

UOB BUSINESS INTERNET BANKING SERVICE eFX AGREEMENT

A. APPLYING FOR UOB BUSINESS INTERNET BANKING SERVICE – eFX SERVICE

- 1.1 In applying for the UOB Business Internet Banking (BIB) eFX Service (“eFX”), the Customer agrees to be bound by and to comply with the terms and conditions of this Agreement, the Standard Terms and Conditions Governing Foreign Exchange Transactions (Annex 1 of this Agreement), Risk Disclosure Statement (Annex 2 of this Agreement) and all applicable terms and conditions, procedures and instructions as set out in any document or form issued by the Bank which may be amended from time to time (whether on paper or disk or on the Website). In the event of any inconsistency or conflict between the terms of this Agreement and the terms in the other aforesaid documents in matters relating to eFX, the terms of this Agreement shall prevail unless provided otherwise in this Agreement or in the other aforesaid documents. This Agreement may be amended in accordance with its terms from time to time and is in addition to any other agreements which the Customer may have with the Bank or any other UOB Group Bank.
- 1.2 eFX adds to or supplements the banking and other facilities, services and products granted or provided by the UOB Group Banks to the Customer through various media including the electronic medium of the Internet. The Customer accepts and agrees that the use of the User IDs, Passwords and Security Tokens issued to the persons authorised by the Customer to access the eFX will be governed by the terms of the UOB BIB Service Agreement.

B. DEFINITIONS

For the purpose of this Agreement,

- 2.1 “eFX” means the foreign exchange service as offered to the Customer through UOB Business Internet Banking.
- 2.2 “UOB Group Bank” means United Overseas Bank Limited or Far Eastern Bank Limited.
- 2.3 “Account” means an account maintained by the Customer from time to time with a UOB Group Bank.
- 2.4 “Designated Account” means the account [(whether single or joint but excluding joint accounts with joint signing authority only)] which the Customer shall open as a new Account or designate from among its existing Accounts in the UOB BIB Registration Form (and in default of such designation by the Customer, whether at the time of registration or in the event of the closure or termination of an Account previously designated as such, such Account of the Customer as the Bank may designate) in order to utilise eFX and to and from which may be charged and deducted the fees, costs, charges, expenses and interest that the Bank may impose from time to time for the use of eFX, including without limitation, subscription fees and any additional fees for selected transactions/services and in respect of which the Bank may require the maintenance in it of any prescribed minimum amount of funds.
- 2.5 “Bank” means, as the context may require, (i) in relation to each transaction carried out or transmitted through eFX, the UOB Group Bank to which the Customer Instructions for that transaction relate or has its closest connection, or (ii) the UOB Group Bank to which the Customer is or may be indebted or otherwise liable, or (iii) the UOB Group Bank at which the Customer maintains its Designated Account.
- 2.6 “Customer Instructions” means any request or instruction given or purportedly given by the Customer to the Bank through eFX.
- 2.7 “Currency” means money denominated in the lawful currency of any applicable jurisdiction.
- 2.8 “Transactions” includes any transactions in any Currency, commodity, product, financial instrument, security, index, interest rate or thing, on whatsoever basis, including but not limited to spot, forward, option, cap, collar, floor, spread, hybrid and/or such other transactions or derivatives thereof whether physically settled, cash settled or otherwise, whether on a margin or leveraged basis or otherwise.
- 2.9 “FX Transaction(s)” means foreign exchange transactions of whatsoever nature including spots, forwards and currency options, and non-deliverable forwards which may be effected by the Bank for the Customer or on the Customer’s behalf.
- 2.10 Capitalised terms not otherwise defined in this Agreement shall have the same meaning as ascribed to them in the UOB BIB Service Agreement (as amended and supplemented from time to time).
- 2.11 In the interpretation of this Agreement, words importing the singular include the plural and vice versa and words importing a gender include every gender. The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

C. OPERATION OF eFX

Customer Instructions

3. Customer Instructions will be governed by the terms of the UOB BIB Service Agreement.

Countermand of Customer Instructions

4. The Bank is not obliged to cancel or amend any payment made or to be made pursuant to Customer Instructions. If the Bank agrees to the Customer’s request for any amendment or cancellation, the Bank shall be entitled to a reasonable period of time to execute the Customer’s request and shall have no liability to the Customer if such cancellation or amendment is not effected in time or could not be made. The Bank shall not be taken to have received or have notice of any countermand of Customer Instructions until the Bank informs the Customer in writing that the countermand has been received or the Bank has taken action, whichever is earlier.

