



INVESTMENT SERVICES
TERMS AND CONDITIONS

PART A – GENERAL

1. INTRODUCTION

Application and Scope

These Terms and Conditions for Investment Services (the “**Investment Services Terms**”) set out the terms on which MeDirect Bank (Malta) plc (the “**Bank**”) and/or Charts Investment Management Service Limited (“**Charts**”) agree to provide their customers (the “**Customers**”, “**you**” and unless the context otherwise require “**your**”) with Investment Services (as defined herein). At account opening stage, you will be informed on which Investment Services will be rendered by the Bank and/or by Charts. References to “**we**”, “**us**” and “**our**” are references to the company which is providing Investment Services to, or is otherwise dealing with, you.

Where we have agreed to provide you with Investment Services online through the Bank’s dedicated website, the Terms and Conditions for Personal Online Investment Services in Annex 5 which set out the terms and conditions relating to such online services shall also apply.

Unless the context otherwise requires, the provisions of the Bank’s General Terms and Conditions, as amended and/or supplemented from time to time, (the “General Terms”) shall also apply to the Investment Services in so far as rendered by the Bank, and this to the extent not otherwise provided for in these Investment Services Terms.

In these Investment Services Terms, “**Investment Services**” means services rendered by the Bank and/or Charts to you in connection with:

- a. execution;
- b. advice;
- c. portfolio monitoring and advice;
- d. discretionary portfolio management and
- e. safekeeping, each as better described below, and/or any ancillary service(s) we may provide

Terms defined in the General Terms shall have the same meaning in these Investment Services Terms, unless the context otherwise requires.

These Investment Services Terms shall be deemed accepted by you upon signature of the account opening form including any required Customer profile information (the “**Account Opening Form**”) on or after the 6th of August 2012 (the “**Commencement Date**”). In the case of existing Customers who have, prior to the Commencement Date, already completed and signed an **Account Opening Form** duly accepted by us and/or who are bound by previous terms and conditions, these Investment Services Terms shall replace any agreement or understanding we may have had in the past and if you are an existing Customer you shall be bound by these Investment Services Terms when you first transact with us after receipt of these Investment Services Terms. We reserve the right, at our sole and absolute discretion, to request existing Customers to update or fill in a new **Account Opening Form**.

You acknowledge and agree that you have not relied upon or been induced to accept these Investment Services Terms by a representation other than those expressly set out herein. We will not be liable in any manner under applicable law for a representation (other than a fraudulent representation) that is not expressly set out in these Investment Services Terms.

In order for us to perform certain types of Investment Services for you, you must complete, sign and return, in addition to the Account Opening Form, any relevant risk questionnaire (the “**Client Risk Questionnaire**”) as well as any other document or agreement as may be relevant in the context of the Investment Services which we will provide to you.

Company Information

MeDirect Bank (Malta) plc is authorised and regulated in Malta by the Malta Financial Services Authority (“**MFSA**”) to provide banking and investment services. The Bank’s place of business and registered address is situated at The Centre, Tigné Point, Sliema TPO 0001, Malta.

Charts Investment Management Service Limited is authorised and regulated in Malta by the MFSA to provide investment services. Chart’s place of business and registered address is situated at The Centre, Tigné Point, Sliema TPO 0001, Malta. Charts is a sister company of MeDirect Bank (Malta) plc.

Client Classification

We generally treat our Investment Services Customers as “**Retail Clients**” for the purposes of Part B of the Investment Services Rules for Investment Services Providers and related Guidance Notes (the “**MFSA Rules**”). You may notify us should you become aware of any matter that would require us to adopt a different classification. You may request a different classification (i.e., “**Professional Client**” or “**Eligible Counterparty**”); however, we shall only agree to such a request provided relevant criteria stipulated in the MFSA Rules are satisfied.

If you request to be treated as a Professional Client or Eligible Counterparty, then you would be deemed to have chosen to waive some of the protections afforded by the conduct of business rules issued by the MFSA which apply whenever we are dealing with Retail Clients. In particular but without prejudice to the generality of the foregoing, we will not be bound to disclose certain information and details to you, whether in periodic statements or in transaction notices or in marketing communications or otherwise;

- a. provide you with certain information prior to the commencement of our Investment Services relationship;
- b. comply with a number of detailed Customer’s reporting obligations required by the MFSA Rules; or
- c. provide you with details on our execution policy prior to the provision of the services

Your classification as a Professional Client or Eligible Counterparty could also exclude you from investor compensation schemes as may be provided by the laws of Malta.

Your election to be treated as a Professional Client or Eligible Counterparty shall be taken to apply to all Investment Services which we may provide under these Investment Services Terms.

You should choose to be treated as a Professional Client only if you:

- a. possess the experience, knowledge and expertise to make your own investment decisions;
- b. can properly assess the risks that may be involved; and
- c. understand the implications of such a choice

If we, after having carried out an assessment of your expertise, knowledge and experience, are not reasonably assured that you can be treated as a Professional Client, then we are bound in terms of applicable law to treat you as a Retail Client irrespective of the selection made by you in terms of these Investment Services Terms.

Classification as an Eligible Counterparty is limited to certain institutional Customers listed in the MFSA Rules.

As a Professional Client or Eligible Counterparty you are bound to keep us informed of any changes in your circumstances which could have an impact on your classification.

Methods of Communication

Where you have agreed to receive information in electronic format, we shall provide you with information in an electronic format including, but not limited to, the use of the internet and e-mail. All information which we will provide will be in the English language.

2. INVESTMENT SERVICES

Execution and/or Advice

If you choose this service:

- a. we shall have no authority to enter into any kind of transaction or arrangement on your behalf without obtaining your prior consent. Once your authorisation has been received we will execute the transaction or arrangement you have requested on your behalf. An execution and advice service is provided for the range of instruments listed in clause 3;
- b. at your request and on an ad hoc basis we will provide you with general investment advice and/or advice on specific instruments. Any advice given will comply with any agreed limits or restrictions that you may specify in writing;
- c. we are not obliged to provide ongoing advice to you or to review your portfolio in any manner;
- d. when providing Investment Services that consist solely of the execution and/or reception and transmission of orders (without investment advice) in relation to non-complex instruments (as defined in the MFSA Rules) we will not assess the appropriateness or suitability of the instrument or service provided or offered and therefore you will not benefit from the corresponding protection offered under the relevant MFSA Rules;
- e. upon execution of an order we, or the designated delegated third party, will promptly provide you with information concerning the execution of that order;
- f. the instruments that you own will be held by the Bank in its own name but in your interest and at your own risk in terms of applicable law;
- g. you will be provided with statements of your holdings on an annual basis. We can also provide you, upon request, with statements at more frequent intervals. Such additional statements will be provided against a charge as set out in a document entitled "**Tariffs and Charges Schedule for Investment Services**"; and
- h. we may publish research recommendations from time to time and distribute them to any or all Customers. We shall not be obliged to disclose or take account of any such research or recommendations when giving you advice. In addition, we may also act upon or make use of the recommendations or the information on which the said recommendations are based prior to their publication or distribution.

Where we do not obtain the information required as per the Client Risk Questionnaire we will not be in a position to provide you with

- a. any investment advisory services; and/or
- b. execution only services in relation to complex instruments (as defined in the MFSA Rules).

