

Forward Exchange Contracts

Product Disclosure Statement

**Services in Hong Kong are provided by Convera Hong Kong Limited
Unique Business Identifier: 52528828**

Issue Date: 1 April 2024

TABLE OF CONTENTS

- 1. PURPOSE..... 3**
- 2. IMPORTANT INFORMATION..... 3**
 - 2.1 Copies..... 3
 - 2.2 Updates relating to this PDS..... 3
 - 2.3 Financial Amounts..... 4
 - 2.4 Glossary of Terms..... 4
 - 2.5 Counterparty Credit Risk..... 4
 - 2.6 Disclaimer..... 4
- 3. ISSUER..... 4**
 - 3.1 Convera Contact Details..... 4
 - 3.2 Convera Services..... 4
 - 3.3 How to Access Convera Services..... 4
 - 3.4 Representatives Remuneration..... 5
 - 3.5 Additional Information..... 5
- 4. FOREIGN EXCHANGE OVERVIEW..... 5**
 - 4.1 Determining Exchange Rates..... 5
 - 4.2 The Foreign Exchange Market..... 5
 - 4.3 Currency Limitations..... 6
- 5. FORWARD EXCHANGE CONTRACTS (FECs)..... 6**
 - 5.1 Purpose of an FEC..... 6
 - 5.2 FEC Variables..... 6
 - 5.3 The Forward Points..... 6
 - 5.4 Exchange Rates..... 7
 - 5.5 Settlement..... 7
 - 5.6 How does a FEC work?..... 7
 - 5.7 Example of an FEC..... 8
 - 5.8 Components and Special Features of a FEC..... 8
- 6. INITIAL MARGIN AND MARGIN CALLS..... 9**
 - 6.1 Initial Margins..... 10
 - 6.2 Margin Calls..... 10
- 7. COSTS OF A FEC..... 11**
- 8. BENEFITS OF A FEC..... 11**
- 9. RISKS OF A FEC..... 11**
- 10. SETTLEMENT AND DELIVERY OF A FEC..... 12**
 - 10.1 Wire Transfers..... 12
 - 10.2 Foreign Drafts/Cheques (Draft)..... 13
- 11. ADDITIONAL RISKS..... 14**
- 12. ORDERS, INSTRUCTIONS, CONFIRMATIONS AND TELEPHONE CONVERSATIONS..... 15**
 - 12.1 Instructions, Confirmations and Telephone Conversations..... 15
 - 12.2 Standing Orders..... 15
- 13. TERMS AND CONDITIONS AND OTHER DOCUMENTATION..... 16**
 - 13.1 Terms and Conditions..... 16
 - 13.2 Other information..... 16
- 14. DISPUTE RESOLUTION..... 16**
- 15. PRIVACY..... 16**
- 16. GLOSSARY OF TERMS..... 17**

1. Purpose

This Product Disclosure Statement (**PDS**) is dated 1 April 2024.

This PDS contains information about **Forward Exchange Contracts (FECs)**. Convera Hong Kong Limited with Unique Business Identifier: 52528828 (referred to in this document as '**Convera**', 'we', 'our' and 'us') is providing you with this PDS so that you receive important information about FECs, including their benefits, risks and costs. In addition we provide you with information about Telegraphic Transfers and Drafts, which we use to settle and deliver FECs.

The purpose of this PDS is to provide you with sufficient information for you to determine whether a FEC meets your needs. This PDS will also allow you to compare the features of other products that you may be considering.

Please read this PDS carefully before purchasing an FEC. In the event that you enter into an FEC with us, you should keep a copy of this PDS along with any associated documentation for future reference.

The information set out in this PDS is general in nature and has been prepared without taking into account your objectives, financial situation or circumstances. Before making any decision about FECs, you should consider whether it is appropriate, having regard to your own objectives, financial situation and circumstances. This PDS does not constitute financial advice or a financial recommendation.

You should read all of this PDS and the Convera **Terms and Conditions** before making a decision to enter into an FEC. We recommend that you contact us if you have any questions arising from this PDS or the Terms and Conditions prior to entering into any transactions with us.

A FEC may be suitable for you if you have a reasonable level of understanding of foreign exchange and related markets. If you are not confident about your understanding of these markets, we strongly suggest you seek independent advice before making a decision about these products.

For example, consideration should be given to all the potential outcomes of specific FECs and strategies before entering into them. We encourage you to obtain independent financial advice which takes into account the particular reasons you are considering entering into FECs with Convera.

Independent taxation and accounting advice should also be obtained in relation to the impact of possible foreign exchange gains and losses in light of your particular financial situation.

The distribution of this PDS and the offer and sale of the FECs offered under this PDS are not intended to extend beyond Hong Kong SAR.

This PDS and the FECs offered under this PDS have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any US state or other securities laws. Accordingly, the FECs offered in this PDS may not be granted to or taken up by, and FECs may not be offered or sold to, any person that is in the United States or that is, or is acting for the account or benefit of, a US person.

Please note that this PDS is provided in Chinese language for information only, the English language version is the official version. In the event of inconsistency between the content of this PDS and the content of the English language version, the English language version will prevail.

If you have any questions or require more information, please contact Convera on +852 2853 9867 or by email: customerservicehk@convera.com or refer to our website <https://convera.com/en-hk/compliance-legal/compliance>

2. Important Information

2.1 Copies

Copies of this PDS are available free of charge. You can download a copy of this PDS from our website at <https://convera.com/en-hk/compliance-legal/compliance> or request a copy by either email at customerservicehk@convera.com or by phone +852 2853 9867.

2.2 Updates relating to this PDS

The information in this PDS is subject to change. Where new information arises that is not materially adverse to the information in this PDS, Convera will post such updated information on its website at <https://convera.com/en-hk/compliance-legal/compliance>

You may request a copy of this information from your **Convera Representative** or by contacting Convera with reference to contact details in Section 3.1 "Convera Contact Details" of this PDS.

2.3 Financial Amounts

All financial amounts expressed in this PDS are in Hong Kong Dollars (**HKD**) unless otherwise stated.

2.4 Glossary of Terms

Words in **BOLD** used in this PDS, other than headings, have defined meanings. These meanings can be located in Section 16 "Glossary of Terms" of this PDS.

2.5 Counterparty Credit Risk

When you enter into a FEC with Convera, you are exposed to **Counterparty** credit risk against Convera. That is, you have the risk that Convera will not meet its obligations to you under the FEC.

2.6 Disclaimer

Any information that is provided in this PDS is general information and does not take account of your financial situation, objectives or circumstances. Because of this, before you act on it, you should consider its appropriateness having regard to your own objectives, financial situation or circumstances.