Limits

- 5.1 The Bank reserves the right at any time to set, vary or cancel the limits for any transaction type, facility, service and product that may be carried out or provided through eFX, whether in monetary or numerical terms or otherwise, and to vary their frequencies and availability period.
- 5.2 The Bank may at any time without giving any reason or prior notice and without incurring any liability limit, cancel or suspend eFX in whole or in part and add to, withdraw or change the types of transactions that may be available or carried out through eFX.

Evidence

- 6.1 The Customer agrees not to dispute the validity, accuracy or authenticity of any evidence of Customer Instructions and communications transmitted electronically between the parties, including such evidence in the form of the Bank's computer records of transaction logs, magnetic tapes, cartridges, computer printouts, copies of any communication, or any other form of information storage.
- 6.2 The Customer also agrees to refer to and to treat all such records or logs, tapes, cartridges, computer printouts, copies or other form of information storage as conclusive evidence of all Customer Instructions and other communications received or sent by the Bank. The Customer further agrees that all such records shall be binding upon the Customer and that the Customer will not be entitled to dispute the validity or authenticity of the same.
- 6.3 All such Customer Instructions and communications that meet the operating standards and requirements of the Bank shall be deemed to be as good as, and given the same effect as, written and/or signed documentary communications.

Rates

7. Foreign exchange, interest and other rates and information, including but not limited to news and reports on such rates or information made available through eFX are only indicative of the actual rates, quotes or information and are subject to change without notice. The Customer hereby agrees that the Customer will bear sole responsibility for any and all loss and damage arising from or in relation to the Customer's reliance on such stock quotes, news and reports in making decisions to undertake the Transaction(s) through eFX.

Availability of eFX

8. The Bank reserves the right to vary, add or withdraw any feature of eFX at any time without prior notice or liability to the Customer. The hours of operation of eFX are subject to change without prior notice. The Bank shall use reasonable endeavours to ensure that eFX will be available during the times set out in any user guide or elsewhere PROVIDED that nothing herein shall be considered or be deemed as a warranty by the Bank that eFX will be available (whether uninterrupted or available at all) during such specified times. The Bank shall at any time, in its discretion and without prior notice, be entitled to temporarily suspend the operations of eFX for updating, maintenance and upgrading purposes or any other purpose whatsoever that the Bank deems fit without incurring liability to anyone for any loss, cost, expense, delay, inconvenience or otherwise that may be incurred, suffered or sustained thereby.

D. BANK'S RIGHT OF SET OFF

- 9.1 Without prejudice to the rights of the Bank at common law, the Bank shall be entitled (but shall not be obliged) in relation to any of the Customer's liability arising under this Agreement, without demand at any time and without notice, to combine or consolidate all or any of the Customer's accounts whether singly or jointly held and/or under whatever style, name or form (which includes but is not limited to trade names of sole-proprietorships), and to set-off any credit balances, whether matured or otherwise, in any one or more such accounts wheresoever situate including those in overseas branches, against any of the Customer's liabilities on any account or in any respect whatsoever under whatever style, name or form, whether such liabilities be present or future, actual or contingent, primary or collateral, several or joint. If despite such set-off there remains an outstanding amount due (including where such amount is due to conversion of currency pursuant to Clause 9.2 below), the Customer agrees to pay the Bank the outstanding amount due immediately. The UOB Group Banks shall be entitled to refuse any withdrawals from the said accounts until all such outstanding amounts have been fully repaid.
- 9.2 Where such set-off requires the conversion of one currency into another, such conversion shall be calculated at the Bank's own rate of exchange then prevailing (as conclusively determined by the Bank) on the date of set-off.
- 9.3 The Bank shall also be entitled in the event of any default or non-payment by the Customer of any other debt, obligation or liability to the Bank, to sell any Collateral (as hereinafter defined) by way of public or private sale without any judicial proceedings whatsoever, and to retain from the proceeds derived therefrom the total amount remaining unpaid, including all costs, legal fees and costs (on an indemnity basis), charges and other expenses incidental to such sale. The Customer shall immediately upon demand pay to the Bank the amount of any deficiency. For the purposes of this Clause 9, "Collateral" means any funds, documents, instruments, chattels, bonds, debentures, shares or other securities and any valuables held by the Bank in the name of or on the Customer's behalf including such Collateral in safe custody.