Portfolio Monitoring and Advice

If you choose this service:

- a. you will be required to enter into the Portfolio Monitoring and Advice Agreement with us;
- b. we shall have no authority to enter into any kind of transaction or arrangement on your behalf without obtaining your prior consent. Once your authorisation has been received we will execute the transaction or arrangement you have requested on your behalf. A portfolio monitoring and advice service is provided for the range of instruments listed in clause 3;
- c. you will be provided with specific investment advice relating to your portfolio and/or advice on specific instruments. Any advice given will comply with any agreed limits or restrictions that you may specify in writing;

- d. the instruments that you own will be held by the Bank in its own name but in your interest and at your own risk in terms of applicable law;
- e. you will be provided with statements of your holdings on a semi-annual basis. We can also provide you, upon request, with statements at more frequent intervals. Such additional statements will be provided against a charge as set out in our Tariffs and Charges Schedule for Investment Services; and
- f. we may publish research recommendations from time to time and distribute them to all or any Customers. We shall not be obliged to disclose or take account of any such research or recommendations when giving you advice. In addition, we may also act upon or make use of the recommendations or the information on which the said recommendations are based prior to their publication or distribution.

If you instruct us to enter into any kind of transaction or arrangement on your behalf which is deemed to be unsuitable to your particular circumstances, you will be informed to this effect and, should you deem fit to proceed, such a transaction or arrangement will be entered into at your own sole risk.

Where we do not obtain the information required as per the Client Risk Questionnaire we will not be in a position to provide you with any portfolio monitoring and advisory services

Discretionary Portfolio Management

If you choose this service:

- a. you will be required to enter into the Discretionary Portfolio Management Agreement with us;
- b. we will manage your assets on a discretionary basis. Subject to any written instructions from you, we will be authorised, at our sole discretion and without the need for your prior consent, to enter into any kind of transaction or arrangement on your behalf. However, we may only exercise discretion in accordance with your investment objectives and in a manner that is believed to be in your best interest. This will be done in accordance with any limitations or restrictions specified by you in the Discretionary Portfolio Management Agreement or otherwise in writing;
- c. the instruments that you own will be held by the Bank in its own name but in your interest and at your own risk in terms of applicable law;
- d. you will be provided with statements of your holdings on a semi-annual basis. We can also provide you, upon request, with statements at more frequent intervals. Such additional statements will be provided against a charge as set out in our Tariffs and Charges Schedule for Investment Services;
- e. we will establish a benchmark, based on the investment objectives and type(s) of instruments included in your portfolio, to which you may compare the performance of your portfolio. A benchmark is not a guarantee that your portfolio will perform in line with the chosen benchmark or necessarily follow its distribution. Furthermore, benchmarking does not mean that your portfolio will be based on the investments which make up the benchmark or will necessarily follow the benchmark's asset allocation or performance; and
- f. we may publish research recommendations from time to time and distribute them to all or any of our Customers. We shall not be obliged to disclose or take account of any such research or recommendations. In addition, we may also act upon or make use of the recommendations or the information on which the said recommendations are based prior to their publication or distribution.

Where we do not obtain the information required as per the Client Risk Questionnaire we will not be in a position to provide you with discretionary portfolio management services.

Information

The services rendered to you in connection with advice, portfolio monitoring and advice and/or discretionary portfolio management will, where applicable, be based on the information relating to your financial circumstances, investment objectives, any agreed limits or restrictions that you provided in the Account Opening Form and Client Risk Questionnaire and any other supplementary information you have provided or be requested to provide from time to time. You are obliged to inform us of any changes in any information supplied by you. It should be noted that, where we are providing you with execution only services, you will not be given advice about the merits of a particular investment or transaction and we will not be required to ensure that the investment or transaction is suitable for you.

Changes To Your Investment Objectives and Profiles

You have the right to change your investment objectives or risk profile or to add to or change any restrictions you have previously imposed in your previous communications with the Bank. However, any such amendment will only become effective when we receive confirmation in writing from you; furthermore, no amendment will affect any outstanding order or transaction or any legal rights or obligations that may have already arisen. This is without prejudice to your classification as a Retail Client (unless you have been classified as a Professional Client or Eligible Counterparty) which implies that we will not be able to provide investment advisory portfolio monitoring and advice and discretionary portfolio management services to you in relation to certain instruments or services if we consider such instruments or services to be unsuitable

Risk Warnings

You are hereby being informed as follows:

- a. the value of investments and the return from them can fluctuate and you may not get back the amount invested;
- b. past performance is not indicative of future performance;

- c. selling an investment at an inopportune moment may result in a loss;
- d. investments may be made in currencies which are different from your currency of reference. This carries with it an element of currency risk in view of potential fluctuations between your currency of reference and the currency of the investments; and
- e. each investment being purchased hereunder will also be subject to a number of specific risks which relate to the nature of the said investment.

Please also refer to our General Description of the Nature and Risks of Financial Instruments in Annex 1 to these Investment Services Terms and Conditions.

3. INSTRUMENTS

Range of Instruments

Unless otherwise stated, these Investment Services Terms cover the following range of instruments (the "Instruments")

- a. shares or stocks in companies and other securities equivalent to shares in companies listed or quoted on a regulated market, whether in Malta or overseas;
- b. bonds, debentures and other forms of securitised debt which are negotiable on the capital markets;
- c. collective investment undertakings, exchange traded funds ("ETFs"), schemes which qualify as undertakings for collective investment in transferable securities ("UCITS") or diversified investment portfolios of ETFs or UCITS funds designed to address a specific risk tolerance level and focused on potential medium to long-term returns ("Model Portfolios"); and
- d. money-market instruments, including those classes of instruments which are normally dealt with in or on the money market, such as treasury bills, certificates of deposit and commercial paper and excluding instruments of payment.

We will not transact in instruments not mentioned above unless you specifically request us to do so either verbally or in writing. You will be required to sign an additional document relating to such investments.

4. OFF-EXCHANGE TRANSACTIONS

Unless specifically requested to do so by you, either verbally or in writing, we will not enter into any transaction (other than dealing in units of a collective investment scheme or similar scheme) on your behalf that are not regulated according to the rules of a stock exchange or investment exchange. We may, however, deal in units of a collective investment scheme or similar scheme that are not regulated according to the rules of a stock exchange or investment exchange.

5. STABILISATION

Subject to the obligation to take all reasonable steps to obtain, when executing orders, the best possible result for our Customers taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, we may enter into investment deals on your behalf that may have been the subject of stabilisation. This is a price supporting process that may take place in the context of new issues. Stabilisation can temporarily inflate the market price of the new issue resulting in higher prices than would otherwise be the case. The market price of investments of the same class already in issue, and of other investments whose price is affected by the price of the new issue, may also be impacted as a consequence of the process.

This process is undertaken in order to ensure a smooth and orderly transition of new issues into the market and to ensure that the issue price and/or the price of associated investments is not artificially depressed because of the increase in supply caused by the new issue. Stabilisation may only take place for a limited period and there are limits on the price at which shares and certificates representing securities may be stabilised, although there are no limits in respect of loan stocks and bonds.