3. Issuer

Convera Hong Kong Limited issues the FECs described in this PDS.

This PDS was prepared by:

Convera Hong Kong Limited Unique Business Identifier: 52528828

3.1 Convera Contact Details

Address: Room 501, Level 5, K11 Atelier, 728 King's Road, Quarry Bay, Hong Kong Phone: +852 2853 9867

Principal Contact: Corporate Hedging

Email:

customerservicehk@convera.com

Website: <https://convera.com/en-hk>

3.2 Convera Services

Convera is one of the world's largest non-bank specialists in foreign exchange and international payments. We work with individuals and companies of all sizes, to create solutions that assist their business payments and foreign exchange process challenges to manage risk and costs.

3.3 How to Access Convera Services

After agreeing to our Terms and Conditions and after your application has been approved by us, you will have access to our FECs and will be able to provide us **Instructions** by:

- Phone - where you can call us and speak to one of Convera's Representatives and provide

us with Instructions to transact your currency needs;

- Email - where you can email us to provide your account details and Instructions; or
- Online - where we have arranged for your access to our services through our Online Platforms (Platforms) or our Application Programming Interfaces (APIs) or Secure File Transfer Protocol (SFTP).

3.3.1 Online Platforms

Convera provides a number of Online Platforms to access our different services with varying degrees of accessibility.

For eligibility and qualification for these Platforms please contact a Convera Representative. You should consider the risks detailed in Section 11 "Additional Risks" of this PDS prior to accessing any Convera Online Platform.

In some instances you may incur a monthly Online Platform fee, or a monthly fee charged according to the number of transactions affected through the Online Platforms. For more information contact your Convera Representative using the details contained in Section 3.1 above.

3.3.2 Application Programming Interfaces (APIs)

Convera API is an online facility that offers **Clients** an easy to use and accessible system to enter into transactions in FEC's and to generate reports on transactions and **Confirmations**.

Convera at its sole discretion will qualify Clients for access based upon a number of factors including volume of transactions, and frequency of transacting with Convera.

For eligibility and qualification for these Platforms please contact a Convera Representative. You should consider the risks detailed in Section 11 "Additional Risks" of this PDS prior to applying for API access.

3.3.3 Secure File Transfer Protocol (SFTP)

Convera SFTP is a facility which allows for an information file to be transmitted by Clients at their discretion for transaction related information.

Convera at its sole discretion will qualify Clients for access based upon a number of factors including, volume of transactions, and frequency of transacting with Convera.

For eligibility and qualification for these Platforms please contact a Convera Representative. You should consider the risks detailed in Section 11 "Additional Risks" of this PDS prior to applying for SFTP access.

3.4 Representatives Remuneration

Our employees and directors are remunerated by way of salary and other employee benefits. They may also, subject to any prohibitions under legislation, be eligible for a discretionary bonus which is based on achievement of predetermined business objectives such as contribution to profit, client service, risk management and leadership/team contribution. Bonuses may be calculated as a portion of the net amount charged to our Clients after deducting Retail Mark Ups as explained in Section 5.4 "Exchange Rates" of this PDS, and transaction fees charged to clients.

We have commercial business arrangements with affiliated companies within the Convera group of companies. Convera group companies provide us from time to time with support in relation to information technology, treasury, finance, compliance and other services. These arrangements are governed by formal agreements between us.

Any fees and charges that you pay to us may ultimately benefit directors and employees of Convera group companies, who may receive a bonus, linked in part to such amounts received from us.

3.5 Additional Information

Our website provides additional general information that may be useful including information about currency transactions and payment solutions, a resource centre and information relating to our company history.

4. Foreign Exchange Overview

Foreign Exchange refers to the purchase of one currency and the sale of another currency at an agreed **Exchange Rate** simultaneously. Separate from the Exchange Rate, you will need to consider the relevant fees associated with your transaction. Our fees for FECs are described in Section 7 "Costs of a FEC" of this PDS.

4.1 Determining Exchange Rates

A foreign Exchange Rate is the price of one currency (the **Base Currency**) in terms of another currency (the **Terms Currency**). The Exchange Rate is expressed as a quotation and shows how many units of the Terms Currency will equal one unit of the Base Currency. For example, the foreign Exchange Rate USD/CNH 6.3400 means one United States Dollar is equal to 6.34 Chinese Renminbi. In this example the USD is the Base Currency and the CNH is the Terms Currency. Please note the above Exchange Rate is hypothetical and used for illustration purposes only. It is not an indicator of future Exchange Rates.

4.2 The Foreign Exchange Market

FECs are not entered into on an authorised exchange such as a stock market. There is no official benchmark Exchange Rate for foreign currencies.

The foreign exchange market is referred to as an "**Over-The-Counter (OTC)**" market, which means that Exchange Rates will often vary when compared between providers.

Exchange Rates are quoted on the **Interbank Market**, which is a wholesale market for **Authorised Institutions**, with **Interbank Exchange Rates** fluctuating according to supply and demand. This market is restricted to **Authorised Exchange Dealers** and banks that constantly quote to each other at wholesale Exchange Rates and in minimum parcel sizes.

Factors that influence supply and demand (and therefore the Exchange Rate quoted to you) include:

- investment inflows/outflows;
- market sentiment or expectations;
- economic and political influences including geo political influence; and
- import/export of goods and services.

Exchange Rates quoted in the media generally refer to Interbank Exchange Rates and will usually differ from Exchange Rates quoted to you. Because FECs are traded OTC you will not be able to reverse a FEC that you enter into with Convera, with another provider. You will only be able to reverse or cancel your FEC with Convera.

4.3 Currency Limitations

While Convera endeavours to ensure that Clients are provided with access to the **Currency Pairs** of their choice, Convera does not guarantee that it will offer FECs in all Currency Pairs. This may arise for a number of reasons including restrictions that are imposed on Convera or Convera not having access to such currencies through its **Correspondent Banks**.

5. Forward Exchange Contracts (FECs)

An FEC is a binding agreement between you and Convera in which one currency is sold or bought against another currency at an agreed Exchange Rate on an agreed date beyond two (2) **Business Days** in the

future.

Convera considers that FECs are only suitable for businesses that understand and accept the risks involved in entering into contracts involving foreign Exchange Rates. Convera recommends that you obtain independent financial and legal advice before entering into an FEC.