E. TERMINATION

- 10.1 The Bank may in its sole and absolute discretion terminate this Agreement or deactivate or revoke part or all of eFX without any reason at any time without giving prior notice to the Customer and without incurring any liability whatsoever. Without prejudice to the generality of the foregoing, the Bank shall be entitled (but shall not be

obliged) to terminate this Agreement and to deactivate eFX if the Customer fail to access eFX within such number of attempts as the Bank may decide from time to time. For the avoidance of doubt, the Customer may only terminate this Agreement upon giving fourteen (14) days' notice in writing to the Bank.

- 10.2 The Bank hereby reserves the right to deactivate or revoke the eFX if it suspects that Customer Instructions are or have not been duly authorised. In such event, the Bank may terminate this Agreement or require the Customer to re-apply for User ID(s), Password(s) and Security Token(s).
- 10.3 The Bank is nevertheless entitled to rely on and carry out any instructions and/or Customer Instructions prior to the termination or suspension of the Customer's use of eFX. Subject to the Bank's prior written consent, the Customer may change such instructions and/or Customer Instructions provided that the Customer complies with all directions, terms and requirements that the Bank may impose, including but not limited to any deadlines and the periods of notice for the change of instructions and/or Customer Instructions.
- 10.4 For the avoidance of doubt, termination of eFX is without prejudice to the Customer's mandate or instructions given to the Bank in respect of any other products or services of the Bank.
- 10.5 The Customer's obligation to pay all fees, costs, charges, expenses and amounts accrued up to the date of termination shall survive the termination of this Agreement or the deactivation or revocation of eFX.

F. CURRENCY EXCHANGE INDEMNITY

- 11.1 The Customer agrees that any conversion from one currency into another in connection with eFX may be effected in such manner as the Bank may in its sole discretion determine and at the Bank's then prevailing rate of exchange. The Customer further agrees that any loss, cost, charge and risk resulting from the conversion of one currency into another in connection with eFX shall be borne by the Customer and any such loss, cost or charge may be debited by the Bank from any of the Customer's Accounts (whether such Account is designated for eFX or not).
- 11.2 Where the Account (whether designated for eFX or not) assigned by the Customer to be debited for transactions involving foreign exchange has insufficient funds, the Bank reserves the right to liquidate the foreign exchange position and treat the transactions as cancelled and the Customer shall be liable for any loss (including exchange loss), damage, charge (including replacement cost) and fee incurred in connection therewith.
- 11.3 Any amount received or recovered by the Bank in respect of any sum due to it from the Customer under this Agreement in a currency ("Foreign Currency") other than the specified Currency ("Contractual Currency") for the Transaction shall only constitute a discharge to the Customer to the extent of the amount in the Contractual Currency which the Bank is able, in accordance with its usual practice, to purchase with the amount so received or recovered in the Foreign Currency on the date of such receipt or recovery (or, if it is not practicable to make such purchase on such date, on the first date on which it is practicable to do so). If that amount in the Foreign Currency is less than the amount in the Contractual Currency due to the Bank under this Agreement, the Customer shall indemnify the Bank from and against any and all loss that may be sustained by the Bank. In any event, the Customer shall indemnify the Bank from and against the cost of making any such purchase referred to in this Clause 11.3.

G. AMENDMENTS

12. Any UOB Group Bank may amend, vary or supplement any terms or conditions of this Agreement by giving notice thereof to the Customer by any means that UOB Group Bank deems fit, and any such amendment, variation or supplement shall take effect as between the Customer and that UOB Group Bank as from the date specified in such notice or in the absence thereof as from the date of such notice.