6. EXECUTION AND AGGREGATION OF ORDERS

We will endeavour to transact all your orders at the best price available on the relevant market at the time for transactions of the kind and size concerned unless you instruct otherwise or circumstances require us to do otherwise in your best interest. We may also combine your orders with our own orders and orders of other Customers, where it is in the best overall interest of the Customers concerned. Aggregation may occasionally result in an individual Customer obtaining a more favourable price and, on other occasions, a less favourable price. Nevertheless this is subject in all cases to our obligation to take all reasonable steps to obtain, when executing orders, the best possible result for our Customers taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. Please also refer to our Best Execution policy in Annex 2 to these Investment Services Terms.

Notwithstanding the preceding paragraph, in order to provide the lowest cost service possible, the Bank may combine ("aggregate") transactions to purchase mutual funds forming part of a Model Portfolio for you with orders of other customers. This applies to Fund transactions carried out through branch personnel at the offices of MeDirect Bank (Malta) plc as well as phone orders. Fund transactions will be aggregated and executed once weekly, and all trade instructions in a given fund received during the week will be executed on such day. Notwithstanding the overall cost benefit of aggregation to the customers of the Bank, the effect of aggregation may work to the disadvantage of individual customers.

7. SHORT POSITIONS

We will not knowingly execute a transaction that would result in you having a short position. A short position arises when a person has contracted to sell investments that she/he currently does not own, with the objective of acquiring them on the market, prior to the delivery date agreed with the purchaser, at a price that is lower than the current price.

8. PAYMENT OF TRANSACTIONS

Cleared funds to pay for purchase transactions must be available at order placement. The Bank will temporarily block an amount in your account equal to the estimated total trade consideration including any execution fees, stock exchange and other third party charges. The blocked amount can be increased depending on the nature of the security, its market volatility, and any currency exchange exposure arising from the trade. The total trade consideration will be debited on the settlement date of the order, and the Bank will simultaneously release any previously blocked amount.

Should the total trade consideration including fees and charges as well as any other obligations incurred as a result of price or foreign exchange currencies movements between the time of placing of an order and the settlement date exceed the balance available on your account, the Bank may cover the shortfall. In accordance with normal banking practice any temporary shortfall is repayable on demand and is subject to review at any time at the Bank's option. In order to secure the shortfall, the Bank may exercise the right of retention referred to in the General Terms over all your assets and monies held under the Bank's control until all relevant liabilities due to us have been paid in full. The Bank also reserves the right to exercise its rights under the General Terms of conversion and setoff as against such assets and monies as well as against other bank accounts held with the Bank.

Subject to the above, we are not authorised to borrow or raise money on your behalf.

We may impose limits on the number of transactions or amounts which may be executed by you during any time period.

Proceeds deriving from the redemption of securities, coupon and dividend payments or other corporate actions on securities held by you will be settled in the same currency of denomination of the securities. Should you not have an account denominated in the original currency of denomination of the securities, the Bank will open a new account free of charge in order to settle such proceeds. Alternative arrangements are available upon request.

9. SETTLEMENT OF TRANSACTIONS

The settlement date for all transactions is shown on the contract note and cannot be changed once the trade has been completed.

We will not be held responsible for any delay in settlement of a transaction resulting from circumstances beyond our control, or the failure of any party (including you) other than ourselves, to complete all necessary steps to enable settlement to take place on the settlement date.

10. CONFLICTS OF INTEREST

We or a company forming part of the same group of companies of which we form part, may have an interest, relationship or arrangement that is material in relation to some of the services provided to you or to the investment purchased on your behalf. The employees of the Bank and Charts are required to comply with a policy of independence and to disregard any such interest when dealing on your behalf. We will in any case endeavour to place your interests before our own. We shall clearly disclose the general nature and/or the sources of any conflicts of interest which may arise from time to time. Such disclosure will be made prior to undertaking business on your behalf in which a conflict of interest has arisen.

These Investment Services Terms constitute full disclosure to you of all the matters referred to therein, which accordingly need not be disclosed on the occasion of each service provided to you. Notwithstanding the duties owed to you under these Investment Services Terms neither the Bank, Charts or any company forming part of the same group of companies of which we form part shall be prevented or inhibited by the existence of any interest, relationship or arrangement of the nature referred to from continuing to act in accordance with these Investment Services Terms.

PART B - CUSTOMERS' ASSETS

11. GENERAL

Scope of Application

This part of the Investment Services Terms shall apply whenever the Bank holds any of your assets (other than cash), including without limitation any instruments (hereafter referred to as the "Assets"), in its name but in your interest and at your own risk. For the avoidance of doubt, your Assets will be held by the Bank in its name but in your interest and at your own risk, irrespective of whether you are a Customer of the Bank or Charts.

For the purpose of these Investment Services Terms, the term "cash" shall mean money credited to an account in any currency, or similar claims for the repayment of money, including money market deposits.

For the avoidance of doubt, any cash held by the Bank (unless otherwise agreed in writing) will not be segregated from its own cash or from that of its other Customers and may be used by the Bank in the course of its business in terms of the Banking Act, 1994. You will therefore rank as a general creditor in respect of such cash balances.

For the avoidance of doubt, any cash held by Charts shall be segregated from its own cash and may not be used by Charts in the course of its business in terms of the Investment Services Act, 1994 (the "**Investment Services Act**").

Holding of Assets

The Bank shall hold your Assets in its name but in your interest and at your own risk in terms of applicable law.

Pooling of Assets

Your Assets may be placed and kept in a common pool of identical Assets or otherwise deposited in a Customer's or common account. Accordingly, you shall not necessarily have the right to any specific Asset, but will instead be entitled subject to any applicable laws and regulations and to these Investment Services Terms, to the transfer and delivery of an amount of Assets of the same description and of the same amount. For the avoidance of doubt, therefore, Customers do not have any claim to particular numbers or denominations of Assets.

Assets Situated Outside Malta

The holding of Assets situated outside Malta involves a number of risks, particularly because the safeguards offered by the Investment Services Act and other laws and regulations may not be applicable to such Assets located outside Malta. By way of example:

- a. whereas under the laws of Malta, you enjoy ownership rights to such Assets, this may not be the case with other jurisdictions where some or all of your Assets may be located; and
- b. different settlement and regulatory requirements may apply from those applying in Malta, together with different practices for the separate identification of the Assets.

You hereby confirm that you have taken all appropriate advice in relation to the holding of Assets situated outside Malta and understand and acknowledge that this is being done at your sole risk.

Appointing Agents

You agree and understand that:

- a. the Bank may from time to time and at its discretion:
 - appoint any sub-custodian and other agent (including outside the European Economic Area) to hold all or part of your Assets and to perform any of its duties under these Investment Services Terms and Conditions; and/or
 - deposit Assets with any sub-custodian or in any depository or clearance system

Any reference in these Investment Services Terms to the Bank shall, where the context so requires, include agents (which term shall also extend to any depository or clearance system) appointed by it and the Bank shall be entitled to pay all normal remuneration to such agents for your account; and

- b. in selecting and appointing agents, the Bank shall use all reasonable care to ensure that it appoints only reputedly competent persons. However, the Bank shall not be responsible, save as to gross negligence in the selection of or in the on-going monitoring and management of the services provided by such agents, for the performance by any other agents of any of the duties delegated to them by the Bank under these Investment Services Terms.

