

## **SCHEDULE H: OFF-MARKET REVOLVING SECURITIES LENDING**

Subject to this Schedule, you agree to lend securities to us and we will return securities to you on demand and will pay you interest in respect of securities borrowed as specifically notified to you in a Fee Schedule. We will also provide you appropriate collateral with a view to securing our obligations to you under this Schedule.

### **1. Risk**

**1.1.** You understand and agree that if and where we borrow any securities from you under this Schedule, the full ownership of the Loaned Securities (as defined below) will be transferred to us. You will therefore, be exposed to the risk of our failure to comply, fully or partly, with the terms of this Schedule. Such failure of ours can result in the inability to return to you Equivalent Securities (as defined below) and the possible loss of corporate benefits accruing thereon.

**1.2.** You understand that in addition to the above, the risks inherent in securities lending include the following:

- (i) your rights, including any proprietary rights that you may have had, in Loaned Securities will be replaced by an unsecured contractual claim for delivery of Equivalent Securities subject to the terms of this Schedule;
- (ii) once Loaned Securities have been delivered to us, those securities will not be held by us in accordance with client asset rules set out in Schedule A and/or as applicable to us in accordance with the Applicable Regulations, and thus, any client asset protection rights will not apply (for example, the Loaned Securities will not be segregated from our assets and will not be held subject to a trust);
- (iii) in the event of our insolvency or default under this Schedule your claim against us for delivery of Equivalent Securities will not be secured and will be subject to the terms of this Schedule and applicable law and, accordingly, you may not receive such Equivalent Securities or recover the full value of the Loaned Securities (although your exposure may be reduced to the extent that you have been provided with collateral or have liabilities to us which can be set off or netted against or discharged by reference to our obligation to deliver any securities to you);
- (iv) as a result of you ceasing to have a proprietary interest in the Loaned Securities you will not be entitled to exercise any voting rights attached to the Loaned Securities, and even if we have agreed to exercise such voting rights in accordance with your instructions, in the event that we do not hold and are not able to readily obtain Equivalent Securities, we may not be able to comply with your instructions (subject to any other solution that may have been agreed between you and us);
- (v) in the event that we are not able to readily obtain Equivalent Securities to deliver to you at the time required: you may be unable to fulfil your settlement obligations under a hedging or other transaction you have entered into in relation to those Equivalent Securities; a counterparty or other person may exercise a right to buy-in the relevant securities; and you may be unable to exercise rights or take other action in relation to those Equivalent Securities;
- (vi) in the event that the Cyprus Securities and Exchange Commission, as a resolution authority and/or any other competent authority acting as a competent resolution authority exercises its powers under any relevant resolution regime in relation to us any rights you may have to take

any action against us, such as to terminate our agreement, may be subject to a stay by the relevant resolution authority and your claim for delivery of Equivalent Securities may be reduced (in part or in full) or converted into equity or a transfer of assets or liabilities may result in your claim on us, or our claim on you, being transferred to different entities, although you may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights; and

- (vii) where you receive or are credited with a payment by reference to dividend, coupon or other income payable in relation to any Loaned Securities, your resulting tax treatment may differ from your initial tax treatment in respect of the original dividend, coupon or other payment in relation to those Loaned Securities.

## 2. Loans of Securities

**2.1.** On the terms, and subject to the conditions, of this Schedule you hereby agree to lend to us, and we may from time to time without prior notice or reference to you borrow from you any or all securities for the time being recorded in your securities account with us (**Loaned Securities**) with a simultaneous agreement by us to transfer to you securities equivalent to such Loaned Securities (**Equivalent Securities**) (as defined in clause 2.11 below). Each such Transaction shall be referred to in this Schedule as a **Loan**.

**2.2.** Upon agreeing to enter into a Loan we shall promptly send to you a confirmation of a Loan (**Confirmation**). In the case of a Loan initially agreed in hard copy form by executing a single written document that document will by itself constitute a Confirmation and no further confirmation of such Loan will be required.

