

Specific Terms of Business for Citibank International plc

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# Investment and Insurance Services

Effective from 20 December 2009

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## Specific Terms of Business for Citibank International plc

### Investment and Insurance Services

**Definitions** Unless otherwise indicated in these Terms of Business, the words

**“Account”** means your Citibank current account or your Citibank savings account;

**“Business Day”** means a day (other than Saturday or Sunday) on which bank premises are open for general business in London;

**“Citibank”, “we”, “us”** refers to Citibank International plc, its UK Retail Citibank division and anyone who succeeds Citibank or to whom Citibank assigns its rights;

**“Citigroup Organisation”** means any company in the same group as Citibank International plc;

**“Conflicts of Interest Policy”** means the document provided to You at the time you completed your Account application which sets out the policy followed by Citibank in order to identify and manage actual or potential conflicts which arise in the course of Citibank providing services to You;

**“FSA”** means the Financial Services Authority, of 25 The North Colonnade, London E14 5HS, its agents or any successor body;

**“FSA Rules”** means the FSA Handbook of Rules and Guidelines as amended from time to time;

**“Insurance Product”** means insurance policies of all types which include, but are not limited to, pure protection products such as term assurance and critical illness cover;

**“Investment Consultant”** means an employee of Citibank registered and authorised to provide advice;

**“Investment Product”** means investments of all types which include, but are not limited to Investment ISAs, securities, third party structured notes, mutual funds and derivatives;

**“ISA”** means “Individual Savings Account”;

**“Investment Product Terms and Conditions”** means the terms and conditions which relate to specific Investment Products which You may invest in further to advice given by Citibank under these Terms of Business (unless indicated otherwise). Some of the Investment Product Terms and Conditions are physically attached to this document in Schedule 2, others may be contained in a separate document - see Schedule 2 for details;

**“Key Facts Document”** means the initial disclosure document which contains key information about our services including our fees, commission and charges in relation to certain products and services;

**“Product”** means a Product which is an Investment Product or an Insurance Product;

**“Terms of Business”** means these Terms of Business for Citibank Investment and Insurance Services, as may be amended from time to time;

**“You/Your”** means or refers to the holder of the Account; and

**“Wealth Planner”** means the paper or electronic form or recorded conversation with an Investment Consultant that You have most recently completed or updated for Citibank detailing Your profile including Your financial circumstances and investment objectives.

## Prominent warnings

We are required under the FSA Rules to give You prominent warnings of certain matters. Your attention is drawn to the following:

Please note there are a number of risk warnings contained in product documents that You should read carefully if You are considering a particular product:

- Citibank, and any sub-custodian, may pool Your investments with those of other clients. As a result, Your individual client entitlements may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record, and, therefore, in the event of an irreconcilable shortfall after the insolvency of Citibank 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 in proportion to their assets to each client whose assets are so pooled.
- Nothing in these conditions will reduce Your statutory rights relating to negligent or misdescribed products or services relating to the products and services provided by Citibank. For further information about your statutory rights contact your local Citizens Advice Bureau or go to the FSA's Money Made Clear website <http://www.moneymadeclear.fsa.gov.uk/>.

## Part 1: Relationship between Citibank and You and General Provisions

### 1. Introduction:

These Terms of Business take effect when You buy an Insurance Product or Investment Product from Citibank and/or when You receive any advice in relation to an Insurance Product or an Investment Product.

These are our standard client terms and conditions on which we intend to rely. For Your own benefit and protection You should read these terms carefully. If You do not understand any point, please ask for further information.

Citibank is authorised and regulated in the UK by the FSA Reference number: 122342. Registered office in the UK is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

Citibank's permitted business includes advising on and arranging deals in collective investment schemes/advising and arranging investment business and advising and arranging insurance business including "pure protection contracts". ("Pure protection contracts" include term assurance (life insurance), critical illness insurance and income protection insurance.)

Citibank will treat You as a retail client for the purposes of the FSA Rules. You should be aware that being treated as a retail client will not necessarily mean that You will have rights under the Financial Services Compensation Scheme.

#### 1.1. Amending these Terms of Business:

- 1.1.1. Citibank may change, vary, amend or supplement these Terms of Business by giving You at least thirty (30) days' written notice of the changes. Citibank may change any fees or charges payable by You and will inform You of any such changes in writing at least thirty (30) days

prior to the change. Citibank will inform You of the change for any other service or product before Citibank provides You with that changed service or product and at any time You shall request. You may at any time, subject to You settling all outstanding liabilities under the Terms of Business, terminate these Terms of Business in accordance with clause 1.5 "Terminating these Terms of Business". Citibank may make changes to take account of any of the following factors:

- 1.1.1.1. where We consider it will make these conditions easier to understand or clearer to You;
- 1.1.1.2. to reflect market conditions and general banking practices;
- 1.1.1.3. to reflect any changes in the cost of providing Our services to You;
- 1.1.1.4. to reflect changes to the way in which we look after Our products;
- 1.1.1.5. to take account of a decision by a court, ombudsman, regulator or similar body;
- 1.1.1.6. to take account of changes to the law, codes of practice or the way in which we are regulated; or
- 1.1.1.7. to reflect changes in technology.

## 1.2. Notices and Communications:

- 1.2.1. All communications between Citibank and You will be in the English language. Citibank may, from time to time and only at Your request, communicate with You in another language, but You acknowledge that Citibank is not required to do this. Any communications from Citibank to You in English will be binding on You even if Citibank has communicated with You in another language previously. Unless Citibank agrees to the contrary in relation to a specific communication all communications from You to Citibank must be in English.
- 1.2.2. You can send notices and communications to us at the following address: Citibank International plc, PO BOX 49930, London SE5 7XT.

## 1.3. Market Information:

- 1.3.1. When market information, advice or recommendations is provided, Citibank:
  - 1.3.1.1. gives no representation, warranty or guarantee as to their accuracy or completeness or as to the tax consequences of any transaction (although in relation to certain Investment Products Citibank may be required by the FSA Rules to provide an indication of what the tax consequences of investing in such an Investment Product might be);
  - 1.3.1.2. has no obligation to bring insurance or investment opportunities to Your attention or to update the information or advice provided;
  - 1.3.1.3. will not provide any tax advice, and shall not at any time be deemed to be under any duty to provide tax advice;

- 1.3.1.4. may from time to time send published research reports and recommendations, advertisements and other publications to You, and where any such document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, You agree that You will not pass it on to any such person or category of persons;
- 1.3.1.5. may have acted upon reports or other documentation provided to You, or made use of the information on which it is based, prior to sending such documentation to You;
- 1.3.1.6. makes no representations as to the time of receipt by You of research reports or recommendations, cannot guarantee that You will receive such research reports or recommendations at the same time as other clients of Citibank, and any such published research reports or recommendations may appear in one or more screen information services;
- 1.3.2. Unless Citibank specifically agree otherwise in writing with You, You hereby acknowledge:
  - 1.3.2.1. that the information provided to other clients of Citibank may be different from advice given to You due to individual analysis of fundamental and technical factors by different personnel; and
  - 1.3.2.2. that such information may not be consistent with Citibank's proprietary investments, or those of other Citigroup Organisations, or directors, employees or agents of Citibank or other Citigroup Organisations.