H. ENGLISH VERSION TO PREVAIL

13. If there are differences in meaning between the English version and any translation of any terms and conditions hereof, the English version shall prevail.

I. INVALIDITY OF ANY PROVISION

14. If any of the provisions of this Agreement or any part thereof shall be adjudged invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected.

J. THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

15. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act, Cap. 53B, to enforce any terms of this Agreement.

K. APPLICABLE LAW AND PROCEEDINGS

- 16.1 This Agreement shall be governed by and construed in accordance with the laws of the Republic of Singapore.
- 16.2 The Customer submits to the non-exclusive jurisdiction of the courts of the Republic of Singapore with respect to any claim or dispute concerning this Agreement or arising from any Instruction or the utilisation of eFX.
- 16.3 The Customer shall not commence or continue any legal proceedings against any UOB Group Bank in any jurisdiction other than in Singapore with respect to any matter, claim or dispute so long as that UOB Group Bank is prepared to submit to the jurisdiction of any court of Singapore with respect to that matter, claim or dispute and the Customer shall before commencing proceedings against that UOB Group Bank in any jurisdiction with respect to any matter, claim or dispute other than Singapore seek that UOB Group Bank's agreement to submit to that foreign jurisdiction with respect thereto.
- 16.4 Service of any process or document by which any proceedings in any court in Singapore are commenced may be effected in any manner permitted for communications hereunder.

**STANDARD TERMS AND CONDITIONS
GOVERNING FOREIGN EXCHANGE TRANSACTIONS**

1. Definitions

In these Terms, an "Extraordinary Event" shall mean any event which the Bank in good faith believes to have a material adverse effect on any FX Transaction and shall include without limitation any form of exchange control restriction or requirement of whatsoever nature affecting availability, convertibility, credit or transfers of currencies or funds, any form of debt or other moratorium on jurisdictions, individuals or entities, any devaluation, redenomination or demonetisation of the underlying currencies of any FX Transaction and/or any form of restriction or requirement which in the Bank's good faith opinion adversely alters or changes the rights or obligations which the Bank in good faith undertook upon the establishment of such FX Transaction.

Capitalised terms not otherwise defined in these Terms shall have the same meaning as ascribed to them in the Standard Terms and Conditions Governing Banking Facilities (as amended and supplemented from time to time) (the "Banking Facilities Standard Terms"). In the interpretation of these Terms, words importing the singular includes the plural and vice versa and words importing a gender includes all genders.

2. General

2.1 The Bank may from time to time effect foreign exchange transactions ("FX Transactions") of whatsoever nature including spots, forwards and currency options, and non-deliverable forwards with the Customer. All FX Transactions are entered into in reliance on the fact that these Terms and all outstanding FX Transactions shall form a single agreement between the Bank and the Customer and the Bank would not otherwise enter into these Terms and any such FX Transactions. However, a transaction which is duly settled or liquidated in accordance with its terms will not form part of such single agreement.

2.2 Unless the Bank otherwise agrees with the Customer, each obligation of the Bank to make any payment to the Customer under these Terms is subject to the condition precedent that there is no event of default (as described in the Banking Facilities Standard Terms) (each, an "Event of Default") subsisting.

2.3 The Bank shall be entitled (but not obliged) to record (by any means) any communications (through any medium) between the Bank and the Customer or any employee, servant or agent of the Customer using any recording apparatus, without prior warning to the Customer. Any such recording may be used in evidence against the Customer.

2.4 The Customer may not assign, transfer, sub-participate or otherwise dispose of, or create or allow to subsist any charge, security, lien or any encumbrance over any FX Transaction, or rights over or interest in any account or the margin to any person.