Documents of title or certificates which evidence title to your Assets may also be delivered to an agent for safe-keeping.

Acceptance of Assets for Custody

The Bank reserves the right to refuse to accept any or all Assets for custody at its sole discretion without assigning any reason for such refusal.

12. RIGHTS ATTACHING TO THE ASSETS

Any correspondence and other documents received by the Bank in connection with the Assets shall be forwarded in accordance with your instructions from time to time.

It is your sole responsibility to exercise or decline to exercise any right attaching to the Assets.

The Bank shall only perform functions relating to the Assets, upon receipt of specific and timely instructions from you. The Bank reserves the right to decline to act upon any such instructions at its sole discretion.

It is your sole responsibility to familiarise yourself and comply with all applicable laws and regulations relating to the ownership by you of any Asset.

PART C – COMMON PROVISIONS

13. VALUATION OF ASSETS

We will provide valuations of the instruments and monies held in custody or under management. For online Customers, assets will be valued on a daily basis. For non-online Customers, assets will be valued at quarterly intervals based on the prevailing prices as at 31st of March, 30th of June, 30th of September and 31st of December or the last Business Day prior to these dates.

The valuation shall be based on approximate rates and prevailing market values as obtained from the sources customarily used by

institutions for such valuations. For the avoidance of doubt, such values shall only be of an indicative nature and shall not bind the Bank and/or Charts in any way.

Statements shall be deemed to be correct and approved if no objection to their content is raised within one month of their date of dispatch or posting online.

14. CHARGES

We are entitled to charge for any and all Services provided to you in accordance with our Tariffs and Charges Schedule for Investment Services, as amended and/or supplemented from time to time. The Tariffs and Charges Schedule for Investment Services will be provided to you prior to the provision of any services. We may charge separately for any expenses and/or disbursements incurred and for any special arrangements agreed with you.

These charges are applicable to you unless we have entered into a specific alternative arrangement with you in writing.

Without prejudice to the General Terms, any charges due to the Bank and/or Charts, or to our agents, may be deducted from any cash held on your behalf. If you default on any amount due to the Bank and/or Charts, interest will be payable on the amount due at the rate detailed in the Tariffs and Charges Schedule for Investment Services.

We may share dealing charges with any third parties, or receive commissions and/or remuneration from them, in respect of transactions carried out on your behalf. Details of any such commission, remuneration or sharing arrangement will not be set out on the relevant contract note or advice but can be made available to you on specific request by you. We may deal on your behalf in circumstances where the counterparty to the transaction is also our Customer. In such cases the agreed commission rates will be levied on both parties. We will retain any trailing fees paid by UCITS funds and other collective investment schemes held by us in custody for you.

15. TAXATION

Any taxation or duty arising in connection with the services provided to you shall be borne exclusively by you.

16. INSTRUCTIONS

Without prejudice to the provisions of the General Terms, we may accept instructions made verbally or by telephone, e-mail or facsimile, if we believe, in our absolute discretion, that such instructions are genuine. When we process instructions received by telephone, e-mail or facsimile you agree to indemnify us and to comply with the terms of use set out in Annex 3 to these Investment Services Terms. If you do not want us to accept instructions sent to us by telephone, e-mail or facsimile you should indicate this when opening an account or in any other subsequent written notice to us.

Without prejudice to the provisions regulating the opening of a new account with us, as outlined in the General Terms, instructions to purchase securities can be executed not before one Business Day after your investment account has been opened.

17. JOINT ACCOUNTS

Two or more persons applying for the same account are deemed to be joint holders. Any such account(s) will be established according to the instructions set forth in the relevant Account Opening Form unless otherwise specified. Unless we are otherwise specifically instructed in writing by all the joint account holders, any instruction, notice, demand, acknowledgement or request to be given by you, or to you, under these Investment Services Terms may be given by, or to, any one of you as joint account holders.

We will not recognise, or become involved in, any division of ownership of assets or funds held with us, unless specifically required to do so by law. Unless instructed otherwise in writing, any funds received from you, on your behalf or on behalf of any or all of the joint account holders, shall be placed to the credit of the said joint account(s).

Joint account holders acknowledge and agree that they shall be jointly and severally liable for any obligation incurred, including without limitation any loan, overdraft facility or other accommodation that we may authorise on the account(s) from time to time.

As soon as we are notified in writing that one of the joint holders:

- a. has died, we shall take instructions in any such joint account jointly from the heirs/legatees as the case may be of the deceased and the surviving joint account holder(s); or
- b. has been placed into liquidation, bankruptcy, administration or other similar condition, wherein a liquidator, curator, administrator, trustee or other similar officer is appointed and in whom legal authority and representation is vested, we shall take instructions in any such joint account jointly from such officer and the other joint account holder(s).

18. COMPLAINTS PROCEDURE

Should you have a complaint in relation to your dealings with us, such complaint should be raised in the first instance with your usual contact at the Bank. If you are not satisfied with their response (or if you prefer not to raise the matter with your usual contact), you may raise the matter with our Head of Compliance at MeDirect Bank (Malta) plc, The Centre, Tigné Point, Sliema TPO 0001, Malta or telephonically on 2557 4106. E-mail complaints may be addressed to info@medirect.com.mt.

If you are not satisfied with the manner in which your complaint was handled, you may also refer your complaint to the Office of the Arbitrator for Financial Services.

Address: Office of the Arbitrator for Financial Services 1st Floor, St. Calcedonius Square, Floriana FRN1530, Malta
Freephone Number: 8007 2366
Telephone Number: 21249245
E-mail: complaint.info@financialarbiter.org.mt
Consumer website: www.financialarbiter.org.mt

19. VARIATION

These Investment Services Terms may be varied by the Bank and/or Charts as applicable by following the same procedure specified under the General Terms.

20. GOVERNING LAW

These Investment Services Terms are governed by the laws of Malta and any disputes in connection with same shall be subject to the exclusive jurisdiction of the Maltese Courts.

ANNEX 1: GENERAL DESCRIPTION OF THE NATURE AND RISKS OF FINANCIAL INSTRUMENTS

This addendum is intended to provide Customers with a general description of the nature and risks of financial instruments. The description, as set out below, explains the nature of the specific type of instrument concerned as well as the risks particular to that specific type of instrument in sufficient detail to allow Customers to take investment decisions on an informed basis.

1. NATURE OF SPECIFIC TYPES OF INSTRUMENTS

Treasury Bills

Treasury Bills represent the simplest form of borrowing; i.e., a government raises money by selling bills to the public. Investors buy the bills at a discount from the stated face value. On maturity, the holder receives from the government a payment equal to the face value of the bill. The difference between the purchase price and ultimate face value constitutes the investor's earnings.

Certificates of Deposit

A certificate of deposit is a time deposit with a bank. Such deposits may not be withdrawn on demand. The bank pays interest and principal to the depositor only at the end of the fixed term of the deposit.

International Bonds

Many firms borrow abroad and many investors buy bonds from foreign issuers. Meanwhile, a Eurobond is a bond denominated in a currency other than that of the country in which it is issued.

