

**convera**

# **Forward Contract Addendum**

**Convera Malta Financial Limited**



This Forward Contract Addendum to the Terms and Conditions ("**Addendum**") is subject to and governed by the contractual provisions set forth below. This Addendum supplements the Standard Terms and Conditions of Convera to which the Client has already agreed to be bound (and the latest version of which can be downloaded from Convera's website (<https://www.convera.com/en-mt>) (**Terms and Conditions**)). This Addendum is intended to govern only the Services regarding the sale and/ or purchase of a Forward Contract(s); all other provisions of the Terms and Conditions remain operative and are expressly incorporated by reference. The Terms and Conditions, not this Addendum, shall govern all other Services. Where there is conflict between the terms of this Addendum and the Terms and Conditions, the terms of this Addendum shall prevail with respect to the Forward Contract Services set forth herein and solely to the extent of the conflict. Unless otherwise specified herein, capitalised terms used, but not otherwise defined herein, shall have the same meaning assigned thereto in the Terms and Conditions.

**WHEREAS**, the Client and the Company each desire from time to time to enter into (a) Forward Contract(s) with each other and to have such Forward Contract(s) be governed by this Addendum;

**NOW, THEREFORE**, in consideration of the rights and duties allocated below as well as in the Standard Terms and Conditions, the Parties hereto mutually agree to supplement the Terms and Conditions as follows:

## 1. Definitions

**Additional Partial Prepayment (Margin Call/Risk Exposure Top-Up Payment):** An additional security payment required by Convera in connection with a Forward Contract. The amount of such payment shall be determined solely by Convera and such determination shall be based on (but not limited to) the actual adverse foreign currency fluctuation relative to the Client's original Forward Contract purchase price; and/or an adverse change in the Client's financial standing and/or credit worthiness and any Facility.

**Delivery Window:** A period of time (not excluding twelve months) prior to the Maturity Date during which the Client may Draw Down on a Forward Contract.

**Draw Down:** The partial delivery and/or partial or full settlement of the Forward Contract.

**Facility:** The settlement terms and foreign currency exposure or trading limit(s) that Convera may extend to the Client from time to time.

**Forward Contract:** A legally binding agreement in which the Client agrees to purchase from (or sell to) Convera a specific amount of funds in one currency and to settle, on an agreed future date, in a corresponding amount of funds in another currency. The Client agrees that each Forward Contract requested by it thereafter, will be governed by the provisions of this Addendum and by the Terms and Conditions.

**Instruction (Request):** A request by the Client made through mail, electronic mail, facsimile, telephone, file transfer, a Standing Order Instruction, the Online Payment System or other means for Convera to enter into a Forward Contract with the Client under the terms set out in this Addendum and in the Terms and Conditions.

**Maturity Date (Delivery Date/Value Date):** The date on which the Forward Contract becomes due for delivery and Settlement. The Maturity Date must be a business day in all jurisdictions involved in the relevant Forward Contract, including both countries of the currencies involved. The Maturity Date (Delivery Date/Value Date) shall always be the last day of the Delivery Window, if any.

**Partial Prepayment:** A security payment required by Convera in connection with a Forward Contract and held by Convera.