**2.3.** A Confirmation shall identify the lender and the borrower and contain the following information:

- (i) the Loaned Securities (including ISIN or other identifying number or numbers, if any) and quantity thereof;
- (ii) the date on which Loaned Securities are transferred by you to us;
- (iii) the market value of Loaned Securities;
- (iv) a reference that the Loan is to be terminable on demand;
- (v) the interest rate unless this is included in the Fee Schedule;
- (vi) the manner in which the Lending Fee is to be paid if different from that set out in clause 5 below; and
- (vii) any additional terms or conditions of the Loan, if any.

**2.4.** In respect of any Loan, the terms of this Schedule, the General Terms and the Confirmation shall together constitute a single, integrated agreement between you and us and conclusive evidence of the terms between you and us for that Loan. The terms of this Schedule shall be incorporated by reference into any Confirmations. In the event of any conflict between the terms of this Schedule and the General Terms, this Schedule shall prevail. In the event of any conflict between the terms of this Schedule and the Confirmation, the Confirmation shall prevail.

**2.5.** Prior to the opening of trading on any business day (**Delivery Date**) we may, acting as agent, without prior notice or reference to you procure the crediting of the Loaned Securities on your behalf to an account of ours or otherwise as we may direct in accordance with this Schedule.

**2.6.** Upon receipt of Loaned Securities under a Loan, we will promptly provide to you such cash and/or securities collateral as we reasonably deem appropriate on condition that you will transfer back to us

immediately after we return to you Equivalent Securities under the relevant Loan, collateral equivalent to originally transferred collateral (as defined in clause 2.11 below) and in respect of in respect of collateral in the form of securities, pay to us or, in the case of income in the form of securities or other property, deliver to us on the date income is paid or delivered by the issuer of the relevant securities or its agent (or on such other date as you and we may from time to time agree) a sum of money or securities or other property equivalent to (as defined in clause 2.11 below), and in the same currency as, the type and amount of such income that would be received by us assuming no securities were transferred to you as collateral and such securities were retained by us, net of any amount which is or, as the case may be, would have been, held or deducted or withheld in respect of tax by or on behalf of the issuer of the relevant securities or other competent withholding agent.

**2.7.** You understand and agree that market value of cash and/or securities we may from time to time provide to you as collateral under any single Loan shall not at any time exceed 15% of the lesser of:

- (i) market value of Loaned Securities under the Loan; and
- (ii) the difference, if a positive number, between the aggregate of all money payable by you to us under these Terms (whether as price or distribution in respect of securities or other instruments or as fees, commission, compensation, charges, expenses or costs or otherwise and whether in our favor or for further credit to a third party) and the value of all securities or instruments deliverable by you to us (including for further transfer to a third party) under all outstanding Transactions under these Terms, and the aggregate of all money payable by us to you under these Terms (whether as price or distribution in respect of securities or other instruments or otherwise) and the value of all securities or instruments deliverable by us to you under all outstanding Transactions under these Terms.

**2.8.** In respect of any and all collateral, which we may from time to time provide to you under any Loan, you understand and agree that unless we fail to return to you Equivalent Securities or pay a lending fee in respect of a Loan under which the collateral was first provided to you, you shall not be entitled to sell, assign, transfer, charge, pledge, part with possession of or otherwise dispose of or encumber in any manner (or purport to do so) all or any part of, or any interest in, the collateral except that you may return to us equivalent collateral as set out in clause 2.6 above. You further understand and agree that we may at any time substitute any or all collateral with cash or securities of the same or greater value or to withdraw any excess collateral.

**2.9.** We shall credit Equivalent Securities to you on the date specified in the related demand for termination (**Termination Date**). You agree to give us not less than 1 business days' prior written notice and we may return Equivalent Securities to you at any time during the term of the Loan without prior notice. You agree that any order or instruction requesting us to sell or otherwise dispose of any securities subject to an outstanding Loan will serve as a demand for termination in respect of that Loan. You further agree that your notice to terminate the Terms will serve as a demand for termination in respect of any and all Loans which remain outstanding at the date of receipt by us of your notice to terminate.

