



***PRE-CONTRACTUAL INFORMATION TO FIXED INCOME CLIENTS***

## 1. INTRODUCTION

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (hereinafter referred to as "**MiFID II**"), and their implementing legislation, provides for appropriate arrangements for protecting investors, as well as making the financial markets more transparent. It establishes obligations that include the need to inform clients about the entity and the various financial instruments and services it provides.

Specifically, the regulation is applicable when the following investment and/or ancillary services, (but not limited to them) are provided:

- Reception and transmission of orders.
- Execution of orders.
- Underwriting and placing.
- Investment advice.
- Discretionary portfolio management.
- Investment research.
- Advice to undertakings on capital structure, industrial strategy and related matters.

JB Capital Markets, Sociedad de Valores, S.A.U. (hereinafter "**JB Capital**") trades mainly, for the services indicated herein, with Fixed Income financial instruments.

More information is available through our website <https://www.jbcm.com> which is, constantly updated with relevant information for our clients.

If you need any clarification you may contact us online at [info@jbcm.com](mailto:info@jbcm.com) or by phone on +34 91 769 11 00.

In accordance with the provisions of the regulations governing investment services, JB Capital provides its clients with relevant general information about both the entity and the different financial instruments and services it provides, as well as its Order Execution and Conflicts of Interest Policies.<sup>1</sup>

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<sup>1</sup> Document dated: September 2019.

## 2. GENERAL INFORMATION ABOUT JB CAPITAL

JB Capital, which has tax identification code (CIF) A-85214922 and registered office at Calle Serrano Anguita nº 1, Madrid, is registered with Official Registry of Entities of the National Securities Market Commission (hereinafter, "**CNMV**") as number 229.

All products and services provided by JB Capital are subject to current law and supervised by the CNMV and other regulatory bodies.

For more information contact:

Comisión Nacional del Mercado de Valores

Calle Edison, 4

Oficina de atención al inversor

28006 - Madrid (Spain)

Tel. 902 149 200

[www.cnmv.es](http://www.cnmv.es)

JB Capital is a member of the Spanish Investment Guarantee Fund (FOGAIN) which offers compensation to investors in certain cases of insolvency affecting the entity providing the investment service. FOGAIN guarantees the clients of a member entity that they can recover the cash and financial instruments they delivered to the entity, and which the entity holds, administers or manages on behalf of the investor, up to a maximum of 100,000 euros per investor, if the entity is not capable of returning them itself.

JB Capital has a Client Service Department that aims to address and resolve complaints and claims submitted by its Clients in accordance with the procedure established in the entity's Regulation on Client Protection, available on the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)). You can contact by phone (+34 91.769 11 00) and the following e-mail address: [dac@jbcm.com](mailto:dac@jbcm.com).

The communications of JB Capital with its clients and the documents that it provides to them will be drafted in the Spanish or English language. If these communications, documents and periodic statements are required in a different language, please contact us to request more information in this respect.

With respect to the Fixed Income desk, both sales people and traders shall communicate with clients or potential clients by recorded phone conversations and electronic communications that permit their recording, such as corporate e-mail, IB chat or Bloomberg e-mail, these being the only means by which the submission and reception of order and any communication intended to result in transactions or in

the provision of client order services will be permitted.

**We hereby inform you that JB Capital, as required by the applicable law, records electronic communications and telephone conversations with its clients in which transactions are made or could be made.** We also inform you that a copy of the recorded conversations and communications with clients will be available on request for a period of five years or, when requested by the CNMV, for a maximum period of 7 years.

ANNEX I of this document also contains information pursuant to article 39.7 of Regulation (EU) No. 648/2012, of 4 July, on OTC derivatives, central counterparties and trade repositories (hereinafter referred to as "EMIR").

### 3. CLIENT CLASSIFICATION

To provide investment services, JB Capital will classify each of the clients to whom it provides these services into one of the following categories: Retail Client, Professional Client or Eligible Counterparty.

JB Capital provides investment and ancillary services only to clients classified as Professional Clients or Eligible Counterparties.

The category assigned to a client under the criteria established in the regulations determines the standards of protection applicable to the client:

- **Per se Professional Clients:** Clients are considered to have the experience, knowledge and qualifications required to take their own investment decisions and correctly assess the risk inherent to these decisions.<sup>2</sup>
- **Eligible counterparties:** These are entities that normally act directly in the financial markets and this have the lowest level of protection.