## 2. Foreign Currency Forward Contracts

- A. Forward Contract.** The Client may request Convera to enter into a Forward Contract with the Client by delivering an Instruction. Each Forward Contract will be governed by the provisions of this Addendum.
- B. Payment Purpose.** The Client confirms, represents and warrants that each Forward Contract it enters into with Convera is to facilitate payment for identifiable goods or services.
- C. Forward Contract Confirmation.** For each accepted Instruction for a Forward Contract, Convera will send the Client a Transaction Confirmation Form pursuant to Section 3.8 of the Terms and Conditions.
- D. Forward Contract Partial Prepayments and Additional Partial Prepayments.**
- (i) Unless otherwise agreed by the Client and Convera in writing (or as contemplated by the Client's Facility (if any)), within two (2) Working Days of the Client's Instruction to enter into a Forward Contract, the Client must transfer to Convera a Partial Prepayment equal to an agreed percentage of the nominal value of the Forward Contract.
  - (ii) During the term of a Forward Contract (i.e. at any time until the Maturity Date), Convera may request, on more than one occasion, and the Client agrees to provide to Convera within two (2) Working Days of each such request, a Partial Prepayment (if not already provided) and/or Additional Partial Prepayment.
  - (iii) If the Client has two or more outstanding Forward Contracts, each such Forward Contract will be re-valued individually and each Forward Contract exposure will be netted with other Forward Contracts individual exposures to establish Convera's overall exposure for all Forward Contracts entered into by Convera with the Client.
  - (iv) Such Partial Prepayment(s) and/or Additional Partial Prepayment is (are) intended to maintain the relative value of the funds to be purchased from or sold to Convera or, to address, in Convera's sole discretion, an adverse change in the Client's financial standing and/or credit worthiness or to address any changes to the Facility granted by Convera.
  - (v) The Partial Prepayments and Additional Partial Prepayments will be held by Convera in relation to the Client's debts (corresponding to Convera's receivables) from all outstanding Forward Contracts at any time. Convera will be entitled to set off such Partial Prepayments and/or Additional Partial Prepayments against the Client's total payment obligations owed to Convera with respect to any outstanding Forward Contract on its Maturity Date or any other applicable due date.
- E. Delivery of Funds.** Once the Settlement Amount in relation to a Forward Contract has been received by Convera, Convera will deliver the related funds to the Client in accordance with the Client's Instructions. The Client shall provide to Convera, at least two (2) Working Days before the Maturity Date, or any Draw Down date, the necessary remittance details and Instructions to initiate the payment to the Payee.
- F. Draw Down.** The Client may Draw Down against a Forward Contract during the Delivery Window; provided, however, that Convera has received the Settlement Amount in immediately available funds corresponding to the amount of the Draw Down. Where the Client does not instruct Convera to make a payment to a third party with the funds drawn down, but rather instructs Convera to make a payment to the Client itself, Convera may request additional documentation and/or information as required in Convera's sole discretion (exercised reasonably) prior to carrying out the Draw Down and/or payment. Notwithstanding any Draw Down, the Client shall be required to provide the full Settlement Amount (or any remaining balance) to Convera in immediately available funds in connection with a Forward Contract on or before the end of the Maturity Date.

- g. Rollover.** In the event that the Client desires to rollover a Forward Contract, or any portion thereof, before the Maturity Date, Convera may agree, in its sole discretion, to enable the Client to do so; provided, however, certain terms, conditions and costs (if any) are agreed in advance by the Client and Convera.
- h. Termination.** If the Client: (i) fails to deliver to Convera any Partial Prepayment and/or Additional Partial Prepayment(s) required in relation to a Forward Contract; or, (ii) communicates to Convera an intent not to provide to Convera any Partial Prepayment and/or Additional Partial Prepayment(s) required in relation to a Forward Contract; or (iii) disputes the validity or existence of a Forward Contract; or (iv) defaults, or communicates its intent to default, on any of its obligations described in the Terms and Conditions and/or in this Addendum, specifically those described in Section 2(D) above; or (v) Convera determines in its sole discretion (acting reasonably) that the client has not entered into a Forward Contract to facilitate payment for identifiable goods or services but for some other reason, Convera may terminate and unwind, without any notice to the Client, the relevant Forward Contract and/or any other outstanding Forward Contract(s) without any liability to Convera and/ or take any other steps that Convera deems appropriate (including any actions contemplated under Section 7.2 of the Terms and Conditions) to mitigate the potential loss(es) caused by the Client's failure to honour its contractual obligations under the Forward Contract(s). In the event of such termination, the Client agrees to pay to Convera on demand within five (5) Working Days the amount of any and all losses and expenses incurred by Convera in connection with the termination and unwinding of the Forward Contract(s). Where a Forward Contract has been terminated, the Client agrees that Convera's sole liability to the Client shall be to return any amounts the Client actually paid to and received by Convera that remain after deducting all amounts owed to Convera. Except as contemplated in this Section 2(H), the Client understands that a Forward Contract, once agreed and entered into, cannot be terminated.
- i.** The Client acknowledges that the foreign currency market is volatile. The Client expressly acknowledges this market risk and accepts the risk that the value of the Forward Contract may weaken/strengthen during the period it is open and that the value of the amount of currency which the Client has agreed to sell to, or purchase from, Convera may be less/more favourable than the then current price for the currency. The Client represents and warrants that the Client has entered into this Addendum for lawful and commercial/business purposes only and not for the purpose of investment or speculation and that each Forward Contract it enters into with Convera is to facilitate payment for identifiable goods or services.

*(Signature page follows)*

## **Signature**

By signing below, the Client:

- hereby acknowledges that it has received, read and understood this Addendum relating to Forward Contracts, in particular, in relation to Partial Prepayments and Additional Partial Prepayments (Margin Call/Risk Exposure Top-up Payment) referred to in Section 2(D) above;
- agrees to transact business with the Company in accordance with this Addendum; and
- further agrees to abide by all applicable governmental laws and regulations in the conduct of any and all business dealings with the Company.

**Client Name:**

**Client account number (if known):**

Authorised Signatory

Authorised Signatory

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Date:

Date:

Name:

Name:

Title:

Title:

For further information,  
please contact us.

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