

1. Introduction

- 1.1.** Foreign Currency Direct Plc ("FCD") of The Old Malt House, Currencies Court, Old Amersham, Bucks, HP7 OHL, provides facilities for the purchase or sale of currencies for use in connection with a trade or business or for other commercial purposes. FCD contracts with clients for physical delivery only.
- 1.2.** The addressee of the attached letter ("the Client") wishes to enter into contracts for the purchase, sale and delivery of currency with FCD for use in connection with its business or for other commercial purposes and has agreed with FCD that all transactions shall be carried out on the terms and conditions ("the Terms") set out below.

2. FCD's Services

- 2.1.** FCD's services hereunder shall be limited to dealing and entering into contracts for the sale and purchase of currency ("Contracts") (including without limitation to the foregoing Forward Contracts, Forward Time Option Contracts and Limit Orders) with the Client. FCD shall, unless otherwise agreed, contract as principal with the Client for delivery of the currency in question and deal with the Client on an execution only basis. In entering into Contracts, the Client shall rely solely on its own judgement and, whilst FCD may provide information to the Client from time to time, it will not provide advice to the Client upon the merits of a proposed currency transaction or provide taxation or other advice to the client.
- 2.2.** FCD will, at such time or times as it may agree, enter into Contracts with the Client relating to either spot currency transactions or forward currency transactions which provide in either case for delivery of currency. The Client undertakes to take physical delivery of and pay for the currency in question on the date specified in the relevant contract note ("the Value Date"), or in the event that further funds are called for by FCD to pay at such time or times as FCD may decide.

3. Introductions

- 3.1.** The Client may give FCD oral or written orders or instructions relating to a transaction for the purchase or sale and delivery of currency. FCD shall be entitled to act upon the oral or written order or instruction of any other person authorised or nominated by the Client. In the case of an oral order or oral instruction FCD will require the Client to confirm such order or instruction in writing but FCD will itself confirm the order or instruction by fax to the Client which itself shall be deemed to be (if not the fact) confirmation of the order or instruction that FCD may act upon with impunity notwithstanding the fact that the Client fails to confirm the same in writing as requested herein.
- 3.2.** Once an order or instruction has been given by or on behalf of the Client it cannot be rescinded, withdrawn or amended without FCD's express consent. FCD may at its absolute discretion refuse any dealing instruction given by the Client without giving any reason or being liable for any loss occasioned thereby.
- 3.3.** FCD may (but shall not be obliged to) require confirmation (in such form as FCD may specify from time to time) from the Client of any order or instruction if:
- (a) FCD considers that such confirmation is desirable or that an order or instruction is ambiguous; or
 - (b) the instruction is to close the Client's account or to remit the Client's funds to a third party.

4. Payment

- 4.1.** The Client shall facilitate payment into an account held at a bank designated by FCD in the name of FCD and designated as a Transaction Account, cleared funds to the value of the currency to be sold by the Client ("the Sale Currency") in order to secure payment.
- 4.2.** The Client shall pay any outstanding amount of the Sale Currency into the Transaction Account in cleared funds prior to the Value Date.
- 4.3.** FCD shall not be required to settle any Contract or to pay to the Client, or to the Client's order, any amount in respect of such Contract without FCD first having received confirmation from the bank where the Transaction Account is held or from any broker or dealer with or through whom FCD executes currency transactions ("the Broker") to the effect that the amount of Sale Currency due and payable by the Client to FCD in respect of the Contract has in fact been received.
- 4.4.** All payments due from the Client to FCD under these Terms shall be made in full without any set-off, counter-claim, deduction or withholding whatsoever. FCD may deduct from any payment to be made to the Client such amounts as FCD may be required by law to deduct in respect of taxation liabilities or as may be charged to FCD by the Broker in respect of transfer charges.

5. Contract Notes and Statements

- 5.1.** Contracts will be evidenced by a document confirming execution of a Contract between FCD and the Client ("a Contract Note"). FCD will send, or will arrange for the Broker to send, with due despatch to the Client a Contract Note in respect of each Contract. The Contract Note may comprise or be a copy of the Contract Note sent to FCD by the Broker. The failure of FCD or the Broker to send a Contract Note will not prejudice the rights and obligations of either party under a Contract.
- 5.2.** FCD may but is not obliged to send the Client a monthly statement with respect to each account of the Client which shall include details of transactions during the preceding calendar month.
- 5.3.** Unless the Client notifies FCD of any error or omission within two business days of receipt of any Contract Note, statement of account, settlement notice or other document issued by FCD to the Client, the Client shall be deemed to have ratified and accepted the contents of such document and shall not thereafter be entitled to dispute the contents of any such document and it shall in the absence of any manifest error be conclusive evidence of the matters stated therein.