With the information available to JB Capital, we notify you of your classification as a Professional Client with respect to all the investment services that we provide for you under MiFID II.

As a Professional Client, you enjoy a lower level of protection than that granted to Retail Clients. In particular, Professional Clients may receive less information than Retail Clients about contracts, associated costs and expenses, financial instruments, the investment services company or other aspects.

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<sup>2</sup>Those that meet the requirements set out in Annex II of MiFID II.

Under the provision of the regulation, you are entitled to request a different categorization either in general or for each trade (i.e. Retail Client or Eligible Counterparty). However, you should be aware that JB Capital is unable to provide services directly to Retail Clients and shall not continue to provide these services if you request this category. If you request to be classified as Eligible Counterparty, you will lose certain regulatory protection, including that relating to the “best execution” obligations.

To discuss your classification, please contact JB Capital.

You should be aware that, in order to provide services to a Professional Client, MiFID II requires you to enter into a basic written agreement with your firm. We will therefore not be able to being to provide services to you until you return the basic agreement we will send you, signed by a person with sufficient authority to represent your firm.

We would also like to remind you that you are obliged to inform us of any change that may affect our capacity to remain in such category. If any information we have on you is incorrect, please contact us so that we can update it.

#### **4. INFORMATION ON INVESTMENT SERVICES**

##### **Reception and transmission of orders and execution of orders**

JB Capital is authorized to provide the services of reception and transmission of client orders, as well as the services of execution for executing order on Equity and Fixed-Income instruments, when it acts as market member or intermediary. The client orders for these services may be made at the initiative of the clients or JB Capital. As their clients are always classified as Professional Clients or Eligible Counterparties, JB Capital understands that they have sufficient knowledge and experience, so there is no obligation to assess appropriateness.

##### **Dealing on own account**

JB Capital is authorized to deal with financial instruments on its own account. At times, a client or counterparty of JB Capital may negotiate and carry out transactions with JB Capital as a principal, particularly in fixed-income instruments.

The other investment and ancillary services that may be provided by JB Capital, but are not offered to the addresses of this document, are as follow:

##### **Investment research**

Investment research team of JB Capital covers issuers of listed shares in Spain and Portugal, from a

fundamental long-term valuation perspective.

JB Capital is committed to offering extensive coverage and tailored services, adapting the information to the special needs of each investor and their level of specialization.

In addition to preparing investment research reports on companies, the aim is to enrich the service by providing clients with a local and well-researched perspective about the operation of the companies, sectors and markets that are analyzed.

JB Capital only provides this service to Professional Clients and Eligible Counterparties with whom it has entered into an agreement to provide analysis services.

### **Financial advice**

The JB Capital Investment Banking team offers an integrated products and services portfolio. The offer is geared to help its clients identify and carry out strategic initiatives that increase shareholder value or to raise capital and funds to undertake expansion and growth projects.

The firm's goal is to establish ongoing relations with its clients and accompany them at all times in the capital planning cycle. JB Capital aspires to act as a long-term adviser for its clients, offering high-quality independent financial advice services and excellence of execution in relation to its areas of business: Corporate Finance / Mergers and Acquisitions, Equity Capital Markets and Debt Capital Markets.

JB Capital only provides this service to Professional Clients and Eligible Counterparties with whom it has entered into a written financial advice agreement. JB Capital does not therefore offer financial advice to its clients to whom this document is addressed, as this service is defined in Section B (3) of Annex I to MiFID II.

In compliance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector within the meaning of Article 4 (5) b), JB Capital states that, acting as financial advisor to one single client (hereinafter, the "Client") classified an Eligible counterparty according to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and, taking into account that such Client appreciates the merits of incorporating Sustainability Risks into the investment process but does not have sustainable investment as its objective, neither does it promote any particular environmental nor social characteristic and has expressed its decision to not necessarily take into account sustainability risks systematically in its investment decision-making process, JB Capital will not necessarily take into

account the adverse effects of investment decisions on sustainability factors when providing investment advice to this Client, notwithstanding that in future they may be considered according to the legislation applicable, JB Capital's internal policies and the investment policies of this or other future clients.

