

TOYOTA TSUSHO METALS LIMITED

88 Wood Street, London EC2V 7DA

web: <http://ttmetals.com>

email: info@ttmetals.com

Dealing Desk: 020 7367 7080

Back Office: 020 7776 3310

General: 020 7776 3100

Accounts: 020 7776 3111

Fax: 020 7776 3101

Dear Client,

(1) ISA / OSA account, (2) Client Classification, and (3) Reporting

This document provides you with information and requires your input in relation to three important matters: opening an account with us, client classification, and reporting (including portfolio reconciliation and dispute resolution). This document should be read in conjunction with all the Account Opening Documentation sent to you, including the Important Information Booklet.

Nothing in this or any of our Account Opening Documents constitutes legal advice. If you are unsure about any of the issues raised in these documents, please seek independent legal advice.

1. ISA/OSA Account

This is a high level overview of what is required from you and an outline of your choice of account with us and the costs.

We ask that you read the Important Information Booklet (namely the Disclosure document therein) also attached with this communication and carefully consider the risks associated with your choice of account.

Please sign and return this form to us to confirm that you have read the Important Information Booklet, and that you have made a choice of the type of segregated account which you wish to have with us. By signing this document you also confirm that you have read and understood the Reporting section of this form.

(a) OSA – Omnibus Segregated Account

This is the default for all clients. All transactions and assets held in a OSA Group account and are separate from our own House account although they are co-mingled with other clients in the OSA group.

An OSA account will operate in the same way as the current client account in that credit facilities will be made available subject to an acceptable credit profile.

Your risks are associated with all the other clients in your OSA group.

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(b) ISA – Individual Segregated Account also referred to as an Individual Client Account

All transactions and assets are held at the Clearing house for the ISA account and positions are not co-mingled with other clients or our house accounts. All monies including excess margins are held by the Clearing house at all times.

Normally, ISA accounts do not operate under a credit facility; however; an ISA account could have a credit facility if requested by the client and they are suitably qualified but will be subject to interest charges on the margins paid to the Clearing House on behalf of the client.

The transactions and assets of an ISA account can be ported to another Clearing Member if we were to go into liquidation. 'Porting' is an automated process by which any positions and monies held in the ISA account are transferred by the Clearing House to another broker. In order for porting to work you will need to lodge instructions with us which will be passed to the Clearing House.

ISA accounts cannot carry OTC trades which have not been cleared (see more in the Margins section below).

Margins

Margins are calculated on a net basis as gross margining is not offered by the Clearing House for LME products and therefore not offered by us to our clients.

Please note that if you trade both cleared and OTC products then we will only be able to register the cleared trades in your OSA/ISA account. OTC products and positions are by definition not cleared and therefore are not portable

Costs

Our Costs are set out in the Appendix of this document and are subject to change by us.

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Response Form for ISA/OSA Account

Please send us a form for each account that you hold with us.

Please tick the answers that apply to you:-	
We will require an OSA account*	Yes <input type="checkbox"/> No <input type="checkbox"/>
If the answer above was 'No' then you must answer the questions below please.	
We will require an ISA account	Yes <input type="checkbox"/> No <input type="checkbox"/>
We will request porting for an ISA account ¹	Yes <input type="checkbox"/> No <input type="checkbox"/>
We agree to pay the setup and maintenance charges for an ISA when invoiced by TTM	Yes <input type="checkbox"/> No <input type="checkbox"/>

*= mandatory requirement

We have read the Disclosure document and understand the risks associated with our choice of account. I confirm this by signing on behalf of my company at the end of this document.

If you have any questions, please contact:

- Compliance@ttmetals.com (please insert your company name and code name +ISA / OSA in the subject field); or
- Compliance Officer 88, Wood Street London. EC2V 7DA. UK

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2. Client Classification

(a) UKMIR

The European Market Infrastructure Regulation ('EMIR', as amended by EMIR Refit) has been directly integrated into UK law by the European Union (Withdrawal) Act 2018. EMIR is relabelled as the United Kingdom Market Infrastructure Regulation ('UKMIR'). Pursuant to UKMIR, your company will need to be classified by us according to your type of firm and how much it trades in OTC derivative contracts. This classification relates to a number of issues, a few of which we deal with in the section below ('3. Reporting').