3. Orders

3.1 Instructions for FX Transactions may be given to the Bank either orally or in writing (which shall include instructions effected through Business Internet Banking). The Bank may rely on oral or written instructions which the Bank believes to be given by the Customer or any person authorised by the Customer without verifying the identity of the person purporting to give such instructions. Where any instruction is ambiguous or inconsistent with any other instruction, the Bank shall be entitled to rely and act upon any order in accordance with any reasonable interpretation thereof which any officer believes in good faith to be the correct interpretation. The Customer shall not hold the Bank liable in any way for acting on inconsistent, ambiguous or incomplete instructions and the Customer shall indemnify the Bank for any loss and expenses (including legal fees) in reliance thereof.

3.2 Nothing in these Terms obliges the Bank to enter into FX Transactions with the Customer, and the Bank may refuse to enter into any such transaction or otherwise act on any instruction without having to give a reason therefor.

3.3 The Bank shall not be liable to the Customer for any and all liabilities, losses and damages incurred by the Customer arising from any loss or delay in the transmission or wrongful interception of any order through any equipment or system owned and/or operated by or for the Bank.

4. Limits

4.1 The Customer shall comply with any position or transaction limits set by the Bank from time to time. Such limits may include minimum sizes for FX Transactions. However, the Bank shall have no obligation to advise or notify the Customer when any of these limits set by the Bank has not been complied with or been exceeded by the Customer.

- 4.2 The FX Transactions shall be marked to market at the Bank's prevailing rate or rates. If at any time, (1) the unrealised losses on the FX Transactions exceed 20% of the limit in any facility allocated to FX Transactions, or 20% of the original value of the FX Transactions, or in either case, such other percentage as the Bank may from time to time determine, or (2) there is any rapid or unusual changes in the value of any currency, or (3) there is an Event of Default or an Extraordinary Event, the Bank may at its absolute discretion exercise one or more of the following rights:-
- (a) earmark from the Customer's credit line including overdraft facilities such amount for such period as the Bank may in its absolute discretion deem fit and the Customer shall not be entitled to utilise the earmarked amount; and/or
 - (b) demand the Customer to provide the Bank such security or additional security acceptable to the Bank or earmark any deposit including credit balances or fund of the Customer for settlement of the FX Transactions, and in such case, the Bank shall be entitled to withhold such earmarked deposit including credit balances or fund and the Customer shall not be entitled to withdraw such earmarked deposit including credit balances or fund until the Customer discharges all actual or contingent liabilities to the Bank; and/or
 - (c) withhold any payment to the Customer in respect of any FX Transaction which yields a profit for the Customer until the Customer discharges all actual or contingent liabilities to the Bank; and/or
 - (d) close out or liquidate any or all FX Transaction at prevailing prices and set-off the resulting amounts against any moneys which the Customer owes to the Bank; and/or
 - (e) take any action which the Bank is entitled to take under the Banking Facilities Standard Terms including the right of set-off.
- 4.3 The Bank may, by notice orally or in writing to the Customer, vary any position or transaction limits or margin levels at any time at its sole and absolute discretion. The Customer acknowledges that such notice may, in certain circumstances, effect an immediate change in limits or levels and/or require additional margin to be deposited immediately or within a specified period of time, which period may, in certain circumstances, be less than 24 hours, and waives any right to object on the ground that such notice is or was unreasonable.
5. Currency conversion
- 5.1 The Bank may at any time convert any amounts in any account of the Customer's or standing to the credit of the Customer to any other currency for the purposes of carrying out the instructions of the Customer or exercising the Bank's rights under these Terms. Exchange rate losses and the costs of conversion shall be borne by the Customer.
- 5.2 For the purpose of determining the percentage of unrealised losses or the prevailing prices of any or all FX Transactions under these Terms, the Bank may convert any or all FX Transactions into such currency as the Bank may in its absolute discretion deem appropriate at the Bank's prevailing rate of exchange.
6. Margin and lien
- 6.1 Without prejudice to any other right or remedy herein, the Bank may at any time and in its discretion require the Customer to provide a deposit of margin (which includes the deposit of funds, securities or other properties) and/or any acceptable security to the Bank and execute such documents as the Bank may require before accepting any order for any FX Transaction.
- 6.2 Until the Customer discharges all moneys and other obligations owing to the Bank on any account, the Customer may not withdraw the margin or any security provided to the Bank.
- 6.3 The Bank shall have a lien and right of withholding on all properties of the Customer in the possession or control of the Bank and the Bank may sell or otherwise dispose or liquidate any such property to repay the Customer's liabilities to the Bank.
7. Settlement
- 7.1 The Customer shall promptly pay all the Bank's fees and/or other charges at such rates and in such manner as the Bank may impose and stipulate from time to time with respect to the execution, performance and/or settlement of any transaction or otherwise for the maintenance of any account or the provision of any service or facility to the Customer or in connection with any account. Upon the Customer's request, the Bank shall provide the Customer with such statements or transaction records at such charges and fees as the Bank may deem appropriate. If for any reason the Bank cannot effect payment or repayment to the Customer in a particular currency in which payment or repayment is due, the Bank may effect payment or repayment in the equivalent in any other currency selected by the Bank based on the rate of exchange quoted by the Bank in respect thereof at the relevant time.