### **Investment advice**

JB Capital is authorized to provide investment advice services, understood as the provision of personalized recommendations to the client, either at client's request or at the initiative of JB Capital, with respect of one or more transactions relating to financial instruments.

JB Capital only provides this service to Professional Clients and Eligible Counterparties with whom it has entered a specific agreement. As a result, JB Capital does not offer investment advice to its clients to whom this document is addressed, as such service defined in Section A (5) to Annex I of MIFID II. As a result, we ask you to send confirmation that you do not expect to receive investment advice from JB Capital in the document of consent issued for this purposes.

When JB Capital provides investment advice services, it will always do so on an independent basis, which implies that the regulation in relation to this service does not allow it to receive inducements from third parties in relation to the provision of the service to clients and to include a broad range of financial instruments among its recommendations, which in any case will be instruments of third-party with which JB Capital does not have close links.

Before providing the investment advice service, JB Capital must assess the client's risk profile to determine what is required. To do so, JB Capital will assess the client's investment objective, including the risk tolerance (suitability assessment). As they are Professional Clients per se and Eligible Counterparties, JB Capital is not obliged to assess their knowledge and experience, and can assume that they can face any investment risk from a financial point of view that is consistent with the objectives they have indicated. If JB Capital does not have the information needed for suitability assessment, it shall not provide the investment advice service.

## **5. POLICY ON CONFLICT OF INTEREST**

Pursuant to regulatory requirements, JB Capital has a conflict of interest policy in place with specific procedures that allow it to identify, register, prevent and, where necessary, manage possible conflicts of interest proactively, as well as mitigating where appropriate, and as far as possible, the potential impact of these risks.

JB Capital will at all times adopt appropriate measures to detect, avoid and, where possible, manage

possible conflicts of interest that may arise at any time in the provision of any investment or ancillary service, with the purpose of preventing them from harming our client's interest.

In cases where the measures adopted are not sufficient to guarantee the avoidance of harm to clients, JB Capital will clearly disclose the nature and origin of the conflict of interest before the provision of the relevant services.

The policy on conflicts of interest deals with the following matters:

- Identification of the activities, types of instruments and transactions which give rise to, or may give rise to a potential conflict of interest in relation to investment service carried out on own account or on behalf of a third party, from which there is a significant risk of impairment of the interests of one or more clients.
- Design and specification of the procedures to be followed and the measures to be adopted to identify, prevent and manage such potential conflicts, with the aim of guaranteeing the independence of people who are engaged in this activity.
- Design and specification of procedures for notifying its clients of the existence and nature of the potential conflict of interest that derives from the provision of the investment or ancillary service, before the service is provided, as well as the measures adopted to mitigate this conflict, if such a conflict cannot be avoided. Thus clients will have the appropriate information available to decide whether they consider it appropriate to continue with their planned investment.

For more information on the policy, clients may visit the JB Capital website: <https://www.jbcm.com/legalnotice/>.

## **6. ORDER EXECUTION POLICY**

To comply with regulatory requirements, JB Capital has a best execution policy that includes measures considered sufficient to obtain the best possible result when executing or transmitting client orders. The regulation requires that all sufficient measures to be adopted to obtain the best possible result, taking into account the price, costs, speed, probability of execution and settlement, volume, nature or any other consideration pertinent to the execution of the order.

This policy shall apply to all Professional Client orders, regardless of the instrument involved. However, the trading venue where the execution takes places or the intermediary selected, and the criteria and factors for best execution will vary depending on the financial instrument involved in each order.



We will not owe best execution to clients classified as Eligible Counterparties; for these entities the Order Execution Policy is for information purposes only.

On executing client orders, JB Capital will take into account the following criteria for determining the relative importance of the factors mentioned above:

- a. the characteristics of the client;
- b. the characteristics of the client's order;
- c. the characteristics of the financial instruments that are object of this order;
- d. the characteristics of the trading venues to which such an order can be directed.

JB Capital informs its clients that, if necessary, certain orders may be executed outside a trading venue. We must obtain their express prior consent to execute order outside a trading venue. To give your consent, please return the completed and signed document of consent.

When executing orders or taking decisions to deal in OTC products, including bespoke products, JB Capital will check the fairness of the price proposed to the client by collecting market data used in the estimation of the price of such product, and as far as possible, by comparing with similar or comparable products.