**2.10.** The expression **equivalent to** shall mean in relation to cash, a payment of the same amount and in the same currency; in relation to securities, securities of the same issuer, which are part of the same issue and are of an identical type, nominal value, description and (except where otherwise stated) amount as those original securities. Securities will be equivalent to original securities notwithstanding that those securities have been redenominated or that the nominal value of those securities has

changed in connection with such redenomination. Where original securities have been partly paid, converted, subdivided or consolidated or have become the subject of a takeover or the holders of securities have become entitled to receive or acquire other securities or other property or the securities have become subject to any similar event (other than interest, dividends or other distributions thereon), including distributions which are a payment or repayment of principal in respect of the relevant securities, the expression **equivalent to** shall have the following meanings:

- (i) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (ii) in the case of a capitalisation issue, securities together with the securities allotted by way of bonus on the original securities;
- (iii) in the case of conversion, sub-division or consolidation, securities into which the relevant original securities have been converted, sub-divided or consolidated; provided that, if appropriate, notice has been given or we otherwise decide to take action in accordance with clause 3.3 below;
- (iv) in the case of takeover, a sum of money or securities equivalent to the consideration or alternative consideration in relation to which notice has been given or we otherwise decide to take action in accordance with clause 3.3 below;
- (v) in the case of a rights issue, securities together with the securities allotted on the original securities; provided that, if appropriate, notice has been given or we otherwise decide to take action in accordance with clause 3.3 below;
- (vi) in the event that income in the form of securities, or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities is distributed, securities together with securities or a certificate or an entitlement equivalent to those allotted; provided that, if appropriate, notice has been given or we otherwise decide to take action in accordance with clause 3.3 below; and
- (vii) in the case of any event similar to any of the foregoing, securities together with or replaced by a sum of money or securities or other property equivalent to (as so defined) that received in respect of such original securities resulting from such event; provided that
- (viii) if any event occurs with respect to original securities, which involves the payment of money by the holder of securities, including where a call becomes payable in respect of partly-paid securities, or a demand for any fee, assessment, charge or other payment in respect of any securities becomes payable or the holder of securities otherwise is or becomes legally liable to meet any payment due or to become due in respect of securities, you or we, as the case may be, shall pay to the other party, which is the holder of such securities (or where you are the holder of securities, to the applicable third party on your behalf), for value not later than the due date of the relevant payment, an amount equal to that which is required to be paid by such a holder of securities.

**2.11.** You agree that any valuations under this Schedule will be performed by us based on pricing and valuation information believed by us to be reliable. For the purposes of this Schedule, the basis of all valuations will be as stated in clause 2.13 and 2.14 unless otherwise notified.

**2.12.** The market value of any securities shall be determined by us by reference to such pricing sources as we reasonably consider appropriate provided that if prices for such securities are available on a trading venue or organised market, the price shall be the price of a trade in securities on such venue or market where securities are predominantly traded executed immediately prior to the determination

time, and where securities are suspended, or in respect thereof there is a discontinuous source, the price shall be the arithmetic mean of in the case of securities deliverable by us, offer quotations or, in the case of securities deliverable to us, bid quotations obtained in respect of securities of the relevant description from two or more market makers or regular dealers in a comparable size on or about the determination date, adjusted by us in a reasonable manner to reflect accrued but unpaid distributions and to deduct anticipated transaction costs. In respect of securities for which there is no pricing source, the market value shall be such amount which, in our reasonable opinion, represents the fair value thereof between you and us.

**2.13.** Any cash or securities values and any liabilities that may be outstanding at any time under this Schedule will be converted in your reporting currency at a market rate of exchange available to us at the time of conversion.

### **3. Income Payment and Corporate Actions**

**3.1.** Unless otherwise agreed between you and us in writing, where the period from and including the Delivery Date to and excluding the Termination Date for a particular Loan extends over the date by reference to which particular holders are identified as being entitled to payment of interest, dividends or other distributions (**Income**) in respect of Loaned Securities, we shall as soon as practicably possible but not later than 5 business days upon receipt of fully reconciled Income paid or otherwise delivered to us by the issuer or its paying agent transfer to or credit to your account with us an amount equal to (and in the same currency as) so much of such Income attributable to Loaned Securities as you would have been entitled to receive had you been the holder of Loaned Securities on that date, net of any amount which is or, as the case may be, would have been, held or deducted or withheld in respect of tax by or on behalf of the issuer of the relevant Loaned Securities or other relevant withholding agent.

