1.2 **Contacting us:** You may contact us at our registered office, or by telephone or email using the contact details at Level 34, 8 Bishopsgate, London EC2N 4BQ , +4402076147000, compliance_uk@clsa.com. Our website is https://www.clsa.com/global-2/europe/ .

1.3 **Languages:** We will communicate with you, and you may communicate with us, in English. Documents and other information will be provided to you in English unless we agree otherwise in writing.

2. OUR REGULATORY STATUS

2.1 **Authorisation:** We are authorised and regulated by the Financial Conduct Authority (the "FCA"). The FCA's registered office is at 12 Endeavour Square, London E20 1JN. Our Firm Reference Number is 140836.

2.2 **Permissions and the Financial Services Register:** We carry on regulated activities in accordance with the permissions granted to us by the FCA under Part 4A of the Financial Services and Markets Act 2000. Details of our permissions are recorded on the Financial Services Register, which is available at register.fca.org.uk and may be confirmed by contacting the FCA.

2.3 **Market memberships:** We are a member of the London Metal Exchange and a general clearing member of LME Clear Limited. Our activities on any trading venue or in respect of any central counterparty are subject to the rules of the relevant Infrastructure.

3. PRUDENTIAL STATUS AND PUBLIC DISCLOSURES

3.1 **Prudential regime:** We are subject to the prudential regime for FCA investment firms set out in the FCA's Prudential sourcebook for MiFID Investment Firms ("MIFIDPRU"). We are a non-SNI MIFIDPRU investment firm.

3.2 **Public disclosures:** To the extent required by Chapter 8 of MIFIDPRU, we publicly disclose information regarding our risk management objectives and policies, our governance arrangements, our own funds, our own funds requirements and, where applicable, our remuneration policy and practices. Our most recent disclosures are available at Terms of Business – CITIC **Securities (UK)** or on request.

4. CLIENT MONEY AND CLIENT ASSETS

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4.1 **Client money and custody:** Where we hold money or assets for you, we do so in accordance with the client money and custody rules in the FCA's Client Assets sourcebook ("CASS"). The basis on which we hold Client Money is described in the Client Money Module.

4.2 **CASS resolution pack:** We maintain a CASS resolution pack in accordance with CASS 10 of the FCA Handbook. The resolution pack comprises the documents and records that would enable an insolvency practitioner, in the event of our failure, to identify and return client money and custody assets to clients as quickly as possible.

5. BEST EXECUTION

We have established a Best Execution and Client Order Handling Policy, which is summarised at clause 3.6 of the General Terms of Business. The current version of that policy is available at Terms of Business – **CITIC Securities (UK)**. Because we, or our Associates, may act in more than one capacity in respect of the same Transaction, that policy should be read together with the conflicts of interest policy referred to in section 6 of this Module.

6. CONFLICTS OF INTEREST

We maintain and operate a conflicts of interest policy, as described in clause 1.8 of the General Terms of Business. A summary of that policy is available at Terms of Business –**CITIC Securities (UK)** or on request. Because we, or our Associates, may act in different capacities in respect of the same Transaction (including as general clearing member, executing broker and principal counterparty), may carry on proprietary trading, and may produce or distribute investment recommendations, our policy addresses the identification and management of the conflicts of interest that may arise from those activities.

7. COSTS AND CHARGES

Information on the costs and charges associated with our Services is provided in accordance with clause 2.12 of the General Terms of Business. Our Ex-Ante Costs and Charges Disclosure is available at Terms of Business – **CITIC Securities (UK)**.

8. COMPLAINTS

We operate internal procedures for handling complaints, as described in clause 17 of the General Terms of Business. Our complaints procedure is available at Terms of Business – **CITIC Securities (UK)**.

9. COMPENSATION

We are a participant in the Financial Services Compensation Scheme (the "FSCS"). Depending on the nature of the business we conduct for you and your eligibility, you may be entitled to compensation from the FSCS if we are unable to meet our obligations to you. Many professional clients and eligible counterparties are not eligible claimants under the FSCS. Further information about the FSCS, including eligibility and the limits on compensation, is available at www.fscs.org.uk.

10. RISK WARNINGS

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This section summarises certain of the risks associated with the Transactions and Services contemplated by the Terms of Business, in particular in commodity derivatives and related contracts. It is not exhaustive and does not disclose all of the risks involved. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. Our Risk Warning Notice, available at [insert link], contains a fuller description of the relevant risks.

