

COMMERCIAL BANKING

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LLOYDS BANK  
CORPORATE MARKETS PLC

PRODUCT TERMS FOR  
FINANCIAL  
INSTRUMENTS

These terms apply immediately to new clients and are effective from  
21 March 2022 for existing clients.

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LLOYDS BANK

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**This document consists of the following:**

- The **Important Information** in **Part I**, which you should read before you enter into a Product with us.
- **Part II** sets out the Terms and Conditions that govern our Financial Instruments.
- There is also a **Glossary** of key terms.

# Part I - Important Information

## 1. Introduction

- 1.1 These Product Terms for Financial Instruments (“FI Terms”) are supplemental to the Lloyds Bank Corporate Markets plc (“LBCM”) General Terms of Business and set out the terms and conditions that apply when LBCM provides you with the Financial Instruments as described in paragraph 15 below.
- 1.2 Lloyds Bank Corporate Markets plc has its registered office is at 25 Gresham Street, London EC2V 7HN and it is registered in England and Wales under No.10399850. Lloyds Bank Corporate Markets plc is part of the Lloyds Banking Group (“LBG”), which comprises Lloyds Banking Group plc and its subsidiaries, associates and affiliated companies.
- 1.3 LBG has been required by legislation to conduct banking activities through two separate banks, Lloyds Bank plc which is designated as the “ring fenced bank”, and Lloyds Bank Corporate Markets plc is the “non-ringfenced bank”. Both are wholly owned subsidiaries of Lloyds Banking Group plc. Your contractual counterparty will be Lloyds Bank Corporate Markets plc.
- 1.4 Lloyds Bank Corporate Markets plc has appointed Lloyds Bank plc to provide certain services that enable Lloyds Bank Corporate Markets plc to fulfil certain of its obligations to you under these FI Terms, subject always to Applicable Regulations. Even in these cases, your relationship is with Lloyds Bank Corporate Markets plc and subject to these FI Terms.
- 1.5 By ‘we’, ‘us’ or ‘our’, we mean Lloyds Bank Corporate Markets plc.
- 1.6 By ‘you’ or ‘your’, we mean you as a person (if you are a sole trader) and your business or legal entity (including companies and partnerships).
- 1.7 It is important that you understand the nature of the risks involved with any of the Financial Instruments that you enter into with us. Our Risk Disclosure Statement is available at <https://www.lloydsbank.com/business/corporat-e-banking/important-information/commercial-banking-regulatory-information.html>
- 1.8 Not all Financial Instruments are available to or are appropriate for all clients. Please see paragraph 9 (Your status) for more information on how we determine and communicate categorisations that help us to determine your eligibility for our Financial Instruments.
- 1.9 In these FI Terms:
  - i. words and expressions shall have the

particular meaning, if any, given to them in the body of these FI Terms and/or the Glossary set out at the end of these FI Terms;

- ii reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated and also to all statutory instruments or orders made pursuant to it;
  - iii. references to a person or entity include a company, corporation, firm, unincorporated or incorporated association, or statutory authority;
  - iv. unless the context requires otherwise, references to any document include reference to such document as may be amended, supplemented, novated, substituted or replaced from time to time; and
  - v. any phrase introduced by the words “including”, “includes”, “in particular”, “for example” or “such as” or similar shall be construed as illustrative and shall not limit the generality of the related general words.
- 1.10 All communications between you and us and all information and documents from us shall be in English unless otherwise required by Applicable Regulations.
- 1.11 We suggest you keep a copy of this document in case you want to check the terms and conditions that apply to our Financial Instruments.

## 2. Understanding these FI Terms

- 2.1 These FI Terms form a binding contract between you and us, and are provided to you before you are able to enter into any Transaction with us, unless amended or varied as detailed in paragraph 10 (Variation or amendments) below.
- 2.2 You may also be required to enter into standardised market facing agreements and/or other documentation and agreements (“Product Agreements”) where you wish to transact certain Financial Instruments. You will be informed when such Product Agreements are required and you must execute these before any Financial Instruments or Transactions or orders can be completed and/or executed.
- 2.3 If there is any conflict between these FI Terms, the Lloyds Bank Corporate Markets plc General Terms of Business or the Product Agreements, then the Product Agreements shall prevail over these FI Terms and these FI Terms shall prevail over the

Lloyds Bank Corporate Markets plc General Terms of Business, to the extent of any such inconsistency.

- 2.4 If your relationship with us was initiated via an overseas branch of LBCM, then these FI Terms may be supplemented and/or varied by the terms and conditions issued by the overseas branch.
- 2.5 If your relationship with us was initiated via one of LBG's online platforms, then further terms specific to that platform may also apply to our relationship with you.
- 2.6 These FI Terms, which may be amended from time to time, supersede any other terms and conditions for Financial Instruments that may have been previously sent to you by us.
- 2.7 We suggest you keep a copy of this document in case you want to check the terms and conditions that apply to Financial Instruments.
- 2.8 If you have been categorised as a Retail, Professional, Eligible Counterparty or Institutional Client (see paragraph 9 (Your status)) you will be taken to have accepted these FI Terms by entering into any Transactions in Financial Instruments with us.
- 2.9 In addition Retail Clients (see paragraph 9 (Your status)) intending to transact Financial Instruments will be required to expressly consent to paragraph 11 (How we will communicate with you and provide you with information) and paragraph 21.1 (Execution Venue) by signing a separate letter.

