

Terms of Dealing

This document describes the trading relationship between “you” and Crown Agents Bank Limited (“CAB”, “we” or “us”). This document supplements, but does not replace, CAB’s General Terms and Conditions and FX Services Schedule (the “Terms”). In the case of any conflict between this document and the Terms or any document incorporated therein, the Terms will prevail.

Purpose

The purpose of this guideline is to clarify the nature of the trading relationship between you and Crown Agents Bank Limited and to disclose relevant practices of CAB when acting as a dealer, on a principal basis, in the spot foreign exchange (“FX”) markets. We want to ensure that there are no ambiguities or misunderstandings regarding those practices.

This guideline sets forth CAB’s standard terms of spot FX dealing generally with our clients (together with other market participants, “counterparties”) in principal-to-principal transactions in the spot FX markets. It sets forth how we will communicate and transact in relation to requests for quotes, requests for indicative prices, discussion or placement of orders and all other expressions of interests that may lead to the execution of transactions and our management of potential or actual conflicts of interest in our principal-dealing and market-making activities. With regard to communications, CAB has done an extensive amount of work on company culture, including with respect to the importance of acting with integrity in everything we do. Whether on an open telephone line or otherwise, we are committed to maintaining the highest standards of integrity, being honest and doing the right thing in every circumstance.

Crown Agents Bank is a leading provider of FX and payments in frontier and emerging markets that has operated and continues to operate as a market maker in the spot FX market and payments. As such, CAB engages in price quoting, order taking, trade execution and other related activities. Unless otherwise agreed, CAB engages in these transactions as principal for the benefit of the company. In that capacity, CAB does not act as agent, fiduciary or financial advisor or, in any similar capacity, on behalf of its counterparties. CAB is dedicated to integrity, has no tolerance for unethical behaviour and is committed to being straightforward and honest in all our dealings; Nonetheless, CAB and its counterparties may have divergent or conflicting interests. To the extent that you continue to discuss and/or enter into spot FX transactions with us, it will be on the terms disclosed in this letter; this is with the exception of expressly agreed arrangements between yourself and CAB, or otherwise required by law or regulation.

Trading as Principal:

CAB transacts in the market as a principal dealer and market maker, and it is CAB's goal to: participate in the orderly operation of the markets, to offer consistently competitive pricing, and to protect and enhance its long-term relationships with its clients. CAB has discretion in putting its own capital at risk in transactions with clients, whether CAB is providing indicative pricing or executing orders and/or otherwise transacting in the market.

CAB acts as a principal and not as an agent, fiduciary, or financial advisor on the clients' behalf in relation to the transactions entered into. CAB does not provide advice, including on taxation or legal matters. The client is responsible for performing their own independent assessment of any FX transaction prior to execution and all trading decisions are made at the client's own risk to the fullest extent permitted by law.

Conflicts of Interest:

CAB may engage in transactions with a number of counterparties with competing interests at any one time. As such, conflicts of interest cannot be completely eliminated, but will be dealt with in line with CAB's documented policies governing the identification, management and reporting of actual or potential conflicts of interest that may arise during the course of business.

Pricing Factors:

CAB will always endeavour to ensure that prices offered are fair and reasonable and incorporate sales/trading mark-ups and/or other charges over the spread at which CAB has traded or may have been able to trade. Prices and spreads, are at the discretion of CAB, may differ to those offered to other counterparties, and can depend on a broad range of factors including, but not limited to: volume, trading history, processing costs, fees, credit, settlement risk, operational risk, liquidity funding, prevailing market conditions, inventory, and risk appetite. CAB takes all reasonable measures to monitor and oversee the quality and availability of electronic pricing. Despite this, there remains a risk that pricing and execution of trade requests, or orders and availability of data, may be delayed or interrupted. During such times clients may not be able to submit, cancel or modify such requests or orders and as a result may be exposed to losses/damages for which the client is liable.