If the client issues a specific instruction, JB Capital will execute the order following this specific instruction, and therefore the best execution requirements will be considered covered with respect to this order, or at least with respect to the factors of the order affected by the instruction.

The client is warned that specific instructions for executing a particular order following this specific instruction, and therefore the best execution requirements will be considered covered with respect to this order, or at least with respect to the factors of the order affected by the instruction.

A copy of the Order Execution Policy will be submitted to Professional Clients before the provision of the intermediation services, and is also available to clients on the website <https://www.jbcm.com/legalnotice/>. The Order Execution Policy will be reviewed every year.

JB Capital is obliged to obtain the prior consent of its Professional Clients to the Order Execution Policy. For your convenience, please send this consent through a completed and signed document of consent to [compliance@jbcm.com](mailto:compliance@jbcm.com). This consent shall be considered to be implied if you transmit any order to JB Capital, even if you have expressly given such consent.

In addition, with respect to each class of financial instrument, the five main execution venues in which

Professional Client's orders were executed the previous year in terms of trading volumes will be published every year on the JB Capital website. This annual publication will also list the five main entities to which client orders have been transmitted for execution the previous year, broken down by each class of financial instrument.

## **7. INFORMATION ON INDUCEMENTS**

Inducements are understood to be any fees, commissions and non-monetary benefits that JB Capital pays / provides or is paid / is provided to / from third parties related to financial instruments. In cases when JB Capital receives inducements from third parties it must comply with the prior information duties under the regulation, and justify the provision of an additional or higher level or service. It must also inform its clients every year on the inducement perceived.

Among the inducements identified by JB Capital that it may receive are commissions from placing fixed-income and equity on the primary market offerings, in public offerings or in placement transactions on the secondary markets. These commissions will be notified to clients in the corresponding prospectus for issues or offerings, or where there is no prospectus, they will be notified to the clients before the order is formalized.

## **8. INFORMATION ON COSTS AND EXPENSES**

JB Capital will receive the fees agreed with clients for carrying out its activity and for the provision of investment services.

As established in the regulations, when JB Capital markets financial instruments to clients, it will inform the clients with sufficient notice of all the costs and associated charges with the investment and ancillary services, as well as those relating to the financial instruments marketed. If it is not possible to provide details of the costs and charges before the provision of the services, JB Capital will provide its clients with a reasonable estimate of them. In all cases, after the execution of the order, JB Capital will inform the client about all cost and associated charges related to it.

The following is a reasonable estimation of the costs and charges applicable to the reception and transmission of order and execution of order in Fixed Income financial instruments that are generally applicable by JB Capital, Bolsas y Mercados Españoles ("BME") and other markets of other countries that may be involved:

<b>FIXED INCOME</b>	<b>Estimated costs and expenses (minimum and maximum)</b>
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Fee / Mark-up	Investment grade liquid: Between 0.01 and 0.05%. Investment grade illiquid: Between 0.05 and 0.10%.  High yield liquid: Between 0.25 and 0.50%. High yield illiquid: Between 0.50 and 0.75%.  Hybrid Instruments: Between 0.15 and 0.20%.  MARF Emissions <100 million: 0.75%
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These minimum and maximum fees are those normally charged by JB Capital for the Fixed Income brokerage service, without prejudice to the fact that these minimum and maximum fees may be modified taking into account the nature and characteristics of the type of financial instrument involved and/or market circumstances, so that for a specific transaction the applicable fees may be different from those previously indicated.

Given the usual practices of Fixed Income intermediation, it is not possible to provide the client with a more accurate costs and associated charges estimation prior to the execution of the order, although, after the execution of it, the client will be provided with information on the costs and associated charges incurred by it.

Notwithstanding above, in the following chart there is an estimation of the total aggregate costs and expenses that could be incurred a client in a Fixed Income order. These estimations are made considering an order amounting to 100.000€, taking into account also the characteristics of the financial instruments and the average fees applicable by JB Capital recently.