- 7.2 The Customer shall settle all outstanding FX Transactions by their respective maturity date(s) or such other date(s) as the Bank may stipulate. If no settlement instructions acceptable to the Bank are received, or if the Bank fails to receive the necessary cleared funds and other relevant documents (if applicable) by the stipulated date(s), the Bank may without notice to the Customer close out or liquidate the FX Transactions or alternatively make or receive delivery on the Customer's behalf upon such terms and by such methods as the Bank may deem fit and the Customer hereby undertakes to indemnify the Bank for any and all losses (including losses on FX Transactions), claims, expenses (including legal fees on an indemnity basis) and liabilities which the Bank may sustain or incur.

8. Applicable laws

The Customer's relationship with the Bank, the operation of all accounts in connection with FX Transactions and the implementation of all instructions shall be subject at all times to the Applicable Laws provided that any breach of any Applicable Laws shall not relieve the Customer of its obligations under any FX Transaction. The Bank may take or refrain from taking any action whatsoever, and the Customer shall do all things required by the Bank, in order to procure or ensure compliance with Applicable Laws.

9. General indemnity

In addition and without prejudice to any other right or remedy of the Bank (at law or otherwise) the Customer shall indemnify the Bank against any and all losses (including losses on FX Transactions), claims, expenses (including legal fees on an indemnity basis) and liabilities suffered or incurred by the Bank as a result of:-

- (a) any failure by the Customer to comply with any of these Terms;
- (b) the Bank acting in accordance with the Customer's instructions or orders or in any manner permitted under these Terms;
- (c) any change in any Applicable Laws; and/or
- (d) any act or thing done or caused to be done by the Bank in connection with or referable to these Terms or any account.

10. General exclusion

- 10.1 In addition and without prejudice to any other right or remedy which the Bank may have (at law or otherwise) so long as the Bank acts in good faith, it shall not be liable to the Customer in any respect for any loss suffered by the Customer.
- 10.2 Without prejudice to the generality of the foregoing, the Bank shall not in any event be liable to the Customer for any direct, indirect or consequential loss, or for punitive damages.

11. Statements, confirmations and advice

- 11.1 The Customer shall verify the accuracy of all statements, confirmations and advice sent by the Bank to the Customer. If no objection is raised within 7 days from date of any such statement, confirmation or advice, such statement, confirmation or advice shall be deemed conclusive against the Customer, who shall not be entitled to object thereto. However, the Bank may at any time rectify any error on any statement, confirmation or advice which has been proved to its satisfaction.
- 11.2 The Customer shall immediately notify the Bank if a statement, confirmation or advice is not received by the Customer in the ordinary course of business.

12. Amendments

The Bank may amend, vary or supplement any terms hereunder or any specific terms relating to any account by written notice to the Customer and any such amendment variation or supplement shall take effect as from the date of such notice or the date specified in such notice.

13. Governing law and jurisdiction

These Terms, any account, and the relationship between the Customer and the Bank in relation to FX Transactions, shall be governed by and construed in accordance with the laws of the Republic of Singapore.