Retail Clients who only intend to transact foreign exchange spot contracts with us will not be required to provide this consent. However, should such Retail Clients then wish to transact Financial Instruments with us, the express consents required by paragraphs 11 and 21.1 must be provided before we will enter into any such Transactions.

- 2.10 If you are a Retail Client, we will provide you with a Key Information Document ("KID") in good time before any relevant Transaction is concluded. A KID will be made available to you on our Website or a durable medium other than paper.

### 3. Your knowledge and understanding

- 3.1 Any Financial Instruments which you transact with us will be on the basis that you are able to make your own independent evaluation of the risks involved in such Financial Instruments, based upon your knowledge and experience.
- 3.2 You agree to provide us, on an on-going basis, with the information necessary to enable us to make an assessment of your knowledge and experience. However, we are entitled to assume that Professional Clients have the necessary

experience and knowledge to understand the risks involved in relation to the particular Financial Instrument(s) which they wish to transact.

### 4. If you have questions

- 4.1 If you have any questions about these FI Terms, need further information, or would like another copy of these FI Terms please contact your LBCM representative.

### 5. How we are regulated

- 5.1 Lloyds Bank Corporate Markets plc is authorised by the Prudential Regulation Authority ("PRA"), and regulated by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority. The address of the FCA is 12 Endeavour Square, London E20 1JN. The address of the PRA is 20 Moorgate, London EC2R 6DA. Our authorised firm reference number is 763256. To find out more about us, see the Financial Services Register: [www.fca.org.uk](http://www.fca.org.uk) or call the FCA on 0800 111 6768.
- 5.2 Although we are required to comply with the rules of the FCA, the PRA and other relevant regulators, they shall not give rise to any obligations or rights in contract between you and us except as provided by Applicable Regulations.

### 6. Important information about compensation arrangements

- 6.1 The Financial Services Compensation Scheme (FSCS) is the UK's statutory deposit insurance and investors' compensation scheme for customers of authorised financial services firms. This means that FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. The FSCS covers deposits and, where advice has been provided, certain eligible investment business. LBCM does not provide advice in respect of investment business but if you place a deposit with us you may be protected by the Financial Services Compensation Scheme (FSCS). The Financial Services Compensation Scheme (FSCS) is the UK's statutory deposit insurance and investors' compensation scheme for customers of authorised financial services firms. This means that FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. The FSCS covers deposits and, where advice has been provided, certain eligible investment business. LBCM does not provide advice in respect of investment business but if you place a deposit with us you may be protected by the Financial Services Compensation Scheme (FSCS).
- 6.2 Further information about the scheme can be obtained from the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or by calling the FSCS on 020 7741 4100 or 0800 678 1100.

## 7. If you need extra help

- 7.1 Please feel free to contact us if you would like this information in an alternative format such as braille, large print or audio.
- 7.2 If you have a hearing or speech impairment you can use Text Relay (previously TypeTalk) 6458. Your call may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of Service.

## 8. Complaints

- 8.1 If you experience a problem or wish to complain in relation to any aspect of our relationship under these FI Terms, please bring this to the attention of your LBCM representative as soon as possible.
- 8.2 Once we receive your complaint we will write to you to acknowledge your complaint and let you know when you can expect a full response or to tell you what we have done to resolve the problem. Our full complaints policy is available upon request from your LBCM representative or is available on our Website at <https://www.lloydsbank.com/business/corporate-banking/commercial-terms/about-your-account/voice-your-concerns.html>.
- 8.3 Some customers will be “eligible complainants” which means that they may be able to refer their complaint to the Financial Ombudsman Service. The Financial Ombudsman Service will only consider your complaint once you have tried to resolve it with us, so please take up your concerns with us first and we will do all we can to help.
- 8.4 The Financial Ombudsman Service can be reached at Exchange Tower, Harbour Exchange, London, E14 9SR. Tel: 0800 023 4567. Further details are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

# Part II – Terms and Conditions

## 9. Your status

- 9.1 LBCM is subject to various regulatory regimes that require us to consider, in different ways, which Financial Instruments are appropriate to each category of client. Our determination of your status under each of these regimes will be communicated to you by letter or electronic means either shortly after or at the same time as you receive these Terms. That communication will explain the different regimes that apply and how you will be treated in accordance with them, as well as a description of how you may request to be treated differently.
- 9.2 Certain of these regulatory regimes require us to categorise you as one of the following: a Retail, Professional, Eligible Counterparty or Institutional Client. Some Financial Instruments we offer are not appropriate for Retail categorised clients and so will not be available to you if you are deemed to be a Retail Client as described elsewhere in these Terms. Further explanation of this will be provided to you by your LBCM representative when discussing specific Financial Instruments with you.
- 9.3 As a result of the ring-fencing legislation (see paragraphs 1.3 and 1.4) we are required to consider if you might qualify as a Relevant Financial Institution (“RFI”). Unless an exception applies, LBCM will be the only LBG entity which will have exposures to RFIs. Unless agreed in writing between you and us, we will notify you or any legal entities within your corporate structure which have been classified by us as an RFI. We will also provide you with details of the process for objecting to that classification.
- 9.4 Retail, Professional, Eligible Counterparty and Institutional Clients will be taken to have accepted these FI Terms by entering into a Transaction with us. Existing clients will continue to transact under preexisting terms until 21 March 2022.
- 9.5 In addition Retail Clients intending to transact Financial Instruments will be required to expressly consent to paragraph 11, which sets out how we will communicate with you and provide you with information and paragraph 21.1 (Execution Venue) by signing a separate letter.