5.1 Purpose of an FEC

A FEC enables you to fix Exchange Rates to Hedge your currency exposure by providing protection against unfavourable Exchange Rate movements between the day you and Convera agree to a FEC (the "**Trade Date**") and the day when payment for currency is made (the "**Value Date**"). A FEC may also assist you in managing your cash flow by negating the uncertainty associated with Exchange Rate fluctuations for the certainty of a specified cash flow.

5.2 FEC Variables

When you provide Instructions to Convera for a FEC there are a number of variables that need to be agreed between Convera and you being:

- the denomination and amount of the currency being bought or sold;
- the denomination of the currency being exchanged;
- the date in the future you want the contract to mature (Value Date); and
- the Exchange Rate.

5.3 The Forward Points

In determining the Exchange Rate applicable to a FEC, Convera applies **Forward Points** to its **Spot Rate**. Convera takes into account a number of factors in determining Forward Points although in general terms Forward Points reflect:

- the differing interest rates prevailing in the two currencies involved in the FEC.
- market Volatility.
- transaction size and Convera's ability to offset the transaction in the Interbank Market.

The Forward Points can be either a positive or a negative number. Forward Points are added to the Spot Rate to obtain a **Forward Exchange Rate**.

For example, an importer needs to buy USD in three (3) months' time in exchange for CNH and Chinese interest rates are higher than US interest rates. The pricing principle assumes that Convera buys USD now at the Spot Rate, paying for the USD with CNH. Convera will pass on the cost of the higher rate of interest that it pays on the CNH. The adjustment, which would be a positive number or an addition to the Spot Rate, means that the Forward Exchange Rate would be less favourable than a Spot Rate. The reverse would apply if Chinese interest rates were lower than US interest rates.

5.4 Exchange Rates

Convera also sets the Forward Exchange Rate it offers to you in a FEC by applying a **Retail Mark Up (Mark Up)** to the Interbank Exchange Rate that it receives from its wholesale commercial relationships. Convera determines the Mark Up by taking account of a number of factors, including:

- the size of the transaction (measured in currency amount) where the smaller the transaction size the larger the Mark Up;
- the Currency Pair where the less **Liquidity** in the pair the greater the Mark Up;
- market **Volatility** where high Volatility will result in an increased Mark Up;
- the **Time Zone** you choose to trade in, so that trading on public holidays or weekends may see

increased Mark Ups;

- the frequency with which you trade with Convera, where the more frequently you transact the Mark Up is reduced; and
- the country to which the funds are being sent, where in some instances we incur higher fees when transferring certain currencies. These higher fees will be reflected in fees charged to you for your **Draft** or **Wire Transfers**.

5.5 Settlement

You will not be charged any additional entry fees for an FEC but other transaction fees or charges may apply for related services such as Wire Transfers or Drafts that are made in connection with the FECs as described in Section 10.1 "Wire Transfers" of this PDS.

In addition to the fees charged by Convera for sending payments by Wire Transfer or for issuing Drafts for FECs, any Correspondent, **Intermediary** or **Beneficiary Bank(s)** which facilitates the sending or payment of a Wire Transfer/ Draft may impose their own additional fees or charges, which may be deducted from the amount paid to you or your beneficiary. For information on these fees you need to contact the relevant financial institution.

For further information in relation to the cost of Wire Transfers and Drafts in connection with an FEC contact your Convera Representative.

5.6 How does a FEC work?

When you enter into a FEC with Convera you nominate the amount of currency to be bought or sold, the two currencies to be exchanged and the date that you wish to exchange the currencies.

The currencies that you wish to exchange must be acceptable to Convera. For a list of available currencies please contact your Convera Representative.

Convera will determine the Exchange Rate applicable to the FEC based on the currencies and the Value Date that you have nominated as well as determinants outlined in Sections 5.3 and 5.4 above.

On the Value Date you are required to deliver the currency that you are exchanging in accordance with the Exchange Rate determined by Convera and agreed by you at the Trade Date. Upon receipt of the currency that you are selling in cleared funds, Convera will pay you or your nominated beneficiary the amount of currency that you have purchased.

5.7 Example of an FEC

The following examples are for illustrative purposes only and use rates and figures that we have selected to demonstrate how a FEC works. In order to assess the merits of any particular FEC you should use the actual rates and figures quoted at the relevant time.

5.7.1 Using a FEC to cover future payments

An importer is buying goods from the United States and is scheduled to make a payment of USD 100,000 in three (3) months' time. The Exchange Rate today is USD/CNH 6.3450.

The importer can eliminate its exposure to the Exchange Rate appreciating by entering into a FEC. This will allow an Exchange Rate to be fixed for the purchase of USD 100,000 in three (3) months' time. This guaranteed future Exchange Rate is called the Forward Exchange Rate.

The three (3) month Forward Points are +USD 0.0500 which when applied to the current Exchange Rate, results in a three (3) month Forward Exchange Rate of 6.3950 (6.3450 plus 0.0500).

In three (3) months' time the importer will buy from Convera USD 100,000 at the Forward Exchange Rate of 6.3950 and will pay CNH 639,500 (USD 100,000 x 6.3950).

The importer will be in a more favourable position if the Exchange Rate on the Value Date is more than the Forward Exchange Rate of 6.3950. If in three (3) months' time the Exchange Rate moves higher to

USD/CNH 6.4250, the importer would have been required to pay CNH 642,500 (USD 100,000 x 6.4250) had it not entered into the FEC, costing the importer an additional CNH 3,000. In this scenario the importer has saved that amount by entering into the FEC.

However, if the Exchange Rate on the Value Date is less than the Forward Exchange Rate of 6.3950, the importer would be in a less favourable position. If in three (3) months' time, the Exchange Rate moves lower to USD/CNH 6.3200, the importer would have only paid CNH 632,000 (USD 100,000 x 6.3200) had it not entered into the FEC. In this scenario the importer is paying CNH 7,500 more by entering into the FEC.

5.7.2 Not using an FEC to cover future payments

The same importer as in 5.7.1 decides not to enter into a FEC. The amount of CNH the importer will need to pay in three (3) months' time will depend on the prevailing Exchange Rate quoted at that time.

If in three (3) months' time, the Exchange Rate moves higher to USD/CNH 6.4200, the importer will be required to pay CNH 642,000 (USD 100,000 x 6.4200). The importer did not take the opportunity to protect against unfavourable Exchange Rate movements and has to pay CNH 2,500 more than if the importer had chosen to enter into a FEC as described in 5.7.1 above.