10.1 **General:** Transactions in futures, options, contracts for differences and other commodity derivatives, and in physically-settled commodity contracts, involve a high degree of risk. They are not suitable for all clients. The value of investments and the income from them can go down as well as up, and you may not recover the amount you invested. In some cases, you may lose more than the amount you originally committed.

10.2 **Leverage and margin:** Commodity derivatives are typically leveraged. A relatively small movement in the price of the underlying commodity can have a proportionately larger effect on the value of your position. We may require you to provide margin, and to provide further margin at short notice, in order to establish or maintain a position. If you do not provide margin when required, your position may be closed out at a loss and you will remain liable for any resulting shortfall.

10.3 **Contingent liability transactions:** Where you enter into a contingent liability transaction that is margined, you may be required to make payments in addition to any amount paid when you entered into the contract. You may sustain the total loss of any margin you have provided and may be required to provide further amounts to maintain or to close out your position.

10.4 **Off-exchange and OTC transactions:** Where you enter into off-exchange or over-the-counter Transactions, you may be exposed to greater risk than in respect of exchange-traded Transactions. It may be difficult or impossible to assess the value of such a Transaction, to determine a fair price, or to close out or transfer your position.

10.5 **Physical delivery and the prompt date system:** Certain commodity contracts, including contracts traded on the London Metal Exchange, may give rise to obligations to make or take physical delivery of the underlying commodity. London Metal Exchange contracts are entered into by reference to a system of prompt dates, and rolling a position from one prompt date to another may give rise to additional cost. Physical positions may give rise to storage, insurance, warranting and related costs and risks.

10.6 **Market volatility, suspension and disruption:** Commodity markets can be highly volatile. Trading may be suspended, restricted or curtailed, and prices may move significantly, in response to market events, the action of a trading venue or central counterparty, or regulatory action. Position limits and position management controls may require you to reduce or close out positions.

10.7 **Prices:** Prices quoted or displayed by us, or by a trading venue, may not necessarily reflect the wider market or the fair value of a Transaction.

10.8 **Currency risk:** Where a Transaction is denominated in a currency other than your base currency, changes in exchange rates may have an adverse effect on its value or price, or on the proceeds you receive.

10.9 **Counterparty, clearing and infrastructure risk:** You may be exposed to the risk that we, a central counterparty, an intermediate broker or another counterparty fails to perform its obligations. The protections available to you in the

event of such a failure, including any ability to transfer (or "port") your positions and assets, depend on the rules of the relevant Infrastructure, the level of segregation that applies and the applicable insolvency law.

10.10 **No advice:** Unless we have agreed otherwise with you in writing, we do not advise on the merits of, or the suitability or appropriateness for you of, any Transaction. You are responsible for your own assessment of each Transaction and Service.

11. FATCA AND THE COMMON REPORTING STANDARD

11.1 **FATCA:** For the purposes of the US Foreign Account Tax Compliance Act ("FATCA"), our status is that of an Active Non -Financial Foreign Entity ("Active NFFE"), and as such a Global Intermediary Identification Number ("GIIN") is not required or applicable at this time. The collection, processing and disclosure of information for FATCA purposes is addressed in clause 14 of the General Terms of Business.

11.2 **Common Reporting Standard:** We are subject to the OECD Common Reporting Standard for the automatic exchange of financial account information, as implemented in the United Kingdom. We may be required to collect information about, and to report to HM Revenue and Customs in respect of, certain account holders and Transactions.

12. LEGAL ENTITY IDENTIFIER

Our Legal Entity Identifier ("LEI") is 213800VZMAGVIU2IJA72. Where Applicable Regulations so require, you must obtain and maintain your own LEI and provide it to us, as set out in clause 6.2 of the General Terms of Business.

13. OUR GROUP

We are a member of the CITIC Securities International group. Our immediate parent undertaking is CITIC Securities Holdings B.V. based in the Netherlands and our ultimate parent undertaking is CITIC Securities Company Limited based in China. References in the Terms of Business to our "Associates" include other members of our group where the conditions in the definition of "Associate" are met. Information and Personal Data may be shared within our group as described in clauses 13.1 and 13.2 of the General Terms of Business.

14. CHANGES TO THIS MODULE

We may amend this Module from time to time in accordance with clause 16.1 of the General Terms of Business. The current version of this Module forms part of the Terms of Business.