#### **1.4. Distance Contracts:**

Where Citibank enters into these Terms of Business with You at a distance (i.e. where Citibank has no face-to-face contact with You) You should refer to Schedule 1 of these Terms of Business which contains important information about Citibank and Your individual rights, including cancellation rights.

#### **1.5. Terminating these Terms of Business:**

- 1.5.1. You may terminate these Terms of Business after Citibank receives Your written request, allowing a reasonable time for Citibank to take any steps necessary to implement this.
- 1.5.2. On the termination of these Terms of Business Citibank will, at Your cost and expense and subject to, in relation to Investment Products, the Investment Product Terms and Conditions, either transfer the Investment Product to You or a third party or transfer the proceeds to Your account. You or Your trustees or assignees will continue to hold any pure protection policies such as critical illness or term assurance subject to the relevant product terms and conditions.
- 1.5.3. Citibank may terminate these Terms of Business at any time by 30 days prior written notice to You, Citibank may do so as a result of any of the following factors:

- 1.5.3.1. to take account of a decision by a court, ombudsman, regulator or similar body or changes to the law, codes of practice or the way in which we are regulated; or
  - 1.5.3.2. you are in repeated or serious breach of these Terms of Business; or
  - 1.5.3.3. we reasonably suspect that you have given false information; or
  - 1.5.3.4. we reasonably suspect that you are using the services provided under these Terms of Business for an illegal purpose;
  - 1.5.3.5. you behave in an abusive or threatening manner towards our staff; or
  - 1.5.3.6. we reasonably believe you have moved from the United Kingdom; or
  - 1.5.3.7. we reasonably determine you were not entitled to open your Investment Product or Insurance Product.
- 1.5.4. You shall be responsible for paying all fees, charges, early withdrawal fees, and other obligations that remain unpaid at the time the Terms of Business are cancelled. If Citibank has processed any transaction that is likely to extend beyond the date of termination, Citibank may at its discretion close out or complete such transaction and shall be entitled to retain sufficient funds or assets for this purpose.
- 1.5.5. You shall be responsible for any losses necessarily realised in settling or concluding outstanding obligations.
- 1.5.6. Termination of these Terms of Business shall not affect the completion of any transaction already initiated before termination, or the repayment of any debt already incurred by You to Citibank or another lender.

**1.6. General:**

- 1.6.1. You agree that no delay in enforcing Citibank's rights under these Terms of Business will be construed as a waiver of its rights. Only a written waiver signed by Citibank will be valid.
- 1.6.2. In addition, if any part of these Terms of Business is found to be unenforceable by a court, the rest of the Terms of Business will stand and be read as if that part were not included.
- 1.6.3. Intervening events/events beyond our control
- Citibank shall not be liable for any act or omission, or failure or delay in executing an instruction, caused by circumstances beyond Citibank's reasonable control, including but not limited to: acts of God, fires, strikes, terrorism, power failures, intervention by exchanges or regulators, court orders, or any failure or error of any equipment, computer system, telecommunications, intermediary, agent, exchange, counterparty, or any other person.

## 1.7. Your Information and How We Use it:

- 1.7.1. So that we can provide products and services designed specially for you, we will collect and review all the information which:
  - 1.7.1.1. you give to us and to other companies within the Citigroup Organisation; or
  - 1.7.1.2. which we and other companies within the Citigroup Organisation obtain about you personally in connection with these Terms of Business and any accounts or products and services you take from us and which we obtain from third parties such as credit reference agencies, fraud prevention agencies and Group companies. The information we obtain from credit reference agencies will include credit information, such as the conduct of your accounts, previous applications in your name and anyone you are financially linked to and public information such as County Court judgments and Electoral Register information;
  - 1.7.1.3. This is your information and we will process and use the information as set out in this condition 1.7.
- 1.7.2. This information helps us develop and maintain an up-to-date picture of you as an individual. Unless you have asked us not to, you agree that we can use this information to keep you informed about other products, services and special offers (including those supplied by third parties) which we or they think might interest you. Unless you have asked us not to, we may also pass information about you to other companies within the Citigroup Organisation and selected third parties so that they may contact you with information about their products and services. You may be contacted with product information etc. using a range of methods, including post and electronic communications, such as the telephone, SMS and email. Please tell us if you prefer not to receive information about other products or services from us or if you do not want other companies within the Citigroup Organisation or third parties to be given your information for these purposes by writing to us at the address specified in condition 1.7.13.
- 1.7.3. The information we collect (using a range of methods including cookies and similar tracking devices) will include information about how you manage and use your accounts and your transactions.
- 1.7.4. If you operate your Account or other products with us by internet, we also use cookies (small pieces of information which we send to your computer) and web logs (information about how you use our website) to improve the security of our service and obtain information. For more details about cookies and web logs, see the privacy pages on our website.

- 1.7.5. We will hold and process your information and disclose it to other companies within the Citigroup Organisation. We and other companies within the Citigroup Organisation will use your information:
  - 1.7.5.1. for considering any application you may make to us or them;
  - 1.7.5.2. to verify your identity ;
  - 1.7.5.3. in the management and operation of your accounts and other products with us or them and the services we provide to you under these Terms of Business;
  - 1.7.5.4. for crime and fraud prevention; and
  - 1.7.5.5. for assessment and statistical analysis for our or their business.
- 1.7.6. We and other companies within the Citigroup Organisation may disclose your Information (including former and subsequent names and genders) to credit reference and fraud prevention agencies or registers. We will make searches of your details with credit reference agencies and fraud prevention agencies when we consider your application and during your relationship with us. Credit reference searches will be recorded on your file with the agency even if your application does not proceed. If a number of searches have been made in a short period of time, this may adversely affect other credit applications you make.
- 1.7.7. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies and other organisations involved in crime and fraud prevention. Law enforcement agencies may also access and use this information.
- 1.7.8. We will also give details of how you manage your Account to credit reference agencies. This information will be retained for 6 years after the Account is closed and settled by you, or from the date a default is registered. The information that is given by us and others to fraud prevention and credit reference agencies will be recorded by them and shared with other organisations. A "financial association" between joint applicants and/or any individual identified as your financial partner will be created at credit reference agencies, which will link your financial records. You and anyone else with whom you have a financial link understand that each other's information will be taken into account in all future applications by either or both of you. This linking will continue until you or they tells the credit reference agency that you are no longer financially linked and the agency accepts this.
- 1.7.9. We and other organisations access and use information about you, and anyone linked to you, recorded with credit reference agencies to prevent fraud and money laundering, for credit assessment and account management, tracing and debt recovery, identity verification and statistical analysis and systems testing.
- 1.7.10. We and other organisations access and use the information recorded with fraud prevention agencies to prevent fraud and money laundering. The fraud prevention agencies' records can also be accessed and used by organisations in other countries.

