

IMPORTANT INFORMATION BOOKLET

Contents

1. RISK DISCLOSURE	3
a. INTRODUCTION	3
b. PRODUCT INFORMATION	4
i. Futures/Forwards	4
ii. Options	5
iii. Warrants	5
iv. Contracts for Difference	6
v. Foreign Markets	6
vi. Contingent Liability Transactions	6
vii. Limited Liability Transactions	6
viii. Suspensions of Trading	7
2. ORDER HANDLING AND EXECUTION POLICY	7
a. INTRODUCTION	7
b. EXECUTION FACTORS	7
3. CLEARING	9
a. INTRODUCTION	9
b. TRANSFER	10
i. What if you want to transfer your Client Transactions to another clearing broker?	10
c. PORTING	10
i. What happens if TTM is declared to be in default by a CCP?	10
ii. Will the CCP Transactions and assets relating to you be automatically ported to a back-up clearing broker?	11
iii. What happens if porting is not achieved?	11
iv. Clearing House Protections	11
4. ACCOUNT TYPE	12
a. INTRODUCTION	12
b. OMNIBUS CLIENT ACCOUNT (OSA)	12
c. INDIVIDUAL SEGREGATED CLIENT ACCOUNT (ISA)	13
d. CLIENT MONEY	13
i. Assets provided to us on a TTCA basis	14
ii. Will you provide cash or non-cash assets as margin for the Client Transactions?	14
iii. How will any excess margin we call from you be treated?	14

iv. Will you get back the same type of asset as you originally provided to us as margin for a Client Transaction?.....	15
5. CLIENT CLASSIFICATION	15
a. EMIR/UKMIR	15
b. MIFIR.....	16
6. REPORTING (including Portfolio Reconciliation and Dispute Resolution)	18
7. INSOLVENCY	20
a. INTRODUCTION	20
b. MARGIN RIGHTS	21
c. PROTECTION OF CLEARING AND SETTLEMENT PROCESSES.....	22
d. CLOSE-OUT NETTING	23
e. PORTING	23
8. COMPLAINTS	25
a. HANDLING COMPLAINTS.....	25
b. THE COMPLAINTS PROCESS	25
c. COMPLAINTS CONTACT.....	27

1. RISK DISCLOSURE

a. INTRODUCTION

You should not deal in derivative products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the contract is suitable for you in light of your circumstances and financial position.

Although futures and options can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Derivative products will not always act in the same way. Relationships with the broker may differ depending on the product and style of the transaction and clearing houses may not always owe you a direct commitment. Different products involve different levels of exposure to risk and in deciding whether to trade in such products you should be aware of the information contained in this booklet.

An understanding of different product types should be coupled with an understanding about how your firm finances the purchase of these products, whether it be via a credit line or through the provision of sufficient cash with TTM. If you are a cash client, we will expect you to deposit with us sufficient funds to be able to meet the costs of your positions; if you are a credit client, we will set out to you in an Account Opening or Facility Letter, how much we are willing to extend to you by way of credit. Credit lines are split between initial margin (IM) and variation margin (VM). IM is one of two types of collateral required to protect a party to a contract in the event of default by the other counterparty. VM – the other type of collateral – is paid daily from one side of the trade to the other, to reflect the current market value of the trade. IM and VM equally apply to cash clients but instead of extending a line of credit to you, we will expect you to deposit sufficient funds with us to cover these amounts.

Exchange-traded futures and options are not subject to a prospectus; they may give rise to liabilities for the investor, calculated in accordance with market or clearing house rules. Most of the business we conduct is through the London Metal Exchange (LME), we also conduct business Over-the-Counter (OTC).

Your firm may not deal directly in the relevant market but may act through one or more brokers or intermediaries. In such cases, your positions may be affected by the performance of those third parties in addition to the performance of your firm. Further to this, settlement of such transactions may not be affected via the market itself but may be affected on the books of your firm or of a broker or intermediary if such transactions can be crossed with equal but opposite orders of another participant transacting through the same firm, broker or intermediary. Your rights in such circumstances differ from those you would enjoy if your transaction was affected in the market.

The price and liquidity of any investment depends upon the availability and value of the underlying asset, which can be affected by a number of extrinsic factors including, but not limited to, political, environmental and technical. Such factors can also affect the ability to settle or perform on time or at all.

Any payments made or received in relation to any investment may be subject to tax and you should seek professional advice in this respect. Where you are unable to transfer a particular instrument which you hold, to exit your commitment under that instrument, you may have to offset your position by either buying back a short position or selling a long position. Such an offsetting transaction may have to be Over the Counter and the terms of such a contract may not match entirely those of the initial instrument. For example, the price of such a contract may be more or less than you received or paid for the sale or purchase of the initial instrument.

You should be aware that the product information and advice contained in this booklet is not necessarily a comprehensive description of all aspects of the product. Additionally, specific products may be tailored for a particular client or market and may differ in detail from the outline set out in this booklet. The terms of the particular transactions will prevail over the product description and information given in this disclosure.

This booklet is designed to provide general information on some of the risks of which you should be aware. However, this booklet does not constitute legal or business advice and if you are unsure about any of the products you intend to trade or the manner in which you intend to do business, you should take legal advice immediately.

b. PRODUCT INFORMATION

i. Futures/Forwards

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash.