Under UKMIR, you need to be classified as either:

- Small Financial Counterparty ('SFC' or 'FC-'): if your company is a financial services firm and falls below the clearing threshold set out below
- Financial Counterparty ('FC' or 'FC+'): if your company is a financial services firm and falls below the clearing threshold set out below
- Non-Financial Counterparty which exceeds the clearing threshold set out below ('NFC+')
- Non-Financial Counterparty which falls below the clearing threshold set out below ('NFC-')

The clearing thresholds are set out below and calculated using the aggregate month-end average gross notional value of OTC derivative transactions (AANA) for each of the previous 12 months. FCs must calculate this based on all OTC derivative contracts entered into by it or entered into by other entities within the group to which that FC belongs, whereas NFCs are not required to include OTC derivative contracts entered into by the NFC, or by other NFCs within the group to which the NFC belongs, which are objectively measurable as reducing risks (i.e. hedging) directly relating to the commercial activity or treasury financing activity of the NFC or of that group. Also, if an FC exceeds the clearing thresholds for any one of the asset classes below, the clearing obligation applies to all asset classes, whereas if an NFC exceeds the clearing threshold for any one of the asset classes set out below, the clearing obligation will only apply to that asset class.

Asset class	Gross notional value
Credit derivatives	€1bn
Equity derivatives	€1bn
Interest rate derivatives	€3bn
Foreign exchange derivatives	€3bn
Commodity derivatives and other	€3bn

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(b) MIFIR

Along with these categories, there are also categories under the Markets in Financial Instruments Directive and Regulation (collectively referred to here as 'UK MiFIR') which we need to consider when classifying you as a client:

▪ Eligible Counterparties

These are broken down into two types:

– Per se Eligible Counterparties

Are those firms which are automatically classified as eligible counterparties by nature of their composition, including: investment firms, credit institutions, insurance companies, collective investment schemes, pension funds, public bodies, central banks, supranational organisations.

– Elective Eligible Counterparties

Are those firms which would otherwise be classified as a per se professional client and requests to be classified as an eligible counterparty (after we provide you with a written warning of what doing so will mean for you) and you either:

- You are a body corporate (or LLP) with called up share capital of at least £10 million (or its equivalent in any other currency at the relevant time; or
- You are an undertaking that meets two of the following: (i) a balance sheet total of EUR 12,500,000; (ii) a net turnover of EUR 25,000,000; (iii) an average number of employees during the year of 250

▪ Professional Clients

These are broken down into two types:

– Per se Professional Clients

An entity authorised in the financial markets (whether in the UK or otherwise) those firms which are automatically classified as professional clients because they are either:

- investment firms, credit institutions, insurance companies, collective investment schemes, pension funds, a commodity or commodity derivatives dealer, a local authority, or institutional investor
- your company is a large undertaking meeting two of the following: (i) balance sheet total of EUR 20,000,000; (ii) net turnover of EUR 40,000,000; (iii) own funds of EUR 2,000,000;¹
- national or regional government, including a public body that manages public debt at national or regional level, a central bank, an international or supranational institution

– Elective Professional Clients

A firm, other than a local public authority or municipality² is an elective professional client if it complies with the following:

- We undertake, based on the proposed between us and you, an adequate assessment

¹ There are other entity types specified in the FCA Handbook under the Conduct of Business Chapter but we have only listed out two types here: companies and public authorities. If you are filling in this form on behalf of an entity that doesn't fit under either those two types of entities, please see the following link for further information on, for example, partnerships, trustees etc.

<https://www.handbook.fca.org.uk/handbook/COBS/3/5.html?date=2021-02-01>

² If you are a local authority or municipality, different rules apply to you. Please follow the link above for further information or contact us at Compliance@ttmetals.com

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of the expertise, experience and knowledge of your company that gives reasonable assurance that the client is capable of making his own investment decisions and understanding the risks involved (the "qualitative test");

- You satisfy and confirm two of the following:
 - (i) you have carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
 - (ii) the size of your financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;
 - (iii) you work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged(the 'quantitative test')

By electing to be categorised as a professional client you may not be eligible for regulatory compensation schemes and financial promotions directed at you are only subject to the requirement to be clear, fair and not misleading. You are also considered to be able to, without our assistance, ensure you understand the nature of the risks involved and assess the appropriateness of a product or service. However, it is our practice to provide you with as much information as possible on the services, charges and risks as part of our account set-up process. You have the right to request a different client categorisation. Any such request must be made in writing. However, we advise you that, due to our regulatory permissions, we are unable to conduct business with Retail Clients.

- **Retail Clients**

Retail clients are those clients who do not fall under the definition of eligible counterparty or professional client. TTM does not deal with retail clients so if you fall under this category we will not be able to do business with you.