Retail Clients that only intend to transact foreign exchange spot Transactions with us will not be required to provide this consent. However, should such Retail Clients then wish to transact non-foreign exchange spot Financial Instruments with us, then the express consents will be required by paragraphs 11 and 21.1 and must be provided before we will enter into any such Transactions.

- 9.6 Not all Financial Instruments are available to, or are appropriate for all clients. Please see above paragraph 9.1 (Your status) for more information on how your categorisation is determined and communicated.
- 9.7 You agree to provide us with the information we reasonably request to enable us to categorise you or to perform our internal checks or due diligence. We may, from time-to-time, require you to provide us with up-to-date, additional or further information. You agree to respond to any requests for such further or additional information promptly and accept that if you fail to respond within any timeframe specified then these FI Terms may terminate in accordance with the provisions of paragraph 35 (Termination).

## 10. Variation or Amendments

- 10.1 We reserve the right at all times, subject to any rules of our regulators, to amend or vary these FI Terms by providing you with notice in writing. Any such amended or varied FI Terms will also be posted on our Website.
- 10.2 We will give you 30 days’ prior notice of any material changes to these FI Terms before they take effect.

## 11. How we will communicate with you and provide you with information

- 11.1 We will communicate with you and provide notices, Confirmations and information to you via electronic mail or other electronic means unless you ask us to communicate with you in writing by post or by fax and provide us with the address or fax number.
- 11.2 You will provide us with your electronic mail address and/or any other information required enabling the transmission of information by electronic means, and you will update us with any changes. You confirm that you have regular access to the internet.
- 11.3 You confirm that we may contact you from time-to-time by electronic means to provide you with information about our Financial Instruments.
- 11.4 Any communications by us to you may be directed to whomever we consider appropriate in your organisation in the circumstances for the purposes of the communication.
- 11.5 Unless otherwise agreed, you consent to our providing you with information via our Website. We will notify you in accordance with paragraph 10 (Variation or Amendments) of material changes.
- 11.6 For the way we will communicate to you and provide you with information, we refer you to paragraphs 17 (How we will communicate with you



and provide you with information) and 18 (General communications) of the LBCM General Terms of Business.

## 12. How you can communicate with us

- 12.1 Unless we agree otherwise, all communications by you to us will be in writing or via agreed electronic means, and sent to the address set out below or such electronic mail address as such as we may notify you in writing. Our address for the purposes of this paragraph is: Commercial Banking Markets Client Services, 10 Gresham Street, London, EC2V 7AE.

## 13. Confirmations

- 13.1 Confirmations will be provided by electronic means unless you give us five (5) working days' notice in writing that you wish to receive Confirmations via a different method. Confirmations will be sent to the last electronic mail address you provide, except where provided via other agreed electronic means (for example, SWIFT).
- 13.2 Confirmations are provided no later than one business day following execution. You should review the Confirmation and tell us if it is not correct before settlement. If you enter into a Transaction and do not receive a Confirmation, please contact us immediately.

## 14. Our Financial Instruments

- 14.1 LBCM does not provide investment advisory services and neither we nor any Associate will provide you with tax, legal regulatory or investment advice with respect to any Financial Instruments. Please seek your own independent advice in relation to such matters.
- 14.2 We will only enter into Transactions with you on either a non-advised or on an execution-only basis. We will not owe you a duty to advise on the merits or suitability for you of any our Financial Instruments or Transactions.
- 14.3 We will provide you with appropriate information about our Financial Instruments, including guidance on and warnings of the risks associated with our Financial Instruments so that you are reasonably able to understand the nature and risks of the specific type of Financial Instruments we may provide you with and, consequently, to take any decisions on an informed basis.
- 14.4 You should only enter into Transactions with us that you fully understand including the risks associated with such Transactions, and which are consistent with your financial standing, investment objectives and the level of risk which are you are willing to accept. All clients should ensure that they have appropriate investment knowledge and experience of the Financial Instruments they wish to transact. Before

entering into any Transactions you should read our Risk Disclosure Statement, which is available via our Website.

- 14.5 You agree to provide us, on an on-going basis, with the information necessary to enable us to make an assessment of your knowledge and experience. However, we are entitled to assume that Professional Clients have the necessary experience and knowledge to understand the risks involved in relation to the particular Financial Instruments.
- 14.6 We will not consider whether any Financial Instruments or Transaction is appropriate for Eligible Counterparty or Institutional Clients.

## 15. Types of Financial Instruments

- 15.1 These include but are not limited to:

### i. Debt Securities

Debt securities represent a contractual obligation of the issuer to the holder of the debt security. Debt securities may have different features which affect the expected return, risk and value of such debt securities. Examples of debt securities include but are not limited to asset backed securities, credit linked securities, covered bonds, collateralised debt obligations and corporate or government bonds.

### ii. Derivatives

A derivative is a financial contract whose characteristics and value depend upon the characteristics and value of an underlying asset such as currencies, interest rates, commodities or financial market indices. Our derivatives are not traded on an exchange, but are unique contracts arranged by negotiation between two parties and known as "over-the-counter" or "OTC" derivatives.

### iii. Repurchase Transactions

A repurchase transaction is a form of short term borrowing where one party sells to the other a specific quantity of certain financial instruments for a certain period of time and on certain terms and conditions, and at the same time commits to repurchase those financial instruments at a certain date in the future at a specified price and for a pre-agreed amount of money.

### iv. Stock Lending

A stock loan is a loan of securities from one party to another whereby the lender lends securities and the borrower provides security for the loan in the form of pre-agreed collateral to the lender.