- 1.7.11. We will also disclose your information:
- 1.7.11.1. to our insurers, sub-contractors and persons acting as our agents who have agreed to keep your information strictly confidential;
  - 1.7.11.2. to service providers which provide services to us, to the extent that they need your Information to provide additional benefits or services to you;
  - 1.7.11.3. to any bank, financial institution or company to whom we may assign or transfer our rights and/or duties under these Terms of Business;
  - 1.7.11.4. if we are required or permitted to do so by law.
- 1.7.12. We may transfer your information to a company within the Citigroup Organisation or sub-contractor or person acting as our agent in another country so long as they agree that your information will receive the same levels of protection as we are required to give it in the UK. You consent to having your information (including former and subsequent names and genders) transferred by us or others processing on our behalf, or their agents, to regulators, authorities and law enforcement agencies in other countries (including countries outside the European Economic Area having less stringent data protection requirements than those within it) if the disclosure is required by the laws or regulatory rules of those countries.
- 1.7.13. Under the Data Protection Act you are entitled to a copy of your personal data held by us on payment of a fee, currently £10. You should direct any questions or requests about the use of your personal data to the Customer Service Team, Citibank International plc, PO Box 49930, London SE5 7XT.
- 1.7.14. You have the right of access to your personal records held by credit and fraud agencies. Please contact the Client Service Team at the address specified in condition 1.7.13 or telephone us on **0800 00 55 00** if you would like details of the agencies we use. We may monitor or record telephone calls with you to help improve the quality of our service, to resolve complaints and to ensure we have a record of your instructions.

## **1.8. Compensation:**

- 1.8.1. The UK Financial Services Compensation Scheme (the "Scheme") provides compensation in certain instances where Citibank is unable, or likely to be unable, to satisfy protected claims against it. In such circumstances, the Scheme may provide compensation for claims relating to various services provided by Citibank such as investment business. However, the Scheme is governed by specific rules on compensation which determine your eligibility, the circumstances in which compensation will be available to you, and the limits on compensation payable to you. Any recovery under the Scheme is therefore subject to your specific circumstances, the nature of your claim and the specific rules of the Scheme.

- 1.8.2. Claims under the Scheme in relation to investment business are subject to maximum limits on compensation, as published from time to time on the FSCS website. It is not possible to claim an amount in excess of the published limit even where the financial loss suffered or the amount of investment is higher. The current limit for investment business as at July 2009 is set at £48,000 per client per authorised firm (100% of the first £30,000 and 90% of the next £20,000). As of 1 January 2010 the limit for investment business will increase to 100% of £50,000. Up-to-date information on the limits applicable under the Scheme are available at: <http://www.fscs.org.uk>.
- 1.8.3. The Scheme also covers certain instances where Citibank advises on or arranges certain Insurance Products and is subsequently unable, or likely to be unable, to satisfy claims in connection with such activities. The amount of cover available under the Scheme depends on the precise terms of the product and your personal circumstances and is subject, in most cases, to maximum limits. The current limit for insurance mediation activities (with certain exceptions) is 100% of the first £2,000 and 90% of the remainder of the claim. As of 1 January 2010 the limit for insurance mediation will change to 90% of the claim with no upper limit.
- 1.8.4. Where Citibank is responsible solely for arranging for you to enter into an Insurance Product with another provider (the insurer), you should be aware that the Scheme will only cover a situation where Citibank cannot meet its obligations and not where the third party insurer is unable to do so, unless that third party provider is separately covered by the Scheme.
- 1.8.5. We will provide further information on the conditions governing compensation and the formalities which must be completed to obtain compensation upon request. More detailed information on the Scheme is also available from the Scheme's website: <http://www.fscs.org.uk> or you can contact the Scheme at 7th Floor, Lloyds Chambers, Portsooken Street, London E1 8BN (Tel: 020 7892 7300; E-mail: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)).

#### **1.9. Complaints:**

If You are unhappy with any aspects of the services provided under these Terms of Business, we have procedures in place to deal with your concerns effectively. You should bring your complaint to our attention by contacting us. Citibank will aim to deal with any complaints promptly and fairly. A copy of our complaints procedure is available on request. If You remain unhappy after You have given us the chance to put things right You can contact the Financial Ombudsman service. Please note that investors in non-UK domiciled funds do not have the right to make complaints to the Financial Ombudsman Scheme.

#### **1.10. Liability of Citigroup:**

Investment or Insurance Products purchased for or held by You are not guaranteed by, nor are they obligations of any Citigroup Organisation, unless specifically stated in product documentation. If an Investment Product, for example a structured note, is guaranteed by any Citigroup Organisation, this guarantee will not be protected under the United Kingdom Financial Services Compensation Scheme.

### **1.11. Expenses and Benefits:**

- 1.11.1. You agree to pay all of the fees, charges, stamp duties, value added and other taxes, legal and valuation fees, and other costs and expenses (“Expenses”) associated with these Terms of Business and any Account and service Citibank provides for You. The Key Facts Document contains information about the fees, charges, commissions and minimum balance requirements of Citibank.
- 1.11.2. You agree that Citibank may receive remuneration from, or share charges with, other Citigroup Organisations or third parties in connection with transactions carried out on behalf of You. Details of such remuneration or sharing arrangements will be made available to You on request.
- 1.11.3. Fees, commissions and other non-monetary benefits
  - 1.11.3.1. Citibank may from time to time give or receive fees, commission or non-monetary benefits in relation to the investment and insurance services Citibank provides You. Non-monetary benefits may be comprised of any or all of the following: off site hospitality, conferences, seminars and training, client appreciation events, non-investment related events, tickets to events, gifts and contributions to internal costs. Citibank will ascertain the value of such fees, commission or non-monetary benefits (from the third party concerned, where necessary);
  - 1.11.3.2. if You would like further information about these fees, commission or non-monetary benefits, please contact Your Investment Consultant.

### **1.12. Conflicts of interest:**

- 1.12.1. In the course of Citibank providing services to You under these Terms of Business, certain actual or potential conflicts of interest may arise. As required by the FSA Rules, Citibank has established a Conflicts of Interest Policy which sets out the policy followed by Citibank in order to identify and manage such conflicts.
- 1.12.2. A summary of the Citibank Conflicts of Interest Policy was provided to You at the time You completed the Account Application. A copy of this summary, together with any further detail regarding our Conflicts of Interest Policy, is available on request from Your Investment Consultant or on written request to the address specified in clause 1.2.2.
- 1.12.3. Save as required by the FSA Rules, we shall not be obliged to disclose to You, or to take into consideration, any fact, matter or finding which might involve a breach of duty or confidence to any other person, or which comes to the notice of any of our directors, officers, employees or agents but does not come to the actual notice of the individual or individuals dealing with You.
- 1.12.4. We may also decline to act where we believe there is no other practicable way of ensuring that You and our other clients are treated fairly.