**3.2.** Subject as otherwise agreed between you and us, where the Income paid or distributed by the issuer of Loaned Securities is not in the form of money but is in the form of other property, our obligation under clause 3.1 above shall be construed as an obligation to transfer property equivalent to that received from the issuer or its paying agent.

**3.3.** In relation to any Loaned Securities we shall notify you, within a reasonable time after the date on which a holder of such Loaned Securities would in the normal course have received such notice from the issuer, of any notice relating to any proposed conversion, sub-division, consolidation, takeover, pre-emption, option or other similar right or event affecting such Loaned Securities or of any Income payment declared in respect of such Loaned Securities and issued by the issuer of such Loaned Securities to the holders of such Loaned Securities within the period from and including the Delivery Date to and excluding the Termination Date for the relevant Loan. Whether or not such notice is received from us, you may within a reasonable time before the latest time for the exercise of the right or option give written notice to us that on the Termination Date or at such time, as may be agreed between you and us, you wish to receive Equivalent Securities in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice; provided that if any sum is required to be paid by a holder of the securities to the issuer or any other person in order to exercise such rights, you shall pay to us an amount equal to such sum within a reasonable time before the latest time for the exercise of the right or option. You understand and agree that if you do not serve notice to us under this clause, we shall

take such action as we in our absolute discretion deem appropriate provided that we notified you of a right or option in respect of which you served no notice to us.

**3.4.** Where any voting rights fall to be exercised during the period from and including the Delivery Date to and excluding the Termination Date for a particular Loan, we shall have no obligation to arrange for voting rights of that kind to be exercised in accordance with the your instructions in relation to any Loaned Securities, unless otherwise specifically agreed between you and us.

#### **4. Payment and Transfer**

**4.1.** All money payable by one party to the other in respect of any Loan shall be paid in immediately available freely convertible funds of the relevant currency free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law except that you shall pay to us any sum required in order to exercise the rights under clause 3.3 above, increased by such additional amounts as will result in the net amounts receivable by us (after taking account of any withholding or deduction) being equal to such amounts as would have been received by us had no such taxes or duties been required to be withheld or deducted.

**4.2.** All securities to be transferred hereunder (i) shall be fully paid for and there shall be no moneys or liabilities outstanding or payable in respect of such securities or any portion thereof as of the Delivery Date or Termination Date for such securities (ii) shall be suitable for transfer and shall be accompanied by all necessary documents and instructions to procure that all right, title and interest in securities shall pass from one party to the other on delivery of the same with full title guarantee, free from all liens (other than a lien granted to the operator of any settlement system), charges and encumbrances whatsoever, and such other documentation as the transferee may reasonably request, and (iii) if transferred to a settlement system, shall be transferred through the settlement system mutually acceptable to you and us in accordance with the rules and procedures of such settlement system as from time to time in force.

#### **5. Lending Fee**

**5.1.** In respect of each Loan we shall pay to you a lending fee calculated by applying the annualised lending interest rate to the market value of the Loaned Securities as determined by us in our reasonable discretion. The lending interest rate shall be notified to you in advance or prescribed in the relevant Confirmation. Failing separate agreement, actual/365 (or 366 in case of a leap year) day count convention will apply. In the event of any conflict between the terms of the Fee Schedule and the Confirmation, the Confirmation shall prevail.

**5.2.** In respect of each Loan the payments referred to in clause 5.1 above shall accrue daily in respect of the period commencing on and inclusive of the Delivery Date and terminating on and exclusive of the Termination Date and will be credited to your account with us monthly in arrears or to the extent not already paid, on the Termination Date of the relevant Loan in the currency of the Loaned Securities without further notice unless otherwise agreed.