Equities

Equities are ownership shares in a corporation and represent a claim on its proportionate share in the corporation's assets and profits. A person holding such an ownership in the company does not enjoy the highest claim on the company's assets. Instead, an equity holder's claim is subordinated to creditors' claims, and the equity holder will enjoy distributions from earnings or proceeds from liquidations of assets only after these higher priority claims are satisfied.

Forwards and Futures

A forward is a contract obligating one party to buy and another party to sell an underlying asset, such as, equity, commodity or currency at a specific future date and with a sale price agreed on at the time the forward contract is entered into. No money need change hands at the time when the forward contract is entered into. A forward contract protects each party from future price fluctuations.

Futures are standardised, exchange-traded forward contracts.

Futures are distinguished from generic forward contracts in that they contain standardised terms, trade on a formal exchange, are regulated by overseeing agencies and are guaranteed by clearinghouses. Unlike options, forwards and futures convey an obligation to buy or sell. The risk to the seller is unlimited, but because the price of the underlying asset cannot be negative the maximum loss to the buyer is the price contracted to be paid on the specified future date.

Swaps

A swap arrangement obligates two counterparties to exchange cash flows at one or more future dates. The most common type is an interest rate swap, in which one party agrees to pay a fixed interest rate in return for receiving an adjustable rate from another party calculated on a pre-agreed notional amount.

Options

A call option gives its holder the right to purchase an asset for a specified price, called the exercise or strike price, on or before a specified expiration date. In contrast, a put option gives its holder the right but not the obligation to sell an asset for a specified exercise or strike price on or before a specified expiration date.

Warrants are options in securitised form. They can be traded on exchange or over the counter ("OTC"). Traded options are non-securitised, but are traded on-exchange.

OTC options are neither securitised nor traded on-exchange. Rather they are agreed directly off-exchange between the writer and the buyer.

Structured Products

Structured products are combinations of two or more financial instruments. With at least one of them being a derivative. Together, they form a new investment product. Structured products are specially created to meet specific needs that cannot be met from the standardised financial instruments available in the markets.

Hedge Funds

Hedge funds are vehicles that allow private investors to pool assets to be invested by a fund manager. They are open only to wealthy or institutional investors. Hedge funds are lightly regulated and their managers can pursue investment strategies that are not open to mutual fund managers, including heavy use of derivatives, short sales and leverage.

2. RISKS RELATED TO SPECIFIC TYPES OF INSTRUMENTS

Systematic and Unsystematic Risk

It is general practice to categorise the traditional sources of risk causing variability in returns into two general types: those that are pervasive in nature, such as market or interest rate risk, and those that are specific to a particular security issue, such as business or financial risk.

An investor can construct a diversified portfolio and eliminate part of the total risk, the diversifiable or non-market part. What is left is the non-diversifiable portion or the market risk. Variability in a security's total returns that is directly associated with overall movements in the general market or economy is called systematic risk.

All securities have some systematic risk, because systematic risk directly encompasses interest rate, market and inflation risks. The investor cannot escape this part of the risk because no matter how well she/he diversifies, the risk of the overall market cannot be avoided. If the stock market declines sharply, most stocks will be adversely affected; if it rises strongly, most stocks will appreciate in value. These movements occur regardless of what any single investor does.

The variability in a security's total returns not related to overall market variability is called the non-systematic risk. This risk is unique to a particular security and is associated with such factors as business and financial risk as well as liquidity risk. Although all securities tend to have some non-systematic risk, it is generally connected with shares.

The most relevant risks particular to specific types of instruments include the following:

- a. financial risk involves leverage or debt. The greater the amount of a firm's assets that are financed by debt, the greater the probability of insolvency or bankruptcy and the inability to pay interest and principal when due, though debt ratios vary widely from industry to industry. The risk to investors is, in part, compensated by higher coupon interest and possible purchase prices at discounts to par;
- b. business risk is the risk inherent in the operations of the firm and/or industry. Some of the issues for review of a business's operations would include:
 - is the business sound, well established and stable or new and untested?
 - is it a cyclical company, depending on surges of business at certain times of the year?
 - is the volume of business expanding, contracting or stationary?
 - is plant modern and up to date or in need of substantial overhaul?
 - is the company's reputation strong within the industry?
 - is competition strong, anticipated or negligible?
 - what is the ratio of profits to invested capital for various periods of time?
- c. interest rate risk is the risk that the value of a bond will go up or down as interest rates in the economy go up or down;
- d. exchange rate risk relates to unpredictable swings in the value of one currency versus another. This risk is particularly relevant to investment in emerging market economies;
- e. call risk is also known as prepayment risk. It relates to the right of a corporation or municipality to call a bond due and payable (to pay off the principal) prior to the stated final maturity of the bond. Prepayment may occur as a result of an overall reduction of interest rates in the economy. The risk for the investor of a prepaid bond may arise because monies received must be reinvested in a lower yielding economy or when in order to achieve the same return on new monies, investors must take on additional risk;
- f. inflation risk represents the risk that inflation will reduce the real value of an asset as a result of the decrease in the purchasing power of money;
- g. psychological risk is the risk that investors act emotionally instead of logically in making investment decisions;
- h. liquidity risk is the risk that an asset cannot be converted into cash or can be converted only at a value which is lower than the asset's fair value. This risk is easily noted in physical assets or thinly traded securities, and it may widen during periods of financial crisis or for assets trading on a specific affected market;
- i. governmental and political risk is the risk of fundamental shifts in a nation's economy as a result of significant changes in a government's policies or the instability of the political system. That may in turn negatively affect the value of assets related to that country; and
- j. credit risk is the risk that a borrower will default on any type of debt by failing to make payments which it is obligated to make. In the case of a bond, the issuer risk is the same as the credit risk of the transaction since the relative corporation is also the issuer. Counterparty risk is a type of credit risk and can be defined as the risk that one party in a contract will default or otherwise not fulfil his/her obligations. For exchange traded option and futures contracts, the clearing house of the exchange is usually the counterparty. The clearing house is responsible for the performance of these types of transactions vis-à-vis investors, as described in the specific regulations of the exchange, thus mitigating the counterparty risk to which investors are exposed. For transactions such as warrants, OTS options, OTC forward transactions, structured products and exotic options, counterparty risk is typically higher, and its magnitude depends on the market value of the contract from time to time

To conclude, a short note on investing in emerging markets. These are the markets for securities trading in countries that possess one or more of the following characteristics:

- a. a certain degree of political instability;

- b. relatively unpredictable financial markets and economic growth patterns;
- c. a financial market that is still at the development stage; and/or
- d. a weak economy.

A number of the risks highlighted above are particularly relevant when investing in emerging market, and Customers are encouraged to seek further information prior to taking any investment decisions in this area.

ANNEX 2: BEST EXECUTION POLICY

We will take all reasonable steps to obtain the best possible result ("**Best Execution**") on behalf of our Customers either when executing Customer Orders or receiving and transmitting Orders for execution. To this end, the Bank and Charts have put in place effective execution arrangements and an internal Best Execution policy.

The purpose of this document is to provide Customers with information on our Best Execution policy.