**1.13. Governing Law:**

- 1.13.1. These Terms of Business shall be governed by the laws of England and Wales. Any dispute which arises in relation to this agreement shall be dealt with by the courts of England and Wales or any other court in the United Kingdom which is able to hear the case.

## Part 2: Investment Services

### 2.1. General:

- 2.1.1. This Part 2 sets out the basis on which Citibank will provide the services of advising regarding Your investments, dealing in and arranging deals in investments and custody of assets. These terms and conditions apply to all Investment Products unless otherwise stated and to Citibank's custodial services where it agrees to hold Investment Products bought for You in safe custody. Unless otherwise stated in the Investment Product Terms and Conditions or advised by Your Investment Consultant all Investment Products bought for You by Citibank pursuant to these Terms of Business will be subject to Citibank's Custodial Services as detailed in the 'Custodial Services' clause 2.16.

### 2.2. Investment objectives:

- 2.2.1. Before providing You with advice on Our services, Citibank will require You to complete a Wealth Planner, in which, amongst other things, You communicate to Citibank Your investment objectives, Your knowledge and experience of investments and appetite for or tolerance of risk.
- 2.2.2. If Your investment objectives change at any time, You agree to inform Citibank of this without delay.
- 2.2.3. Unless otherwise agreed, and specified in the Wealth Planner there are no restrictions on the types of investment in which You wish to invest, or on the markets on which transactions by or for You are to be executed.

### 2.3. Types of investment services:

- 2.3.1. Citibank offers two types of investment service:
  - 2.3.1.1. Advisory services; and
  - 2.3.1.2. Non-advisory services.
- 2.3.2. Unless Citibank is entirely satisfied with the manner in which Your Wealth Planner has been completed Citibank may refuse to provide the investment services You request until this has been corrected or completed to Citibank's satisfaction.

### 2.4. Information about products and our investment services:

- 2.4.1. Schedule 2 contains certain Product Specific Terms and Conditions in relation to Collective Investment Schemes, ISAs and Structured Notes. For details on the risks associated with other products offered by Citibank, please see the documentation provided on Your application for those Investment Products.

### 2.5. Your obligation to provide information:

- 2.5.1. In order for Citibank to be able to provide investment services to You, Citibank may require You to provide information relating to yourself, Your personal circumstances and Your knowledge and experience of Investment Products in order for Citibank to comply with our obligations under applicable law and regulation (such as, for example, our obligations in certain circumstances to assess whether a product or service is appropriate for You).

2.5.2. If You fail to provide Citibank with such information as we reasonably require from You, or if Citibank reasonably believes that the information You have provided is out of date, inaccurate or incomplete, Citibank will not be required to provide You with investment services under these Terms of Business.

2.5.3. In providing our services to You:

2.5.3.1. it will be Your responsibility to update the information which You provide to us; and

2.5.3.2. except where we have been negligent, we shall have no responsibility to You if any information we hold about You is or becomes inaccurate or incomplete, and this has an adverse affect on the quality of the service provided by Citibank.

#### **2.6. Advisory services:**

2.6.1. Citibank may provide investment advice, when You request it, in relation to a number of investment products. You can obtain details of the investment products which Citibank provides advisory services for from Your Investment Consultant.

2.6.2. Citibank may from time to time at its discretion, provide information, advice and recommendations to You of its own initiative, but Citibank will not be under any obligation to provide on-going advice in relation to Your investments. Citibank will be under no obligation to bring investment opportunities to Your attention or to update the information or advice provided unless Citibank has agreed in writing to maintain Your portfolio under continuous review and provide specific recommendations from time to time.

2.6.3. Unless Citibank specifically agrees otherwise in writing with You, You hereby acknowledge such advice is provided solely to enable You to make Your own investment decisions. You will be solely responsible for any investment decisions You make based on information, or guidance provided by Citibank; and

#### **2.7. Non-advisory services:**

2.7.1. Citibank's non-advisory investment services include buying and selling investments for Your Account, solely in response to Your instructions but subject always to any restrictions imposed by these Terms of Business. On receipt of Your instructions Citibank will arrange for the purchase or sale of investments using any market, exchange or facility Citibank considers appropriate, unless You instruct Citibank otherwise.

2.7.2. Citibank will not advise You about the merits of a particular transaction if Citibank reasonably believes that, at the time of Your order, You are not expecting such advice and are dealing on a Non-advised basis.

#### **2.8. Dealing; selection of brokers, agents and other counterparties:**

Where an order is executed by Citibank on Your behalf, such order may, at the discretion of Citibank and without notification to You, subject to any applicable regulations, be executed by Citibank on Your behalf.

## 2.8.1. Where Citibank acts for You:

- 2.8.1.1. Delivery or payment (as the case may be) by the other party to the transaction shall be entirely at Your risk and Citibank's obligations to deliver investments to You or to Your account or to any other person on Your behalf for the proceeds of sale of investments shall be conditional upon receipt by Citibank of deliverable documents or sale proceeds (as the case may be) from the other party or parties to the transaction.
- 2.8.1.2. Any cash received by Citibank in respect of a transaction shall be a debt owed by Citibank to You until paid by Citibank to You or otherwise discharged.
- 2.8.1.3. If You have not furnished Citibank with the relevant funds in relation to a transaction, Citibank may settle Your obligations under that transaction. In those circumstances You shall pay Citibank as soon as possible.
- 2.8.1.4. Subject to the FSA Rules, You authorise Citibank to deal for Your account through brokers, dealers, agents, exchanges and other counterparties in accordance with Citibank's normal practice. Whilst Citibank will exercise reasonable care in the selection of its counterparties, agents, sub-custodians, depositories and clearing systems (any of which may be a member of the Citigroup Organisation), You accept that, except for any nominee controlled by Citibank or by another Citigroup Organisation, any transaction or property placed with any such delegate of Citibank will be at Your sole risk and Citibank shall not be liable for Your acts or omissions or for any loss or damage suffered by You except in the event of our fraud, negligence, wilful default or breach of the FSA Rules.
- 2.8.1.5. You agree that Citibank may place all or any part of Your Investment Product with any clearance system and/or in a nominee name.
- 2.8.1.6. Citibank may combine Your order with Citibank's own orders and orders of other clients where it is likely that the aggregation will not work to the disadvantage of each of the clients concerned. Please note that the effect of aggregation may work on some occasions to Your disadvantage.

## 2.9. Account Statements:

- 2.9.1. Statements of the contents and valuation of Your portfolio will be sent to You at least twice a year, and, where applicable, at mutually agreed intervals. Statements will include statements of income or other benefits received for Your account and details of the transactions that have taken place during the relevant period. You should review these statements once you receive them and inform us of any inaccuracies as soon as possible.
- 2.9.2. You may request that a one-off valuation be sent to You (although statements will always be provided at least bi-annually), but this may attract a fee at Citibank's discretion. Valuations will be based on the market value of the securities in question, or, where such market value is not readily ascertainable, on Citibank's good faith

estimate of their market value, and this estimate may be based on an historical value or otherwise.