The risk of loss in trading commodity futures contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.

Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").

The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.

Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements. You may sustain a total loss of the funds that you deposit with your broker to establish or maintain

a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.

You should consult your broker concerning the nature of the protections available to safeguard funds or property deposited for your account.

A forward contract is a private and customisable agreement that settles at the end of the agreement and is traded Over the Counter (OTC). A futures contract has standardised terms and is traded on an exchange where prices are settled on a daily basis until the end of the contract. Unlike most other exchanges (where the contracts are settled daily), most contracts on the LME operate in the same way as a forward contract and price settlement occurs at the end of the contract period. You should understand the risks of OTC products before entering into such contracts.

ii. Options

An option provides the right, but not the obligation, to buy or sell metal at set price, on a set date in the future. A buyer of an option pays a known premium, for unlimited potential upside.

Tradeable out up to 63 months (depending on metal) LME options can be exercised any time up to and including the expiry date (American style). The underlying is the equivalent 3rd Wednesday LME future, itself physically settled.

Traded Average Price Options (TAPOs) are average price (Asian-style) options which, when exercised, result in two futures contracts – one at the ‘fixed’ strike price and the other at the ‘floating’ Monthly Average Settlement Price (MASP). If exercised, the economic effect is to create a cash settlement between the difference of the fixed and floating/average prices.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

iii. Warrants

An LME warrant is a bearer document for one lot of metal held in an LME-approved warehouse. A futures position left open until the prompt date must be settled by the provision or receipt of an LME warrant. Less than 1% of positions result in actual delivery of metal, as the vast majority of LME contracts are “closed out” before settlement.

Any metal that conforms to the quality requirements specified by the LME can be put “on warrant” through storage in an LME approved warehouse, which is

registered on LMEsword. It can then be used to settle an LME contract. Conversely, to take metal “off warrant”, the warrant must be cancelled through LMEsword. The metal owner can then make arrangements with the warehouse operator for their metal to be loaded out.

iv. Contracts for Difference

Futures and options contracts can also be referred to as a contract for difference. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for difference carries the same risks as investing in a future or an option. Transactions in contracts for difference may also have a contingent liability and you should be aware of the implications of this.

v. Foreign Markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. While we carry out a majority of TTM’s business on the LME, we may engage in OTC business. If we trade with you in any non-UK market, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates. Such transactions may also be affected by exchange controls that could prevent or delay performance.

vi. Contingent Liability Transactions

Contingent liability transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures, contracts for differences or sell options you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

vii. Limited Liability Transactions

Before entering into a limited liability transaction, you should obtain from your firm, or the firm with whom you are dealing, a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless,

even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

viii. Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant market trading is suspended or restricted or if the systems of the relevant market cannot function for any reason. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

2. ORDER HANDLING AND EXECUTION POLICY

a. INTRODUCTION

TTM has an Order Handling & Execution Policy (the “Best Execution Policy”), setting out the requirements imposed by the second Markets in Financial Instruments Directive (“MiFID II”) and the Financial Conduct Authority (“FCA”), with regards to the handling of client orders and the provision of best execution.

Under these Rules, where TTM executes client orders or routes or transmits orders for execution to another entity, including any affiliates, TTM is required to:

- Establish and implement policies and procedures, including TTM’s Best Execution Policy, to allow TTM to obtain the best possible result for clients when executing client orders in Financial Instruments. This is the “best execution” rule.
- Implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders.

b. EXECUTION FACTORS

When executing certain client orders, TTM is required to take all sufficient steps to obtain the best possible results for clients, taking into consideration the following “execution factors”, listed in no particular order of importance:

1. Price – what the best price available is in the market;
2. Cost – consideration will be given to both explicit and implicit costs of execution including but not limited to, trading venue fees, clearing fees, and commissions;
3. Speed – orders should be executed as promptly as possible, except where a better result may be achieved by delaying the execution. Clients should be informed at such time that it is best to delay the execution;

4. Likelihood of execution - consideration will be given as to whether an order can be executed in its entirety on a trading venue taking into account the prevailing liquidity of the relevant financial instrument;
5. Likelihood of settlement - consideration will be given as to whether the resulting trade can be settled according to client instructions;
6. Size – consideration will be given to the market impact of an order. For example, large orders may impact the prevailing market price or liquidity of the relevant financial instrument;
7. Nature of the client order – constraints relating to the execution of the order may impact the result obtained; and
8. Any other consideration that TTM considers relevant to the execution of an order.

TTM will determine the relative importance of each execution factor to achieve the best possible result by considering the following criteria:

1. The type of client (including regulatory client categorisation);
2. The characteristics of the client order (including type of transaction, size and likely market impact);
3. The characteristics of the financial instruments to which the order relates;
4. The characteristics of the execution venues (if more than one) where the client order can be executed; and
5. Any other circumstance that we deem relevant to the execution of the order.

The relative importance of each of the execution factors may vary according to the class of financial instruments to which your order relates.

In the absence of express instructions from a client, TTM will exercise its own discretion in determining the execution factors and relative importance.

In OTC markets, TTM will check the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such products and where possible, by comparing that data with similar or comparable products.