Conversely, if in three (3) months' time, the Exchange Rate moves lower to USD/CNH 6.3200, the importer will be required to pay CNH 632,000 (USD 100,000 x 6.3200). The importer did not take the opportunity to protect against unfavourable Exchange Rate movements and has as a result saved money by paying CNH 7,500 less than if the importer had chosen to enter into a FEC as described in 5.7.1 above.

5.8 Components and Special Features of a FEC

5.8.1 The Term of a FEC

The term of a FEC can range between three (3) days to one (1) year depending on your needs and your trading terms with Convera. A term longer than one (1) year may be considered by Convera on a case-by-case basis.

Convera, at its sole discretion will determine whether it will offer you a trading limit to be able to transact in FEC including the maximum time frame (Trade Date to Value Date). Generally we will take into account a number of factors including but not limited to:

- current financial position;
- period of incorporation if applicable;
- credit history; and
- previous history as a Client of Convera (if applicable).

5.8.2 Rollover

At any time up to the Value Date you may ask Convera to extend the Value Date of your FEC. Convera refers to this as a **Rollover**. All Rollovers are subject to prior approval by Convera and may be declined at our sole discretion. We will only approve Rollovers where there is an underlying business purpose and will also consider:

- the extent to which your FEC is "In-The-Money" (ITM);
- the extent to which your FEC is "Out-of-The-Money" (OTM); or
- the Rollover period you are requesting.

For Rollovers where the FEC is deeply OTM, Convera may require you to close the FEC, settle any liabilities owing to Convera, and enter into a new FEC equivalent to your request for the Rollover at market Exchange Rates.

If Convera agrees to extend your Value Date, the Exchange Rate of your FEC will be altered. The new Exchange Rate will reflect a number of factors including:

- your existing Forward Exchange Rate from the last Trade Date of the FEC;
- the Spot Rate at the time the Rollover is contemplated; and
- market interest rates of the currencies involved in the Rollover consistent with the new Value Date.

It will also reflect any funding implications where your FEC is either ITM or OTM. This is determined by Convera comparing the value of your FEC with the prevailing market Spot Rate. If you are an importer and the value of your FEC is greater than the prevailing market rate you will have an ITM position; if the value of your FEC is less than the prevailing market rate you will have an OTM position. The opposite ITM and OTM scenario applies if you are an exporter.

If Convera agrees to a Rollover we will send you a Confirmation detailing the amendment as agreed by you and Convera.

5.8.3 Pre-Delivery of a FEC

After entering into a FEC you may wish to bring the agreed Value Date closer to **Value Spot**. This is called a **Pre-Delivery**. If Convera agrees to the Pre-Delivery we may carry out an Exchange Rate adjustment to the original Forward Exchange Rate to reflect this earlier delivery or Value Date. You should note that while in normal trading conditions an adjustment for Pre-Delivery or Rollovers may be somewhat marginal, in times of extreme Volatility in the foreign exchange market that the adjustment may be significant. It should be also be noted that there is a contract to effect full delivery of the FEC no later than the Value Date and any agreement to effect a Pre-Delivery is at Convera's sole discretion.

5.8.4 Partial Pre-Delivery of a FEC

You may also wish to bring the agreed Value Date closer to Value Spot on a portion of the **Notional Amount** of your FEC. If Convera agrees to this, we may carry out an Exchange Rate adjustment to the original Forward Exchange Rate on that portion of the amount that you wish to pre-deliver. The balance of the remaining Notional Amount, after the partial Pre-Delivery of the FEC, shall remain due at the original Exchange Rate on the original Value Date.

5.8.5 Close-out/Cancellation of a FEC

Convera may agree to close a FEC, or a portion of the Notional Amount of your FEC, in the event that you no longer require the currency that you have agreed to purchase on the Value Date. Convera's decision to agree to a close-out is at all times discretionary and in each case will be subject to payment by you of any costs that we incur in terminating and unwinding your FEC including any OTM position in relation to your FEC.

5.8.6 Termination of a FEC

Once entered a FEC may only be terminated by Convera in limited circumstances, which are set out in full in our Terms and Conditions. These circumstances include:

- Failure to pay an **Initial Margin** or **Margin Call**;
- If you are insolvent, appoint a receiver or administrator to your business or cease to carry on your business;
- If you dispute the validity of a FEC; or
- For any other reason set out in the Terms and Conditions. Where Convera terminates a FEC for any of these reasons you will be liable for any losses and expenses that Convera incurs as a result.

6. Initial Margin and Margin Calls

When you open a FEC with Convera, you immediately create a liability to us (at the Trade Date not the Value Date), which can increase with adverse market movements. Over the life of a FEC, as the Spot Rate moves, the Marked to Market value of the contract may be ITM or OTM or At-the-Money (ATM). That is, if the contract had to be cancelled at any time, it would result in a gain (if ITM), a loss (if OTM) or breakeven (if ATM). To manage this Market Risk Convera may initially secure the contract by requiring you to pay an amount of money, which shall be deposited with Convera as security in connection with a FEC. We call this an Initial Margin. During the term of the contract Convera may also require you to make additional payments to further secure your FECs you hold with us. We call these payments Margin Calls.

All Initial Margin and Margin Call payments will be applied to satisfy your payment obligation on the Value Date.

6.1 Initial Margins

An Initial Margin is an amount of money that is payable to Convera, calculated as a percentage of the Notional Amount of your FEC. If you are required to pay an Initial Margin we will notify you at the time you enter into an FEC.

An Initial Margin is taken to secure Convera's potential risk exposure resulting from adverse currency movements that negatively impact the value of the funds you have agreed to purchase from us. An Initial Margin is a prepayment by you of your payment obligations on the Value Date and will be applied to the Settlement of your FEC. An Initial Margin is not a deposit and Convera does not pay interest on an Initial Margin.

Convera will determine the Initial Margin percentage that is payable by you at its discretion. Factors that influence this include:

- your credit standing, as assessed by Convera;
- Currency Pair and amount you are transacting (more exotic currencies or those currencies that are not commonly exchanged may require a larger Initial Margin);
- the Value Date of your FEC (the longer the Value Date from the Trade Date the higher the Initial Margin);
- foreign exchange market Volatility (Currency Pairs that are exhibiting high Volatility or lack of Liquidity may require a higher Initial Margin);
- external economic conditions (in times of economic downturn Convera may require a higher Initial Margin); and
- the frequency with which you transact with Convera (where your credit history with Convera dictates the Initial Margin required).

6.2 Margin Calls

A Margin Call is an amount of money that you are required to pay to Convera to reduce its risk exposure to you to an acceptable level. We will monitor the Marked to Market value of all of your foreign exchange positions with us on an ongoing basis. Should your FEC move OTM, Convera may secure the resulting increased risk through a Margin Call.