	Investment grade liquid		Investment grade illiquid	
	Public debt Amount (Euros)	Private debt Amount (Euros)	Public debt Amount (Euros)	Private debt Amount (Euros)
Transaction amount	100.000€	100.000€	100.000€	100.000€
Mark up	Minimum: €100 Maximum: €500	Minimum: €100 Maximum: €500	Minimum: €500 Maximum: 1.000€	Minimum: €500 Maximum: €1,000
<b>Total costs and charges</b>	Minimum: €100 Maximum: €500	Minimum: €100 Maximum: €500	Minimum: €500 Maximum: €1,000	Minimum: €500 Maximum: €1,000

	High Yield Liquid		High Yield illiquid	
	Public debt Amount (Euros)	Private debt Amount (Euros)	Public debt Amount (Euros)	Private debt Amount (Euros)
Transaction amount	100.000€	100.000€	100.000€	100.000€
Mark up	Minimum: €2,500 Maximum: €5,000	Minimum: €2,500 Maximum: €5,000	Minimum: €5,000 Maximum; €7,500	Minimum: €5,000 Maximum; €7,500
<b>Total costs and charges</b>	Minimum: €2,500 Maximum: €5,000	Minimum: €2,500 Maximum: €5,000	Minimum: €5,000 Maximum; €7,500	Minimum: €5,000 Maximum; €7,500

Hybrid Instruments	Amount (Euros)
Transaction amount	100.000€
Mark up	Minimum: €1,500 Maximum: €2,000
<b>Total costs and charges</b>	Minimum: €1,500 Maximum: €2,000

In the event of market of financial instruments, as well as if investment services are provided on an ongoing basis, JB Capital will provide aggregated information on investment costs and expenses at least annually.

## 9. INFORMATION ON FINANCIAL INSTRUMENTS AND ASSOCIATED INVESTMENT RISKS

### Information on Fixed Income financial instruments and associated investment risks

The main characteristics and most common risks associated with Fixed Income financial instruments are described below.

Fixed Income financial instruments are a broad set of securities issued by both private companies and public institutions. The holder of fixed-income securities has economic rights, but not political rights, as he does not own the company. The most important right is that to receive the agreed interest and principal.

**Fixed Income** financial instruments include:

1. **Public debt:** This is made up of securities issued by national governments, regional governments and other public authorities. Fixed-income securities include the following types of debt:

- **Government bonds:** These are the main fixed-income medium-term and long-term instruments issued by the government. They are issues with an explicit return. Currently bonds are issued for 3, 5, 10, 15 and 30 years. During their life, they accrue a fixed interest that is paid through annual coupons.

Some long-term public debt is issued in the form of “strips” in which the principal and each of the coupons to which the original bond gives a right can be acquired separately.

- **Regional government and other public authority debt:** the regional governments, local authorities and various public institutions issue short-term notes and long-term securities. Their characteristics are similar to Treasury Notes and government bonds, respectively.

2. **Corporate or Private Fixed-Income (Bonds):** These are the fixed-income securities issued by companies in the private sectors. Bonds issued by companies are medium and long-term securities. Their characteristics may vary considerable from one issuer to another, and even in different issues by the same company. These differences may include the maturity date, the interest rate, the frequency of the coupons, issue prices and repayment, the repayment clauses and other issuance conditions, options for convertibility if there are any, the order of priority of payment in case of liquidation, or guarantees offered. There are therefore simple bonds, subordinated bonds (which, for the purposes of order of priority of payment, rank behind all the common creditors in creditor priority) and referenced or indexed bonds and debentures (whose yield is linked to an index, basket of shares, etc.).
  
3. **Hybrid instruments (convertible bonds and debentures):** Convertibility means the possibility of transforming one financial asset into another. Thus, a particular obligation may be converted into a share or another class of bonds. Convertible or exchangeable bonds give their owner the right to exchange them for shares at a particular date. The difference between exchange and conversion lies in the fact that in the case of exchange, the transformation into shares is carried out by delivery of shares that form part of the issue's treasury portfolio, whereas in the case of conversion new shares are delivered. Until the conversion date, the holder receives the interest by receiving payment of the periodic coupons. The number of shares that will be delivered for each bond, the way the conversion prices are determined, and the exchange or conversion dates, are specified in the Prospectus.

The different risks linked to the instruments indicated are indicated below:

- **Interest rate risk:** Risk of changes in the value of the financial instrument caused by changes in interest rates.
  
- **Exchange rate risk:** Change in the value of the financial instrument resulting from a variation in the currency exchange rate, when the underlying of the transaction is a currency exchange rate or if its nominal is denominated in a currency other than that of the source account.
  