6. Charges

FCD does not levy any charges, fees or commissions for the purchase or sale of foreign currency in accordance with the standard terms & conditions of business contained herein.

7. Disputes and Default

7.1. If at any time a dispute arises between FCD and the Client relating to the existence or terms of any contract ("a Disputed Contract"), FCD may at any time in its absolute discretion without prior notice to or any further authority from the Client take whatever action that it considers appropriate for the Client's account in relation to the Disputed Contract. FCD will notify the Client (orally or in writing) as soon as is practically possible thereafter of any action it has taken but any failure by FCD to give such notice will not prejudice the validity of such action.

7.2. The liability of the party found to be at fault in respect of any Disputed Contract shall not exceed the amount of direct loss incurred in connection with such contract plus interest pursuant to paragraph 7.3. Reference shall be made to any available electronic recordings or transcripts of recordings of telephone conversations between the parties to resolve disputes between the parties.

7.3. If the Client fails for any reason to make any payment to FCD by the date upon which it falls due (an 'Overdue Payment'), then:

7.3.1 the Overdue Payment shall bear interest from the time at which it fell due until it is paid in full;

7.3.2 Interest shall be due on the Overdue Payment at the rate set out in clause 7.3.3 for each day or part of a day that it remains unpaid after falling due for payment. Interest shall be compounded on a monthly basis;

7.3.3 The interest payable on the Overdue Payment shall be calculated at the rate per month obtained by adding 1.75 percentage points to the Bank of England's base rate from time to time (e.g. if the base rate is 4% the Overdue Payment shall be subject to interest calculated at a rate of 5.75% per month). To arrive at the amount due, that monthly figure for the interest on the Overdue Payment shall be divided by the number of days in the month in which it became overdue, and then multiplied by the number of days during which it remains outstanding.

8. Representations

The Client represents to FCD that, both at the date hereof and at the time of execution of each Contract:

(a) the Client is acting as principal for its own account and has full power and authority and has taken all necessary steps to enable it lawfully to enter into and perform these Terms and every Contract executed thereunder;

(b) all sums held as security for the Client's obligations hereunder are and will remain beneficially owned by the Client and the Client will not create any charge or other encumbrance over or in respect of such money or assets;

(c) all information supplied to FCD is, or at the time it is supplied to it will be, true and accurate in all material respects and the Client will not omit or withhold any information which would render the information so supplied false or inaccurate in any material respect;

(d) the Client will provide to FCD on request such information regarding its financial and business affairs and identity as FCD may reasonably require (including without prejudice to the foregoing, in relation to any obligations imposed on regulated investment businesses under the United Kingdom Money Laundering Regulations 1993);

(e) the Client is entering into these Terms in connection with its trade or line of business or for other commercial purposes and that the Client will take physical delivery of the currency in question under the contract.

9. Default

9.1. FCD shall have the right to close out all or any part of any Contract, without further liability to the Client for losses that may be sustained or otherwise, upon or at any time after the happening of any of the following events without giving prior notice to or further authority from the Client if:

(a) the Client shall fail to make any payment when due under these Terms;

(b) the Client dies or becomes of unsound mind;

(c) whether in the United Kingdom or elsewhere, the Client suspends payment of its debts, makes any composition with its creditors, suffers a receiver of some or all of its assets to be appointed, takes or has any proceeding taken against it in bankruptcy or (being a company) takes or suffers any steps to be taken for its winding up other than for the purposes of amalgamation or reconstruction approved in advance in writing by FCD;

(d) the Client fails in any respect fully and promptly to comply with any obligations to FCD or through FCD to any clearing house or Broker or bank;

(e) it becomes or may become unlawful for FCD to maintain or give effect to all or any of the obligations under these Terms or otherwise to carry on its business or if FCD or the Client is requested to close out a Contract (or any part thereof) by any regulatory authority whether or not that request is legally binding; (f) the Client fails to observe or perform in whole or in part any of the provisions of these Terms or commits a material breach of the representations in clause 8;

(g) anything analogous to any of the events specified above occurs under the laws of any applicable jurisdiction; or

(h) FCD considers it necessary or desirable to do so for its own protection.

9.2. If the Client becomes aware of the occurrence of any event referred to in clause 9.1, it shall give FCD notice of such event forthwith.

9.3. After closing out a Contract for any reason FCD or the Broker will send with due despatch to the Client a settlement notice, showing the Client's profit or loss arising from the closing out.