If you are required to pay a Margin Call, Convera will advise you immediately.

Payment of a Margin Call must be made within two (2) Business Days of Convera's request. If you fail to pay a Margin Call, Convera may at its discretion, choose to close some or all of your FEC's that you are a party to by applying the prevailing market foreign Exchange Rate. In such circumstances you will be liable to Convera for all costs associated with terminating the relevant contracts.

In the absence of default by you of your payment obligations to Convera all Margin Call amounts will be

applied at the Value Date to the Settlement of your FEC. A Margin Call is not a deposit and Convera does not pay interest on a Margin Call.

7. Costs of a FEC

Because Convera does not pay interest to you for amounts that we hold as Initial Margin or Margin Call there will be an interest cost to you when you are required to pay an Initial Margin or a Margin Call. That cost will be equivalent to the interest that you would have otherwise earned if you had held those amounts in your own bank account.

When you enter into a FEC you agree to make a physical payment of one currency to Convera in exchange for the physical receipt of another currency. The amount that you pay to us is determined by the Exchange Rate that we agree at the Trade Date.

The Exchange Rate we agree will take into consideration the factors described in Sections 5.3 and 5.4 of this PDS.

You will not be charged any additional entry fees for a FEC at the Trade Date but other fees or charges may apply for related services such as Wire Transfers or Drafts that are made in connection with the FEC. Information on fees for Wire Transfers and Drafts are outlined in Section 10.1 "Wire Transfers" of this PDS.

In addition to the fees charged by Convera for sending payments by Wire Transfer or for issuing Drafts for FECs, any Correspondent, Intermediary or Beneficiary Bank(s) which facilitates the sending or payment of a Wire Transfers/Drafts may impose their own additional fees or charges which may be deducted from the amount paid to you or your beneficiary.

In some instances you may incur a monthly Online Platform fee, or a monthly fee charged according to the number of transactions affected through the Online Platforms that we provide to you.

For further information in relation to the cost of Wire Transfers/Drafts in connection with delivery of your FEC or Online Platform fees that may be applicable, contact your Convera Representative.

8. Benefits of a FEC

The significant benefits of entering into a FEC with Convera are:

- FECs help you manage the risk inherent in currency markets by predetermining the Exchange Rate and Value Date on which you will purchase or sell a given amount of foreign currency against another currency. This can provide you with protection against unfavourable foreign exchange movements between the time that you deal (Trade Date) and the Value Date. They will also assist you in managing your cash flow by negating the uncertainty associated with Exchange Rate fluctuations impacting a specified cash flow.
- FECs are flexible - Value Dates and Notional Amounts can be tailored to meet your requirements.

9. Risks of a FEC

Convera considers that FECs are only suitable for persons who understand and accept the risks involved in dealing in products involving foreign Exchange Rates. Convera recommends that you obtain independent financial and legal advice before entering into an FEC.

The following are risks associated with FECs are in addition to the Risk Disclosure Statement set forth in the Terms and Conditions:

- **Opportunity Loss.** Once the Forward Exchange Rate has been set, you will not be able to take advantage of favourable Exchange Rate movements that occur after the Trade Date and prior to the

Value Date. By protecting against potential unfavourable Exchange Rate movements, you are not able to take advantage of favourable Exchange Rate movements and will be required to trade at an Exchange Rate that is less favourable to you than the prevailing Exchange Rate on the Value Date.

- **Market Volatility.** The foreign exchange markets in which Convera operates are OTC and can change rapidly. These markets are speculative and volatile with the risk that prices will move quickly. When this occurs the value of your FEC contracts with Convera may be significantly less than when you entered into the Contract. Convera cannot guarantee that you will not make losses, (where your FECs with us are OTM) or that any unrealised profit or losses will remain unchanged for the term of the FEC. You need to monitor your FECs with Convera carefully providing Convera with Instructions before unacceptable losses occur.
- **Amendments/Cancellations.** Rollovers, Pre-Deliveries or close-out/cancellation of a FEC may result in a financial loss to you. Convera will provide a quote for such services based on market conditions prevailing at the time and your request as detailed Section 5.8 "Components and Special Features of a FEC" of this PDS.
- **Cooling-off.** There is no cooling-off period. This means that once your Instruction to enter into a FEC has been accepted by Convera you are unable to cancel your FEC without incurring a cost.
- **Default Risk.** If you fail to pay an Initial Margin or a Margin Call when requested to do so by Convera and in accordance with the Terms and Conditions or fail to provide Settlement on the Value Date we may terminate your FEC. In the event that we do you will be liable for all costs that we incur including the payment of any OTM position that exists with respect to your FEC.

Other general risks associated with the FECs we provide are outlined in Section 11 "Additional Risks" of this PDS.

10. Settlement and Delivery of a FEC

On the Value Date of your FEC you are required to deliver the currency that you are exchanging to us in accordance with the agreed Exchange Rate. Upon receipt of cleared funds from you or your customer we will pay your nominated beneficiary or you the currency that you have agreed to purchase.

Convera can settle the physical delivery of your FEC by initiating a Wire Transfer, providing you (or your nominated beneficiary) with a Draft/Cheque (Drafts) or by making payment into a **Holding Balance** (if this facility is available to you). Funds that are paid into a Holding Balance may only remain there for 180 days, after which time you need to elect to make payment to yourself or a beneficiary by a Wire Transfer or Draft.

10.1 Wire Transfers

Wire Transfers are also known as Telegraphic Transfers or Electronic Funds Transfer (EFT). A Wire Transfer can be made within Hong Kong or outside of Hong Kong.

Convera has relationships with a worldwide network of Correspondent Banks to enable transmission of your payment Instructions by Wire Transfer to Beneficiary Bank accounts throughout the world.

10.1.1 Example of Wire Transfer

You enter into a FEC to buy USD 100,000 against CNH from Convera. However you wish to send five (5) payments of USD 20,000 to five (5) different beneficiaries overseas. Assume that the transaction fee per Wire Transfer payment is HKD 130.

You would pay the sum of:

- the CNH equivalent of the converted USD 100,000 amount as agreed in your FEC at Trade Date; plus
- HKD 650 (that is, HKD 130 x 5), being the transaction fees applicable to sending the five (5) Wire Transfers.

10.1.2 Benefits of a Wire Transfer

- Wire Transfers provide the security of fully traceable transactions;
- by using a Wire Transfer, the beneficiary generally receives funds more quickly than if funds were transferred by bank Draft, money order or similar **Monetary Instrument** or by cash; and
- Wire Transfer are more secure than cash transactions because they represent electronic instructions that are sent directly to the nominated Beneficiary's Bank for credit to the Beneficiary's Bank account.