- **Credit/issuer risk:** Risk that a debtor or issuer of a fixed-income instrument cannot meet its commitments fully or partially. Other risks should also be noted, such as a reduction in the issuer rating, bad business performance, default on payment of coupons, etc.
  
- **Market liquidity risk:** Risk of a penalty or discount on the price of the securities as a consequence of its difficulty to be sold.

- **Risk due to limitations on remuneration:** Risk that may affect the repayment payable to holders in the form of coupons or other payment.
- **Volatility risk:** Risk of changes in the value of the financial instrument caused by a variation in the volatility of one or more of its components when it includes an embedded option.
- **Perpetuity risk:** Some fixed-income financial instruments are perpetual in nature and therefore the issuer does not have the obligation to repay the principal at any time and their holders do not have the right to demand repayment from the issuer.
- **Credit spread risk:** Risk of changes in the value of the financial instrument caused by fluctuations in the spreads between the debt instruments and benchmark interest rates, such as the government debt and interbank rates.

With respect to the above risk, taking into consideration your classification as an Eligible Counterparty, we assume that a) you have sufficient knowledge of the nature and specific risks of operating with fixed-income instruments considered as non-complex; b) that you consider that investment in these kind of instrument is appropriate for you; c) that you need no additional warning on the risk of investing in these kind of fixed-income instruments to adopt your investment decisions in an informed manner.

In addition, sometimes you may trade with fixed-income instruments considered complex instruments because they do not comply with MIFID II criteria established for non-complex instruments. This may be because they include an embedded derivative, or because they are instruments that have the legal obligation to assume the losses of financial institutions, or for any other reason.

Some additional risks assumed by investment in complex fixed-income financial instruments are indicated below:

- **Risk due to the existence of embedded derivatives:** some issues of fixed-income financial instruments include embedded derivatives that may give rise to their being called by the issuer at times or at prices that are detrimental to the investor.
- **Risk of assumption of losses of financial entities:** risk by which, in case of resolution of a financial entity, fixed-income financial instruments issued by the institution are liable to be used for a bail-in by converting the instruments into shares or other capital instruments, or by reducing the principal (even to zero) of the financial instruments not excluded from the application of this resolution mechanism.

- **Risk of absorbing losses in case of the failure of a financial institution:** In addition to the above risk, in some fixed-income instruments issued by financial institution the resolution authority has power to reduce the principal amount permanently (even to zero) or convert it into capital, if the financial institution complies with the resolution conditions or, in fact, to ensure the financial institution does not fall.

We warn you that operating with complex instruments implies assuming high level of volatility, low liquidity and, in general, higher risk levels. We would appreciate your confirmation that you are aware of the nature and risks of investing in Fixed Income instruments considered complex instruments in the consent document provided for this purpose.

## 10. Personal Data

### Information regarding all personal data collected by JB Capital

In compliance with (EU) Regulation N° 2016/679 (henceforth, "GDPR"), JB Capital informs the Client that all personal data collected by JB Capital will be stored in a record of processing activities for which JB Capital is the owner.

JB Capital, as Data Controller, will process your contact data with the purpose of executing the present Engagement Letter. The grounds of lawfulness upon which JB Capital bases their processing on is the execution of the Engagement Letter, as according to article 6(1)(b) GDPR. Your personal data will be kept for the duration of the commercial relation. At the end of such, JB Capital will keep your personal data duly blocked for the sole purpose of attending to any liability that may arise in relation to the same. Once the statute of limitation indicated in the abovementioned legislation has elapsed, your personal data will be deleted.

JB Capital undertakes to comply with its obligation of secrecy of personal data and its duty to process your personal data under strict confidentiality measures. In this regard, JB Capital will implement adequate technical and organizational measures to prevent the alteration, loss, and unauthorized processing, access or theft of the personal data provided. The adequacy of the security measures implemented will be based upon a series of criteria, which includes, but is not limited to the state of the art; the nature of the data themselves; and (iii) the risks to which the personal data are exposed to.

JB Capital undertakes not to transfer or communicate your personal data to any third party. Nevertheless, JB Capital will disclose to the competent public authorities any personal data as well as other information that may be in its possession or accessible through its systems if required to do so by law. Notwithstanding the above, it is possible that JB Capital allows access to your

personal data to engaged subcontractors. These third parties will act as a Data Processor, as defined in GDPR. As such, they may only process your personal data in accordance with JB Capital's instructions. Furthermore, JB Capital guarantees that every entity accessing your data complies with the applicable data protection legislative framework.