TTM will use reasonable endeavours to act in accordance with this Policy, but we do not guarantee that the best possible price will be obtained in all circumstances. There may be occasions when TTM changes the priorities of the execution factors where we determine that the best price may not lead to the best possible result for the client. For example, during a severe market disruption or in the event of a system outage other execution factors, such as “likelihood of execution”, may become a priority.

NOTE: PLEASE REFER TO THE ORDER HANDLING AND EXECUTION POLICY FOR ADDITIONAL INFORMATION (<https://www.ttmetals.com/>).

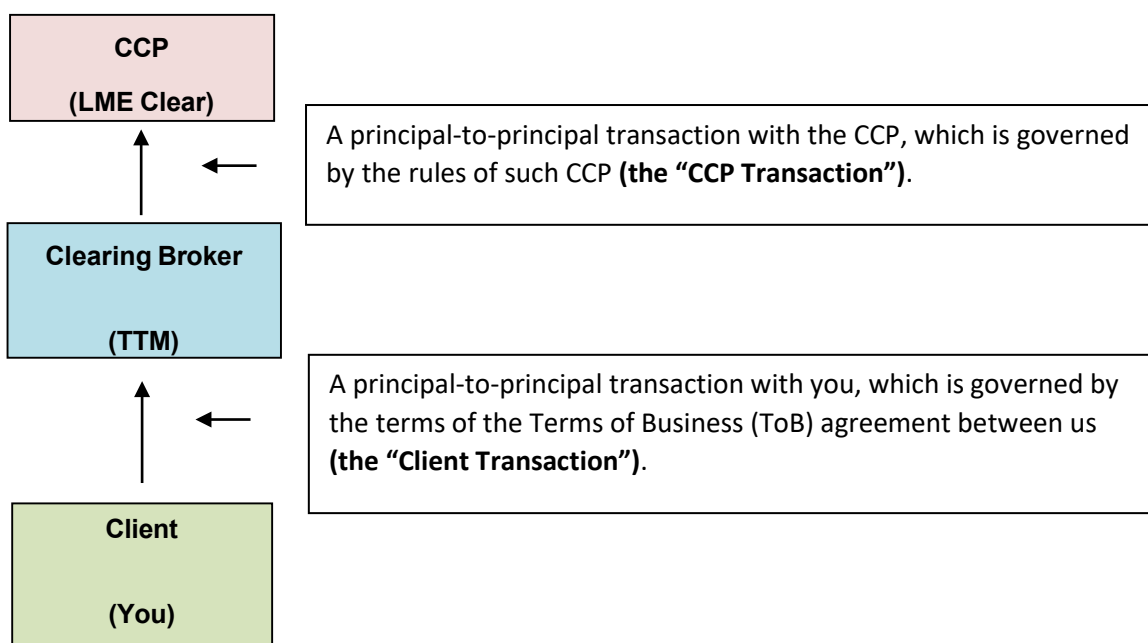
3. CLEARING

a. INTRODUCTION

There are two main types of clearing models: the “agency” model and the “principal-to-principal” model. The Central Counterparties (CCP) (i.e. Clearing Houses) we use adopt the “principal-to-principal” model, and this document assumes all transactions are cleared according to this model.

The “principal-to-principal” clearing model

When clearing transactions for you through the CCP, we usually enter into two separate transactions:



The terms of each Terms of Business (“ToB”) agreement are equivalent to those of the related CCP Transaction, except that (i) each Client Transaction will be governed by the ToB between you and us and (ii) we will take the opposite position in the CCP Transaction to the position we have under the related Client Transaction.

Under the ToB between you and us, a Client Transaction will arise without the need for any further action by either you or us, as soon as the CCP Transaction arises between us and the CCP. Once both of those transactions have been entered into, your transaction is considered to be “cleared”.

As the principal to the CCP, we are required to provide assets to the CCP as margin for the CCP Transactions that relate to you and to ensure the CCP has as much margin as it requires at any time.

We may therefore ask you for margin and, where you provide it in a form which we cannot transfer to the CCP, we may transform it. If you have provided us with margin assets, you may face “transit risk” - the risk that, if we were to default prior to providing such assets to the CCP, the assets that should have been recorded in your account at the CCP will not have been and will not benefit from the protections described below under “What happens if we are declared to be in default by a CCP?”.

However, in many cases you may not actually face transit risk because the CCPs often call margin from TTM early in the morning so we will often use own funds to satisfy the margin call and then seek to recover such amount from you. In these cases, it is rather that we are exposed to you for the interim period. The arrangements between you and us relating to how the margin calls will be funded will be set out in the ToB between you and TTM.

b. TRANSFER

i. **What if you want to transfer your Client Transactions to another clearing broker?**

There may be circumstances where you wish to transfer some or all of your Client Transactions to another clearing broker on a business as usual basis (ie. in the absence of us having been declared in default by a CCP). We are not obliged to facilitate this under UKMIR, but we may be willing to do so subject to TTM’s ability to transfer the CCP Transactions to which they relate, and the margin provided to the CCP in connection with them (which will depend on the relevant CCP’s rules) and any conditions set out in TTM’s ToB. You will also need to find a clearing broker that is willing to accept such Client Transactions and the related CCP Transactions and assets.