9.4. In the event that the Client's cheque is dishonoured, returned, not met on first presentation or stopped for whatever reason FCD shall levy an administrative charge of £250.00 in respect of each such cheque. This

administrative charge will become payable by the client in addition to any other sums due under these Terms.

9.5. FCD assumes no responsibility whatsoever for any delay in payment under these Terms caused by the Client or any other third party, including but not confined to, bank delay, postal delay, delay caused by accident, emergency or act of god. For the avoidance of doubt the Client accepts that it is the Client who is solely responsible for ensuring that all payments required under any transaction between the Client and FCD are made promptly and within the time limits specified by the particular Contract.

10. Limitation of Liability and Indemnity

10.1. FCD shall not be liable to the Client for the non performance of FCD's obligations hereunder or the failure to execute any Contract in accordance with the instructions of the Client by reason of any cause beyond the reasonable control of FCD.

10.2. The Client shall, on demand by FCD, indemnify FCD and keep it indemnified from and against all liabilities, damages, losses and costs (including legal costs) duties, taxes, charges or commissions incurred or suffered by FCD in the proper performance of its services or the enforcement of its rights hereunder and, in particular, without prejudice to the generality of such indemnity, against all amounts which FCD may certify to be necessary to compensate it for all costs, expenses, liabilities and losses sustained or incurred by FCD (including but not limited to FCD's loss of profits and any loss or expenses which FCD may suffer or incur in taking such action as FCD in its absolute discretion consider necessary or appropriate in the circumstances to cover, reduce or eliminate its exposure in respect of any Contracts where the Client fails to honour its obligations hereunder) as a result of:

(a) any default in payment by the Client of any sum under these Terms or any Contract when due or any other breach by the Client of these Terms;

(b) FCD doing and taking all and any actions and steps whatsoever to carry out the terms of any telephone instructions from or purporting to be from a person duly designated or authorised by the Client for such purpose pursuant to and in accordance with clause 3.1; or

(c) FCD exercising its rights under these Terms to close out all or any part of any Contract before its applicable Value Date.

10.3. The indemnities in this clause 10 shall survive termination of any agreement under these Terms and the certificate of FCD as to the amounts due under clause 10.2 shall, save for manifest error, be conclusive.

11. General

11.1. These Terms constitute the entire agreement and understanding of the parties with respect to its subject matter and supersede all oral communications and prior writings with respect thereto.

11.2. Time shall be of the essence in respect of any obligations of the Client hereunder.

11.3. FCD may amend these Terms by notice in writing to the Client at any time. Any such amendment shall take effect from the date specified by FCD but may not be retrospective or affect any rights or obligations that have already arisen. Otherwise, these Terms may only be varied by the written agreement of both FCD and the Client.

11.4. If at any time any provision of these Terms or any Contract is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

11.5. No failure on the part of any party in exercising, and no delay on its part in exercising, any right or remedy under these Terms shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy. The rights and remedies provided in these Terms and the indemnities contained in clause 10 are cumulative and not exclusive of any rights or remedies provided by law.

11.6. The parties agree and consent to:

(a) the electronic recording by either party of telephone conversations between the parties with or without an automatic tone warning device; and

(b) the use of such recordings as evidence by either party in any dispute or anticipated dispute between the parties or relating to dealings between the parties.

11.7. Any such recordings or transcripts made by FCD may be destroyed by FCD in accordance with FCD's normal practice.

12. Forfeiture and Damages

12.1. In the event of a Client failing to comply with the terms of any Contract between us and in particular (but without prejudice to the generality of this) in respect of Forward Contracts or Forward Time Option Contracts or Limit Orders or Stop Orders (to include Forward Limit Orders and/or Forward Stop Orders), Forward Limit Time Option Contracts and/or Forward Stop Time Options Contracts or any variation or combination of such orders, on the Value Date or failing to pay any monies that from time to time become due and payable to FCD pursuant to any other arrangement or facility, the Client irrevocably agrees that FCD may:

(a) forfeit the whole of any deposit that the Client has lodged with FCD on any matter, and

(b) sell the necessary covering currency to terminate the Contracts and in particular any Forward Contract or Forward Time Option Contract or Limit Order, and

(c) charge the Client with all of the costs, expenses and losses (including without limitation to the foregoing bank interest at the rate set out in Clause 7.3 hereof on all or any sums that FCD may expend or borrow) incurred by FCD as a result of FCD entering into the said Contracts and in particular any Forward Contract or Forward Time Option Contract or Limit Order or other transaction.

12.2. The Client understands and agrees that FCD may require a deposit from the Client to validate any contract made.

13. Applicable Law

These Terms shall be governed by English law.