- 2.9.3. Where Your valuation contains an assessment of the performance of Your portfolio for a given period, the performance measurement will be the percentage change from the opening value to the closing value adjusted for the deposit or withdrawal of funds during that period.
- 2.9.4. If an investment is shown at a particular value on Your statement, this does not necessarily mean that the same amount can be realised if You decide to liquidate that investment. A statement may include investments valued at zero because a fair market price is not available. This may be because of a suspension of the listing of the assets, default by the issuer or other reasons.

#### **2.10. Taxes:**

- 2.10.1. Interest, dividends, and other income and capital gains from investments may be subject to taxes, including withholding taxes. You agree that Citibank may withhold the amount of these taxes from payments to You or for Your accounts, if Citibank is permitted to do so under applicable law. If Your available assets with Citibank do not cover the tax liability, You agree to provide Citibank on demand with any additional funds required.
- 2.10.2. You are solely responsible for paying taxes or withholding taxes related to Your accounts or arising from the purchase or sale of Your property or other investments. In addition, You are responsible for any stamp or excise taxes or estate taxes associated with Your accounts. If Citibank pays any of these taxes for You, You agree that Citibank may deduct the amount paid directly from the accounts. Citibank has no obligation to reclaim for You any excess taxes withheld.

#### **2.11. Non-public information:**

- 2.11.1. Citibank is prohibited in certain circumstances (for example where it is subject to confidentiality obligations) from using investment information that is known to a Citigroup Organisation but not generally available to the public. You agree that, in those circumstances Citibank is not responsible for any losses to Your account that result from Citibank withholding this information.

#### **2.12. Investment information:**

- 2.12.1. You agree that Citibank may provide You, from time to time, with general or specific information by sending letters or circulars or by contacting You at any address or telephone number provided by You, in respect of any of the types of investment listed below provided such information would be consistent with information you have provided in Your Wealth Planner:
  - 2.12.1.1. cash accounts or time deposits;
  - 2.12.1.2. shares or other forms of equity in companies, and debt instruments issued by governments, state agencies, companies, utilities and other issuers including issues or offers for sale that are underwritten, managed or arranged by a Citigroup Organisation;

- 2.12.1.3. foreign exchange contracts for spot or future settlement or other currency Investments;
- 2.12.1.4. commodities;
- 2.12.1.5. options; warrants; depository receipts; futures contracts, or other types of instrument relating to the above types of investment or to stock indexes, interest rates or other investments or changes in their value or relative value; and
- 2.12.1.6. unit trusts, mutual funds or collective investment schemes including those, which may be operated, managed or advised by a Citigroup Organisation.

### 2.13. Investment instructions:

#### 2.13.1. You agree that:

- 2.13.1.1. each order You place is based on Your own initiative and financial judgement even if You base those orders on information or advice provided by Citibank;
- 2.13.1.2. except where there has been negligence or fraud on the part of Citibank, You accept full responsibility for all risks and losses associated with the orders placed, even if You base those orders on information or advice provided by Citibank;
- 2.13.1.3. purchase or sale instructions for Investment Products are subject to all applicable market rules and regulations; and
- 2.13.1.4. Citibank will not execute orders to buy Investment Products unless You hold, or You have arranged for Citibank to hold, the necessary funds in Your account.

#### 2.13.2. However:

- 2.13.2.1. if the Investment Products You wish to sell are not held by Citibank for You or the investments have not been received by Citibank or its agents, Citibank may refuse to execute a sale;
- 2.13.2.2. if any Investment Product Citibank sells for You is defective or is not delivered in time for reasons beyond Citibank's control, Citibank may repurchase it at Your expense;
- 2.13.2.3. if a transaction would result in a fractional share, Citibank may adjust the size of the transaction to bring the holding to the nearest whole number of shares.

#### 2.13.3. You can send written instructions to us at the following address: Citibank International plc, Investment Operations, Mail drop CGC 19-63, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or you can call CitiPhone at 0800 005500 and request a call back from an investment consultant who will provide You with an email address or fax number where the written instructions can be sent.

- 2.13.4. Alternatively, you can either scan and email or fax the written instructions to Your Investment Consultant. Please note that if instructions for a subscription are emailed or faxed, this must be an email or fax of a fully completed application form.
- 2.13.5. You authorise Citibank to accept any instruction by mail, email or fax without further authentication or confirmation. Any instructions we receive from You will be at Your risk, and You agree that Citibank shall not be responsible for, and that You will compensate Citibank for, any losses, including legal fees, which result from Citibank acting or refusing to act on instructions received in this way.
- 2.13.6. You understand that any communication via e-mail is unprotected and that there are risks associated with its use, including the possible interception of the data by unauthorised third parties.
- 2.13.7. Your instructions must be clear and accurate. If they are not, we will not be liable if Your instructions are rejected or performed incorrectly except as set out in these Terms of Business.
- 2.13.8. Before we act on an instruction, we may carry out checks designed to ensure that we believe the instruction has come from You and is clear. We will treat an instruction as being made by You if we reasonably believe the signature to be Yours (where applicable) or if we are satisfied that You are who You say You are (for example by verifying security details that we use to identify You or by providing additional identification documents).
- 2.13.9. We may refuse to act on Your instructions if we reasonably suspect fraudulent or other criminal activity; or we reasonably believe that by carrying out the instruction we might break a law, regulation, code or other duty that applies to us; or if we do not reasonably believe the signature to be Yours (where applicable) or we are not satisfied that You are who You say You are (following an appropriate validation process).

#### **2.14. Confirmations:**

- 2.14.1. In relation to any lump sum transaction executed on Your behalf by Citibank or executed on Your behalf by Citibank via a third party, Citibank will send an initial deal confirmation followed by half yearly statements.
- 2.14.2. In relation to any regular savings plan transaction executed on Your behalf by Citibank or executed on Your behalf by Citibank via a third party, Citibank will send half yearly statements detailing Your transactions.
- 2.14.3. You should review the trade confirmations that Citibank sends You and to notify Citibank promptly of any discrepancies.
- 2.14.4. You are not required to acknowledge or confirm the contract note but if You disagree with the transaction described in the contract note, please contact us as soon as possible.

#### **2.15. Client Money:**

The FSA Rules govern how Citibank receives from or holds for, or on behalf of, a client in the course of or in connection with Citibank's business. Schedule 3 contains the provisions which govern how Citibank receives and holds client money.

## 2.16. Custodial services:

You by receiving any advice in relation to an Insurance Product or Investment Product and/or buying an Insurance Product or Investment Product from Citibank hereby appoint Citibank with effect from the date on which the Terms of Business come into effect to act as Your custodian and authorise Citibank to establish on its books or any sub-custodian's books as Citibank may decide:

- 2.16.1. a custody account or accounts (the "Custody Account") for the deposit of Investment Products (other than cash and insurance) from time to time received by Citibank for Your account, the Custody Account to be designated to show such Investment Products belonging to You are segregated from Citibank's or its appointed sub-custodian's assets, and;
- 2.16.2. a cash account or accounts (the "Your Cash Account") designated in Your name for the deposit of cash arising out of or in connection with any Investment Product and Asset in the Custody Account.