10.1.3 Risks of a Wire Transfer

- a beneficiary of a Wire Transfer may be charged a fee by their own bank for receiving a Wire Transfer;
- once executed there are no guarantees that Wire Transfers can be recalled. If you ask us to recall a Wire Transfer additional fees may apply regardless of whether the recall is successful;
- the sender is subject to fees if information (i.e. beneficiary name, account number) provided is incorrect or incomplete; and
- delays in Wire Transfers whilst rare can occur. These can be caused for a variety of technical and administrative reasons outside the control of Convera.

10.1.4 Recalling a Wire Transfer

You may ask us to attempt a recall of a Wire Transfer by contacting your Convera Representative. Once we act on your Instructions there is no guarantee that a recall will be successful.

Depending upon the circumstances relating to the recall you may be liable for additional fees including:

- investigation fees;
- Beneficiary and Correspondent Bank charges; and
- Exchange Rate costs.

10.1.5 Costs and Fees

You will be charged a transaction fee for using our Wire Transfer service. The transaction fee we charge for each Wire Transfer varies from transaction to transaction and from Customer to Customer. This fee is separate to the Exchange Rate conversion that will apply to converting one foreign currency to another. The transaction fee we charge you will depend upon:

- the amount and type of foreign currency to be transferred (more exotic currencies usually incur higher fees);
- the number and frequency of Wire Transfer you conduct through Convera (an existing relationship may result in reduced fees); and
- the country that the funds are sent to (some countries are more expensive than others to deal with).

For more information contact your Convera Representative using details contained in Section 3.1 "Convera Contact Details" of this PDS.

10.2 Foreign Drafts/Cheques (Draft)

10.2.1 General Information

A Draft is a cheque made out to your nominated **Payee** in a specified currency. A Draft is similar to a personal cheque which can be used to make payments. A Convera Draft allows you to make a payment in a foreign currency.

10.2.2 Draft Features

Convera Drafts are international currency cheques issued either by Convera, a Convera affiliated group company or a Correspondent Bank to a specified Payee.

Payment against a Draft is made following presentation of the Draft by the Payee's bank and a **Period of Clearance**. This is known as payment on a **Collection Basis** and means that there is a delay between the date the Payee physically receives the Draft and the date the Payee receives value for the Draft. The Period of Clearance may vary by country but would not ordinarily be any less than one (1) day.

Drafts are available in a wide range of foreign currencies. For the range of currencies available please ask your Convera Representative.

10.2.3 Lost or Stolen Drafts

In the event your Draft is lost or stolen you must immediately notify your Convera Representative. Upon notification and verification by us that your Draft has not been presented for payment we will issue a **Stop Payment** on the Draft and will either issue you with a new Draft or pay to you the **Face Value** of the Draft. There is a fee associated with stopping and re-issuing a new Draft. These are set out in Section 10.2.6 "Fees and Charges" of this PDS.

10.2.4 Benefits of Drafts

Some of the benefits associated with Convera Drafts are:

- Drafts may be enclosed with letters or invoices and forwarded direct to the Payee;
- in the event that the Draft is lost or stolen, and after a Stop Payment has been confirmed by us, we will refund the money or issue a new Draft to you;
- a Draft provides an economical method of transferring funds to a specific company or persons overseas;
- a Draft provides security of payment as it is a **Non-Negotiable Instrument** and can only be credited to the Payees bank account unless the Payee has endorsed the Draft; and
- Drafts may be purchased in a variety of foreign currencies. The currencies available are subject to change.

10.2.5 Risks of Drafts

The risks associated with a Draft are:

- if you notify us of a lost or stolen Draft after it has been presented for payment, we will be unable to Stop Payment on the Draft and will not reissue the Draft or refund any amount to you;
- when you purchase a Draft in a foreign currency the Exchange Rate is set at the time of purchase. This means that the Payee of the Draft will not obtain any benefit if there is a favourable movement in the Exchange Rate between the time when you purchase a Draft and the time when the Draft is presented for payment by the Payee;
- the Period of Clearance between the date of purchase and the date the Payee receives value for the Draft may represent an opportunity cost to you and/or the Payee; and
- as Counterparty to your Drafts you are relying upon Convera to be able to perform its obligations to you by delivering funds to your nominated Payee. As a result you have Counterparty risk; you are relying on Convera' financial ability to fulfil its obligations to you. Counterparty risk is described further in Section 11 below.

10.2.6 Fees and Charges

Fees and charges may apply and may vary from time to time. To understand the fees and charges that may be applicable to you, please request an up-to-date price list from your Convera Representative prior

to purchasing a Convera Draft.

Fees and costs for Drafts vary and are subject to the same considerations outlined in Sections 10.1.5 "Costs and Fees" of this PDS.

11. Additional Risks

The following additional risks apply when you enter a FEC, or execute a Wire Transfer or Draft with us:

- **Issuer Risk.** When you enter into a FEC with Convera you are relying on Convera's financial ability as issuer to be able to perform its obligation to you. As a result you are exposed to the risk that Convera becomes insolvent and is unable to meet its obligations to you under the FEC. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing: customerservicehk@convera.com.
- **Counterparty Risk.** There is also a risk that the Hedging Counterparties with whom Convera contracts to mitigate its exposure when acting as principal to FECs (by taking related offsetting or mitigating positions) may not be able to meet their contractual obligations to Convera. This means that Convera could be exposed to the insolvency of its Hedging Counterparties and to defaults by Hedging Counterparties. If a Hedging Counterparty is insolvent or defaults on its obligations to Convera, then this could give rise to a risk that Convera defaults on its obligations to you.
- **Operational Risk.** Operational risk arises through your reliance on Convera systems and processes to price, settle and deliver your transactions efficiently and accurately. In the event of a breakdown of our systems or processes you may incur loss as a result of delays in the execution and Settlement of your transactions. You are also exposed to operational risk through Convera reliance on its Hedging Counterparties systems and processes to price, settle and deliver transactions efficiently and accurately. In the event of a breakdown of our Hedging Counterparties systems or processes you may also incur loss as a result of delays in the execution and Settlement of your transactions.
- **Conflicts of Interest.** Convera enters into transactions with a number of different Clients and Hedging Counterparties that may be in conflict with your interests under the FEC you have entered into with us. Convera is not required to prioritise your interests when dealing in FEC s with you.