c. PORTING

i. **What happens if TTM is declared to be in default by a CCP?**

If we are declared to be in default by a CCP, there are two possibilities with respect to the CCP Transactions and assets related to you:

- the CCP will, at your request, try to transfer (port) to another clearing broker (a back-up clearing broker), such CCP Transactions and assets; or, if this cannot be achieved
- the CCP will terminate the CCP Transactions that relate to you (see “What happens if porting is not achieved” below). The porting process will differ depending on the CCP, but it is likely to involve a close-out (with us) and a re-establishment (with the back-up clearing broker) of the CCP Transactions or a transfer of the open CCP Transactions and related assets from us to the back-up clearing broker. In some cases, CCPs will support this structure legally by requiring us to grant a security interest to you over some or all of TTM’s related rights against the CCP (the security interest) but in other cases where CCPs can rely on UKMIR and local legislation, this is not necessary.

ii. Will the CCP Transactions and assets relating to you be automatically ported to a back-up clearing broker?

No, there will be a number of conditions which must be satisfied before the CCP Transactions and assets that relate to you can be ported to a back-up clearing broker. These conditions will be set by the CCPs and will include obtaining your consent

If porting is achieved, your Client Transactions with us will terminate in accordance with our ToB. We would expect your back-up clearing broker to put in place new client transactions between itself and you.

The type of account and level of segregation you choose will have an impact on the ability to port CCP Transactions and assets to a back-up clearing broker upon our default.

Clients who have CCP Transactions and assets relating to them recorded in the same Omnibus Client Account will have to agree to use the same back-up clearing broker, and the back-up clearing broker will have to agree to accept all of the CCP Transactions and assets recorded in that Omnibus Client Account.

iii. What happens if porting is not achieved?

Each CCP is permitted to specify a period of time after which, if it has not been able to achieve porting, it will be permitted to actively manage its risks in relation to the CCP Transactions. This period of time will vary across CCPs. If you want to port your CCP Transactions, you will need to notify the CCP and show that you can satisfy the other conditions within this period. Otherwise, the CCP will terminate the CCP Transactions and perform a close-out calculation in respect of them in accordance with the CCP rules. If there is an amount owed by the CCP in respect of the CCP Transactions, the CCP will pay it to us (or our insolvency practitioner) for the account of our clients.

If the CCP terminates the CCP Transactions, the Client Transactions between us are also likely to terminate. The termination calculations in respect of those Client Transactions will be performed in accordance with the ToB between us and such calculations will likely mirror those performed by the CCP in respect of the CCP Transactions. If you are due a payment from us as a result of the close-out calculations in respect of TTM's Client Transactions, the amount due from TTM to you will be reduced by any amount that you receive (or are deemed to receive) directly from the CCP.

iv. Clearing House Protections

On many markets, the performance of a transaction by your firm (or third party with whom he is dealing on your behalf) is 'guaranteed' by the market or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the client, and may not protect you if your firm or another party defaults on its obligations to you. Not all markets act in the same way. Further specific information about trading on the London Metal Exchange ("LME") can be found at www.lme.co.uk.

4. ACCOUNT TYPE

a. INTRODUCTION

There are two types of client account at the CCP level which are as follows:

- i. an omnibus account which has assets and positions allocated to it for multiple clients, or multiple clients with indirect client/s; or
- ii. an individually segregated account which has assets and positions allocated to it for a single client, or a single client with indirect client/s.

Reference to accounts means the accounts in the books and records of the CCP. The CCP uses these accounts to record the CCP Transactions that we enter into in connection with the clearing of your related Client Transactions and the assets that we provide to the CCP in respect of such CCP Transactions.

Clients and Indirect Clients wishing to know more about segregation options may review LME Clear's EMIR Article 39(7) disclosure on the LME Clear website.

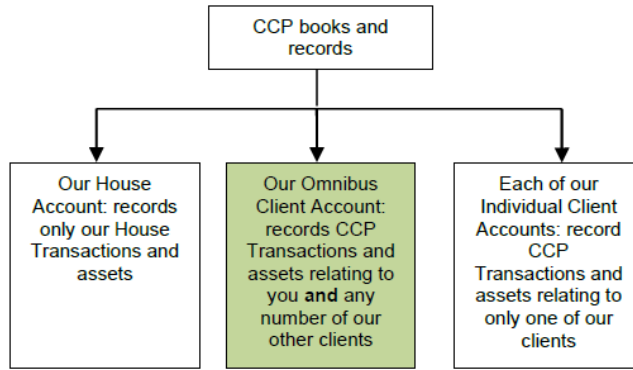
b. OMNIBUS CLIENT ACCOUNT (OSA)

Under this account type, the CCP Transactions and assets that relate to them in the CCP's accounts are segregated from any CCP Transactions TTM has cleared for our own account (our House Transactions) and any assets we have provided as margin for those House Transactions at the CCP. However, the CCP Transactions and assets that relate to you will be commingled with the CCP Transactions and assets relating to any of TTM's other clients that are recorded in the same Omnibus Client Account.