You agree that the custodial services as set out in this Clause shall be performed by Citibank or any agent or sub-custodian as Citibank may decide. You agree that Citibank may register or record legal title to any Investment Product in the name of its nominee company or a nominee company controlled by Citibank's sub-custodian or agent. In such circumstances "beneficial title" to the Investment Product will remain with you: this means that the nominee would be treated as the holder of the investment by the product provider but the nominee will pass benefits on to you. You shall take any such action which may be necessary and execute such documents and provide such materials and information as may be reasonably requested by Citibank to enable Citibank or such agent or sub-custodian that it might appoint to perform its duties and obligations under this Clause, including participation in any relevant clearance system and will notify Citibank as soon as you become aware of any inaccuracy in such material or information.

2.16.2. You authorise Citibank to:

- 2.16.2.1. pool Your Investment Products with those belonging to other clients;
- 2.16.2.2. open and operate foreign currency accounts for You;
- 2.16.2.3. safe-keep Your Investment Products either in Citibank's own or its sub-custodian's custody in the United Kingdom or, subject to the FSA Rules, in any other country, subject to the laws, regulations and customs of the place where they are kept and also, where relevant, to the FSA Rules;
- 2.16.2.4. use any person selected by Citibank as a sub-custodian to carry out the custodial services, including other Citigroup Organisations and third parties;
- 2.16.2.5. register or record Investment Products in the name of any nominee controlled by any Citigroup Organisation or non-Citigroup Organisation in the UK or in any other country, or in the name of an appropriate subcustodian or Citibank where custody assets are subject to the law or market practice of a country other than the United Kingdom, and Citibank has taken reasonable steps to determine that it is in Your best interests to do so, or that it is not feasible to do otherwise, because of the nature of the applicable law or market practice.

You are hereby notified that if Investment Products are registered or recorded in the name of Citibank, such Investment Products may not be segregated from Citibank's Investment Products and in the event of the insolvency of Citibank, Your Investment Products may not be as well protected from claims made on behalf of the general creditors of Citibank.

2.16.3. Notwithstanding any other terms of these Terms of Business, Citibank shall be responsible for the acts or omissions of any nominee controlled by Citibank or by a Citigroup Organisation to the same extent as Citibank is liable for its own acts and omissions, and Citibank shall be liable to You for losses arising directly from the fraud, negligence or wilful default of Citibank (but not for any loss of profit or opportunity, or any costs that are indirectly caused by the event that led to any claim by You, or damage to Your reputation).

2.16.4. Under the above arrangements, Citibank has rights against the issuer of the Investment Products (or, where holding through a subcustodian, the relevant subcustodian) in respect of all Investment Products held in Your account, and holds such rights for Your benefit.

2.16.5. Citibank, and any sub-custodian, may pool Your investments. By pooling Your investments with those of other clients, Your individual client entitlements may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record, and, therefore, in the event of an irreconcilable shortfall after the insolvency of Citibank or any appointed sub-custodian, You may share in that shortfall in proportion to Your original share of the assets in the pool.

Any entitlements or other benefits arising in respect of pooled assets will be allocated in proportion to their assets to each client whose assets are so pooled. The consequences of such pooling are at Your own risk.

2.16.6. Where Your Investment Products are held outside the UK, different settlement, legal and regulatory requirements, and different practices relating to the segregation and separate identification of those Investment Products, may apply.

2.16.7. Written statements of Your Investment Products in Citibank's custody will be sent to You at least twice a year as part of the account statements detailed in Clause 2.9. The value shown on the statements of the Investment Products will be based on prices obtained by Citibank from valuation systems and other pricing services, which Citibank considers appropriate.

2.16.8. Where the legal ownership of an Investment Product is demonstrated by a physical document such as a share certificate, Citibank will arrange for the holding of such a document in a manner which is appropriate to the value and risk of loss of that Investment Product. Citibank may safeguard the physical document itself or arrange for an agent or sub-custodian to do this. Citibank or an appointed agent or sub-custodian as appropriate will hold Your physical documents of title separately from the physical documents of title relating to Your own investments.

2.16.9. In addition, You authorise Citibank and its agents or appointed sub-custodian, but Citibank, its agents and appointed sub-custodian are not obliged, to:

- 2.16.9.1. sign on Your behalf and deliver documentation and guarantee Your signature to transfer Investment Products, execute all declarations and affidavits and certify ownership of Your Investment Products;

- 2.16.9.2. subject to the Investment Product Terms and Conditions 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 Investment Products and make payment on Your behalf for these rights without asking You. Generally, however, Citibank shall have no obligation to, and will not, exercise voting rights on any of Your Investment Products;
  - 2.16.9.3. reinvest all of the income earned by Your Investment Products, unless You instruct Citibank to do otherwise;
  - 2.16.9.4. buy from, sell, or recommend to others, the same Investment Products that Citibank buys from, sells, or recommends to You;
  - 2.16.9.5. collect interest and dividends and other entitlements (or shares or other benefits instead of dividends) from Investment Products held in Your account;
  - 2.16.9.6. collect entitlements to shares and any other benefits arising from corporate events. Where Your Investment Products have been pooled, such entitlements shall be distributed in proportion to Your entitlement, according to Citibank's records of Your entitlement; and
  - 2.16.9.7. pass entries over Your account for amounts received or paid out from any of the above transactions unless instructed otherwise which Citibank may do by itself, by Citibank's agents or by Citibank's or Your nominees;
- 2.16.10. You shall give instructions in relation to the safe custody of Your Investment Products to Citibank as custodian in accordance with the provisions of clause 2.13 of these Terms of Business. Your instructions shall be carried out subject to the prevailing laws, rules, operating procedures and market practice of any relevant stock exchange, clearance system or market where they are to be executed or carried out and shall be acted upon only during Business Days and normal business hours and when the applicable financial markets and other involved organisations are open for business;
- 2.16.11. Unless otherwise agreed and subject to Investment Product Terms and Conditions, Citibank 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 Citibank in relation to the Investment Products held by Citibank or any nominee company for You;
- 2.16.12. We reserve the right without prior notice to use the custodial services of any sub-custodian and will not be held liable for any act or default or negligence by any such sub-custodian, except in the event of our fraud, negligence, wilful default or breach of the FSA Rules;
- 2.16.13. A sub custodian referred to in this clause 2.16 may have an interest or claim over, or right of set off in relation to, the investments held in Your Account. If any sub custodian has such rights, we will inform You of that fact.

## Part 3: Insurance Services

### 3. General:

This Part 3 sets out the basis on which Citibank will provide the service of advising You regarding insurance. These terms and conditions apply to all advice in relation to Insurance Products.