### v. Buy/Sell Backs

A buy/sell back is very similar to a repurchase transaction especially if documented under a GMRA. Whereas under a Repurchase Transaction both legs are regarded as one transaction, a buy/sell back is regarded as two distinct purchase and sale transactions.

### 15.2 Other – Foreign exchange spot

A foreign exchange spot transaction (or FX Spot) is an agreement between two parties to buy one currency against selling another currency at an agreed price for settlement on the spot date which is typically two Business Days after the deal is agreed.

### 15.3 Contingent Convertible Instruments

Contingent Convertible Instruments (CoCos) are highly complex, hybrid, capital instruments with unusual loss-absorbency features that present investment risks that are exceptionally challenging to evaluate, model and price. One key characteristic of these instruments is an equity conversion of a fixed income instrument if a pre-specified trigger event occurs.

In 2015, the FCA introduced rules that restricted the sale of these kinds of instruments to ordinary retail investors. Consequently, LBCM will not enter into CoCo Transactions with Retail Clients.

As a Professional Client, you will be deemed, when placing an order or transacting with LBCM in these securities after receipt of these FI Terms to have agreed, undertaken and consented that:

- you are not a Retail Client in the UK; and
- you will not communicate or approve an invitation or inducement to participate in, acquire or underwrite an investment where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK; and
- you will not sell or offer any such securities (or any beneficial interest therein) to Retail Clients in the UK; and
- you will at all times comply with all Applicable Regulations and regulatory guidance (whether inside or outside the UK) relating to the promotion, offering, distribution and/or sale of these securities (or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in these securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

## 16. Packaged Retail and Insurance-based Investment Products (PRIIPs)

- 16.1 In accordance with paragraph 2.10 above, we will, if you are a Retail Client, provide you with a KID in good time and you consent that we may provide you with any such KID by means of a website or a durable medium other than paper.
- 16.2 If you are a Retail Client, we will provide you with a Key Information Document (“KID”) in good time before you enter into any Product (excluding FX

Spot). A KID will be made available to you on our Website where it is appropriate and has been pre-agreed by you. Where the KIDs is provided to you via our Website, you have the right to request a paper copy of the KID free of charge.

## 17. Execution-only transactions

- 17.1 We will only transact a limited number of Financial Instruments on an execution-only basis. We will only do so if:
- i. you request to proceed on an execution-only basis at your own initiative;
  - ii. your request does not result in our being unable to manage our conflicts of interest; and
  - iii. any request is limited to the following Transactions:
    - a. Bonds, or other forms of securitised debt (excluding those with an embedded derivative);
    - b. Other non-complex Financial Instruments, which means transferable securities and highly liquid securities with publicly available prices that do not involve any actual or potential liability that exceeds the cost of acquiring the instrument.

This excludes derivatives, repurchase agreements, or other kinds of non-transferable securities.

- 17.2 Where we transact on an execution-only basis, we will not assess whether any Financial Instrument is appropriate or suitable for you and you will not benefit from associated regulatory protections.

## 18. Trading requests

- 18.1 Requests to enter into, cancel or amend trades, but for the avoidance of doubt, not the acceptance by you of any firm price offered by us (“Requests”), should be given to us by electronic message. However we, or you, may request or agree that such Requests are provided in writing (by fax or post) or verbally.
- 18.2 We retain the right to decline to act on any Requests, except where it is to cancel a deal before we have started to effect the relevant Transaction. Verbal Requests will be acknowledged orally and your and our verbal acceptance will be legally binding. We will acknowledge Requests by acting on them and you authorise us to rely on, and treat as binding any Requests (by whatever means transmitted) and which are given by you or by any person acting (or purported to be acting) on your behalf, and which are accepted by us in good faith. You accept responsibility for and will be bound by all contracts entered into following such Request.
- 18.3 We reserve the right to decline to trade, accept or to delay accepting Requests, without giving you prior notice on such conditions as we deem

appropriate.

- 18.4 Where you send us a Request or an order via electronic message, we shall only be treated as having received your electronic message once we acknowledge receipt. This acknowledgement does not, however, indicate any agreement on our part to act in accordance with any Requests or orders contained in your electronic message.

## 19. Market orders

- 19.1 For certain Financial Instruments we may be willing to accept a firm commitment to trade from you where some of the final trade parameters are not known prior to our execution of your order (for example, price, quantity, timing). Whether we will agree to accept such an order is completely at our discretion.
- 19.2 Where we are willing to accept such an order from you, the price at which we will do so may include relevant charges which will be added to the price at which we transact, or may have transacted, in the market. We will inform you of any relevant charges in accordance with paragraph 27 (Costs and Charges).
- 19.3 Where such an order is accepted, we will endeavour to execute it as soon as reasonably practicable, but we will not be liable for any Loss resulting from any change in market conditions between the receipt and the execution of the order. We may postpone the execution of an order if we believe on reasonable grounds that it is in your best interests to do so.
- 19.4 We may aggregate your orders with orders for other clients or our own orders. Aggregation may work to your advantage on some occasions and to your disadvantage on other occasions. Market conditions may mean that the entire aggregated order is not executed in one transaction at a single price, in which case we may average the prices paid or received and we may report to you a volume weighted average price for the transactions instead of the actual price of each transaction.
- 19.5 Unless we agree otherwise, each open order will remain in effect until we have fully executed it or you have cancelled it. An open order will not be cancelled automatically by a subsequent order relating to the same Financial Instruments and it is your responsibility to cancel an open order where a substitute order has been entered. A Transaction resulting from the execution of any order which you have not cancelled will be entered in your account.
- 19.6 Types of orders, where some trading parameters are not pre-agreed include, but are not limited to: "limit orders", which are orders to buy or sell when the market reaches a specified level; "at best" or "market" orders to buy at the best rate available; "stop loss" orders to buy or sell at a

specified price and "benchmark" orders to buy or sell at a reference price established by a third party at a particular point in time.