1. INTRODUCTION

In addition to the terms defined in the Investment Services Terms, the following definitions shall apply in this Best Execution policy, unless the context otherwise requires:

"**Execution Criteria**" means those criteria listed in clause 6 of this Annex;

"**Execution Factors**" means those factors listed in clause 5 of this Annex;

"**Execution Venue**" means a Regulated Market, an MTF, a Systematic Internaliser or a market maker or other liquidity provider, or an entity that performs a similar function in a third country to the function performed by any of the foregoing;

"**Multilateral Trading Facility**" or "**MTF**" means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in Instruments (in the system and in accordance with non-discretionary rules) in a way that results in a contract;

"**Order**" means an instruction to buy or sell an Instrument which is accepted by us for execution or transmission to a third party;

"**Regulated Market**" means a multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling interests in Instruments (in the system and in accordance with its nondiscretionary rules) in a way that results in a contract, in respect of the Instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly; and

"**Systematic Internaliser**" means an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing Customer Orders outside a regulated market or a MTF.

2. SCOPE

Our Best Execution policy applies to Customers and to Instruments.

It applies where we:

- a. execute Orders on behalf of Customers;
- b. provide the service of Discretionary Portfolio Management, when placing Orders for execution that result from decisions to deal in Instruments on behalf of Customers; and/or
- c. receive and transmit Customer Orders to other intermediaries for execution.

3. EXECUTING ORDERS ON A CUSTOMER'S BEHALF

We will comply with any applicable local rules and regulations that apply to the reception and transmission of Customer Orders as well as to the execution of such Orders. If any provision of our Best Execution policy is prohibited by local law or regulation the relevant provision will not apply.

We will execute Orders on a Customer's behalf where the Customer legitimately relies on us to protect his or her own interests in relation to the pricing or other aspects of the transaction that may be affected by how we execute the Order. This will be the case when, for example, we:

- a. execute an Order by dealing as agent; or
- b. execute an Order by dealing as riskless principal on behalf of a Customer

We will not execute Orders on a Customer's behalf (and as such will not owe a duty of Best Execution) where we publish a quote or provide a "request for quote" service and the Customer transacts with us on the basis of that quote.

4. ORDER EXECUTION: OBTAINING THE BEST POSSIBLE RESULT

Subject to any specific instructions that may be given by you, when executing Orders on your behalf, we will take all reasonable steps to obtain the best possible result for you by taking into account the Execution Factors.

We will determine the relative importance of the Execution Factors by using our commercial judgment and experience in the light of the market information available and taking into account the Execution Criteria.

5. EXECUTION FACTORS

The Execution Factors that will be taken into account are:

- a. price;
- b. costs;
- c. speed and likelihood of execution and settlement;
- d. size;
- e. nature of the transaction; and
- f. any other consideration relevant to the execution of the Order.

Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some Customers, Orders, Instruments or markets, we may appropriately determine that other Execution Factors are more important than price in obtaining the best possible execution result

6. EXECUTION CRITERIA

The Execution Criteria that will be taken into account are the characteristics of:

- a. the Customer (including the categorisation of the Customer as Retail Client, Professional Client or Eligible Counterparty);
- b. the Order;
- c. the Instrument that is the subject of that Order; and
- d. the Execution Venue to which that Order can be directed.

7. EXECUTION VENUES

A list of the Execution Venues used by us in respect of each class of Instruments can be found on our website at www.medirect.com.mt and www.charts.com.mt. This list of execution venues is not exhaustive but comprises those Execution Venues on which we place significant reliance. We reserve the right to use any Execution Venue that we deem appropriate in accordance with this Best Execution policy.

We will regularly assess the Execution Venues available in respect of any Instrument that we trade to identify those that will enable us, on a consistent basis, to obtain the best possible result when executing Orders. The list of Execution Venues will then be updated, where necessary, following such assessment.

Where applicable, we will also take steps so that we do not structure or charge commissions in such a way as to discriminate unfairly between Execution Venues.

8. SELECTING AN EXECUTION VENUE

Subject to any specific instruction that may be given by you, in order to select an Execution Venue for an Order, we will use the following methodology:

- a. subject to proper consideration of the Execution Criteria and Execution Factors referred to above, where we believe that we can trade to your advantage (or not at your disadvantage), we may be used as the Execution Venue; and
- b. subject to the above, when placing Orders on a Regulated Market or an MTF we will select the Execution Venue that we consider most appropriate.

Where we act as the Execution Venue, we will consider all sources of reasonably available information, including MTFs, local exchanges, brokers, and data vendors, to obtain the best possible result for the Order.

9. METHODS OF EXECUTION

We will execute an Order by one of the following methods or combination of methods:

- a. outside a Regulated Market or MTF by:
 - executing the Order with a matching Order from another Customer;
 - acting as the Execution Venue; and/or
 - executing the order with other broker/dealers and market makers;
- b. directly on a Regulated Market or MTF or, where we are not a direct member of the relevant Regulated Market or MTF, with a third party participant with whom we have entered into an agreement for handling Orders for that Regulated Market or MTF.

10. RECEPTION AND TRANSMISSION OF ORDERS

We may transmit an Order we receive from you to an external entity, such as a third party broker, for execution. In doing so, we must act in your best interests and also comply with this Best Execution policy.

11. MONITORING

We will assess on a regular basis particular transactions in order to determine whether we have complied with this Best Execution policy and/or arrangements and whether the resulting transactions have delivered the best possible results for the Customers.

12. REVIEW

We will review our Best Execution arrangements regularly. We will also review this Best Execution policy annually and whenever a material change occurs that affects our ability to continue to obtain the best possible result for our Customers.

ANNEX 3: PRIVACY STATEMENT

The privacy of your personal data is important to the Bank and Charts. This privacy statement sets out our commitment to your privacy, the information which we may collect about you, what we use it for and your rights in relation to such information.

1. INFORMATION THAT WE COLLECT ABOUT YOU

We only collect information that we believe to be relevant and necessary in the context of the banking, investment or other service(s) requested by you or which you volunteer to provide us with. All forms and agreements of the Bank and Charts clearly indicate which information is necessary for us to provide the Service requested and which information is merely optional.

We may also monitor telephone conversations in order to offer additional security and resolve complaints.

2. USE OF YOUR INFORMATION

The Bank and Charts use the information collected about you in the following manner and for the following purposes:

- a. for the provision of information or other Services in relation to any specific requests that you may make;
- b. for internal assessment and analysis;
- c. for research and statistics;
- d. for the detection and prevention of any illegal acts;
- e. to develop and improve the Bank's and Charts' products and services;
- f. for the provision of a personalised service, including the issuing of statements and provision of products and services;
- g. for direct marketing purposes by whatever medium or means of communication supplied by the Bank and/or Charts as applicable;
- h. to recover debts and to assist in debtor tracing; and
- i. to check your identity and address.

3. ACCESS TO YOUR INFORMATION

The Bank and Charts constantly strive to ensure that your information is kept safe and secure at all times. Access to your personal information is restricted to our employees on a "need-to-know" basis. According to the applicable law, each and every member of staff is personally responsible for maintaining Customer confidentiality.