12. Orders, Instructions, Confirmations and Telephone Conversations

12.1 Instructions, Confirmations and Telephone Conversations

The commercial terms of a particular FEC will be agreed and binding from the time your Instructions are received and accepted by us. This may occur verbally over the phone, electronically or in any other manner set out in our Terms and Conditions.

Shortly after entering into a FEC, we will send you a Confirmation outlining the agreed commercial terms of the transaction. This Confirmation is intended to reflect the transaction that you have entered into with Convera. It is important that you check the Confirmation to make sure that it accurately records the terms of the transaction. You should note however, that there is no cooling-off period with respect to FECs and that you will be bound once your original Instruction has been accepted by Convera regardless of whether you sign or acknowledge a Confirmation. In the event that there is a discrepancy between your understanding of the FEC and the Confirmation it is important that you raise this with Convera as a matter of urgency.

Conversations with our dealing room are recorded in accordance with standard market practice. We do this to ensure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited time and are usually used when there is a dispute and for staff monitoring

purposes. If you do not wish to be recorded you will need to inform your Convera Representative. Convera will not enter into any transaction over the telephone unless the conversation is recorded.

12.2 Standing Orders

Convera may allow you to place an order for an FEC that only becomes binding on you when a certain Exchange Rate is reached in the relevant foreign exchange market (the **Client Price**). We refer to this as a **Standing Order**. Provided that your nominated Client Price has not been reached you will be able to amend or cancel a Standing Order at any time by providing us with a further Instruction.

If the Client Price is reached, then you will be bound to settle the FEC in accordance with our Terms and Conditions, and as detailed in Section 5 "Forward Exchange Contracts" of this PDS.

You will not be able to cancel or amend an order after the Client Price level has been reached if we have completed your order, regardless of whether we have notified you by Confirmation of the completion of your order.

As the foreign exchange market is an OTC market, an external published Exchange Rate that corresponds with your Client Price level is no guarantee that an order will be completed. Published Exchange Rates are typically related to the wholesale or Interbank Market and do not reflect the Client Price or **Retail Price**.

The foreign exchange market can exhibit Volatility and we may not be able to complete all orders at a specific level due to a number of factors including but not limited to:

- market Volatility;
- market Liquidity;
- the size of your order; and or
- incorrect price data feeds.

Convera will use best endeavours, in good faith, to complete all orders at your nominated Client Price.

13. Terms and Conditions and Other Documentation

13.1 Terms and Conditions

Each FEC you enter into will be subject to the Terms and Conditions. You will be required to acknowledge and agree these before entering into a FEC with us for the first time.

The Terms and Conditions are a master agreement and set out all of the terms of the relationship between you and Convera that are applicable to the FECs described in this PDS.

The Terms and Conditions are important and you should read them carefully before entering into any FECs provided by Convera. They cover a number of important terms including how transactions are executed, our respective rights and obligations, events of default and rights of termination.

We recommend that you seek your own professional advice in order to fully understand the consequences of entering into a FEC with Convera.

13.2 Other information

In addition to our Terms and Conditions you will also need to provide us with the following signed documentation together with such other "Know Your Customer" information (including credit related information) that Convera may require:

- Direct Debit Request form;
- Online Platforms configuration form.

A copy of these forms can be obtained by contacting your Convera Representative.

The main checks that are relevant to the accreditation of a Customer may include but are not limited to:

- verification of a Customer's identity, a beneficial owner of a Customer and a person purporting to act on behalf of a Customer in accordance with the AMLO;
- a risk assessment considering relevant factors such as the nature of a Customer's business and the country where the Customer will make or receive payments; and
- a check of a Customer's, principal officers, beneficial owners and persons purporting to act on Customer's behalf against relevant government issued sanction lists.

After your application has been accepted you may apply for a FEC in accordance with the Terms and Conditions.

14. Dispute Resolution

You should address any complaint relating to the FECs described in this PDS to your Convera Representative in the first instance.

If your complaint is unable to be resolved the matter will be automatically escalated to the relevant business unit manager. If a resolution is not reached within a reasonable time period, the matter will be further escalated to the **Convera Compliance Manager** who will refer the matter to **Senior Management** for resolution.

All complaints are logged at each stage of the process. Convera Complaints Handling Policy requires us to investigate and provide a resolution to you within sixty (60) days from you first making the complaint. Convera takes complaints seriously and strives to ensure efficient and fair resolution.

If you have any enquiries about our dispute resolution process, please contact your Convera Representative using the contact details in Section 3.1 "Convera Contact Details" of this PDS.

15. Privacy

In the course of providing foreign exchange services we will collect information about you. The information that we obtain from you or other people associated with your request is for the purpose of processing your foreign exchange transactions. Certain information may be required by us in order to comply with laws and regulations, including the AMLO and taxation laws. We may disclose your personal information, including without limitation your name, Customer ID number, address and bank account information, (i) if we are required to do so by domestic or foreign law or legal process or (ii) to law enforcement authorities of other government officials (including those in this country, the United States or elsewhere) for purposes such as detecting, investigating, prosecuting and preventing crimes, including money laundering and related criminal activity, and the recipients may further disclose the information for these and other related purposes.

We may use your information to send you details about Convera products and services. If you do not wish to receive such information please notify us. We may also disclose information about you to third party service providers (such as credit checking agencies), including to countries other than the country in which the information was originally collected or created, who assist us in our business operations and service provision, including the USA for the purposes described.

You have a right to ask us to see and get a copy of your information, for which we may charge a small fee. You can also correct, erase or limit our use of the information which is incomplete, inaccurate or out of date.

Convera is committed to complying with all privacy laws and regulations. Further information about

Convera's privacy practices can be found at <https://convera.com/en-hk/compliance-legal/compliance> If you would like further information about the way that Convera manages the handling of personal information, or you wish to exercise your rights, please contact our privacy officer:

Email: privacymatters@convera.com

Mail: Attention Privacy Officer

Room 501, Level 5, K11 Atelier, 728 King's Road, Quarry Bay, Hong Kong, Phone: +852 2853 9867

16. GLOSSARY OF TERMS

AMLO means the Anti-Money Laundering and Counter-Terrorism Financing Ordinance and regulations which may be amended from time to time.

Application Programming Interface or (API) is Convera operating system for information on transactions and Confirmations.

At-The-Money or (ATM) where the entry price of a FEC is at the current market price level.

Authorised Exchange Dealers are any type of financial institution that has received authorization from a relevant regulatory body to act as a dealer involved with the trading of foreign currencies.

Authorised Institution means an authorised institution as defined in section 2(1) of the Banking Ordinance.