The CCP will agree not to net the CCP Transactions relating to you with TTM's House Transactions or any CCP Transactions not recorded in the same Omnibus Client Account, nor use the assets relating to such CCP Transactions with respect to any House Transaction or CCP Transaction recorded in any other account.

However, both we and the CCP will net the CCP Transactions that are recorded in the same Omnibus Client Account. The assets provided in relation to the CCP Transaction recorded in the same Omnibus Client Account can be used in relation to any CCP Transaction (whether it relates to you or to any of TTM's other clients) credited to that Omnibus Client Account.

OSAs are currently only available on a net basis (rather than a gross basis) meaning that the margin called by the CCP in respect of the CCP Transactions is called on the basis of the net CCP Transactions recorded in the Omnibus Client Account.



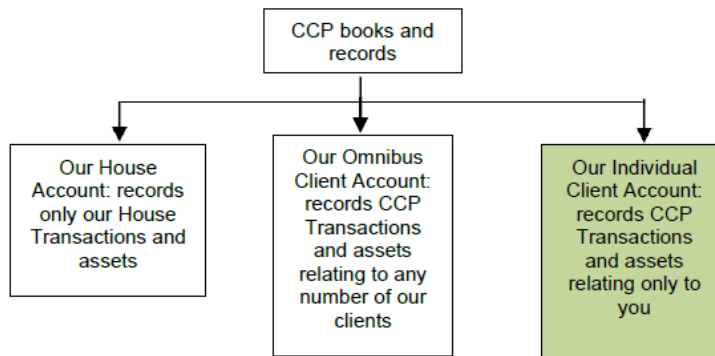
c. INDIVIDUAL SEGREGATED CLIENT ACCOUNT (ISA)

Under this account type, the CCP Transactions and assets that relate to you in the CCP’s accounts are segregated from those relating to our House Transactions and to the CCP Transactions and assets that relate to any of our other clients.

The CCP will agree not to net the CCP Transactions relating to you with our House Transactions, nor use the assets relating to such CCP Transactions in relation to our House Transactions.

Further, and in contrast to an Omnibus Client Account, the CCP will agree not to net the CCP Transactions relating to you that are recorded to an Individual Client Account with those of any other client recorded to any other account, nor use the assets related to such CCP Transactions relating to any of our other clients.

NOTE: Unless specifically requested, all transactions will be held in an Omnibus Client Account (OSA).



d. CLIENT MONEY

TTM is authorised by the Financial Conduct Authority (FCA) in the United Kingdom. We are required to maintain certain permissions to carry out our services. TTM does not have the permission to hold client money. However, we hold all cash or assets

under Title Transfer Collateral Arrangements (TTCA) which means that the legal title to such cash or assets passes to us.

i. Assets provided to us on a TTCA basis.

Where the ToB provides for the transfer of assets by way of title transfer, when you transfer assets (“Transferred Assets”) to us, we become the full owner of such assets, and you lose all rights in such assets. We will record in our books and records that we have received such Transferred Assets from you with respect to the applicable Client Transaction. We will be obliged to deliver to you, equivalent assets to such Transferred Assets (“Equivalent Assets”) in the circumstances set out in the ToB.

We may either transfer such Transferred Assets onto the CCP with respect to the CCP Transaction related to the Client Transaction, or we may transfer other assets to the CCP with respect to such CCP Transaction.

You bear our credit risk with respect to our obligation to deliver Equivalent Assets to you. This means that if we were to fail, unless we are declared to be in default by the CCP, you will have no right of recourse to the CCP or to any assets that we transfer to the CCP, and you will instead have a claim against our estate for a return of the assets along with all our other general creditors. Even if we are declared to be in default by the CCP, the extent of your rights in relation to the CCP, if any, will depend on the particular CCP.

ii. Will you provide cash or non-cash assets as margin for the Client Transactions?

As a clearing member of the CCP, we are required to transfer assets to the CCP in respect of the CCP Transactions related to your Client Transactions. CCPs only accept certain types of liquid cash and non-cash assets as margin.

As is market practice, we will decide what types of assets to accept from you as margin for your Client Transactions. This will be set out in the ToB between us. What we will accept from you as margin for the Client Transactions will not necessarily be the same type of assets that the CCPs will accept from us for the CCP Transactions, in which case we may provide you with a collateral transformation service, under which we transform the assets you provide to those which we can pass onto the CCP.

iii. How will any excess margin we call from you be treated?

We are required to treat excess margin in a particular way in relation to an Individual Client Account. Excess margin is any amount of assets we require from you, or you provide to us in respect of a Client Transaction that is over and above the amount of assets the CCP requires from us in respect of the related CCP Transaction.

For an Omnibus Client Account, we are not required to pass any excess margin onto the CCP. Depending on the terms on which we hold excess margin, you may take credit risk on us in respect of it.

iv. Will you get back the same type of asset as you originally provided to us as margin for a Client Transaction?

In a business-as-usual situation, whether we will deliver the same type of asset to you that you originally provided to us will be governed by the ToB between us.

In the event of our default, if you are due a payment, you may not receive back the same type of asset that you originally provided to us. This is because the CCP is likely to have wide discretion to liquidate and value assets and make payments in various forms, and also because the CCP may not know what form of asset you originally provided to us as margin for the Client Transaction and as a result of any asset transformation services, we may provide. This risk is present regardless of what type of client account you select.