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Response Form for Client Classification

1	What is your classification for the purposes of UKMIR?	Select an option <i>The current threshold for Commodity Derivatives is a gross notional value of EUR 3 billion</i>
2	We are classifying you as the following category of MiFIR client:	Select an option Do not fill in this part. This is for TTM use only.
3	<p>If we have categorised you as an elective professional client do you confirm that you have read and understood the above information and that you meet two of the three requirements below:</p> <p>(i) you have carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;</p> <p>(ii) the size of your financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000;</p> <p>(iii) you work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged</p>	<p>1. Do you understand and agree to be classified as an elective professional client?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>2. Which of the criteria listed opposite do you meet?</p> <p>(i) <input type="checkbox"/></p> <p>(ii) <input type="checkbox"/></p> <p>(iii) <input type="checkbox"/></p>

If you have any questions, please contact:

- Compliance@ttmetals.com (please insert your company name and code name +ISA / OSA in the subject field); or
- Compliance Officer 88, Wood Street London. EC2V 7DA. UK

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3. Reporting (including Portfolio Reconciliation and Dispute Resolution)

Transaction Reporting promotes greater transparency in the markets. In the UK and the EU there are regimes which require the reporting of trades and positions to Trade Repositories. Following the UK's departure from the EU, the UK retained both EMIR (European Market Infrastructure Regulation) and MiFIR (Markets in Financial Instruments Regulation) under the European Union (Withdrawal) Act 2018. They are simply referred to as UKMIR and UK MiFIR, respectively.

All trades whether cleared or OTC must be reported to the Trade Repository by both parties to the transaction unless the client is registered outside of the UK or the EU.

Clearing Members can report trades on behalf of clients if they have the clients' authorisation to do so and the client has supplied their LEI. Clients can choose to report their own transactions directly to the Trade repository.

If the client is registered in a country external to the UK or the EU then the Clearing Member must still report the trade to the Trade Repository but on a one-sided basis as the client side of the transaction will not be reported but the client will still be identified as the other party to the transaction.

Please fill in and return the form for each account which you hold with us at the end of this summary in order for us to deal with your requirements on trade reporting.

Within this document, we also discuss an important aspect of UKMIR: portfolio reconciliation and dispute resolution.

Trade Repository

Trade Repositories are registered and supervised by the Financial Conduct Authority (FCA) in the UK and the European Securities and Markets Authority (ESMA) in the EU in order to ensure that they comply with all UK and EU requirements. The regulators will have access to the full details of all transactions carried out within the UK and the EU.

LEI – Legal Entity Identifier

The Legal Entity Identifier (LEI) is a global reference number which uniquely identifies companies in financial transactions throughout all markets and legal systems. The LEI code is used for the reporting of transactions to the Trade Repository. You require this wherever you are based in the world in order to trade with TTM and you must obtain this yourself so that the LEI can be legally owned by your company. Obtaining an LEI code is done by self-registration and 3 suppliers are listed below.

- <http://www.lseg.com/LEI>
- www.nordeamarkets.com/lei

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- <https://www.leiregistrations.com/>

Once registered, you can check on <https://search.gleif.org/#/search/> to verify you have successfully registered and/or whether you need to renew your LEI.

Portfolio Reconciliation

Portfolio reconciliation ensures that parties' books and records are aligned in relation to OTC contracts and that events such as novations, amendments and other activities, are accurately captured. How often reconciliation needs to take place depends on how you are classified for the purposes of UKMIR (this is part of *Section 2: Client Classification*).

OTC Derivatives with FC and NFC+	OTC Derivatives with NFC-
Daily for portfolio 500+ trades	Quarterly for portfolio > 100 trades
Weekly for 51-499 trades	Annual 1-100 trades
Quarterly for 1-50 trades	

For example, if you are classified as NFC- then if there are more than 100 outstanding OTC trades at any time during a quarter, then the frequency of that portfolio reconciliation is once per quarter, if the frequency is between 1 and 100 trades per year, the frequency will be once per year. We are the Portfolio Data Sending Entity and you are a Portfolio Data Receiving Entity.

Our Client Statements have a key (see below) at the end of each report and any trade which has more than 1 asterisk is an OTC trade.

KEY *THIS IS AN LME REGISTERED CONTRACT · · THIS IS NOT AN LME REGISTERED CONTRACT ** · THIS IS NOT AN LME REGISTERED CONTRACT BUT MAY BE REGISTERED AT A FUTURE DATE *** THIS IS AN OTC BULLION CONTRACT
--

Dispute Resolution

Our Terms of Business with you requires you to notify us of any errors on trade confirmations sent to you within one business day. In the event that the discrepancy cannot be satisfactorily resolved with the dealing desk, then the matter should be escalated to The Compliance Officer for resolution by e-mail to Compliance@ttmetals.com. The Compliance Officer will respond with a decision within five business day of receipt of an e-mail. If that decision is not satisfactory to you then you have recourse to London Metal Exchange (LME) Arbitration or as set out in the Terms of Business. Should this prove necessary costs would be discussed at the time of the decision to adopt this route.