#### 3.1. Assessing Your Needs:

- 3.1.1. Before advising You on Insurance Products, Citibank will require You to complete a Wealth Planner, in which, amongst other things, You communicate to Citibank Your financial and personal circumstances and needs. This will assist Citibank in providing You with suitable advice.
- 3.1.2. If Your financial and personal circumstances and needs change at any time You agree to inform Citibank of this without delay.
- 3.1.3. You may request Citibank to provide further advice on Insurance Products at any time by completing a new Wealth Planner for Citibank's consideration.
- 3.1.4. Please note that unless Citibank is entirely satisfied with the manner in which Your Wealth Planner has been completed Citibank may refuse to provide the insurance services You request until this has been corrected or completed to Citibank's satisfaction.

#### 3.2. Advice:

- 3.2.1. In relation to the provision of advice by Citibank to You, Citibank:
  - 3.2.1.1. is obliged under the FSA Rules to seek information about Your personal and financial circumstances in order to give suitable advice;
  - 3.2.1.2. shall assume that information about Your personal and financial circumstances, as set out in the Wealth Planner and in any further documentation, is accurate;
  - 3.2.1.3. shall have no responsibility to You if any such information changes or becomes inaccurate unless You have informed Citibank of such;
  - 3.2.1.4. requires You to provide Citibank with any such information, and You agree to do so, but if You fail to do so, Citibank shall have no responsibility to You if any fact relied on by Citibank about Your personal and financial circumstances that becomes inaccurate or incomplete, and this may have an adverse affect on the quality of the service provided by Citibank.
- 3.2.2. If You want to act contrary to or outside the scope of advice given by Citibank this will be known as a "Transaction Against Advice". Citibank will execute Your order even if it is contrary to Citibank's advice and unsuitable for Your needs and will inform You that the transaction will be a Transaction Against Advice. Before a Transaction Against Advice is executed by Citibank You will be required to sign an Insurance Execution Declaration (or such other written confirmation as Citibank may require from time-to-time) as evidence that You understand that the transaction is being made against advice from Citibank.

3.2.3. Citibank:

- 3.2.3.1. may provide a Non-advised service in relation to certain Insurance Products (i.e. without providing any advisory services); and
- 3.2.3.2. may from time to time at its discretion, provide information, advice and recommendations on its own initiative, but shall not be under any obligation to provide on-going advice in relation to Your insurance needs and arrangements unless You have entered into an appropriate separate agreement with Citibank for regular reviews and the provision of specific recommendations from time to time.

**3.3. Insurance Product Terms and Conditions:**

- 3.3.1. The terms and conditions that apply to particular Insurance Products will be issued by the relevant company providing the product.

## Schedule 1: Contracts entered into at a distance

### 1. Distance Contracts

When Citibank enters into an agreement with You in circumstances where Citibank has no face-to-face physical contact with You, Citibank is required by the FSA to provide You with certain information over and above that set out in the main body of these Terms of Business and to give You certain additional cancellation rights. This Schedule sets out the necessary information and cancellation provisions and should be read with, and form part of, the Terms of Business.

### 2. Information about Citibank

Citibank's full legal name is Citibank International plc and its main business is the provision of a wide range of banking and financial services. The geographical address at which Citibank UK is established is Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB and this address should be used for your dealings with Citibank. Citibank is authorised and regulated by the Financial Services Authority and is entered on the FSA Register and its registration number is 122342.

### 3. Information about Citibank services

Some of Citibank services relate to instruments whose price depends on fluctuations in the financial markets outside Citibank control. These products are not an obligation of, or guaranteed by, Citibank and are subject to investment risks, including possible loss of the principal amount invested. Please note that past performance is no indicator of future performance and investments can go down as well as up.

### 4. Information about charges, costs and taxes

Citibank charges and the arrangements for payment are set out in the Key Facts Document. No separate charge will be levied for using a means of distance communication. You may be subject to taxes and costs, which are not paid through Citibank or imposed by Citibank.

### 5. Information about the Terms of Business

English law is taken by Citibank as the basis for the establishment of relations with You prior to the conclusion of the Terms of Business. The Terms of Business are governed by the law of England and Wales. The Terms of Business are supplied, and Citibank will communicate with You during the course of the Terms of Business, in the English language. The Terms of Business have no minimum duration.

### 6. Cancellation rights: these Terms of Business

Because it is a distance contract, You have a right to cancel these Terms of Business within fourteen (14) days of the day of the conclusion of the Terms of Business. This cancellation right applies to the Terms of Business themselves and not to transactions executed by Citibank under the Terms of Business. The cancellation of the Terms of Business by You will not result in the unwinding of transactions effected during the cancellation period. You agree that Citibank may begin to provide services under the Terms of Business notwithstanding Your right to cancel the Terms of Business. You may, without giving any reason, exercise Your cancellation right by giving Citibank notice before expiry of the fourteen (14) days' period. Such notice shall be given in accordance with the clause of the Terms of Business entitled "Cancellation" to the following address:

Citibank International plc,  
Investments Operations Department,  
Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB.

By exercising Your right to cancel You will withdraw from the Terms of Business and the Terms of Business will be terminated. Citibank UK will pay You without delay, and no later than thirty (30) days after the date on which Citibank UK received notice of cancellation from You, any sum which You have paid to Citibank or for Citibank's benefit in connection with the Terms of Business (including sums paid by You to Citibank agents). Notwithstanding the above, You agree to pay for the services Citibank has actually provided in connection with the Terms of Business; such payment will be in proportion to the extent of the services already provided to You.

You agree that Citibank is entitled to receive without delay, and no later than thirty (30) days after the date on which You posted or otherwise sent notice of cancellation to Citibank:

- (i) any sums or property or both that became Yours under the Terms of Business;
- (ii) where applicable, payment of any shortfall/market loss, calculated in accordance with the FSA Rules which Citibank has incurred in cancelling the Terms of Business.

This fourteen (14) day cancellation right is in addition to Your right to terminate the Terms of Business by notice given in writing at any time as provided for in the clause of the Terms of Business entitled "Terminating these Terms of Business". Your fourteen (14) days cancellation right, the arrangements for exercising that right and the charges that Citibank may levy upon the exercise of that right are confined to the beginning of the relationship between Citibank and You and are separate from the standard termination arrangements in the clause of the Terms of Business entitled "Terminating these Terms of Business" which will operate thereafter.

#### 7. Contact Details

Citibank International plc,  
Investment Operations Department  
Citigroup Centre  
Canary Wharf  
London  
E14 5LB  
United Kingdom  
visit Citibank International plc website at: [www.Citibank.co.uk](http://www.Citibank.co.uk)

## Schedule 2: Product Specific Terms and Conditions

Where there is a conflict between the Product Specific Terms and Conditions and the Terms of Business set out in the main body of this document, the Product Specific Terms and Conditions will prevail.