RISK DISCLOSURE STATEMENT**IMPORTANT NOTICE.**

The Bank ("we") believe that the Customer ("you") who engage in over-the-counter transactions (in currencies, commodities, securities and financial instruments or such other transactions as may be permitted by us from time to time) with us or through us should be aware of the risks which may be involved in such trading, as well as of some of the Bank's policies in respect of such trading. You should not enter into a transaction unless you fully understand:-

- (a) the nature and fundamentals of the transaction and the market underlying such transaction;
- (b) the legal terms and conditions of the documentation for such transaction;
- (c) the extent of the economic risk to which you are exposed as a result of such transaction (and determine that such risk is suitable for you in light of your specific experience in relation to the specific transaction and your financial objectives, circumstances and resources);
- (d) the income tax treatment of such transaction (which can be complex); and
- (e) the regulatory treatment of such transaction.

The objective of this statement sent to you by the Bank is to explain to you, briefly, the nature of transactions prior to your undertaking of such transactions. In particular, you must be aware that the associated risk of loss in trading transactions or contracts can be substantial.

HOWEVER, THIS NOTICE DOES NOT PURPORT TO DISCLOSE OR DISCUSS ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS OF ANY TRANSACTION. YOU SHOULD THEREFORE CONSULT WITH YOUR OWN LEGAL, TAX AND FINANCIAL ADVISERS PRIOR TO ENTERING INTO ANY PARTICULAR TRANSACTION. IT IS IMPORTANT FOR YOU TO DETERMINE WHETHER ANY TRANSACTION IS SUITABLE FOR YOUR OPERATIONS, BUSINESS AND ORGANISATION, AND YOU SHOULD BE AWARE THAT THIS IS YOUR SOLE RESPONSIBILITY.

In considering whether to trade or enter into any transaction, you should be aware of the following:-

1. Contractual terms: You have the responsibility to fully understand the terms and conditions of the transactions to be undertaken, including, without limitation:-
 - (a) the terms as to price, term, expiration dates, restrictions on exercising an option and other terms material to the transaction;
 - (b) any terms describing risk factors, such as volatility, liquidity, and so on; and
 - (c) the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract or leveraged foreign exchange transaction.

You should therefore familiarise yourself with the terms and conditions of any agreement, contract or confirmation that you may enter into with the Bank. You must fully understand your rights and obligations under that agreement, contract or confirmation.

2. Market forces: Your payments or receipts under a transaction will be linked to changes in the particular financial market or markets to which the transaction is linked, and you will be exposed to price volatility in that market or markets. You may sustain substantial losses on the contract, trade, product or financial investment if the market conditions move against your positions. It is in your interest to fully understand the impact of market movements, in particular the extent of profit/loss you would be exposed to when there is an upward or downward movement in the relevant rates, and the extent of loss if you have to liquidate a position if market conditions move against you. Your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account with the Bank.

Where a transaction is "structured" or made up of several instruments, you should be aware that there is risk associated with each instrument evaluated separately and the risk of the transaction evaluated as a whole. Therefore your assessment of the transaction should consider the individual instruments and the transaction as a whole.

Under certain market conditions you may find it difficult or impossible to liquidate a position, to assess a fair price or assess risk exposure. This can happen, for example, where the market for a transaction is illiquid or where there is a failure in electronic or telecommunications systems, and where there is the occurrence of an event commonly known as "force majeure". Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, as it may be impossible to execute such orders under certain market conditions.

Because the prices and characteristics of over-the-counter transactions are individually negotiated and there is no central source for obtaining prices, there are inefficiencies in transaction pricing. We consequently cannot and do not warrant that our prices or the prices we secure for you are or will at any time be the best price available to you. We may make a profit from a transaction with you no matter what result the transaction has from your point of view.

3. "Margin" or leveraged transactions: The high degree of leverage that is often obtainable in trading can work against you as well as for you due to fluctuating market conditions. Trading in leveraged transactions can lead to large losses as well as gains in response to a small market movement. We would like to explain to you that, in some cases, while the amount of the initial margin deposit may be small relative to the value of the transactions, a relatively small market movement would have a proportionately larger impact on the funds deposited with the Bank as margin. Again, this could work for or against you.

