

DISCLOSURE STATEMENT RELATING TO RISKS IN CONNECTION WITH TITLE TRANSFER COLLATERAL ARRANGEMENTS (“DISCLOSURE STATEMENT”)

This Disclosure Statement is provided for information purposes only and does not amend or supersede the express terms of any transaction, agreement, Collateral Arrangement or any rights or obligations you may have under Applicable Law, create any rights or obligations, or otherwise affect your or our liabilities and obligations. The capitalised terms used in the main body of this Disclosure Statement but not otherwise defined shall have the meaning given to them in Section 3.

1. INTRODUCTION

This Disclosure Statement will apply if you have entered into or may hereafter enter into one or more Collateral Arrangements during the course of your relationship with us.

This Disclosure Statement has been prepared to inform you of the risks involved and the effects of any Collateral Arrangement (“**TTCA Risks and Effects**”). This Disclosure Statement relates only to TTCA Risks and Effects and does not address any other risks or consequences that may arise as a result of your particular circumstances or as a result of the terms of a particular transaction or agreement.

This Disclosure Statement is not intended to be, and should not be relied upon as, legal, financial, tax, accounting or other advice. Unless otherwise expressly agreed in writing, we are not providing you with any such legal, financial, tax, accounting or other advice and you should consult your own advisors for advice on consenting to a right of use of collateral or margin provided under a security collateral arrangement or on concluding a title transfer collateral arrangement, including the impact on your business and the requirements of, and results of, entering any related transaction or agreement.

2. TTCA RISKS AND EFFECTS

2.1. Where full ownership in your cash is transferred by you to us under a title transfer collateral arrangement or if we exercise a right of use in relation to cash that you have provided to us by way of collateral or margin under a security collateral arrangement (“**Re-Use Cash**”), we draw your attention to the following TTCA Risks and Effects:

- 2.1.1.** your rights, including any proprietary rights that you may have had, in the Re-Use Cash will be replaced by an unsecured contractual claim for delivery of equivalent cash subject to the terms of the relevant Collateral Arrangement;
- 2.1.2.** that Re-Use Cash will not be held by us in such manner as to benefit from any segregation protections afforded by client money or client asset rules, and, if they had benefited from any client money or client asset protection rights, those protection rights will not apply (for example, the Re-Use Cash will not be segregated from our assets and will not be held subject to a trust);
- 2.1.3.** in the event of our insolvency or default under the relevant transaction or agreement your claim against us for delivery of equivalent cash will not be secured and will be subject to the terms of the relevant Collateral Arrangement and Applicable Law and, accordingly, you may not receive such equivalent cash or recover the full value of the Re-Use Cash (although your exposure may be reduced to the extent that you have liabilities to us which can be set off or netted against or discharged by reference to our obligation to deliver equivalent cash to you);
- 2.1.4.** in the event that a resolution authority exercises its powers under any relevant resolution regime in relation to us, any rights you may have to take any action against us, such as to terminate our agreement, may be subject to a stay by the relevant resolution authority and:
 - a)** your claim for delivery of equivalent cash may be reduced (in part or in full) or converted into equity; or

- b) a transfer of assets or liabilities may result in your claim on us, or our claim on you, being transferred to different entities,

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

- 2.1.5. as a result of your ceasing to have a proprietary interest in the Re-Use Cash you will not be entitled to exercise any rights whatsoever attached to the Re-Use Cash;
- 2.1.6. in the event that we are not able to readily obtain equivalent cash to deliver to you at the time required: you may be unable to fulfil your settlement obligations under a hedging or other transaction you have entered into; and you may be unable to exercise rights or take other action in relation to the Re-Use Cash;
- 2.1.7. you will not be entitled to receive any payments, interests or rights payable in relation to the Re-Use Cash, although the express written terms of the relevant Collateral Arrangement may provide for you to receive or be credited with a payment by reference to such payments, interests or rights (a "**manufactured payment**");
- 2.1.8. a Title Transfer Collateral Arrangement or our exercise of a right of use under a Security Collateral Arrangement in respect of any Re-Use Cash and the delivery by us to you of equivalent cash may give rise to tax consequences that differ from the tax consequences that would have otherwise applied in relation to the holding by you or by us for your account of that Re-Use Cash;
- 2.1.9. where you receive or are credited with a manufactured payment, your tax treatment may differ from the tax treatment in respect of the payment, interest or rights in relation to those Re-Use Cash.

2.2. Where we provide you with clearing services (whether directly as a clearing member or otherwise), we draw your attention to the following additional TTCA Risks and Effects:

- 2.2.1. if we are declared to be in default by a CCP, the CCP may, pursuant to Applicable Law, try to transfer ("**port**") your transactions and cash or non-cash assets to another clearing member or, if this cannot be achieved, the CCP may terminate your transactions;
- 2.2.2. in the event that other parties in the clearing structure default (including (but not limited to) a CCP, a custodian, a settlement agent or any clearing broker that we may instruct) you may not receive all of your cash or non-cash assets back and your rights may differ depending on the law of the country in which the relevant party is incorporated (which may not necessarily be English law) and the specific protections that such party has put in place;
- 2.2.3. in some cases a CCP may benefit from legislation which protects actions it may take under its default rules in relation to a defaulting clearing member (e.g., to port transactions and related assets) from being challenged under relevant insolvency law.

3. DEFINITIONS

"**Agreement**" means any agreement between you and us pursuant to which a Collateral Arrangement arises or may arise.

"**Applicable Law**" means:

- a) the rules of a relevant regulatory authority as applicable;
- b) the rules and policies of any relevant trading venue (as such term is defined in the rules of the relevant regulatory authority), any other trading platform, execution venue, CCP and regulatory and/or self-regulatory organisation; and
- c) in respect of each party, all other laws, rules, regulations and orders of governmental bodies or regulatory agencies, applicable to such party as in relation to the services under the Agreement, and orders of any

court or arbitrator in proceedings to which a party is a party or to which it or its assets are subject.

"**Collateral Arrangement**" means a (a) title transfer collateral arrangement or (b) security collateral arrangement.

"**CCP**" means an entity authorised by the relevant regulatory authority to act as a central counterparty or clearing house;

"**right of use**" means any right we have to use, in our own name and on our own account or the account of another counterparty, cash received by us by way of collateral or margin under a security collateral arrangement between you and us.

"**security collateral arrangement**" means an arrangement under which a collateral provider provides cash margin by way of security in favour of, or to, a collateral taker, and where the full ownership of the cash margin remains with the collateral provider when the security right is established and where the arrangement contains a right of use in favour of the collateral taker.

"**title transfer collateral arrangement**" means any arrangement under which a collateral provider transfers full ownership of cash margin to a collateral taker for the purpose of securing or otherwise covering the performance of relevant financial obligations.

"**we**", "**our**", "**ours**" and "**us**" means Triland Metals Limited.

"**you**", "**your**" and "**yours**" mean each and every customer or counterparty of Triland Metals Limited that has entered into a Collateral Arrangement with Triland Metals Limited.