5. CLIENT CLASSIFICATION

a. EMIR/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 ('6. 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(s) set out below
- Financial Counterparty ('FC' or 'FC+'): if your company is a financial services firm and exceeds the clearing threshold(s) set out below
- Non-Financial Counterparty which exceeds the clearing threshold(s) set out below ('NFC+')
- Non-Financial Counterparty which falls below the clearing threshold(s) set out below ('NFC-')

The clearing thresholds are calculated using the aggregate month-end average gross notional value of OTC derivative transactions 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	€4bn

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 request to be classified as an Eligible Counterparty (after we provide you with a written warning of what doing so will mean for you) and 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) which are automatically classified as Professional Clients because they are either:

- An investment firm, credit institution, insurance company, collective investment scheme, pension fund, 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;¹or
- 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 municipality is an Elective Professional Client if it complies with the following:

- We undertake, based on the proposed between us and you, an adequate assessment of the expertise, experience and knowledge of your company that gives reasonable assurance that you the client are capable of making your own investment decisions and understanding the risks involved (the "qualitative test");
- You satisfy and confirm two of the following:
 - 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;
 - the size of your financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500,000; and/oryou 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").

NOTE: By electing to be categorised as a Professional Client you may not be eligible for regulatory compensation schemes and financial promotions, 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

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>

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.

6. 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 (see below). 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 a 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 a 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.

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
- <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 (see Section 5 – 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-, 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 Trade Confirmations 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 ToB 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 Legal and Compliance Department (compliance@ttmetals.com). The Head of Legal and Compliance will respond with a decision within five business day of receipt of an e-mail. If that decision is not satisfactory to you, you have recourse to London Metal Exchange (LME) Arbitration or as set out in the ToB. Should this prove necessary costs would be discussed at the time of the decision to adopt this route.

7. INSOLVENCY

a. INTRODUCTION

If we enter into insolvency proceedings, you may not receive all of your assets back or retain the benefit of your positions and there are likely to be time delays and costs (e.g. funding costs and legal fees) connected with recovering those assets. These risks arise in relation to both Individual Client Accounts and Omnibus Client Accounts because:

- Except for CCP-specific porting solutions described earlier and the comments below under Margin Rights, you will not have any rights directly against the CCP; and you will only have contractual claims against us (i.e. rather than being able to recover particular assets as owner).
- Our insolvency proceedings are most likely to be a version of a process called administration (although it is possible for us to enter into liquidation and other proceedings). In administration, subject to a few exceptions, you will not be able to take any action against us without court or insolvency official consent (which can be a time-consuming process with an uncertain outcome).
- Any stage of a cleared transaction (e.g. Client Transactions, CCP Transactions and porting) may be challenged by our insolvency official if, broadly speaking, it was not on arm's length terms. If successful, the court has broad powers to unwind or vary all of those stages.

Please also note that:

- Insolvency law may override the terms of contractual agreements, so you should consider the legal framework as well as the terms of disclosures and legal agreements.
- A large part of your protection comes from CCP arrangements and the legal regimes surrounding them. Therefore, you should understand these in order to evaluate the level of protection that you have on our default. It is important that you review the relevant disclosures by the CCP in this respect.

Except as set out in the following paragraphs, this disclosure deals only with our insolvency. You may also not receive all of your assets back or retain the benefit of your positions if other parties in the clearing structure default – e.g. the CCP itself, a custodian or a settlement agent.

In relation to CCP insolvency, broadly speaking our (and therefore your) rights will depend on the law of the country in which the CCP is incorporated (i.e. not necessarily English law) and the specific protections that the CCP has put in place. You should review the relevant CCP disclosures carefully in this respect and take legal advice to fully understand the risks in this scenario.

In addition, please note the following:

- We expect that an insolvency official will be appointed to manage the CCP. Our rights against the CCP will depend on the relevant insolvency law and/or that official.

- It will be difficult or impossible to port CCP Transactions and related margin, so it would be reasonable to expect that they will be terminated at CCP level. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash we will receive back from the CCP. Subject to the bullet points below, it is likely that we will only receive back a percentage of assets available depending on the overall assets and liabilities of the CCP.
- It is unlikely that you will have a direct claim against the CCP because of the principal-to- principal model described above.
- Under the ToB, Client Transactions will terminate at the same time as the matching CCP Transactions unless the relevant CCP rules provide otherwise. This will result in a net sum owing between you and us. However, your claims against us are limited recourse so that you will only receive amounts from us in relation to Client Transactions if we receive equivalent amounts from the CCP in relation to relevant CCP Transactions.
- If recovery of margin in this scenario is important, then you should note that these tend to be offered only in relation to Individual Client Accounts and generally involve either:
 - you or us retaining assets in your/our name and only giving a security interest over that margin to the CCP (i.e. it allows the CCP to apply margin if we default but should keep the assets out of the CCP's insolvency if it defaults); or
 - the CCP holding the assets in a blocked or controlled margin account and giving a security interest (or similar legal right) over the margin back to us, to you and/or to a trustee on our behalf.

