



**SKANESTAS**  
INVESTMENTS

# TITLE TRANSFER COLLATERAL ARRANGEMENT AND DECLARATION

APPENDIX 4 TO THE AGREEMENT FOR THE PROVISION OF DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

## **TITLE TRANSFER COLLATERAL ARRANGEMENT AND DECLARATION**

This Appendix is an **integral part** of the Agreement for the provision of discretionary portfolio management services (hereinafter “Portfolio Management Agreement”).

This Appendix **applies strictly to Non-Retail Clients** (i.e. to Professional Client and/or Eligible Counterparties), as per Clause 2 of the Portfolio Management Agreement). It shall immediately become not applicable when the status of the client changes into Retail Client.

### **DEFINITIONS**

**“Client Assets”** means Clients’ Asset and Clients’ Financial Instruments.

**“Collateral”** means any securities, financial instruments or currency/funds acceptable to the Company which Client transfer to the Company in accordance with this Appendix, which are used as a guarantee which is held or controlled by the Company and is subject to a security arrangement in favor of Company.

**“Collateral Arrangements”** means the following documents: title transfer collateral arrangement and declaration or any title transfer collateral arrangement as well as security collateral arrangement containing a right of use Client Assets in accordance with this Appendix and conditions set out herein.

**“Company Assets”** means Company’s Funds and Company’s Financial Instruments.

**“Equivalent Assets”** means securities, financial instruments or currency of an identical type, nominal value, description and amount as the Collateral and shall include any certificates of or evidencing title and transfer thereto.

**“Obligations”** means the aggregate of all funds, financial instruments, debts, liabilities, whether present or future, actual or contingent, owing or incurred by the Client to the Company under this Appendix.

**‘Title transfer financial collateral arrangement’ (the ‘TTCA’)** means an arrangement, including repurchase agreements, under which a collateral provider (also can be referred as Client) transfers full ownership of or full entitlement to, financial collateral to a collateral taker (also can be referred as Company) for the purpose of securing or otherwise covering the performance of relevant financial obligations.

### **Applicability of transfer of financial collateral arrangements**

The Company must not enter into title transfer financial collateral arrangements in respect of Client Assets belonging to Retail client.

This prohibition does not apply to Professional clients. Therefore, as a Professional Clients, the Company may conclude title transfer financial collateral arrangements with Clients for the purpose of securing or covering their present or future, actual or contingent or prospective obligations.

Where the nature of Client's trading/investment activities on Client's Account(s) with Company requires TTCA in place, including but not limited to:

- collateral;
- margin requirements;
- leveraged trading;
- securitization;
- securities lending and/or securities financing;
- and any other activity which involves credit risk, this Appendix becomes applicable to them.

### **Client Declaration and Title Transferring Collateral Arrangement**

I/ We confirm that I/ we am/are aware that I/we am/are treated and categorised as an Elective Professional Client/Per Se Professional Client/Eligible Counterparty (whatever is applicable under the Client's Categorization Policy and its outcome) by the Company.

I/ we have read and understood the acknowledge the set of documents communicated to me/ us by the Company during my classification as an Elective Professional Client/Per Se Professional Client / Eligible Counterparty in accordance with the Clients' Categorization Policy.

I/ we confirm that as an Elective Professional Client/Per Se Professional Client / Eligible Counterparty, I/ we will not receive the benefit of certain protections, as specified by the Company, which are available for Retail Clients.

I acknowledge that I do have the right to request a re-categorization as a Retail Client.

I am responsible for informing the Company about any change to my circumstances, which could affect my categorization at any time.

### **Transfer of financial collateral arrangements**

I/ we do hereby agree that my/ our funds and/or financial instruments (also defined as my Assets) will be treated in accordance with title transfer as follows:

- (i) Client Assets, that I transfer to the Company, or
- (ii) Client Assets that have been transferred to the Company

by way of margin or otherwise will be treated as transfer of full ownership of my Assets the Company for the purpose of securing or covering my recent, future, actual, contingent, or prospective obligations.

I confirm that I read and consent terms of this TITLE TRANSFER COLLATERAL ARRANGEMENT AND DECLARATION and I understand the risks involved and the effect of any title transfer collateral arrangement or security collateral arrangement containing a right of use (together, “Collateral Arrangements”) on my Assets, including the following:

Where I provide my Assets to the Company under Collateral Arrangements:

- a) I agree to transfer to the Company all rights, title and interest in and to certain Collateral identified by the Company, free and clear of any liens, claims, charges or encumbrances of the Client or any third party. I hereby authorise the Company to identify and designate my Assets held in any account as Collateral and to transfer the Collateral into a proprietary account of the Company, subject to the Company’s obligation to redeliver Equivalent Assets on satisfaction of the obligations. Taking into this consideration, any proprietary or other rights that I had in my Assets may be replaced by delivery of Equivalent Assets subject to the terms of the relevant Collateral Arrangement
- b) My Assets will not be held by the Company in accordance with Section 7 of the Portfolio Management Agreement, in case I had benefited from my Asset protection rights, those protection rights will not apply (for example, the my Assets will not be segregated from the Company’s Assets and and will not be held subject to a trust);
- c) in the event of the Company’s insolvency or default under the relevant agreement my claim against the Company for delivery of Equivalent Assets will not be secured and will be subject to the terms of the relevant Collateral Arrangement and applicable law and, accordingly, I may not receive such Equivalent Assets or recover the full value of my Assets (although my exposure may be reduced to the extent that I have liabilities to the Company which can be set off or netted against or discharged by reference to the Company’s obligation to deliver Equivalent Assets to me);



- d) in the event that a resolution authority exercises its powers under any relevant resolution regime in relation to the Company, any rights I may have to take any action against the Company, such as to terminate our agreement, may be subject to a stay by the relevant resolution authority and:
- i. my claim for delivery of Equivalent Assets may be reduced (in part or in full) or converted into equity; or
  - ii. a transfer of my Assets or liabilities may result in my claim on the Company, or the Company's claim on me, being transferred to different entities although I may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights;
- e) I will not be entitled to exercise any voting, consent or similar rights attached to my Assets, and even if the Company has agreed to exercise voting, consent or similar rights attached to any Equivalent Assets in accordance with my instructions or the relevant Collateral Arrangement entitles me to notify the Company that the Equivalent Assets to be delivered by the Company to me should reflect my instructions with respect to the subject matter of such vote, consent or exercise of rights, in the event that the Company does not hold and is not able to readily obtain Equivalent Assets, the Company may not be able to comply (subject to any other solution that may have been agreed between the Client and Company);
- f) in the event that the Company is not able to readily obtain Equivalent Assets to deliver to me at the time required: I may be unable to fulfil my settlement obligations under a hedging or other transaction I have entered into in relation to my Assets; a counterparty, exchange or other person may exercise a right to buy-in the relevant financial instruments; and I may be unable to exercise rights or take other action in relation to my Assets;
- g) subject to any express agreement between the Company and myself, the Company will have no obligation to inform me of any corporate events or actions in relation to my Assets;
- h) I will not be entitled to receive any dividends, coupon or other payments, interests or rights (including securities or property accruing or offered at any time) payable in relation to my Assets, although the express written terms of the relevant Collateral Arrangement or transaction may provide for me to receive or be credited with a payment by reference to such dividend, coupon or other similar dividend-nature payment;



- i) the provision of title transfer collateral to the Company, the Company's exercise of a right of use in respect of any financial collateral I provided to the Company and the delivery by the Company to me of Equivalent Assets may give rise to tax consequences that differ from the tax consequences that would have otherwise applied in relation to the holding by me or by the Company for my account of my Assets;
- j) where I receive or am credited with a dividend or coupon or other similar dividend-nature payment, my tax treatment may differ from my tax treatment in respect of the original dividend, coupon or other payment in relation to my Assets.

**Where I provide my Assets to the Company under a TTCA:**

- a) I will not have a proprietary claim over my Assets (even where the Company acts as my agent) and will have an unsecured contractual claim against the Company for repayment of an equivalent amount subject to the terms of the relevant collateral agreement;
- b) my Assets will not be held by the Company in accordance with Section 7 of the Portfolio Management Agreement (and, among other things, will not be segregated from the Company's Assets or held subject to a trust);
- c) in the event of the Company's insolvency, I will have an unsecured claim against the Company in respect of my Assets and I may not recover the full value thereof; and
- d) I will not be entitled to receive any interest that may have otherwise been payable in respect of my Assets (subject to any contractual rights that I may have otherwise agreed with the Company to the contrary).

If the Portfolio Management Agreement has been terminated and I have paid to the Company in full all amounts owed by me and I have no further present or future obligations to the Company, the Company will transfer to me an amount equal to any funds and/or financial instruments I have deposited with the Company to my Client Accounts that remains after all amounts I owe (and/or owed) have been paid and deducted (including in relation to all other accounts you have or have had with the Company).

I understand that the present does not represent any type of advice and that I should consult my own advisors on consenting to a right of use of a collateral under this title transfer arrangement, including its possible impact when entering into any transaction.



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I confirm that I am willing to be treated as an Elective Professional Client/Per Se Professional Client /Eligible Counterparty and my agreement to the above terms of Title Transferring Collateral Arrangement by signing, dating and returning signed to the Company the TITLE TRANSFER COLLATERAL ARRANGEMENT AND DECLARATION.

Client:

Name:

Title:

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(Signature of the Client)