You may, at any time, exercise your data subject rights (access, rectification, restriction of processing, limitation or deletion), by sending a written communication to JB Capital to the following email address: [lopd@jbcapital.com](mailto:lopd@jbcapital.com). Please take into account that your request must be accompanied with a copy of your National Identity Card or equivalent document. Please note that JB Capital may demand your request to be amended shall it not comply with the abovementioned requirements. If you consider that JB Capital has processed your personal data in violation of the current applicable legislation, you are entitled to file a complaint against JB Capital before the relevant supervisory authority ("Agencia Española de Protección de Datos").

In the event that the provision of the services detailed in this Engagement Letter implies the access or processing by JB Capital of the Client or third parties' personal data (when such personal data is made available to JB Capital by the Client), in order to comply with the obligations required by the applicable regulations, the parties undertake to execute the necessary agreements.<sup>o</sup>

## 11. POST- CONTRACTUAL INFORMATION

### **Information regarding the execution of orders not related to the management of portfolios**

When JB Capital has executed an order on account of a client, not related to the management of portfolios, it will promptly provide the client the essential information referring to the execution of this order in a lasting format, and send a notification to the client in a lasting format confirming the execution as soon as possible, and no later than the first business day following the execution; or if JB Capital transmit the order to a third party, no later than the first working day following the reception of the confirmation by the third party.

When JB Capital markets financial instruments, or when it provides recurring services, it will give each client aggregate information at least annually on the costs and charges of the investment and of the inducements received or paid in relation to them.



## **ANNEX I. EMIR LETTER**

Subject: Compliance with Article 39.7 of EMIR

Regulation (EU) N° 648/2012, of 4 July 2012, on OTC derivatives, central counterparties and trade repositories (hereinafter, "**EMIR**") is a regulation that in compliance with the commitments of the Pittsburgh G20 summit strengthens the European Regulatory framework by establishing new obligations for Central Counterparty Clearing Houses (CCP).

In compliance with articles 39.5 and 39.7 of EMIR, each Clearing House and clearing members must offer their customers at least the choice between "omnibus client segregation account" (hereinafter "**OCS**") and "individual client segregation account" (hereinafter "**ICS**") and inform them of the costs and level of protection associated with each option.

JB Capital Markets, S.V., S.A.U. ("**JB Capital**") is considered a non-clearing member of BME Clearing, through a general clearing member, offering the following types of accounts:

### OCS: Omnibus client segregation account

The OCS model is that currently used by JB Capital for BME Clearing through a General Clearing Member.

JB Capital segregates its proprietary positions and those of its clients that are registered in the omnibus account.

In case of insolvency of the member, if BME CLEARING decides to close the Client Segregation Account, the resulting outstanding balance will be repaid to the Member through the insolvency administrator, for the account of the Clients. Receivables must be assumed by the Member to recover any balances receivable resulting from the closure of the account.

The OCS model allows optimization of guarantees in the clearance, simplification of the reconciliation of transactions with BME Clearing and a reduction in the settlement cost.

There will be no additional cost for choosing the OCS in JB Capital.

### ICS: individual client segregation account

The ICS model allows clients to choose individual segregated account in which to register their position and assets. This model is an individualization of clients' positions and asset in individual segregated accounts in the books of BME Clearing.

In case of insolvency of the Member, this segregation allows transfer of the client's segregated transaction to another clearing member.

The choice of this model involves additional cost, such as the increase in guarantees and increase in settlements. As a result, the Member may, as well as charging BME Clearing cost, charge the client additional fees for the management of ICS accounts.

It should be noted that except in the case that you request us in writing for a different segregation model, the model applied by JB Capital is the OCS model.

You may find additional information on the levels of protection, associated costs and the main legal implications of the different levels of segregation offered and information on the legislation on applicable legislation in the following link to the BME Clearing website:

[http:// www.bmeclearing.es/ en/Participantes/Estructura/ SegregacionYPortabiliad.aspx](http://www.bmeclearing.es/en/Participantes/Estructura/SegregacionYPortabiliad.aspx).