Base Currency has the meaning set forth in Section 4.1 "Determining Exchange Rates" of this PDS.

Beneficiary Bank means the bank identified in a payment order in which an account for the beneficiary is to be credited pursuant to the order.

Business Day means a day that banks are open for business in Hong Kong, but does not include a Saturday, Sunday or public holiday.

Client's Price is the price nominated by the Client to transact in foreign exchange markets.

CNH means currency of China (Renminbi) traded outside China as a deliverable currency.

Collection Basis means the Draft has been cleared for payment into our nominated account.

Confirmation means written or electronic correspondence from Convera that sets out the agreed commercial details of a FEC.

Convera means Convera Hong Kong Limited, of Room 501, Level 5, K11 Atelier, 728 King's Road, Quarry Bay, Hong Kong, Unique Business Identifier 52528828

Convera Compliance Manager means a senior member of the compliance department who actively participates in the daily supervision, planning and administrative processes of the compliance function.

Convera International means Convera UK Limited or such other Convera affiliated company as Convera, at its discretion may determine from time to time.

Convera Representative means a person designated to act on behalf of Convera in the provision of FECs.

Correspondent Bank means a financial institution that performs services for Convera in connection with Wire Transfers or Drafts provided by Convera.

Counterparty(s) means each party to a contract.

Currency Pair means the currency that is bought and the currency that is sold in a FEC.

Customer/Client means an entity or person who acknowledges and agrees to Convera's Terms and Conditions.

Direct Debit Request a type of preauthorized payment under which a Client authorises its bank to pay amounts to Convera for Settlement of FECs obligations.

Draft is a written order to pay a specified sum issued by or through Convera.

Exchange Rate is the value of one currency for the purpose of conversion to another.

Face Value means in respect of a Draft, the amount and currency specified by the Issuer or Convera Representative on that Draft as payable to the holder on presentation for payment.

FEC is a legally binding agreement between you and Convera to exchange one currency for another currency at an agreed Exchange Rate on a Value Date more than two (2) Business Days after the Trade Date.

Forward Exchange Contract means a FEC.

Forward Exchange Rate is the Exchange Rate at which Convera agrees to exchange one currency for another at a future date when it enters into a FEC.

Forward Points are the points added to or subtracted from the current Exchange Rate to calculate a Forward Exchange Rate.

Hedge means activity initiated in order to mitigate or reduce currency exposure to adverse unfavourable price or currency movements, by taking a related offsetting or mitigating position, such as an FEC.

Hedging Counterparties the counterparties with whom Convera contracts to mitigate its exposure when acting as principal to the FECs by taking related offsetting or mitigating positions.

HKD means Hong Kong Dollars.

Holding Balance means Client funds held by Convera International absolutely pending receipt by Convera of an Instruction from the Client, including Payee designation.

Initial Margin means an amount of money which shall be determined by Convera in its sole discretion and deposited with Convera as security in connection with a FEC.

Instructions is a request by a Client for Convera to provide services, including any request for services made by mail, electronic mail, telephone, or other means which request may be accepted or rejected in Convera' absolute discretion.

Interbank Exchange Rate means the wholesale Spot Rate that Convera receives from the foreign exchange Interbank Market.

Interbank Market means the wholesale markets for transacting in foreign exchange restricted to Authorised Exchange Dealers and banks.

Intermediary Bank is any bank through which a payment must go to reach the Beneficiary Bank.

In-The-Money or (ITM) means where the current market price/Exchange Rate for the Currency Pair in a FEC is less favourable than the contractual price/Exchange Rate for the FEC.

Liquidity is the ability to buy or sell a Currency Pair without a real effect on the price.

Margin Call is an additional payment required by Convera as security in connection with a FEC.

Marked to Market refers to the market value of a FEC prior to the Value Date.

Market Risk means the risk of adverse movements in the value of a transaction due to movements in Exchange Rates over time.

Monetary Instrument refers to coins and currency of a foreign country.

Non-Negotiable Instrument means a Draft that has not been endorsed is not able to be bought, sold, exchanged, or transferred to another person or entity.

Notional Amount means the predetermined USD or foreign currency amount to be bought or sold pursuant to a FEC.

Online Platforms or (Platforms) means Convera' proprietary online system(s) for booking prices in foreign exchange and for making international payments.

Out-of-The-Money or (OTM) means when the current market price/Exchange Rate of the Currency Pair in a FEC is more favourable than the contractual price/Exchange Rate of the FEC.

Over-The-Counter Market or (OTC) is a decentralized market, without a central physical location, where market participant's trade with one another through various communication modes.

Payee means the person to whom money is to be, or has been, paid.

PDS means Product Disclosure Statement.

Period of Clearance is the difference between the date a Draft is purchased and the date the Payee obtains benefit.

Pre-Delivery is where after entering into an FEC the agreed Value Date is brought closer to the Spot Rate Value Date.

Retail Mark Up or Mark Up an amount added to the Interbank Exchange Rate to obtain the Retail Price.

Retail Price is the sum of the Interbank Exchange Rate and Retail Mark Up.

Rollover is the process of extending the Value Date of an open FEC.

Secure File Transfer Protocol or (SFTP) is Convera system for access to files, file transfer, and file management for Customer's transactions.

Senior Management means a group of high level executives, determined by Convera from time to time, that actively participate in the daily supervision, planning and administrative processes.

Settlement is the total amount, including the cost of currency acquisition as well as any fees and charges, Client owes to Convera.

Spot Rate means the Exchange Rate for Settlement on a Value Date of up to two (2) Business Days from the date the transaction was entered.

Standing Order has the meaning set forth in Section 12.2 "Standing Order" of this PDS.

Stop Payment means an acknowledgement by Convera that we will not pay the Face Value of a particular Draft on presentation.

Telegraphic Transfer is an electronic way of transferring funds overseas.

Terms and Conditions means the Application for Convera's Services, the terms and conditions of doing business with Convera and any exhibits, attachments, schedules and/or addenda (each as amended from time to time) and located at <https://convera.com/en-hk/compliance-legal/compliance>

Terms Currency has the meaning set forth in Section 4.1 "Determining Exchange Rates" of this PDS.

Time Zone is any one of the world's 24 divisions that has its own time.

Trade Date is the day you and Convera agree to a FEC.

USD means United States Dollars.

Value Date is the day where payment for currency is made.

Value Spot where the Value Date is two (2) Business Days after the Trade Date.

Volatility is the pace at which prices move higher or lower.

Wire Transfer is an electronic way of transferring funds overseas.