If the market moves against you, you may not only sustain a total loss of your initial margin deposit and any additional funds deposited with the Bank to maintain your position, but you may also incur further liability to the Bank or sustain further or additional losses. You may be called upon to "top-up" your margin by substantial amounts at short notice to maintain your position, failing which the Bank may have to liquidate your position at a loss and you would be liable for any resulting loss. If the amount is still not adequate to meet your obligations to the Bank, you should be aware that you would be liable to the Bank for the difference. Accordingly, you should not commit yourself to any transaction which is beyond your means.

4. Risks on options trading: Transactions in options involve a high degree of risk. Option transactions are not suitable for many members of the public. Such transactions should be entered into only by persons who have read, understood and familiarised themselves with the type of options, style of exercise, the nature and extent of rights and obligations and the associated risks. We would like to highlight to you that exercising any option results either in a cash settlement, or in the acquisition or delivery of the underlying contract.

A person should not purchase any option unless he is able to sustain a total loss of the premium and transaction costs of purchasing the option. Under certain adverse market conditions when the market moves against an option position, the purchased option can expire worthless. In such circumstances, the customer would suffer a total loss of the investment which would consist of the option premium and the transaction costs. A person who purchases an option should be aware that in order to realise any value from the option, it will be necessary either to offset the option position or to exercise the option. The purchaser of an option should be aware that some option contracts may provide only a limited period of time for exercise of the option, and some option contracts may provide for the exercise of the option on a specified or stipulated date.

The risks associated with selling ("writing" or "granting") an option may be generally greater than purchasing an option. It is important for you to understand the risks that you, as an options seller, would be exposed to if the purchaser exercises the option, and your obligations to either settle the option in cash, or acquire or deliver the underlying contract. If the option is "covered" by a corresponding position in the underlying contract or another option, the risk may be reduced. Conversely, if the option is not covered, then the possible loss will be unlimited.

An option customer should carefully calculate the price which the underlying contract would have to reach for the option position to become profitable. This price would include amounts by which the underlying contract would have to rise above or fall below the strike price to cover the sum of the premium and all other costs incurred in entering into and exercising or closing the option position.

5. Currency risks: The fluctuations in foreign currency rates have an impact on the profit/loss and the financial investment where the transaction is denominated or settled in a different currency from the currency where you carry on your ordinary business or keep your accounts.
6. Tax risks: Before entering into any transactions you should understand the tax implications of doing so, e.g. income tax. Different derivatives transactions may have different tax implications. The tax implications of transactions are dependent upon the nature of your business activities and the transactions in question. You should, therefore, consult your tax adviser to understand the relevant tax considerations.
7. Counterparty: Please ensure that you are aware of the identity of the contractual counterparty you are or may be matched with. Often, you will be purchasing an unsecured obligation of such counterparty (as opposed to an obligation of a central clearing corporation as would be the case with exchange traded futures and options) and you should evaluate the comparative credit risk.

Where you purchase a debt instrument, such as a note or a bond, you should be aware that you would be taking the credit risk of both your contractual counterparty and the issuer of the debt instrument.

If your counterparty is the Bank, you must note that the Bank deals with you at arms length as your counterparty. The Bank is not your fiduciary, nor is it willing to accept any fiduciary obligations to you. Any dealing, trading or engagement or transaction with the Bank by you could result in a loss to you and a gain to the Bank. The Bank does not and will not give you any advice whether written or oral other than the

representations which will be expressly set forth in the relevant agreement, and any confirmation which may be signed or executed by you after negotiations with the Bank as your counterparty.

Your net returns from a transaction would also be affected by the transaction costs (i.e. commission, fees and other charges) charged by the Bank. These costs must be considered in any risk assessment made by you.

8. Non-Transferability and Non-Marketability: A transaction generally cannot be assigned or transferred without the consent of the other party. The Bank is not obliged to repurchase a transaction from you. Because transactions are customised and not fungible, engaging in a transaction with another dealer to offset a transaction you have entered into with the Bank will not automatically close out those positions (as would be true in the case of equivalent exchange-traded futures and options) and will not necessarily function as a perfect hedge.

We strongly suggest that you review all materials (as supplied by us and as supplemented with independent advice which you have been encouraged to take) pertaining to the risks associated with any transaction.