For the avoidance of doubt, quote-driven activity such as requests for quotes, price streams, call levels and indications of interest do not meet the criteria to be considered orders. An order will only arise from such activities should we agree to trade a Financial Instrument where all trade parameters have been agreed and you have given us a firm instruction to deal.

- 19.7 Where we accept an order, we will act in accordance with our "Best Execution Approach", in accordance with paragraph 20 below. We shall notify you of any material changes to our "Best Execution Approach" in writing. A copy will also be posted on our Website.
- 19.8 Further details on Our Approach to Order Handling and Execution can be obtained from our Website (<https://www.lloydsbank.com/business/corporate-banking/important-information/order-handling-important-disclosures.html>) and is available from your LBCM representative upon request.

## 20. Best execution

- 20.1 The best execution obligation, referred to in our "Best Execution Approach" (which sets out our policy on best execution), may be owed to you where you are a Retail Client or you are a Professional Client and where we deem that you are legitimately reliant on us. Our "Best Execution Approach" can be found on our Website <https://www.lloydsbank.com/business/corporate-banking/important-information/best-execution.html>. If you are an Eligible Counterparty or Institutional Client, then best execution will generally not apply unless you request otherwise, although we are still required to treat you fairly
- 20.2 Subject to paragraphs 20.1, 20.4 and 20.6, we will take all sufficient steps to provide you with best execution in accordance with our "Best Execution Approach."
- 20.3 Foreign exchange spot transactions are not regulated Financial Instruments according to Applicable Regulations (including the Markets in Financial Instruments Directive and related rules (as amended or superseded)) and are not covered by the best execution rules. However, we are subject to a regulatory obligation to treat you fairly as well as to manage any conflict of interest when executing foreign exchange spot Transactions.
- 20.4 Unless you notify us otherwise, we shall consider the continued business by you to constitute your acceptance of, and continued consent to, "Our Best Execution Approach".
- 20.5 Where we receive your specific instructions in relation to how you want us to execute your order

or Transaction, we will act in accordance with those specific instructions. Our obligation of best execution will be satisfied by executing the order in accordance with your specific instruction.

- 20.6 We will provide reporting information of our top execution venues in accordance with Applicable Regulations on our Website.

## 21. Execution Venue

- 21.1 We operate on a principal to principal basis, therefore any order or Transaction you enter into with us, is with us as your execution venue. We do not direct orders as agent to other execution venues. However, we will have regard to the wider market in the relevant Financial Instruments when complying with our obligations for providing best execution in accordance with our "Best Execution Approach". You expressly consent to our executing orders outside of a Regulated Market, Multilateral Trading Facility or Organised Trading Facility.
- 21.2 Certain Transactions may be subject to restrictions under Applicable Regulations which will require them to be concluded on a Market (including equivalent third country trading venues). In these circumstances, we will only execute these Transactions on such a Market.

## 22. Systematic Internaliser

- 22.1 We act as a systematic internaliser ("SI") where we execute client orders on an organised, frequent, systematic and substantial basis, outside of a trading venue (such as a Regulated Market, an Organised Trading Facility or a Multilateral Trading Facility). When executing client orders as a SI, we deal on our own account, which means we will be trading against our capital. This does not include engaging in riskless back-to back matching of transactions (e.g. acting like an exchange).
- 22.2 When acting as a SI, we will make public, firm quotes in bonds, structured finance products, or derivatives traded on a trading venue. In order to provide these quotes, we may limit:
- the number of Transactions we undertake to enter into at the published quote; and
  - the total number of Transactions that we undertake with other clients at the published quote.
- 22.3 If we are a SI and providing pre-trade transparency, then details of our approach on SI transparency will be available to you on our Website.

## 23. Incorrect pricing

- 23.1 In the event that any prices quoted by us are incorrect due to being unrepresentative of the current market value for a Transaction of that

size and nature, we will not be bound by that quote (whether or not confirmed by us), where it is recognised by us within two (2) Business Days of any Transaction.

## 24. Settlement

### Method of settlement

- 24.1 Standard settlement will be on a delivery versus payment basis. We may, at our discretion, agree alternative settlement arrangements with you.
- 24.2 Unless otherwise agreed, cash settlement must be in immediately available, freely convertible funds of the relevant currency.

### Payment and deliveries

- 24.3 Payments and, where not already held by us, certificates or other documents required to settle Transactions must be delivered by you in time to enable us to complete settlement within the time frames specified.
- 24.4 Where you are required to deliver or re-deliver an asset, you must ensure that the necessary documents (including the appropriate and duly stamped instruments of transfer) are executed and that all instructions required are given to procure that all rights, title and interest will pass from you to the transferee and that these are free from any and all liens, charges and encumbrances.
- 24.5 Delivery and transfer of title will take place in accordance with the rules and procedures applicable to the relevant asset and market, as in force from time to time.
- 24.6 Where these documents, or immediately available funds, are not provided in the timeframe required for settlement we will not be obligated to settle any Transaction or account to you.