The Bank and Charts may transfer your personal information to third parties duly authorised in any other way by the company or its subsidiaries, yet processing will only take place for those purposes listed above.

Otherwise, we will only disclose personal data to third parties if this is required for the purpose of fulfilling any specific request that you may make to us.

Personal data shall be collected, stored and processed in accordance with the Data Protection Act. Accordingly, any personal data which comes into the possession of the Bank shall not be disclosed to third parties but it may have to be shared, stored, used, transmitted or otherwise processed for the purposes of complying with applicable laws/or regulations, fighting crime and terrorism. This may require disclosure of information to Malta or overseas governmental or regulatory authorities.

The Bank may further disclose personal data to third parties where such disclosure is necessary to ensure the proper delivery of service.

Whenever third parties process your information on our request we will bind them to keep such information in strict confidentiality.

4. SWIFT PAYMENT ORDERS

Personal data in relation to transactions effected via SWIFT (Society for Worldwide Interbank Financial Telecommunication) may be required to be disclosed to the United States authorities in order to comply with legal requirements applicable in the United States for the prevention of crime.

5. DIRECT MARKETING

Unless the Bank or Charts, as applicable, receives an objection in writing from you, we may use your contact details and process your personal data to inform you of relevant opportunities, developments, events and products that may be of interest to you. We may use and share relevant information about you with other entities forming part of the MeDirect Bank (Malta) plc group to give you information about products, services and promotions available from us or any other group entities by post, telephone, electronic and other means.

You have a right to instruct the Bank and/or Charts not to send any such information when you open an Account.

6. CHANGE OF DETAILS

Although the Bank and/or Charts as applicable will take all reasonable steps to ensure that your information is at all times correct and up to date, you can help by informing your contact person within the Bank and/or Charts as applicable of any changes to your personal information, by visiting our offices by writing to us, or online.

You have the right to request a copy of the personal data that the Bank and/or Charts as applicable hold about you and to have any inaccuracies corrected. You may also change your preference as regards direct marketing. Please address any such requests in writing to the:

Data Protection Officer, MeDirect Bank (Malta) plc, The Centre, Tigné Point, Sliema TPO 0001, Malta or by e-mail at info@medirect.com.mt.

Data Protection Officer, Charts Investment Management Service Limited, The Centre, Tigné Point, Sliema TPO 0001, Malta or by e-mail at info@charts.com.mt.

ANNEX 4: TELEPHONE AND SECURE MAIL INDEMNITY

Insofar as you give us instructions by telephone or Secure Mail the following terms of use shall also apply.

Until you shall give us written notice to the contrary, you hereby request and authorise us from time to time without further authority or notice from you to act upon instructions to us given or purporting to be given by you by telephone or Secure Mail, in connection with any or all Services provided by us to you. In consideration of our agreeing so to do you, on a joint and several basis, hereby undertake to keep us at all times fully and effectually indemnified against all losses, costs, damages, claims, demands and expenses which we may incur or sustain through our acting or failing to act upon any such instructions as aforesaid whether or not such instructions are given without your authority, and you further agree that we may nevertheless debit your Account(s) with any such instructions whether such Account(s) be in credit or debit.

It is agreed that any transaction requested as aforesaid shall be subject to the General Terms.

We shall be entitled but not bound to act on such instructions received by telephone or Secure Mail in accordance with this authority. You understand that we shall not be liable in any way for any loss whatsoever incurred by you as a result of our acting or failing to act (wholly or in part) on instructions which we believe to have been given in conformity with the above.

It is further agreed that:

- a. our written advice or other record shall be conclusive evidence that a telephone conversation took place with you; and
- b. our written advice or other record shall be conclusive evidence of such instruction unless a manifest error appears to have been made by us of which immediate notice is given to us by you upon receipt of such advice or other record.

We undertake to comply with any instruction given to us by you and in particular we understand that you may require written confirmation of any instruction.

This authority and indemnity shall be read and construed according to the laws of Malta.

ANNEX 5: TERMS AND CONDITIONS FOR PERSONAL ONLINE INVESTMENT SERVICES

These Terms and Conditions for Personal Online Investment Services, as amended and/or supplemented from time to time (the "**Personal Online Terms**"), set out the specific terms and conditions applicable to the provision of Internet Investment Services by the Bank to its Customers.

1. INTRODUCTION

In addition to the terms defined in the Investment Services Terms, the following definitions shall apply in these Personal Online Terms, unless the context otherwise requires:

"**Account**" refers to any account, deposit and/or ancillary banking service provided by the Bank, but does not include any Securities Account;

"**Customer Instruction**" refers to any request or instruction that is received by the Bank through the Internet Investment Service;

"**Internet Investment Services**" refers to online Investment Services provided by the Bank primarily consisting of reception and transmission of orders and/or execution of orders as well as advisory services and other online tools;

"**One Time Passcode**" or "**OTP**" refers to a 6-digit code transmitted through the short message service ("SMS") by the Bank to your mobile number registered with us;

"**Securities Account**" refers to any nominee account for investments opened with the Bank in the course of providing Investment Services;

"**Service**" refers to any Account, Investment Service or other service which the Bank may provide from time to time; and

"**Trading Hours**" refers to the hours during which Investment Services orders may be placed as set out from time to time on the Bank's and Chart's website.

These Personal Online Terms shall apply subject to any specific modifications expressly agreed to between us, in writing, from time to time.

2. RELATION TO THE TERMS AND CONDITIONS

The relationship between us is governed by these Personal Online Terms, the Investment Services Terms, the Account Opening Form and any other agreement or documentation you sign in relation to any Investment Service we render.

These Personal Online Terms form an integral part of the Investment Services Terms, should be seen as one whole for the Customer and complement each other.

3. REGULATION OF SERVICES

Access to and use of Internet Investment Services is only permitted via the Bank's or Chart's dedicated website.

The Internet Investment Services may be modified, suspended or (partly or wholly) terminated. The Internet Investment Services can be suspended for reasons of technical problems or faults, maintenance or security problems.

When making use of the Internet Investment Services, the Customer will comply with these Personal Online Terms and any amendments hereto. The Bank will inform the Customer of any modifications to these Personal Online Terms or the Internet Investment Services via its website.

4. ACCESS

The Customer has access to the following Securities Accounts for financial transactions carried out using the Internet Investment Services:

- a. all Securities Accounts of which she/he is (co-)holder;
- b. all Securities Accounts for which she/he is authorised; and
- c. all Securities Accounts opened in the name of a person who is legally represented by her/him.

Whenever she/he carries out a transaction using the Internet Investment Services, the Customer may consult the list of Securities Accounts to which she/he has access to on the terminal screen. The list is periodically updated to take account of events that affect the status of these Securities Accounts or the Customer's position in relation to these Securities Accounts.

5. TERMS OF USE AND SECURITY

You agree to comply with the provisions of the Personal Online Terms and the Investment Services Terms and any other reasonable instructions or recommendations we may issue to you regarding security for Internet Investment Services. You agree that it is your sole responsibility to set up, maintain and regularly review security arrangements concerning access to, and use of, the Internet

Investment Services, and information stored on your computing and communications systems.

You confirm that you have assessed our security features for Internet Investment Services and have determined that they are adequate to protect your interests.

