

Information Statement regarding Prime Brokerage Omnibus Client
Account: Use of Safe Custody Assets

1. Introduction

This Information Statement is being provided to you by BNP Paribas, acting through its London branch.

You have received this Information Statement because you have entered into or may hereafter enter into a Prime Brokerage Agreement (“**PBA**”) with us under which your securities are held by us in a client omnibus account and due to unexpected mismatches in the timing of the settlement of securities into and out of the client omnibus account or similar operational matters, you consent to your securities being used to settle Transactions of other clients of the Prime Broker. This Information Statement has been prepared to inform you of the risks and consequences that may be involved in providing such consent (“**Risks and Consequences**”). This Information Statement relates only to Risks and Consequences and so does not address: (i) any other risks or consequences that may arise as a result of your particular circumstances, (ii) as a result of the terms of particular Transactions or (iii) any other risks and consequences separately disclosed to you as required under other regulations or otherwise.

This Information Statement is not intended to be, and should not be relied upon as, legal, financial, tax, accounting or other advice. Unless otherwise expressly agreed in writing, we are not providing you with any such legal, financial, tax, accounting or other advice and you should consult your own advisors for advice on consenting to the use of your securities in the circumstances summarised in this Information Statement and in accordance with the terms specified in your PBA, including the impact on your business and the requirements of, and results of, entering into any Transaction.

In this Information Statement:

- "we", "our", "ours" and "us" refer to BNP Paribas, acting through its London branch;
- "you", "your" and "yours" refer to each of the persons to which this Information Statement is delivered or addressed in connection with entering into, continuing, executing or agreeing upon the terms of Transactions with us (or, where you are acting on behalf of other persons, each of those persons);
- "Transaction" means a Sale Transaction or a Purchase Transaction, each as defined in the PBA;

2. Risks and Consequences

- a) Where you provide securities to us under the PBA and those securities are used to settle the Transactions of another client, we draw your attention to the following Risks and Consequences:
 - i. your rights, including any proprietary rights that you may have had, in those securities will be replaced by an unsecured contractual claim for delivery of equivalent securities subject to the terms of the PBA. In the

event of our insolvency or default under the relevant agreement your claim against us for delivery of equivalent securities will not be secured and will be subject to the terms of the PBA and applicable law and, accordingly, you may not receive such equivalent securities or recover the full value of the securities (although your exposure may be reduced to the extent that you have liabilities to us which can be set off or netted against or discharged by reference to our obligation to deliver equivalent securities to you);

- ii. those securities will not be held by us in accordance with client asset rules, and, if they had benefited from any client asset protection rights, those protection rights will not apply;
- iii. in the event that a resolution authority exercises its powers under any relevant resolution regime in relation to us any rights you may have to take any action against us, such as to terminate our agreement, may be subject to a stay by the relevant resolution authority and:
 - a) your claim for delivery of equivalent securities may be reduced (in part or in full) or converted into equity; or
 - b) a transfer of assets or liabilities may result in your claim on us, or our claim on you, being transferred to different entities

although you may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights;

- iv. as a result of your ceasing to have a proprietary interest in those securities you may not be able to exercise any voting, consent or similar rights attached to the securities. Even if we have agreed to exercise voting, consent or similar rights attached to any equivalent securities in accordance with your instructions or the PBA entitles you to notify us that the equivalent securities to be delivered by us to you should reflect your instructions with respect to the subject matter of such vote, we may not be able to comply your instructions with respect to the subject matter of such vote, consent or exercise of rights if we do not hold or are not readily able to obtain securities (subject to any other arrangement that may have been agreed between the parties). subject to any express agreement between you and us, we will have no obligation to inform you of any corporate events or actions in relation to those securities;
- v. in the event that we are not able to readily obtain equivalent securities to deliver to you at the time required: you may be unable to fulfil your settlement obligations under a Transaction you have entered into in relation to those securities; a counterparty, exchange or other person may exercise a right to buy-in the relevant securities;
- vi. you 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 those securities, although

the express written terms of the PBA may provide for you to receive or be credited with a payment by reference to such dividend, coupon or other payment (a "manufactured payment"). Where you receive or are credited with a manufactured payment, your tax treatment may differ from your tax treatment in respect of the original dividend, coupon or other payment in relation to those securities.