If you have any questions regarding this communication please direct them to Compliance@ttmetals.com

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Response Form for Reporting

Please tick the answers that apply to you below:-		
1	If a third party holds a Power of Attorney in respect of your decision making please insert that party's details here	Click or tap here to enter text.
2	Do you provide portfolio management or independent investment advice services?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3	If applicable, please provide the full legal entity name, address and LEI of your Ultimate Parent Company as well as an e-mail address for them for notifications of position-related matters	Ultimate Parent Company - Name: Click or tap here to enter text. - Address: Click or tap here to enter text. - E-mail: Click or tap here to enter text. - LEI: Click or tap here to enter text.
4	Please provide an e-mail address for any trade position notifications we need to send to you	Click or tap here to enter text.
5	Are you registered outside the UK or the EU?	Yes <input type="checkbox"/> No <input type="checkbox"/> <i>If your answer to this question is 'Yes', you do not need to answer questions 6, 7, 8 and 9 as you will not be required to report your trades to the FCA or ESMA. However, we will still be required to report our side of any trade with you to the FCA.</i>
6	Is your company a MiFID II 'Investment Firm'? <i>As defined under Article 4(1)(1) of https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0065&from=EN</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>

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7	Are you a collective investment undertaking that makes investment decisions independently from your parent? <i>As set out by Article 4(2) of http://ec.europa.eu/finance/securities/docs/isd/mifid/rtss/161201-rtss-21_en.pdf</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>
8	We will report our own OTC transactions to the Trade Repository	Yes <input type="checkbox"/> No <input type="checkbox"/>
9	We delegate our transaction reporting to Toyota Tsusho Metals Ltd (TTM) and therefore authorise TTM to report transactions on behalf of this company to the relevant Trade Repository.	Yes <input type="checkbox"/> No <input type="checkbox"/>

If you have any questions, please contact:

- Compliance@ttmetals.com (please insert your company name and code name + TR in the subject field); or
- Compliance Officer 88, Wood Street London. EC2V 7DA. UK

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By signing this form, you are confirming that you have read and understood this document, as well as the supporting documentation we have sent you, on:

- (1) opening an account with us (including the Costs Appendix);
- (2) client classification; and
- (3) reporting.

Please name, sign, date and return the form to us by email or post.

Company Name: Click or tap here to enter text.

Company LEI: Click or tap here to enter text.

Authorised Signatory Name: Click or tap here to enter text.

Authorised Signatory Signature: _____

Date: Click or tap to enter a date.

Please return this form by email or post: –

email: Compliance@ttmetals.com

or post: Compliance Officer
88, Wood Street
London, EC2V 7DA UK

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APPENDIX – COSTS

This is a summary of our costs which is supplemented by the information on our website <https://www.ttmetals.com/>

Costs, fees and charges are subject to change.

Our maximum trading commission is 1/8% of the contract value

Our maximum clearing charge (which covers LME Smart, LME Clear), subject to any additional or amended fees imposed on us, is \$1:00 per lot.

Our maximum charge for reporting to the Trade Repository, subject to any additional or amended fees imposed on us, will be \$0.412 for OTC trades and \$0.037 for cleared trades on a per contract basis.

We offer credit facilities to clients who have a satisfactory credit rating and may apply a utilisation charge on the net balance held on the account (we will charge for a debit and may pay for a credit balance). The LIBOR phase-out over 2021 will mean that it will essentially only exist as a synthetic rate kept alive by the ICE Benchmark Administration and the FCA so any rates will be pegged to the rates applied by the LME. Currently the LME uses the Overnight Bank Funding Rate (OBFR) for US Dollar deposits. If the LME moves to another USD rate such as the Secured Overnight Funding Rate (SOFR) then that rate will apply accordingly.

- For ISA accounts the amount we charge will depend on the circumstances but as an indicative rate, we will charge a financing rate of 1.00% over the USD OBFR for debit balances
- For OSA accounts we will be charging a maximum financing rate of 1.00% over USD OBFR for debit balances and may pay a minimum of -0.50% over USD OBFR for credit balances.

For those clients who pay their own margins there will be no financing charge, however, we will charge ISA account holders for any shortfall in margins which we pay to the CCP on their behalf at an indicative rate of 1.00% over USD OBFR, which is subject to any additional or amended fees imposed on us.

There are no setup or maintenance charges for an OSA account but for an ISA account we will pass on the setup and maintenance charges from the Clearing House. These are subject to the LME fees applied at the time as well as the additional costs on us to maintain the account. Please ask us for more details.

Rates will differ for individual clients depending on the tenor & volume of trades, their credit rating and the type of segregation account held with us.