Once you have logged on to the Internet Investment Services you must not leave at any time the Internet terminal from which you have accessed your Internet Investment Services unattended or let anyone else use the internet terminal until you have logged off.

You must not access your Internet Investment Services from any computer connected to a LAN (local area network) or any public Internet access device or access point without first making sure that the computer and the network are free of viruses, spyware, destructive or disruptive component, malicious code or any other software or component which will or may compromise either the Bank's or Chart's or your access to and/or use of the Bank's or Chart's website and the Bank's Internet Investment Services and that none else will be able to observe or copy their access or get access to Internet Investment Services or the Bank's or Chart's website pretending to be you.

You must notify us immediately of the following:

- a. any unauthorised access to Internet Investment Services, the Bank's website or any unauthorised transaction or instruction which you know of or suspect; or
- b. if you suspect someone else knows any of the security details to be used. In the event of any such breach or suspected breach of security you must change your security details immediately to one which you have not used before. You hereby agree to comply immediately with all reasonable requests for assistance from us and/ or the police in trying to recover any losses or identify actual or potential breaches of security. We may disclose information about you, or your Account(s) to the police or other third parties if we think it will help prevent or recover losses, without further notice to you.

You agree that you are solely responsible for the performance and protection of any browser used in connection with the Internet Investment Services.

You agree to keep us indemnified against all actions, proceedings, costs, loss and/or damage of any kind which we may suffer as a result of our, or any representative of the Bank and/or Charts, acting on any Customer Instruction in accordance with the Personal Online Terms, or as a result of any failure on your part, to comply with the duties stipulated under this clause 5

6. ONE TIME PASSCODE OR OTP

The OTP is an added security function integral to your use of the Internet Banking Services. You will need the OTP for logging in the Internet Banking Services and for online transactions that require such OTP for authentication purposes.

7. RIGHT OF USE AND INTELLECTUAL PROPERTY

The Customer has a strictly personal right to use software provided by the Bank as part of the Internet Investment Services. This software is and remains the property of the Bank and/or persons that have assigned the operating rights to the Bank.

It is strictly forbidden for any other party (including the Customer) to use or share this software as part of, or from, another internet application or software program – to extract data via online banking, e-brokerage or execute transactions, for instance.

The design of the Bank's and Chart's website, the text, graphics and other components of this are the property of the Bank and must under no circumstances be altered, reproduced or distributed without the Bank's prior written consent.

In case of theft, loss, abuse, compromising or unauthorised reproduction of a One Time Passcode, the Customer shall immediately notify the Bank's Client Service Centre by calling (+356) 2557 4400. If the Client Service Centre is unreachable, the Customer can send an e-mail to info@medirect.com.mt and the Bank shall acknowledge said e-mail by the end of the next Business Day. In these cases, the Bank will suspend the Internet Investment Services.

The Bank shall keep an internal log of transactions carried out through Internet Investment Services for a period of ten (10) years as from the 1st of January in the year following the date on which the last transaction was carried out

8. SERVICE DISRUPTIONS

We may suspend any service provided to you under the Internet Investment Service without notice where we consider it necessary or advisable to do so, for example to protect you when there is a suspected breach of security or we need to suspend all or part of the Internet Investment Services for maintenance or other reasons.

Whenever possible, we will use reasonable efforts to inform you without undue delay through the Internet Investment Services and/ or our website if any Service under the Internet Investment Services is not available. In the event that we have levied any charge to you which is specifically expressed to be for a particular Service which is not available then we will reimburse you this sum. Other than reimbursing any fee as set out above, we will have no further liability to you.

It may be necessary from time to time to suspend some or all of the Internet Investment Services for routine, non-routine or emergency maintenance where we consider it necessary to do so. In the event of such a suspension being necessary, we will in so far as is possible, provide you with a reasonable period of notice prior to the suspension by means of a notification on the Bank's or Chart's website.

9. LIABILITY OF THE BANK

The Bank may suspend the execution of a Customer's transactions for the purpose of a regulatory check and/or refuse to execute them for regulatory reasons. The Bank cannot be held liable for any damages arising out of such suspension or refusal.

The Bank does not accept any liability whatsoever for any loss whatsoever, direct or indirect, arising either as a result of defective functioning of the Customer's equipment or of telecommunication services provided by a third party, or as a result of the service being suspended for reasons beyond the Bank's control.

10. CUSTOMER INSTRUCTIONS

Instructions given using the Internet Investment Services shall bind the Customer unconditionally. The Bank reserves the right to refuse performance of the Customer's Instructions if the Customer does not comply with the applicable terms of use supplied by the Bank.

The Bank carries out the instructions based on the account number and information specified by the Customer and is not liable for the accuracy of the instructions and is not required to verify or check this information.

The Bank reserves the right to refuse the execution of instructions that are incomplete or unclear or whose authenticity is uncertain.

If the instructions do not specify an execution date, the Bank shall implement the instructions immediately. Instructions or orders placed during Trading Hours will be deemed received during that same Business Day. Instructions or orders placed outside Trading Hours will be deemed received on the immediately following Business Day. The Bank has the right to limit the maximum size of orders that can be executed entirely online, that is, where the trade entry is online and the Bank commits to passing the order immediately to the execution platform without manual review or intervention.

11. PROOF

Entries made using the Internet Investment Service platform and electronic communications constitute full proof of instructions given to the Bank by the Customer. In the event of dispute, they may be produced as evidence before the body appointed to resolve the dispute. If the Customer considers that there has been an error or irregularity in the recording system, they shall be required to prove this.

The Bank reserves the right, when it deems useful or necessary in its sole discretion, to ask the Customer to confirm instructions and/or requests by means of letter, facsimile, e-mail or any other electronic messaging system. The Bank may postpone the execution of instructions pending receipt of such confirmation.

Facsimile copies, printed e-mail messages and messages sent by any other electronic message system shall be deemed to be written documents and shall have the same evidential value as original documents.

The Bank reserves the right to postpone the execution of instructions or requests confirmed by facsimile, e-mail or any other electronic message system if it is of the opinion that such instructions are not sufficiently authentic, and to request a paper instruction or substantiating documents.

12. TERM OF THE ONLINE SERVICES

These Personal Online Terms are valid for an indefinite period. The Customer may terminate its Securities Accounts or Investment Services with the Bank in accordance with the Investment Services Terms.

13. ELECTRONIC MESSAGING SERVICE

The Bank's website and/or the Internet Investment Services may provide you with the ability to send and receive electronic messages to and/or from us. Please remember that we may not immediately receive an electronic message sent by you. No action will be made on any electronic message you send us until we actually receive your message and have a reasonable opportunity to act on it. You cannot use an electronic message to place any orders or request investment advice. You cannot send an electronic message to any other person using the Internet Investment Services.

14. CHARGES

The Bank and/or Charts shall levy charges in accordance with its Tariffs and Charges Schedule for Investment Services which is available on our website.

15. SETTLEMENT

Proceeds deriving from the sale of securities or from corporate actions on securities held by the Customer will be settled in the same currency of denomination of the securities. Should the Customer not have an account denominated in the original currency of denomination of the securities, the Bank will open such account free of charges in order to settle such proceeds. Alternative arrangements are available upon request.