## 25. Position limits for commodity derivative contracts

- 25.1 We may be required to comply with position limits and position management controls imposed by Applicable Regulations in respect of commodity derivatives (including economically equivalent over-the-counter ("OTC") contracts). We may therefore limit, terminate or reduce the commodity derivative positions you hold with us and we may, at our sole discretion, close out any one or more of these Transactions.
- 25.2 You agree to promptly provide us with any information that we may request, from time to time, about your commodity derivative positions and, if applicable, those of your underlying clients to enable us to meet these requirements.
- 25.3 We are required to report certain of your commodity derivative positions (including economically equivalent OTC contracts) to the relevant regulator and, when doing so, to differentiate between risk reducing and other positions. Unless otherwise notified to us, you

confirm that all commodity derivative positions (including economically equivalent OTC contracts) are entered into by you:

- i. for the purposes of risk reduction; and
- ii. can be objectively measured to reduce risks directly in relation to your commercial activities.

## 26. Transaction and trade reporting

- 26.1 Where we are required by Applicable Regulations, to make transaction information public and/or available to a relevant regulator, you agree and acknowledge that:
  - i. any and all proprietary rights in such transaction information is owned by us; and
  - ii. you waive any duty of confidentiality with respect to that information which we are required to disclose.
- 26.2 You must provide us with and maintain a LEI Code before we will undertake any Transactions for you unless you qualify for an exemption as set out in our "Legal Entity Identifier Information" disclosure which can be found on our Website [www.lloydsbank.com/business/corporate-banking/important-information/commercial-banking-regulatory-information/mifidii.html](http://www.lloydsbank.com/business/corporate-banking/important-information/commercial-banking-regulatory-information/mifidii.html). Please contact your LBCM representative for information on whether you will qualify for this. If you represent that an exemption applies and thus changes in the future, you are obliged to inform us of this change prior to entering into the relevant Transaction.
- 26.3 If you are an Investment Firm and/or subject to post trade reporting then, subject to paragraph 26.4, where we execute a reportable Transaction with you on an OTC basis, we both agree that the party acting as seller shall post trade report the Transaction in accordance with Applicable Regulations.
- 26.4 Where only one of us is acting as a SI and that party is also acting as the buyer in the Transaction, we both agree that the buyer will report the Transaction in accordance with Applicable Regulations.
- 26.5 You must inform us where any proposed Transaction would constitute a Short Sale, at or before you instruct us on, or enter into, the Transaction.
- 26.6 Unless required by Applicable Regulations, we will not make any trade or transaction reports on your behalf in respect of any Transactions unless otherwise agreed with you in writing.

## 27. Distribution arrangements

- 27.1 You agree and represent that you will only enter into Transactions in Financial Instruments for your own account and not in the capacity of Distributor unless we agree otherwise.

- 27.2 In the event that we agree, you acknowledge that we and you may have certain obligations under Applicable Regulations and you agree that you will provide us with, and we may provide you with, certain information which may be necessary for us to meet our obligations under Applicable Regulations.
- 27.3 Should you wish to distribute any of the Financial Instruments provided by us please contact your LBCM representative.
- 27.4 Depending upon your individual circumstances, you may also be liable for any relevant taxes and costs that are incurred as a result of the tax treatment of any Financial Instruments and/or Transactions.

## 28. Costs and charges

- 28.1 In accordance with Applicable Regulations, we will disclose our costs and charges (including any fees or commissions where applicable) and/ or the basis upon which we charge you, prior to and/or following, execution of Transactions in our Financial Instruments as agreed between us. Information will be provided in "Our Approach to Costs and Charges Calculations" which is available from our Website or on request, and you can request a breakdown of our aggregated costs at any time.
- 28.2 You will be responsible for any liabilities, costs, charges and expenses, including the payment of any tax, brokerage, transfer fee, registration fee, or stamp duty payable and properly incurred by us in connection with any Transactions.
- 28.3 Depending upon your individual circumstances, you may also be liable for any relevant taxes and costs that are incurred as a result of the tax treatment of and Financial Instruments and/or Transactions.

## 29. Limited disclosure of details of costs and charges – Professional, Eligible Counterparty and Institutional Clients Only

- 29.1 If you are a Professional Client, an Eligible Counterparty Client or an Institutional Client, you agree that we can provide you with limited costs and charges information in accordance with Applicable Regulations, except where:
  - i. you are a Professional Client entering into Transactions in any Financial Instrument that embeds a derivative (e.g. a credit linked note); or
  - ii. you are an Eligible Counterparty or Institutional Client which intends to offer Financial Instrument(s) that embed(s) a derivative to your own clients, then you will receive full cost and charges information in accordance with paragraph 28 (Costs and charges). Further information on our approach is available upon request from your

LBCM representative.

- 29.2 If you are an Eligible Counterparty Client or Institutional Client you must notify us if you intend to offer Financial Instruments to your clients and, upon receiving such notification from you, we will disclose our costs and charges to you in accordance with paragraph 28 (Costs and charges). If you do not notify us that you intend to offer your clients our Financial Instrument, then we will be entitled to assume that you will not be offering them to your clients and we will provide you with limited disclosure of our costs and charges accordingly.
- 29.3 If you are a Professional Client, an Eligible Counterparty Client or an Institutional Client dealing in foreign exchange spot contracts, you will not receive a breakdown of our costs and charges unless you ask us to.
- 29.4 A summary of our approach to costs & charges calculations can be found on our Website.