It is beyond the scope of this disclosure to analyse such options but your due diligence on them should include the following potential issues:

- Other creditors of the type described in Porting below, will have priority claims to margin.
- Margin or positions on one account could be applied against margin or positions on another account (notwithstanding the contractual agreement in the CCP's rules).
- The likely time needed to recover margin.
- Will the margin be recovered as assets or cash equivalent?
- Any likely challenges to the legal effectiveness of the structure (especially as a result of the CCP's insolvency).

b. MARGIN RIGHTS

If you have transferred the assets to our name by way of security then you bear more risk if there is a shortfall in any of the assets that we are holding. Generally, your risk of loss will be highest in relation to non-client money cash margin; and lower in relation to securities held by us in an omnibus account; and lower still if

securities are segregated in our books and records, and at custody level identifying you as the client.

The actual result will be highly fact specific and will depend on, amongst other things, the exact terms of our legal arrangements; how we have operated accounts; and claims that other intermediaries (e.g. custodians and settlement systems) have to those assets.

c. PROTECTION OF CLEARING AND SETTLEMENT PROCESSES

The Companies Act 1989, Part VII is designed to ensure that the rules that regulate the operation of the financial markets are not disrupted by the operation of the UK's general insolvency law.

Part VII applies because we are an English company (generally speaking, it does not apply to non-English companies) and gives specific protection against some of the legal risks that arise on our insolvency. If we are declared in default by a CCP that has the benefit of Part VII protection, then our insolvency official cannot challenge actions taken by the CCP against us under its default rules:

- to settle our CCP Transactions or to transfer those CCP Transactions and related assets to a back-up clearing broker; or
- to transfer our Client Transactions with you and related assets to the same back-up clearing broker.

This Part VII protection generally applies to actions taken by English CCPs that have been (re)authorised by the European Securities and Markets Authority (ESMA). It can also protect actions taken by non-English CCPs that have been authorised by ESMA with two limitations – it only protects the position/asset transfers contemplated in EMIR (not other actions taken under default rules) and those rules need to have been approved by the Bank of England (and the authorisation not withdrawn).

In either case, Part VII focuses on protecting counterparties from our default. It is not clear that it would provide any wider protection – e.g. if the CCP itself became insolvent.

Please note that Part VII is a complex and unclear piece of legislation, and this summary is not a substitute for detailed legal analysis – particularly of Part VII in the context of the relevant CCP's regulatory authorisations and default rules – with your professional advisors.

The protection is from insolvency law so will not necessarily help, for example, with the issue described below because that relates, at least in part, to security law.

d. CLOSE-OUT NETTING

If TTM defaults and the CCP cannot port the CCP Transactions and collateral (e.g. because a back-up clearing broker cannot be found), then the CCP would terminate and net TTM's CCP Transactions and apply related assets.

There is a risk that this netting across accounts could happen automatically as a result of ordinary English insolvency law. However, to the extent that the CCP has Part VII protection, this should not occur.

A similar risk occurs between TTM and you in relation to Client Transactions.

It is most likely to materialise in a pre-porting period during which English law may automatically set off Client Transactions and collateral relating to one CCP with Client Transactions and collateral relating to another. This risk arises regardless of what you and TTM have provided for in the ToB. Whilst the resulting termination amount should represent the net exposure, it will make porting difficult or impossible.

It is unclear whether Part VII provides you protection in this case. However, there are certain industry-wide legal opinions that are being prepared on the effectiveness of close-out provisions in our ToB. You should seek legal advice and/or access to such opinions for more information in this respect.

Please also note more generally that your freedom to close out Client Transactions is more limited under the ToB than in other arrangements that you may be used to. In particular, the main termination event under our ToB is that the relevant CCP has declared TTM to be in default under the CCP's rules. The intention is to match the treatment of CCP Transactions and Client Transactions as much as possible. However, this may mean that – unless the CCP declares a default under its rules – you cannot terminate Client Transactions for common reasons such as a payment or insolvency default on the part of TTM.

Under an ISDA Master Agreement, close-out netting is a bilateral consideration and involves a three-stage process: (i) early termination of transactions; (ii) valuation of terminated transactions; and (iii) calculation of a single net sum to be paid by one party to the other.

e. PORTING

A CCP only owes TTM (not you) obligations in relation to CCP Transactions and related assets.

As a result, when these contracts and assets are transferred to a back-up clearing broker, there is a risk of insolvency challenge because TTM's rights have effectively been taken away on or around the time of TTM's insolvency. Applicable laws may not permit this and there is a risk that the courts may therefore not permit, or may unwind, any porting and related Client Transactions with your back-up clearing broker.

The risk of challenge is low in relation to CCP Transactions and matching transfer of Client Transactions that are ported in accordance with the default rules of a CCP that has Part VII protection.

A CCP's porting structure may be based on or supported by a security interest. This can take different forms but generally involves TTM creating security over its rights against the CCP in relation to an Individual Client Account or Omnibus Client Account in your favour or in favour of another person (e.g. an independent trustee) to hold the security on your behalf. Broadly speaking, the security interest should support the argument that these assets are not part of our insolvency estate (i.e. are not to be shared with our other creditors).