Order Handling:

Accepting an order means CAB will attempt, but is not committed to execute at, or near, the requested price and/or quantity. Neither CAB's receipt of an order nor any indication that CAB is working an order creates a contract obligating CAB to execute the order. CAB attempts to execute orders, taking into account market conditions at the time, costs, risks and other business factors and objectives. When a client submits an order which is subject to conditions, the fact that any such conditions are satisfied does not mean that CAB will complete the client's transaction at the requested order price or quantity level (after taking into account any spread or similar adjustment reflecting CAB's return on the transaction) or that there exists a tradable market at that level.

CAB shall ensure that orders executed on behalf of Clients are promptly, fairly and accurately recorded and allocated where applicable. CAB shall carry out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or in the interests of the Client, require otherwise. Orders received by different media may not be deemed comparable. CAB is not obligated to disclose to the client at any time that we are handling other counterparties' orders.

CAB may execute transactions as part of its market making and risk management activities or for the benefit of another counterparty at a price that could satisfy a client's order, leaving the client's order unfilled or only partially filled. CAB may hedge our exposure resulting from orders against internal or external sources of liquidity. Although CAB is under no obligation to do so, it may, in its sole discretion, aggregate or "bunch" a client's orders with orders for other counterparties or orders entered into by CAB in connection with its market making and risk management activities and allocate the investments or proceeds acquired among the participating accounts in a manner that it considers appropriate. Where CAB has aggregated Client orders, it will allocate such orders in a manner to avoid detriment to a Client and in any event, in accordance with the rules applied by the FCA.

Pre-trade Positioning and Pre-hedging:

CAB can use a client's indication or interest in a potential transaction or a request to enter into a transaction to engage in pre-hedging or hedging activities, which may include entering into transactions prior to executing a client's potential transaction or request with a view to facilitating a client's potential transaction or request. Any transactions entered into by CAB for the purpose of facilitating a client's potential transaction which will be entered into by CAB as principal and could be at different prices from the price at which CAB executes the client's transaction. This may affect the market price, or liquidity, of the FX position a client is buying/selling, and may result in a profit or loss for CAB.

As a result of pre-trade positioning/pre-trade hedging, CAB may: make a financial gain or avoid a loss at the expense of the client, have an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client which is different from the client's interest in that outcome or transaction. CAB will, at all times, act in accordance with its Conflict of Interest Policy to identify, manage, report and disclose any such conflict as may be required in the relevant circumstances.

Communication Method:

All trade requests or orders sent to CAB by an electronic messaging system will not be considered received until a CAB representative verifies the order/trade details to you by phone or otherwise affirmatively acknowledges receipt. During the period between the electronic transmission of an order or trade request and the point at which it is verified and acknowledged, the client is exposed to risk that the trade/order will be filled at a less favourable level due to changing market conditions or may not be fulfilled at all.

Information Handling:

CAB may use information provided by clients to inform business decisions related to mitigating and hedging against risk, share information about client activities amongst sales and trading staff, share information about client activities with regulators where required by law or regulation, and use or disclose information on an aggregated and non-attributable basis to inform CAB's view of the market or any related client facing sector, product or service. CAB has policies and procedures designed to protect confidential information and ensure it is not used or disclosed improperly. When handling client information, CAB seeks to promote effective communications that support a robust, fair, open, liquid and appropriately transparent FX and MM Market.

Quotes and Indicative Prices:

Any firm or indicative price quoted by CAB to a client will be an "all-in" price, inclusive of any margin applied to the price at which CAB may be able to transact in the market, whether the price is quoted electronically or by sales/trading or other personnel. In relation to both electronic and voice trading with CAB, it is the client's obligation to ensure that they are satisfied with the price (indicative or firm) and other terms of any transaction prior to the transaction being executed.

Pre-trade Controls:

Prices published electronically by CAB are indicative. When a client submits a trade request it is an offer to transact when dealing with CAB and, in determining whether or not to accept that offer, CAB performs a series of checks which include: credit limits (and any other applicable risk limit) for the particular client, price-tolerance i.e. CAB will ascertain if the clients trade request is within a pre-defined price tolerance for execution. This tolerance for execution is equal on both sides of the price i.e. the pre-trade checks on price movements are for the benefit of CAB and the client. CAB has full discretion to hedge positions that we execute and may choose to unwind or adjust any hedge from time to time; any profit or loss resulting from such hedging, including from the spread, accrue solely to CAB.