### 30. Full disclosure of details of costs and charges – Retail clients, and Professional, Eligible Counterparty or Institutional Clients who request full disclosure

- 30.1 Where we provide you with full disclosure of costs and charges, this means that we will:
- i. provide you with a general description of how we price Transactions and the factors that impact our costs and charges in relation to the Financial Instrument and Transactions we provide;
  - ii. provide you in writing with pre trade details of the actual or estimated costs and charges that will be applied to your Transaction or Transactions in accordance with Applicable Regulations; and
  - iii. provide you in writing with post trade information on the actual costs and charges of the Transaction that you have entered into with us in accordance with Applicable Regulations.
- 30.2 If you are a Professional Client, an Eligible Counterparty Client or Institutional Client dealing in foreign exchange spot contracts, you will not receive a breakdown of our costs and charges unless you ask us to.

### 31. Agency

- 31.1 Your relationship with LBCM is based upon you acting as principal in respect of the Financial Instruments and/or Transactions that we transact with you. Where you act as agent on behalf of someone else you agree to disclose this to us and the identity of the person you are acting for before entering into these FI Terms. Where this disclosure is not made we will continue to treat you as our client, and not the underlying principal.
- 31.2 If you act as agent on behalf of one or more

principals, whose identity you shall disclose:

- i. you accept these FI Terms for yourself and each principal;
  - ii. you confirm that you have been authorised to disclose the identity of each principal and to accept these FI Terms on their behalf;
  - iii. that you alone are our client and not the principal.
- 31.3 Where you act as agent, references to “you” in these FI Terms means you as agent, and not your principal(s).

### 32. Inducements

- 32.1 Except as provided in paragraph 32.2 below, we are not permitted to receive or provide any inducements from or to third parties. Inducements include any fees, commissions, monetary or non-monetary benefits in relation to any Transactions under these FI Terms or any Additional Terms where to do so may impair our duty to act honestly, fairly and professionally, in accordance with the best interests of our clients.
- 32.2 Any inducements may only be accepted where they enhance the quality of our service provision, they do not impair compliance with our duty to act honestly, fairly and professionally in accordance with the best interests of our clients, and where we have made the necessary disclosures about the inducement to our clients ahead of any Transactions.
- 32.3 When you are an Investment Firm you will need to make your own assessment to determine whether any of the restrictions on inducements apply to you and whether you are able to receive and/or retain such benefits.

### 33. Limitation of liability

- 33.1 No LBCM Person will be liable to you or any third party for any Loss you may suffer in connection with these FI Terms, any Additional Terms or any Transaction, except to the extent that such Loss arises as a direct result of the gross negligence, wilful default or fraud by any LBCM Person.
- 33.2 No LBCM Person will be liable to you or any third party in connection with any Transaction, these FI Terms or any Additional Terms for:
- i. any loss of profits or opportunity due to an increase in the value, or any Loss due to a decline in the value, of any Financial Instruments which are or were the subject of a Transaction or a potential Transaction;
  - ii. any other type of indirect, consequential or special Loss, even if an LBCM Person should reasonably have been aware of the possibility of that Loss being incurred;
  - iii. the solvency, acts or omissions of any broker, nominee, custodian, settlement agent,

securities depository or other third party through or with whom a Transaction is carried out or in whose control any of your Financial Instruments or documents or certificates giving or evidencing title to them may be held, or any bank with whom we maintain any bank account, or any other third party with whom we deal or transact business or whom we appoint on your behalf, other than any such entity which is an Associate of ours, but to the extent that you reasonably request us to do so, we will make available to you any rights that we may have against any such person;

- iv. any liability however arising in relation to our giving, withholding or withdrawing consent in connection with these FI Terms, any Additional Terms, a Transaction, or Financial Instruments.
  - v. any communication or document produced or information provided by you in relation to a Transaction; or
  - vi. any action or omission by you or by any third party under or in connection with these FI Terms or any Additional Terms, including any failure to provide us with accurate information and/or documentation that we may need to fulfil our obligations under these FI Terms. These FI Terms and any Additional Terms set out the full extent of our duties and no LBCM Person is subject to any fiduciary or equitable duties which: (i) are more extensive than the obligations set out in these FI Terms or, any Additional Terms; or (ii) would prevent us or any Associate from carrying out any services or activities with or for other persons.
- 33.3 Nothing in these FI Terms or, any Additional Terms will require any LBCM Person to take or not to take any action which would in our opinion breach Applicable Regulations.
- 33.4 The provisions of this paragraph 33 (Limitation of liability) will only limit the liability of any LBCM Person to the extent permitted by Applicable Regulations.
- 33.5 Nothing in these FI Terms or any Product Agreements shall exclude or restrict any duty or liability that we owe to you under the regulatory system established under the Financial Services and Markets Act 2000 and the rules of our regulators. Notwithstanding any provision of these FI Terms or, any Additional Terms, we shall be entitled to take any action that we consider reasonably necessary to ensure compliance with Applicable Regulations.

## 34. Indemnity

34.1 You agree, on demand, to reimburse and indemnify any LBCM Person for any Loss that we have or may suffer or incur in connection with any Transaction or Financial Instruments as a direct result of:

- i. any breach or alleged breach by you and/ or any person acting on your behalf of any provision of these FI Terms, any Product Agreement or any Applicable Regulations; and
- ii. any actual or alleged unauthorised action by you and/or by any person acting on your behalf,

except to the extent that the gross negligence, fraud or wilful default of a LBCM Person has directly caused that Loss.