However, depending on the exact structure, insolvency law gives certain statutory creditors priority over secured creditors. This means that some creditors may have a claim on client account assets ahead of you. Statutory creditors are likely to include, amongst others, our insolvency official (e.g. in respect of its costs and expenses), a relatively small amount of unsecured creditors, some employee salaries and pension contributions.

Mismatch of CCP/Client Transactions and assets

It could be that our net assets in relation to CCP Transactions do not match our net obligations to each other in relation to the matching Client Transactions. This can slow down or make porting impossible either operationally or legally.

For example, it may occur at CCP level in an Omnibus Client Account, with the result that there are insufficient assets available for porting to satisfy our obligations to you in relation to the Client Transactions.

Alternatively, it could be that all of your Client Transactions with us are netted automatically as a result of English insolvency law (please see Close-Out Netting above).

Banking Act 2009

The Banking Act 2009, as amended by the Financial Services Act 2012, applies because we are an English company that falls within its scope. As a result, in serious and outstanding circumstances, we could fall into temporary public ownership or we (or any of our assets and liabilities) may be transferred to a third party by a combination of the Treasury, Bank of England or FCA. In that case, your counterparty and/or your counterparty risk may change. It is unlikely that you will be able to stop such transfer or to enforce any early termination rights against us as a result of such transfer.

8. COMPLAINTS

A complaint can be made by you as a client or you as a potential client.

A complaint is any expression of dissatisfaction, whether oral or written, whether justified or not, from, or on behalf of, a customer or potential customer about the provision of, or failure to provide, any product or service, which:

- Alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- Relates to an activity which TTM has provided in relation to the provision of financial services.

a. HANDLING COMPLAINTS

Whilst the Firm operates a robust control framework, every organisation is susceptible to making mistakes or failing to meet a client's expectations.

TTM takes the receipt and handling of customer complaints incredibly seriously and expects its employees to handle all client complaints, with the highest standard of respect and in a fair, transparent and consistent manner.

b. THE COMPLAINTS PROCESS

Any complaint received or the indication of a potential complaint will be immediately directed to the Compliance Department (Compliance@ttmetals.com). There will be no further direct contact between the complainant and employee and any further communications relating to the complaint will be immediately directed to the Compliance Department.

The Compliance Department will contact the complainant no later than 5 business days to acknowledge receipt of the complaint and confirm the matter is being investigated. Open communication is ensured with the complainant and material updates or responses to requests from the complainant will be provided as soon as is reasonably practicable.

Within 8 weeks of receiving the complaint, TTM will provide a Final Response to the complainant detailing the findings of its investigation. The Final Response will be in clear language and provide a detailed overview of the findings of the Firm's investigation, explaining the Firm has either:

- Not upheld the complaint; or
- Has upheld the complaint in part or full and confirming the compensation which is being offered to the complainant.

Where applicable, Final Response letters must provide information to the Complainant regarding possible alternative dispute resolution services, such as the Financial Ombudsman Service and Financial Services Compensation Scheme.

Investigation of the Complaint

TTM will ensure all complaints are investigated competently, diligently and independently and without delay.

On receipt of a complaint, the Head of Legal and Compliance will assess the subject matter of the complaint and the expertise required to ensure a full and proper investigation is carried out. It will be the responsibility of those individuals assigned to investigate the complaint to:

- ensure the matter is reviewed in full (requesting additional information both internally and externally where required);
- decide whether the complaint should be upheld;
- identify what remedial action or redress may be appropriate;
- if appropriate, conclude whether there are reasonable grounds to suggest that another third party may be solely or jointly responsible for the matter alleged in the complaint.

Factors which may be relevant in the assessment of a complaint under DISP 1.4.1R(2) include the following:

- all the evidence available and the particular circumstances of the complaint
- similarities with other complaints received by TTM
- relevant guidance published by the FCA, other relevant regulators, the Financial Ombudsman Services

The Financial Ombudsman Service (“FOS”)

The FOS may only look into complaints from or on behalf of an ‘Eligible Complainant’.

An ‘Eligible Complainant’ must be a person that is:

- a) a consumer;
- b) a micro-enterprise;
- c) a charity which has an annual income of less than £6.5million at the time of the complaint;
- d) a trustee of a trust which has a net asset value of less than £5 million at the time of the complaint;
- e) a small business; or
- f) a guarantor.

Certain Elective Professional Clients may be captured within this, and it is therefore important TTM provides details of FOS within its Final Response letters.

A six-month limitation period to refer to FOS applies from the date on which the eligible complainant is sent the Final Response by the Firm. After expiry of this a complainant will be barred from referring the complaint to the FOS. The Final Response must tell the complainant about the six-month time limit that the complainant has to refer a complaint to the FOS.

TTM must cooperate fully with the FOS in the handling of complaints against it. This includes producing requested documents, adhering to specified time limits,

attending hearings when requested to do so and complying promptly with any settlements or awards. Where a firm breaches the decision of FOS, the FCA can discipline the firm. The Compliance Department will maintain a Register of all complaints received and their outcome. These records, along with copies of the underlying documents and records will be retained by TTM for a minimum of six years.

c. **COMPLAINTS CONTACT**

The Head of Legal and Compliance is identified as the Complaints Officer. Details can be found on the FCA Register:

(<https://register.fca.org.uk/s/firm?id=001b000000Mfl2DAAV>).