### 1. Collective investment schemes

- 1.1. These terms and conditions are subject to the Terms of Business for Investment Services which govern Citibank's relationship with You and the provision of investment advice.
- 1.2. The Key Features Document or simplified prospectus (as applicable) should be read by You in conjunction with these conditions for each collective investment scheme which You are considering investing in. The Key Features Document or simplified prospectus applicable to each collective investment scheme will contain risk warnings which You must read prior to investing.
- 1.3. A collective investment scheme enables You to invest in international monetary instruments, bonds, equities and other securities by purchasing units or shares in a collective investment managed by another investment manager as opposed to investing directly in each individual instrument.
- 1.4. You authorise Citibank, where so instructed by You, to purchase or sell shares or units in collective investment schemes (which are regulated by the FSA) for Your account.
- 1.5. All instructions, including requests to buy and sell units in collective investment schemes must be transacted through Citibank on the terms of the relevant current prospectus and will be subject to the rules and regulations governing that particular collective investment scheme. Instructions will be processed by close of business on the Business Day following the Business Day on which the instructions were received by Citibank. Please note, however, that where we receive instructions to sell and repurchase units in the same collective investment scheme such instructions will be carried out separately and the repurchase will only be processed once the first instruction to sell has settled. This means that such instructions will potentially be subject to different prices.
- 1.6. All units or shares in collective investment schemes will be held in the name of an appointed nominee company of Citibank's choosing. Please see the 'Custodial Services' clause in the main body of the Terms of Business.
- 1.7. Citibank and any its appointed nominee or agent shall not be obliged to advise You of any communications it receives as a shareholder or unit holder (as applicable) of a collective investment scheme, nor to take any action in relation to such communications. In particular Citibank and its appointed nominees or agent will not be under any obligation to consult You as to how or whether it should exercise the voting rights attached to the units, or shares in the collective investment scheme in which You invest and shall have complete discretion as to whether to exercise such voting rights at all. In respect of collective investment schemes regulated by the FSA, please note that You will have the right to cancel transactions for their account in units in such schemes only as permitted by the terms of such schemes and the FSA Rules.
- 1.8. Any interest, dividends, and other income and capital gains from units or shares in collective investment schemes may be subject to taxes, including withholding taxes. You agree that Citibank may withhold the amount of these taxes from payments to You or for its accounts. If Your available assets with Citibank do not cover the tax liability, You agree to provide Citibank on demand with any additional funds required.

- 1.9. You are solely responsible for paying taxes or withholding taxes arising from the purchase or sale of Your units or shares in collective investment schemes. In addition, You are responsible for any stamp or excise taxes or estate taxes associated with Your investments. If Citibank pays any of these taxes for You, You agree that Citibank may deduct the amount paid directly from the accounts. Citibank has no obligation to reclaim for You any excess taxes withheld.
- 1.10. No warranty is given by Citibank as to the performance or profitability of Your investment in collective investment schemes. You must be aware that the value of any investment can go down as well as up and that there is a degree of risk attached to stock market investments (in which Your chosen collective investment scheme may invest). You may not get back the amount You invested. You are reminded that past performance is not an indication of future performance.
- 1.11. Depending on the types of units and/or shares available in the collective investment scheme in which You choose to invest, You may opt:
- for any income the units and/or shares might make to be either distributed to You on a quarterly basis on the 1 July, 1 October, 1 January and 1 April (where these dates fall on Business Days). Where these dates do not fall on a Business Day income will be paid to You on the next Business Day; or
  - for any income to be automatically reinvested to purchase additional units and/or shares in Your chosen collective investment scheme/s; or
  - to purchase only accumulation units and/or shares which do not distribute income but where any increase in their value is reflected in the net asset value of the shares and/or units in the collective investment scheme.
- 1.12. The cost of purchasing units or shares for You may not exactly match the amount of money which You wish to invest in the units or shares. In such circumstances Citibank will purchase as many units as possible with Your investment money. Any residual balance from Your investment money will be held on Your behalf by Citibank, until such time as the accumulative amount reaches ten pounds (£10), at which point the money will be paid into Your account from which the investment money was debited (or other account as You may advise).
2. ISAs
- The terms and conditions which relate specifically to an Individual Savings Account are contained in a separate document.
3. Structured notes
- The terms and conditions which relate specifically to structured notes are contained in a separate document entitled the subscription agreement.

## Schedule 3: Client Money

The FSA client money rules need not apply to monies held by Citibank for You in an account with Citibank where such monies will be held by Citibank as banker not as trustee. However, Citibank may at its discretion choose to comply with the FSA client money rules in relation to monies held by Citibank for You in an account with Citibank.

The FSA client money rules will apply where the FSA Rules apply to monies held by Citibank for Your account where such monies are not held in an account with Citibank. Where the FSA client money rules apply:

On instructions from You, Citibank may pass money received from You to a third party (e.g. an exchange, administrator, sub-custodian, intermediate broker, OTC counterparty or clearing house) to hold or control in order to effect a transaction through or with that person. It may be that a third party exchange or dealing house does not accept that it has no right of set off or counterclaim against money held in Citibank's client transaction account in respect of any sum owed on any other account of Citibank, in which case Citibank will notify You of that fact.

Unless You notify Citibank in writing to the contrary, Citibank may pass client money on Your behalf to an administrator, intermediate broker, settlement agent or OTC counterparty located outside the United Kingdom. In such circumstances, the legal and regulatory regime applying to the intermediate broker, settlement agent or OTC counterparty will be different from that of the United Kingdom and, if the intermediate broker, settlement agent or OTC counterparty becomes insolvent, this money may be treated in a different manner from that which would apply if the money was held by an intermediate broker, settlement agent or OTC counterparty in the United Kingdom.

Citibank shall not pay You interest, nor account to You for profits earned, on client money.

Citibank may hold Your money with approved banks in accordance with the FSA Rules. Please contact Citibank if you would like further information on this.

Unless You notify Citibank in writing to the contrary, Citibank may hold client money on Your behalf with an approved bank in a client bank account located outside the United Kingdom or pass money held on Your behalf to an intermediate broker, settlement agent or OTC counterparty located outside the United Kingdom. The legal and regulatory regime applying to any such approved bank or person will be different from that of the United Kingdom and if that approved bank or person becomes insolvent, Your money may be treated differently from the treatment which would apply if the money were held with an approved bank in an account in the United Kingdom. Citibank will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

Unless You notify Citibank in writing to the contrary, Citibank may where so permitted by the FSA client money rules hold client money on Your behalf with a bank that is not an approved bank which is located outside the United Kingdom. The legal and regulatory regime applying to any such bank will be different from that of the United Kingdom and if that bank becomes insolvent, Your money may be treated differently from the treatment which would apply if the money were held with an approved bank in an account in the United Kingdom. It may be that the bank in question does not accept that it has no right of set off or counterclaim against money held in a client bank account in respect of any sum owed by Citibank on any other account held at that bank, in which case Citibank will inform You of that fact. Citibank will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

Where you owe us money, we may use monies which we hold on your behalf as client money in or towards satisfaction of all or part of the amount you owe to Citibank.