## 35. Termination

35.1 These FI Terms may be terminated in circumstances set out in paragraphs 9.3, 12.4 and 31 of the LBCM General Terms of Business. Product Agreements may have differing termination provisions.

## 36. General provisions

### Entire agreement

36.1 These FI Terms supersede any previous written or verbal agreement between us (except any Product Agreements) in relation to the matters dealt with in these FI Terms and, except as expressly stated, comprise the whole agreement between us relating to the subject matter of these FI Terms.

### Severability

36.2 If any provision of these FI Terms is found by any court or regulatory or administrative body of competent jurisdiction to be invalid or unenforceable, then:

- i. the invalidity or unenforceability of that provision will not affect the other provisions of these FI Terms, which will remain in full force and effect;
- ii. if that provision would be valid or enforceable if part of it were deleted, then the provision in question will apply with such modification(s) as may be necessary to make it valid and enforceable; and
- iii. if paragraph 36.2(ii) does not apply, then you and we agree to negotiate in good faith to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid or unenforceable provision.

### No Waiver

- 36.3 A failure or delay by us in exercising any right in respect of these FI Terms will not be presumed to operate as a waiver. In addition a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right or of any other right under these FI Terms.

### Rights of Third Parties

- 36.4 Subject to paragraph 32.4 of the LBCM General Terms of Business, the Contracts (Rights of Third Parties) Act 1999 shall not apply to these FI Terms.

### Force majeure

- 36.5 We will not be liable to you for any delay in performance, or for the non-performance, of any of our obligations hereunder by reason of any cause beyond our reasonable control. This includes without limitation any breakdown or failure of transmission, communication or computer facilities, strikes or similar industrial action and the failure of any relevant exchange, clearing house, data service provider and/or broker for any reason to perform its obligations.

### Governing Law

- 36.6 These FI Terms and any non-contractual obligations arising out of, or in connection with it, shall be governed and construed in accordance with the laws of England and Wales.

### Jurisdiction

- 36.7 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute arising out of or in connection with these FI Terms (including any dispute relating to any non-contractual obligation arising out of or in connection with these FI Terms).



# Glossary

**Additional Terms** means Product Terms and Product Agreements.

**Associate** means any undertaking in a group of companies (whether a holding company, subsidiary, subsidiary of any holding company, or representative and branch office in any jurisdiction) or a person whose relationship with the group might reasonably be expected to give rise to a conflict of interest in dealings with third parties.

**Applicable Regulations** means any applicable laws, rules and regulations including without limitation, the Financial Services and Markets Act 2000, the Financial Service Act 2021, the rules of the FCA and the PRA, any rules, policies, guidelines and practices of a relevant regulator, any EU legislation, regulatory requirement or guidance that applies directly or indirectly to our activities, or as it forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018 (as amended), the rules of a relevant Market and all other applicable laws, including but not limited to international regulations such as MiFID II, MiFIR, the Swiss Financial Services Act 2020 and US Dodd Frank Act / Commodity Futures Trading Commission (CFTC) rules, rules, procedures, codes, standards and regulations (including without limitation, accounting rules, anti-money laundering and economic sanctions legislation) as amended or superseded. .).

**Business Day** means a day (other than a Saturday or Sunday) in which we are open for normal business in London.

**Confirmation** means a confirmation, contract note, statement or note issued or made available by us to you confirming the details of a Transaction. Unless otherwise notified to you Confirmations include Confirmations provided to you by SWIFT or similar electronic messaging, subject to the Applicable Regulations.

**Distributor** means an Investment Firm which offers, recommends or sells Financial Instruments or provides Investment Services to clients.

**EEA** means the European Economic Area.

**Eligible Counterparty Client** means a client that we have classified as an Eligible Counterparty Client in accordance with the rules of the FCA.

**FCA** means the Financial Conduct Authority or any successor regulator.

**Financial Instruments** means, without limitation, financial and commodity derivatives, structured investment products, and transferable debt securities and any other financial instruments which we may provide from time to time, including all foreign exchange derivative contracts and for purposes of these terms foreign exchange spot contracts.

**Institutional Client** means a client that we have classified as an Institutional Client in accordance with the Swiss Financial Services Act 2020.

**Investment Advice** means the provision of personal recommendations to a client, either upon its request or at the initiative of the Investment Firm, in respect of one or more Transactions relating to our Financial Instruments.

**Investment Firm** means any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis.

**LEI Code** means a legal entity identifier code as required by Applicable Regulations.

**Loss** means any loss, damage, cost, charge, expense, claim, counter-claim, action, suit, judgment or other liability which a person may incur or which may be made against such person.

**LBCM Person** means Lloyds Bank Corporate Markets plc and any of its Associates and its or their directors, contractors, officers, employees, associates and agents.

**Market** means a Regulated Market, a Multilateral Trading Facility and an Organised Trading Facility each as defined in the rules of the FCA.

**PRA** means the Prudential Regulation Authority or any successor regulator.

**Professional Client** means a client classified by us as a professional client in accordance with the rules of the FCA or, if applicable, the Swiss Financial Services Act 2020.

**Product Agreements** means standardised market-facing agreements that you will be

required to enter into if you wish to transact certain Financial Instruments.

**Product Terms** means terms and conditions that are specific to our Financial Instruments.

**Retail Client** means a client that is not an Eligible Counterparty Client, Institutional Client or Professional Client.

**Short Sale** means a Transaction where clients borrow securities in anticipation of a price decline and are required to return an equal number of securities at some point in the future.

**Transaction** means any transaction you enter into with us for the provision of Financial Instruments.